

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

FORM 10-K

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

For the Fiscal Year Ended December 31, 2014

Commission File Number 333-153381

BioCorRx Inc.

(Exact name of registrant as specified in its
charter)

Nevada

(State or other jurisdiction of incorporation or
organization)

26-1972677

(IRS Employer Identification No.)

**601 N. Parkcenter Drive,
Suite 103**

Santa Ana, California

(Address of principal executive
office)

92705

(Zip Code)

(714) 462-4880

(Registrant's telephone
number,
Including area code)

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

Securities registered pursuant to Section 12(g) of the Act: Common Stock, no par value

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the 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 (§ 229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the 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. Yes No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

(Do not check if a smaller reporting company)

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

The aggregate market value of the voting Common Stock held by non-affiliates (based upon the closing sale price of \$0.1245 per share on the (Over the Counter Bulletin Board) of the registrant as of June 27, 2014: \$17,674,580.

As of March 31, 2015, there were 149,134,501 shares of registrant's common stock outstanding.

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PART I

ITEM 1 – BUSINESS

This Annual Report on Form 10-K (including the section regarding Management's Discussion and Analysis of Financial Condition and Results of Operations) contains forward-looking statements regarding our business, financial condition, results of operations and prospects. Words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates” and similar expressions or variations of such words are intended to identify forward-looking statements, but are not deemed to represent an all-inclusive means of identifying forward-looking statements as denoted in this Annual Report on Form 10-K. Additionally, statements concerning future matters are forward-looking statements.

Although forward-looking statements in this Annual Report on Form 10-K reflect the good faith judgment of our Management, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements are inherently subject to risks and uncertainties and actual results and outcomes may differ materially from the results and outcomes discussed in or anticipated by the forward-looking statements. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Annual Report on Form 10-K. We file reports with the Securities and Exchange Commission (“SEC”). You can read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. You can obtain additional information about the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including us.

We undertake no obligation to revise or update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this Annual Report on Form 10-K. Readers are urged to carefully review and consider the various disclosures made throughout the entirety of this annual Report, which attempt to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects.

In this Annual Report on Form 10-K, the terms “we”, “our”, and “us” refer to BioCorRx Inc. (“BioCorRx”) and our wholly owned subsidiary, Fresh Start Private, Inc. (FSP).

Corporate Structure

We were incorporated as Cetrone Energy Company on January 28, 2008 in the State of Nevada. From inception until we completed our reverse acquisition of FSP, the principal business of the Company originally was to develop “green” renewable fuel sources for agricultural operations, specifically biodiesel. On July 26, 2010, we filed an amendment to our Articles of Incorporation changing our name to Fresh Start Private Management, Inc. During that time, we had no revenue and our operations were limited to capital formation, organization, and development of our business plan and target customer market. As a result of the reverse acquisition of FSP, on October 31, 2011, we ceased our prior operations and we are now a holding company and our wholly owned subsidiary engages in alcoholism and opioid addiction treatment through our Start Fresh Program.

On October 31, 2011, we completed a reverse acquisition transaction through a share exchange with FSP whereby we acquired all of the issued and outstanding shares of FSP in exchange for 37,000,000 shares of our common stock, which represented approximately 31.3% of our total shares outstanding immediately following the closing of the Share Exchange. As a result of the Share Exchange, FSP became our wholly-owned subsidiary.

The share exchange transaction with FSP was treated as a reverse acquisition, with FSP as the acquirer and the Company as the acquired party. Unless the context suggests otherwise, when we refer in this Report to business and financial information for periods prior to the consummation of the reverse acquisition, we are referring to the business and financial information of FSP.

On January 7, 2014, we filed an amendment to our articles of incorporation changing our name to BioCorRx Inc.

Business Overview

Through our wholly owned subsidiary, we distribute and license the Start Fresh Program for alcoholism and opioid addiction treatment headquartered in Santa Ana, California. We were established in January 2010 and are currently operating in Santa Ana, California. We developed the Start Fresh Program for the treatment of alcoholism and opioid addiction consisting of a Naltrexone implant that is placed under the skin in the lower abdomen coupled with life coaching sessions (14-16 sessions on average but not limited to) from specialized life coaches and/or counselors.

We operate within the *Specialty Hospitals, Expert Psychiatric* industry, specifically within the industry subsets of *Alcoholism Rehabilitation Hospital*.

The Start Fresh Program

We have developed and own the rights to an innovative alcoholism and opioid addiction treatment program, called Start Fresh Program, that empowers patients to succeed in their overall recovery. We offer a unique treatment philosophy that combines medical intervention, a singular focus and a comprehensive approach, and a focus on family and friends. We have been operating for approximately 60 months and over 500 patients have been treated with our program since we began operating. Currently, about 2 to 3 patients per week are being treated with our program. This number fluctuates depending on clinic(s) current advertising. The addiction treatment services reported cost is an average of \$22,000 per patient and a portion is sometimes covered by insurance. This amount varies due to many factors, the major ones being, type of insurance policy and patients out of network deductibles. In addition, there are the service provider expenses, and surgery center costs (if not done in the medical provider's office). Services are also provided to cash patients, by licensed clinics, at discounted rates due to financial difficulties.

The Start Fresh Program is a comprehensive addiction program which includes life coaching and/or counseling (14-16 sessions on average but not limited to), coupled with a Naltrexone Implant. The implant is specifically compounded with a prescription from a medical doctor for each individual's psycho-social recovery from addiction and is designed to promote a drug and alcohol-free lifestyle. The Naltrexone Implant means a single administration, long acting Naltrexone pellet(s) that consists of a naltrexone formulation in a biodegradable form that is suitable for subcutaneous implantation in a particular patient.

Treatment Philosophy

Our alcoholism and opioid addiction treatment program empowers patients to succeed. A detailed description of our treatment philosophy is as follows:

Medical Intervention: It is essential to significantly reduce a patient's cravings for alcohol and opioids in order to fully break the cycle of addiction. We have built our Start Fresh Program around a state-of-the-art, minimally invasive, biodegradable implant of Naltrexone. Naltrexone is an FDA-approved pharmaceutical used for the treatment of alcoholism and opioid addiction. A licensed physician surgically inserts a marble-sized pill under the skin in the lower abdomen. The pill is absorbed into the body and dissolves up to 6 to 12 months following the procedure in most patients depending on their metabolism and other factors.

Focus on Treatment: Unlike many other addiction treatment programs, we focus entirely on the treatment of alcohol and opioid addiction. It is our belief that alcohol and opioid addiction should be treated differently from addictions to other substances.

Comprehensive Approach: Alcoholism and opioid addiction is a complex disease that needs a program specifically designed to treat the body, the mind, and the spirit of an addict. We have created a comprehensive recovery program that includes state-of-the-art medical intervention, individually tailored coaching and counseling program sessions, rebuilding of the networks of family and friends, and post-treatment continuing care. Such an approach typically lasts for up to 6 to 12 months from the initial surgical procedure of inserting the Naltrexone pill(s). We believe that through our comprehensive treatment method, clients will have the highest possible chances of full recovery from alcohol and opioid dependency.

Focus on Family and Friends: We believe that the attention from family and friends are the most important elements in the treatment of alcohol and opioid addiction. The program makes family and friends an essential element of the patients' recovery and asks that they play an important role in both the initial treatment phase and in the long-term recovery process.

Program Description

We offer a comprehensive and highly effective alcohol and opioid addiction treatment program. Our proprietary program is designed to offer treatment and healing to both the body and the mind of an addict. Our alcoholism and opioid addiction treatment program is a two-part program that includes: (i) the insertion of a Naltrexone Implant that is believed to reduce physical cravings of alcohol and opioids by a trained physician; and (ii) life coaching and/or counseling that focuses on the mental addiction of alcoholism and opioid addiction. The following is a detailed description of our alcohol treatment program.

Naltrexone Implant: Our unique program has reduced physical cravings for numerous patients suffering from alcoholism and opioid addiction. Our implant is believed to reduce cravings for up to 6 to 12 months in most patients depending on their metabolism and other factors. During this time, the program focuses on addressing the mental dependence on alcohol and opioids. The implant device is a Naltrexone pill that is the size of a marble and inserted via an outpatient surgical procedure into the lower abdomen of the patient. The Naltrexone pill will be absorbed by the body over several months and will automatically dissolve and not need to be removed.

All procedures to place the Naltrexone tablet into patients are performed at several independently owned and licensed clinics locations. There are fourteen licensed clinics throughout Corona, Santa Ana, Walnut Creek, and Fresno, CA, Scottsdale, AZ, Omaha, NE, Oklahoma City, OK, Plano, TX, Atlanta, GA, Skokie, IL, Washington D.C., North Hartford and Norwalk, CT, Las Vegas, NV that exclusively offer the Start Fresh Program. Addresses of all independently owned clinics offering our program are available on our website www.biocorr.com. The procedures are performed by a licensed medical physician.

The Naltrexone implant is produced by select compounding pharmacies contracted by Trinity Compound Solutions, Inc. We entered into an exclusive license dated September 7, 2010 (the "License Agreement") with Trinity Compound Solutions, Inc. (formerly known as Trinity Rx Solutions, LLC) ("Trinity"). In accordance with the terms and provisions of the License Agreement, Trinity shall provide to us access to the Naltrexone implant that has been designed for alcoholism and opioid addiction. As consideration for the License Agreement, the Company has issued 5,672,250 shares of our common stock (which was equal to 7.5% of the total shares outstanding at the time of the execution of the agreement) and a payment of \$600 for each prescription requested by us.

A copy of the License Agreement with Trinity is incorporated herein by reference and was filed as Exhibit 10.3 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on November 4, 2011. The description of the transaction contemplated by such License Agreement set forth herein does not purport to be complete and is qualified in its entirety by reference to the full text of the exhibit filed therewith and incorporated herein by reference.

The Naltrexone implant is two small tablets that are inserted beneath the skin in the subcutaneous fat located in the lower abdomen. The implant procedure is an outpatient procedure that takes approximately 30 minutes. A local anesthetic is administered when the tablets are implanted and the patient is free to leave the clinic and return to normal activities within a few hours of the procedure. The tablets are biodegradable and will gradually dissolve in the human body. The tablets contain a drug called Naltrexone, which has been shown to block receptors in the brain that crave alcohol and opioids. Naltrexone is an FDA approved medication and all patients are required to obtain a prescription for the drug from a medical doctor. The doctors employed by the licensed clinics are responsible for evaluating the patients, determining if the patient is a candidate and, if so, writing the prescription. The prescription is then presented to compounding pharmacies contracted by Trinity that produce the tablet using Naltrexone as the core ingredient.

Once the tablet is implanted in the patient, they are usually free to return to work on the next business day and will be contacted by a life coach and/or counselor within the next 2 to 3 days to begin coaching and/or counseling sessions.

Start Fresh Program Coaching and Counseling: We developed a coaching and counseling program to assist patients in treating their dependence on alcohol and opioids. Within one week of receiving the Naltrexone implant, each patient will be contacted by a life coach and/or counselor and will schedule an initial meeting. This life coach and/or counselor will counsel the patient for the next 6 to 12 months following the implant to help them cope with and eliminate their dependence on alcohol and/or opioids. Each patient receives 14-16 1-hour sessions with a life coach and/or counselor.

As part of the life coaching and/or counseling service, life coach(es)/counselors focus on bringing family and friends into the recovery process. This provides emotional support for patients and allows them to understand that they have people that care for them and want them to remain sober.

The final part of the life coaching and/or counseling is remaining in contact with patients after the 12 month period of direct coaching and/or counseling is over. Contact with patients is encouraged after the procedure and life coaching and/or counseling is completed to ensure that clients maintain their sobriety and remain fully committed to sober living.

Marketing Strategy

We have and will continue to use a variety of advertising and marketing channels to increase our exposure and awareness to prospective patients about our Start Fresh Program. In addition to word of mouth from patients, we are focusing advertising on the radio, television and via the internet.

Competition

We offer a unique, proprietary treatment plan for alcoholism and opioid addiction. However, there are many services and clinics that already provide support for addiction. There are rehabilitation and treatment centers within close proximity to our offices that provide alcohol and opioid addiction treatment and detoxification services. Some of these centers are also much cheaper and some offer free support for alcoholics. This puts us at a competitive disadvantage. We, however, hope to distinguish ourselves from our competition by proving that our product is successful and our success rate is much higher than our competitors. We intend to continue our expansion of the number of licensed clinics throughout the United States.

2014 was a pivotal year for the Company with the expansion of the number of clinics offering the Start Fresh Program. Over the course of 2015, the company is continuing the process of developing more new territories to continue expansion.

Number of clinics at the end of each quarter:

- Q1, 2014 – 5 clinics offering the Start Fresh Program
- Q2, 2014 – 6 clinics offering the Start Fresh Program
- Q3, 2014 – 6 clinics offering the Start Fresh Program
- Q4, 2014 – 10 clinics offering the Start Fresh Program
- Q1, 2015 to date – 14 clinics offering the Start Fresh Program

The following is a detailed description of leading rehabilitation service providers in and around our current area of operations:

Passages: a treatment center for people with addiction problems. Located in Malibu, California, Passages is run by a father-son team of treatment specialists. It offers a unique philosophy and treatment method, utilizing one-on-one therapy sessions. Passages provides clients with over 100 hours of attention by the end of their month long stay. However, Passages has received scrutiny for its unconventional methods. Portions of Passages philosophy run counter to the majority of scientific research into addiction. These aspects of Passages' philosophy include denial of addiction as a disease, and an elimination of the 12-step method.

Cliffside: a personalized alcohol and drug rehabilitation provider located in Malibu, California. It employs a range of traditional and alternative treatments including personal, group, and family counseling, herbology, massage, yoga, and acupuncture. Cliffside offers treatment for alcohol, cocaine, heroin, pharmaceuticals, and methamphetamine addiction along with interventions, drug rehab, opiates detox, and treatment for depression and eating disorders. On the other hand, Cliffside is one of the "luxury" addiction treatment centers located in Malibu, and charges large fees for its services.

Growth Strategy

We have developed a program that we believe helps patients battle their mental and physical addiction to alcohol and opioids. We are currently operating in Santa Ana, California and market nationally. We are currently considering distributing to additional locations in the United States and expect to use proceeds from the sale of stock as well as operating income to expand to these locations once we deem them viable.

Intellectual Property

We do not own any intellectual property, patents or trademarks.

Government Regulation and Approvals

All procedures need to be completed by a licensed physician or a company owned by a physician.

The Naltrexone implant does not need any approval because Naltrexone is already an FDA approved medication. Once the physician writes a prescription for Naltrexone, a pharmacist can put it into a compounded form and then administer the medication.

Other than, the necessary approvals described above, we are not aware of any other governmental regulations or approvals for any of our products.

MATERIAL AGREEMENTS

On June 1, 2011, we entered into the Service Agreement with Start Fresh Recovery Clinic (the "Service Provider") and Dr. Lucien Alexander ("Dr. Alexander"). In accordance with the terms and provisions of the Service Agreement: (i) we engaged the Service Provider to provide us with services in our Santa Ana Clinic consisting of providing consultation of insurance patients health and physical reports; (ii) assessment to determine if the patient is a candidate for receiving a Naltrexone Implant; (iii) if the patient qualified for receipt of a Naltrexone Implant, implant services for the Naltrexone Implant would be provided together with postoperative care; (iv) teach other doctors that may be contracted by the Service Provider how to do the implant procedure; and (v) to be a strong advocate for the Start Fresh Program.

In February of 2013, a dispute arose between us and the Service Provider, in particular Dr. Alexander, regarding matters relating to accounting and compensatory funds due and owing us under the terms and provisions of the Service Agreement. We retained counsel and the issuers were fully addressed. It was determined that certain errors had been made and constituted a breach of the Service Agreement.

Therefore, on April 13, 2013, we entered into a settlement agreement with Dr. Alexander (the "Settlement Agreement"). In accordance with the terms and provisions of the Settlement Agreement: (i) the Service Agreement involving Dr. Alexander was terminated; (ii) a new service provider would assume the responsibilities of Dr. Alexander pursuant to which Dr. Alexander would transfer all of his right, title and interest in and to ownership of the Start Fresh Clinic to California licensed Dr. George Fallieras for a payment of \$10,000.00 and provide tail coverage on the existing policy for two years; (iii) Dr. Alexander would agree to waive any and all now or hereinafter contractual claims to monies he would have been owed from all pending insurance payments and as his role as medical director and that such funds shall be retained by us.

On October 2, 2013 we entered into a five year license and access agreement with Start Fresh Alcohol Recovery Clinic, Inc. (the "Medical Group") and Dr. George Fallieras. In accordance with the terms and conditions of the agreement the Company granted the exclusive, non-sublicensable and non-transferable right and license to access the Naltrexone implant products. The Medical Group shall pay to the Company a license fee at a negotiated royalty rate per program.

On January 27, 2012, the Company granted licensing rights for five years in the state of Florida for \$300,000 payable as the licensee performs procedures. On November 8, 2013, the agreement was terminated.

On April 5, 2013, the Company granted licensing rights for ten years in the State of Arizona to Kryptonite Investments LLC. In accordance with the terms and provisions of the license agreement: (i) the license shall be granted by the Company to Kryptonite Investments upon payment of \$300,000 to the Company as evidenced by that certain convertible debenture agreement (the "Debenture"); and (ii) the Company shall grant to Kryptonite Investments the exclusive rights to the License to use, sell and offer for sale in the state of Arizona. Kryptonite Investments shall pay the Company a license fee, which shall be payable as either: (i) an upfront License Fee less 10% discount for total of \$270,000 if paid within 30 days of date that all principal and interest is repaid by the Company for the Debenture; or (ii) payable as the licensee performs procedures to begin within 30 days of principal and interest being paid in full for the Debenture by the Company.

On July 7, 2014, the Company and Kryptonite Investments LLC entered into a Restatement of Sublicense Agreement, which fully restates material terms of agreement. The execution date of the original License Agreement shall remain the effective date of the Restatement and all obligations.

On July 31, 2013, the Company granted licensing rights perpetually in the state of Nebraska to Fresh Start Private Midwest LLC. During the term of the license agreement, the licensee shall pay to the Company on a monthly basis, the greater of \$5,000 for each month of the term of the License Agreement or 20% of the revenues generated.

On September 23, 2014, the Company and Fresh Start Private Midwest LLC entered into a Restatement of Sublicense Agreement, which fully restates the material terms of the License Agreement. The execution date of the original License Agreement shall remain the effective date of the Restatement and all obligations.

On August 2, 2013, the Company granted licensing rights perpetually for the 48 most northern counties in the state of California to Fresh Start NoCal LLC and was amended in May of 2014 for an aggregate of \$633,000 but no more than \$1,000,000 for the up-front license fee as well as an agreed upon royalty rate of the revenues generated.

On December 13, 2013, the Company granted licensing rights for ten years in the state of Connecticut for \$350,000 for the up-front license fee to JPL, LLC. During the term of the license agreement, a royalty fee equal to 10% of the revenues generated as well as an agreed upon program fee upon the order of the Counseling Programs.

On May 1, 2014, the Company entered into an amendment of the License and Access Agreement with Start Fresh Alcohol Recovery Clinic Inc. dated October 2, 2013. The agreement was amended to restate the program access fee and include procedures originating out of the city limits of Atlanta, GA.

On May 13, 2014, the Company granted licensing rights perpetually in the territory of Washington D.C. area (inclusive of Maryland, West Virginia and Virginia) and North Carolina for an up-front license fee. In order to maintain sublicense the licensee agrees to pay a program fee for a minimum of 75 programs in the Washington D.C. area and 50 programs in North Carolina by 12/31/15. Each subsequent year thereafter the minimum number of programs will increase to a minimum of 150 programs and 100 programs respectively for the remainder of the agreement.

On June 25, 2014, the Company granted licensing rights perpetually in the state of Oklahoma to Start Fresh Oklahoma, LLC for an up-front license fee. In order to maintain exclusivity the licensee agrees to pay a program fee for a minimum of 12 programs by 12/31/15. Each subsequent year thereafter the minimum number of programs will increase to a minimum of 30 programs.

On June 23, 2014, the Company granted licensing rights perpetually in the state of Minnesota to Start Fresh Minnesota, LLC for an up-front license fee. In order to maintain exclusivity the licensee agrees to pay a program fee for a minimum of 15 programs by 12/31/15. Each subsequent year thereafter the minimum number of programs will increase to a minimum of 35 programs.

On June 23, 2014, the Company granted licensing rights perpetually in the state of Missouri to Start Fresh Missouri, LLC for an up-front license fee. In order to maintain exclusivity the licensee agrees to pay a program fee for a minimum of 20 programs by 12/31/15. Each subsequent year thereafter the minimum number of programs will increase to a minimum of 45 programs.

On June 25, 2014, the Company granted licensing rights perpetually in the state of Ohio to Sobriety and Addiction Services, LLC for an up-front license fee. In order to maintain sublicense the licensee agrees to pay a program fee for a minimum of 58 programs in the territory by 12/31/15. Each subsequent year thereafter the minimum number of programs will increase to a minimum of 115 programs annually for the remainder of the agreement.

On July 16, 2014, the Company granted licensing rights perpetually in the state of Nevada to Addiction Recovery Centers, Inc. for an up-front license fee. In order to maintain sublicense the licensee agrees to pay a program fee for a minimum of 30 programs by 12/31/15. Each calendar year thereafter, the minimum shall remain 30 programs for the remainder of the agreement. With the exception of years 2016, 2017, and 2018 whereby the minimums will increase by 8 for a total of 38 programs required to be ordered and paid for annually in order to maintain sublicense.

On August 13, 2014, the Company entered into a second amendment of the License and Access Agreement with Start Fresh Alcohol Recovery Clinic Inc. dated October 2, 2013. The agreement was amended to include procedures originating out of the Metropolitan Area of Chicago, IL.

ITEM 1A – RISK FACTORS

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

ITEM 1B – UNRESOLVED STAFF COMMENTS

None.

ITEM 2 – PROPERTIES

We do not own any real estate or other physical properties material to our operations. We operate from leased space. Our executive offices are located at 601 North Parkcenter Drive, Suite 103, Santa Ana, California 92705, and our telephone number is (714) 462-4880. We lease this property. Our lease commenced effective July 1, 2013 for a term of three years. The base rent is \$1,484 per month.

ITEM 3 – LEGAL PROCEEDINGS

We are currently not a party to any material legal proceedings or claims not previously disclosed on Form 8-K.

ITEM 4 – MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5 – MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock has been approved for quotation on The OTC Bulletin Board under the symbol “BICX.” The Company stock began trading on August 30, 2010. The table below sets forth the high and low bid prices for our common stock for the period indicated as reported on the OTCBB website.

Financial Quarter Ended	Common Stock Market Price	
	High (\$)	Low (\$)
December 31, 2014	0.195	0.082
September 30, 2014	0.155	0.089
June 30, 2014	0.195	0.090
March 31, 2014	0.310	0.105
December 31, 2013	0.120	0.012
September 30, 2013	0.026	0.025
June 30, 2013	0.038	0.036
March 31, 2013	0.055	0.041

As of March 31, 2015, 149,134,501 shares of our common stock were issued and outstanding.

Holders

As of March 31, 2015, there were approximately 110 holders of record of our common stock. This number does not include shares held by brokerage clearing houses, depositories or others in unregistered form.

Dividend Policy

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

Securities Authorized for Issuance Under Equity Compensation Plans

We have one equity compensation plan, the BioCorRx, Inc. 2014 Stock Option Plan (the “Plan”). The table set forth below presents information relating to our equity compensation plans as of the date of this Annual Report:

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	-	-	-
Equity compensation plans not approved by security holders	15,000,000	-	15,000,000
Total	15,000,000	-	15,000,000

2014 Stock Option Plan

On November 13, 2014, our Board of Directors authorized and approved the adoption of the Plan effective November 13, 2014 under which an aggregate of 20,000,000 of our shares may be issued.

During fiscal year ended December 31, 2014, we granted an aggregate 15,000,000 Stock Options to our officers and directors.

The purpose of the Plan is to enhance our long-term stockholder value by offering opportunities to our directors, officers, employees and eligible consultants to acquire and maintain stock ownership in order to give these persons the opportunity to participate in our growth and success, and to encourage them to remain in our service.

The Plan is to be administered by our Board of Directors or a committee appointed by and consisting of one or more members of the Board of Directors, which shall determine (i) the persons to be granted Stock Options under the Plan; (ii) the number of shares subject to each option, the exercise price of each Stock Option; and (iii) whether the Stock Option shall be exercisable at any time during the option period up to five (5) years or whether the Stock Option shall be exercisable in installments or by vesting only. The Plan provides authorization to the Board of Directors to grant Stock Options to purchase a total number of shares of Common Stock of the Company, not to exceed 20,000,000 shares as at the date of adoption by the Board of Directors of the Plan. At the time a Stock Option is granted under the Plan, the Board of Directors shall fix and determine the exercise price at which shares of our common stock may be acquired.

In the event an optionee ceases to be employed by or to provide services to us for reasons other than cause, retirement, disability or death, any Stock Option that is vested and held by such optionee generally may be exercisable within up to ninety (90) calendar days after the effective date that his position ceases, and after such 90-day period any unexercised Stock Option shall expire. In the event an optionee ceases to be employed by or to provide services to us for reasons of retirement, disability or death, any Stock Option that is vested and held by such optionee generally may be exercisable within up to one-year after the effective date that his position ceases, and after such one-year period, any unexercised Stock Option shall expire.

No Stock Options granted under the Stock Option Plan will be transferable by the optionee, and each Stock Option will be exercisable during the lifetime of the optionee subject to the option period up to five (5) years or the limitations described above. Any Stock Option held by an optionee at the time of his death may be exercised by his estate within one (1) year of his death or such longer period as the Board of Directors may determine.

The exercise price of a Stock Option granted pursuant to the Plan shall be paid in full to us by delivery of consideration equal to the product of the Stock Option in accordance with the requirements of the Nevada Revised Statutes. Any Stock Option settlement, including payment deferrals or payments deemed made by way of settlement of pre-existing indebtedness, may be subject to such conditions, restrictions and contingencies as may be determined.

Incentive Stock Options

The Plan further provides that, subject to the provisions of the Stock Option Plan and prior shareholder approval, the Board of Directors may grant to any key individuals who are our employees eligible to receive options, one or more incentive stock options to purchase the number of shares of common stock allotted by the Board of Directors (the "Incentive Stock Options"). The option price per share of common stock deliverable upon the exercise of an Incentive Stock Option shall be at least 100% of the fair market value of our common shares, and in the case of an Incentive Stock Option granted to an optionee who owns more than 10% of the total combined voting power of all classes of our stock, shall not be less than 100% of the fair market value of our common shares. The option term of each Incentive Stock Option shall be determined by the Board of Directors, which shall not commence sooner than from the date of grant and shall terminate no later than ten (10) years from the date of grant of the Incentive Stock Option, subject to possible early termination as described above.

Registration Statement

We filed a registration statement on Form S-8 dated November 19, 2014 (the "Registration Statement") registering an aggregate of 20,000,000 shares of our common stock underlying the Stock Options. We granted an aggregate of 15,000,000 Stock Options as registered under the Registration Statement.

Recent Sales of Unregistered Securities

None

ITEM 6 – SELECTED FINANCIAL DATA

Not required under Regulation S-K for “smaller reporting companies.”

ITEM 7 – MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Financial Condition and Results of Operations includes a number of forward-looking statements that reflect Management's current views with respect to future events and financial performance. You can identify these statements by forward-looking words such as “may” “will,” “expect,” “anticipate,” “believe,” “estimate” and “continue,” or similar words. Those statements include statements regarding the intent, belief or current expectations of us and members of its 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.

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. Important factors currently known to us could cause actual results to differ materially from those in forward-looking statements. 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. We believe that its assumptions are based upon reasonable data derived from and known about our business and operations and the business and operations of the Company. No assurances are made that actual results of operations or the results of our future activities will not differ materially from its assumptions. Factors that could cause differences include, but are not limited to, expected market demand for the Company's services, fluctuations in pricing for materials, and competition.

Business Overview

We are a healthcare solutions company and developer of the Start Fresh Program headquartered in Santa Ana, California. We were established in January 2010 and currently operating in Santa Ana, California. The Company's current treatment program is called the Start Fresh Program. On January 7, 2014 we changed our name to BioCorRx Inc. to take advantage of unique branding of our Start Fresh Program and to look to acquire other addiction programs and healthcare related products and services. We operate within the *Specialty Hospitals, Expert Psychiatric* industry, specifically within the industry subsets of *Alcoholism Rehabilitation Hospital*.

The Start Fresh Program is an alcoholism and opioid addiction treatment program comprised of two parts: (1) an implant, administered by a licensed physician, of a proprietary compounded formulation of the drug, Naltrexone (implanted under the skin) (the “Implant”) which reduces alcohol cravings over a period of time which typically is longer than other formulations or means of injection of the drug Naltrexone; and (2) uniquely and specifically structured, intensive one on one life coaching and/or counseling program developed by BioCorRx, Inc. (the “Coaching Program”).

BioCorRx, Inc. has been granted an exclusive license to the proprietary implant by its developer. The license allows BioCorRx to license to physicians and medical groups experienced in treating alcoholism and opioid addiction dependency the right to order the proprietary implant from the compounding pharmacies that have been licensed and trained to make the implant by its developer. It also allows BioCorRx to sub-license the implant access to territories in the U.S. and abroad.

BioCorRx is not a licensed health care provider and does not provide health care services to patients. BioCorRx does not operate substance abuse clinics and does not employ substance abuse counselors or coaches at this time. BioCorRx makes the Start Fresh Program available to health care providers to utilize when the health care provider determines it is medically appropriate and indicated for his or her patients. Any physician or licensed alcohol addiction treatment provider is solely responsible for treatment options prescribed or recommended to his or her patients. At all times, such providers retain complete and exclusive authority, responsibility, supervision and control over their medical practice, their patients, the treatment that their patients receive and any decision to prescribe the implant to any of the provider's patients. BioCorRx does not condition its license to health care providers accessing the implant on their making available the Coaching Program to the providers' patients – although BioCorRx certainly encourages that providers do so.

BioCorRx has issued several license agreements to several unrelated third parties involving the establishment of alcoholism rehabilitation and treatment centers and creating certain alcoholism rehabilitation programs. The Company has continued to expand its operations in 2014 through the licensing and distribution opportunities of its Start Fresh Program. The fourteen locations now offering the Start Fresh Program are in Arizona, California, Nebraska, Nevada, Oklahoma, Texas, Illinois, Georgia, Washington D.C. and Connecticut. The Company's current focus will continue on expansion to more territories across the United States, branding of the Start Fresh Program and acquisition of healthcare related products and services. The Company is committed to continuing to provide excellent rehabilitation services to clients nationwide as it expands its network of licensed clinics.

Results of Operations

The following table summarizes changes in selected operating indicators of the Company, illustrating the relationship of various income and expense items to net sales for the respective periods presented (components may not add or subtract to totals due to rounding):

	<u>2014</u>	<u>2013</u>
Revenues	\$ 1,170,922	\$ 714,962
Total Operating Expenses	(4,223,497)	(3,215,327)
(Loss) gain on settlement of debt	-	25,100
Net Interest Expense	(352,799)	(310,043)
Gain (Loss) on change in derivative liability	277,594	(1,051,254)
Income taxes	-	(1,600)
Net Loss	<u>\$ (3,127,780)</u>	<u>\$ (3,838,522)</u>

Year Ended December 31, 2014 Compared with Year Ended December 31, 2013

Revenues

Revenues for the year ended December 31, 2014 were \$1,170,922 compared with \$714,962 for the year ended December 31, 2013, reflecting an increase of 64%. Advertising promoting the Company's program for the year ended December 31, 2014 and 2013 were \$192,672 and \$36,053, respectively, reflecting an increase of 434%, which reflects positively in our revenue increase.

The increase in revenue is directly related to the Company's focus on licensing and distribution efforts with revenues showing consistency throughout each quarter in 2014.

Total Operating Expenses

Total operating expenses for the year ended December 31, 2014 and 2013 were \$4,223,497 and \$3,215,327 reflecting an increase of 31%. Cost of implants and other direct costs for the year ended December 31, 2014 were \$220,959 compared with \$160,187 for the year ended December 31, 2013, reflecting an increase of 38%. Cost of implants and other direct costs have decreased as a percentage of sales (from 22% to 18%) because of the new variation of the licensing and distribution revenue model.

In comparing our selling, general and administrative expenses for the year ended December 31, 2013 to December 31, 2014, consulting fees increased from \$671,892 to \$899,035, accounting fees decreased from \$92,159 to \$87,800, advertising increased from \$36,053 to \$192,672, and rent decreased from \$30,195 to \$17,586. In addition, we incurred \$1,989,191 as stock based compensation in 2014 compared to 897,400 in 2013.

Interest Expenses

Net interest expense for the year ended December 31, 2014 and 2013 were \$352,799 and \$310,403, respectively, reflecting additional costs incurred from our 2013 borrowings.

Income taxes

Income taxes for the year ended December 31, 2014 and 2013 were \$-0- and \$1,600, respectively.

Net Loss

For the year ended December 31, 2014, the Company experienced a loss of \$3,127,780 compared with a net loss of \$3,838,522 for the year ended December 31, 2013.

Liquidity and Capital Resources

As of December 31, 2014, we had cash of approximately \$53,120. The following table provides a summary of our net cash flows from operating, investing, and financing activities.

	<u>2014</u>	<u>2013</u>
Net cash provided by operating activities	\$ 167,669	\$ 103,458
Net cash used in investing activities	(32,891)	(34,721)
Net cash (used in) provided by financing activities	<u>(190,224)</u>	<u>33,827</u>
Net (decrease) increase in cash	(55,446)	102,564
Cash, beginning of period	<u>108,566</u>	<u>6,002</u>
Cash, end of period	<u>\$ 53,120</u>	<u>\$ 108,566</u>

Currently we have no material commitments for capital expenditures as of the end of the year ending December 31, 2014. We historically sought and continue to seek financing from private sources to move our business plan forward. In order to satisfy the financial commitments, we had relied upon private party financing that has inherent risks in terms of availability and adequacy of funding.

For the next twelve months, we anticipate that we will need to supplement our revenues with additional capital investment or debt to ensure that we will have adequate cash to provide the minimum operating cash requirements to continue as a going concern. In 2014, the company entered into six separate licensing and distribution agreements whereby the Company received up-front licensing fees which allowed for sufficient cash flow to maintain operations. We believe that the current licensing and distribution business model will create a steady revenue stream by which sufficient cash flows can be maintained while the Company continues its growth and expansion.

We may require additional capital investments or borrowed funds to meet cash flow projections and carry forward our business objectives. There can be no guarantee or assurance that we can raise adequate capital from outside sources. If we are unable to raise funds when required or on acceptable terms, we have to significantly scale back, or discontinue, our operations

Net Cash Flow From Operating Activities

Net Cash provided in operating activities increased by \$64,211 for the year ended December 31, 2014 compared to 2013 primarily due to the Company's ability to increase its cash flow from earned revenue that is directly attributable to licensing and distribution agreements.

Net Cash Flow From Investing Activities

Net cash used in investing activities decreased by \$1,830 for the year ended December 31, 2014 compared to of 2013 primarily due to reduction in purchasing of assets.

Net Cash Flow From Financing Activities

Net cash provided by financing activities decreased by \$224,051 for the year ended December 31, 2014 compared to 2013 due to the decrease in borrowings and payoff of existing debt.

Going Concern

The Company's financial statements are prepared in accordance with generally accepted accounting principles applicable to a going concern. This contemplates the realization of assets and the liquidation of liabilities in the normal course of business. As of December 31, 2014 and December 31, 2013, the Company has a working capital deficit of \$1,724,636 and \$861,901, and an accumulated deficit of \$8,564,893 and \$5,437,113. We will be dependent upon the raising of additional capital through placement of our common stock in order to implement its business plan or by using outside financing. There can be no assurance that the Company will be successful in these situations in order to continue as a going concern. The Company is funding its operations by additional borrowings and some shareholder advances.

Off Balance Sheet Arrangements

We do not have any 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, sales or expenses, results of operations, liquidity or capital expenditures, or capital resources that are material to an investment in our securities.

Critical Accounting Policies

Use of Estimates and Assumptions

Preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition and Deferred Revenue

The Company generates revenue from services. Revenue is recognized in accordance with Accounting Standards Codification subtopic 605-10, Revenue Recognition (“ASC 605-10”) which requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management’s judgments regarding the fixed nature of the selling prices of the services delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related revenue are recorded. The Company defers any revenue for which the services has not been performed or is subject to refund until such time that the Company and the customer jointly determine that the services has been performed or no refund will be required.

The Company licenses - technology to customers under licensing agreements that allow those customers to utilize the technology in services they provide to their customers. The timing and amount of revenue recognized from license agreements depends upon a variety of factors, including the specific terms of each agreement. Such agreements are reviewed for multiple elements. Multiple elements can include amounts related to initial non-refundable license fees for the use of the Company’s technology and additional royalties on covered services. Revenue is only recognized after all of the following criteria are met: (1) written agreements have been executed; (2) delivery of technology or intellectual property rights has occurred; (3) fees are fixed or determinable; and (4) collectability of fees is reasonably assured.

Under these license agreements, the Company receives an initial non-refundable license fee and in some cases, additional running royalties. Generally, the Company defers recognition of non-refundable upfront fees if it has continuing performance obligations without which the technology, right, product or service conveyed in conjunction with the non-refundable fee has no utility to the licensee that is separate and independent of its performance under the other elements of the arrangement. License fees collected from Licensees but not yet recognized as income are recorded as deferred revenue and amortized as income earned over the expected economic life of the related contract.

Long-Lived Assets

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

Income Taxes

The Company accounts for income taxes under FASB ASC 740 “*Income Taxes.*” Under the asset and liability method of FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under FASB ASC 740, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations.

Stock-Based Compensation

FASB ASC 718 "*Compensation – Stock Compensation*" prescribes accounting and reporting standards for all stock-based payments award to employees, including employee stock options, restricted stock, employee stock purchase plans and stock appreciation rights, may be classified as either equity or liabilities. The Company determines if a present obligation to settle the share-based payment transaction in cash or other assets exists. A present obligation to settle in cash or other assets exists if: (a) the option to settle by issuing equity instruments lacks commercial substance or (b) the present obligation is implied because of an entity's past practices or stated policies. If a present obligation exists, the transaction should be recognized as a liability; otherwise, the transaction should be recognized as equity. The Company accounts for stock-based compensation issued to non-employees and consultants in accordance with the provisions of FASB ASC 505-50 "*Equity – Based Payments to Non-Employees*." Measurement of share-based payment transactions with non-employees is based on the fair value of whichever is more reliably measurable: (a) the goods or services received; or (b) the equity instruments issued. The fair value of the share-based payment transaction is determined at the earlier of performance commitment date or performance completion date.

Derivative Financial Instruments

Accounting Standards Codification subtopic 815-40, Derivatives and Hedging, Contracts in Entity's own Equity ("ASC 815-40"). The Company's convertible debt and warrants have variable conversion rates or reset provisions which prohibit the Company from determining the number of shares needed to settle the conversion of the debt.

ITEM 7A – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required under Regulation S-K for "smaller reporting companies."

ITEM 8 – FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

BIOCORRX, INC.

Reports of Independent Registered Public Accounting Firms	F-1 – F-2
Consolidated balance sheets as of December 31, 2014 and 2013	F-3
Consolidated statements of operations for the years ended December 31, 2014 and 2013	F-4
Consolidated statements of stockholders' equity for the two years ended December 31, 2014	F-5
Consolidated statements of cash flows for the years ended December 31, 2014 and 2013	F-6
Notes to consolidated financial statements	F-7

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
BioCorRx Inc.

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

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

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

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

/s/ Liggett, Vogt & Webb, P.A.

New York, New York
March 31, 2015

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
BioCorRx, Inc. (formerly Fresh Start Private Management, Inc.)

We have audited the consolidated balance sheet of BioCorRx, Inc. (formerly Fresh Start Private Management, Inc.) as of December 31, 2013, and the related statement of operations, stockholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the entity's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BioCorRx, Inc. (formerly Fresh Start Private Management, Inc.) as of December 31, 2013, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

/s/ Kling & Pathak LLP

Cerritos, California
April 11, 2014

BIOCORRX INC.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2014 AND 2013

ASSETS	<u>2014</u>	<u>2013</u>
Current assets:		
Cash	\$ 53,120	\$ 108,566
Accounts receivable, net	78,500	299,220
Accounts receivable, other	-	15,000
Prepaid expenses	81,745	52,610
Total current assets	<u>213,365</u>	<u>475,396</u>
Property and equipment, net	6,194	8,845
Other assets:		
Prepaid expenses, long term	95,054	28,707
Accounts receivable, long term	-	44,359
Licensing agreement, net	3,705,870	3,838,223
Deposits, long term	62,738	30,334
Total other assets	<u>3,863,662</u>	<u>3,941,623</u>
Total assets	<u>\$ 4,083,221</u>	<u>\$ 4,425,864</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses, including related party payables of \$403,357 and \$509,528, respectively	\$ 776,253	\$ 957,786
Deferred revenue, short term	729,860	192,870
Settlement payable	220,000	-
Advances from lenders	-	95,599
Notes payable, short term portion	74,823	-
Notes payable, net of debt discount, related party	<u>137,065</u>	<u>116,042</u>
Total current liabilities	1,938,001	1,362,297
Long term debt:		
Deferred revenue, long term	1,187,166	741,723
Convertible notes payable, net of debt discount	-	601,328
Notes payable, long term portion	449,256	-
Notes payable, net of debt discount, related party	103,795	190,888
Warrant liability	98,702	287,731
Derivative liability	-	<u>1,019,103</u>
Total long term debt	<u>1,838,919</u>	<u>2,840,773</u>
Total liabilities	3,776,920	4,203,070
Stockholders' equity:		
Preferred stock, no par value; 80,000 designated; 80,000 and -0- shares issued and outstanding as of December 31, 2014 and 2013, respectively	16,000	-
Common stock, \$0.001 par value; 200,000,000 shares authorized, 146,134,501 and 127,343,501 shares issued and outstanding as of December 31, 2014 and 2013, respectively	146,135	127,344
Common stock subscribed	100,000	100,000
Additional paid in capital	8,609,059	5,432,563
Accumulated deficit	<u>(8,564,893)</u>	<u>(5,437,113)</u>
Total stockholders' equity	306,301	222,794
Total liabilities and stockholders' equity	<u>\$ 4,083,221</u>	<u>\$ 4,425,864</u>

See the accompanying notes to the consolidated financial statements

BIOCORRX INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	<u>Year ended December 31,</u>	
	<u>2014</u>	<u>2013</u>
Revenues, net	\$ 1,170,922	\$ 714,962
Operating expenses:		
Cost of implants and other costs	220,959	160,187
Selling, general and administrative	3,867,047	2,919,625
Depreciation and amortization	135,491	135,515
Total operating expenses	<u>4,223,497</u>	<u>3,215,327</u>
Net loss from operations	(3,052,575)	(2,500,365)
Other income (expenses):		
Gain on settlement of debt	-	25,100
Interest expense, net	(352,799)	(310,403)
Gain (loss) on change in fair value of derivative liability	<u>277,594</u>	<u>(1,051,254)</u>
Loss before income taxes	(3,127,780)	(3,836,922)
Income taxes	-	1,600
Net loss	<u>\$ (3,127,780)</u>	<u>\$ (3,838,522)</u>
Net loss per common share, basic and diluted	<u>\$ (0.02)</u>	<u>\$ (0.03)</u>
Weighted average number of common shares outstanding, basic and diluted	<u>138,876,761</u>	<u>117,381,720</u>

See the accompanying notes to the consolidated financial statements

connection with licensing fee	-	-	-	-	-	24,558	-	24,558
Stock based compensation	-	-	-	-	-	300,000	-	300,000
Fair value of vested options	-	-	-	-	-	1,389,295	-	1,389,295
Net loss	-	-	-	-	-	-	(3,127,780)	(3,127,780)
Balance, December 31, 2014	<u>80,000</u>	<u>\$ 16,000</u>	<u>146,134,501</u>	<u>\$ 146,135</u>	<u>\$ 100,000</u>	<u>\$ 8,609,059</u>	<u>\$ (8,564,893)</u>	<u>\$ 306,301</u>

See the accompanying notes to the consolidated financial statements

BIOCORRX INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$(3,127,780)	\$(3,838,522)
Adjustments to reconcile net loss to cash flows provided by (used in) operating activities:		
Depreciation and amortization	135,491	135,514
Provision for doubtful accounts	274,698	720,805
Amortization of debt discount	212,399	134,607
Gain on settlement of debt	-	(25,100)
Stock based compensation	1,989,191	897,400
Change in fair value of derivative liabilities	(277,594)	1,051,254
Changes in operating assets and liabilities:		
Accounts receivable	5,381	50,168
Prepaid expenses and other current assets	576	(3,315)
Accounts payable and accrued expenses	208,326	505,582
Income taxes payable	-	(1,600)
Settlement payable	220,000	-
Due to factor	-	(154,990)
Deferred revenue	526,981	631,655
Net cash provided by operating activities	167,669	103,458
CASH FLOWS FROM INVESTING ACTIVITIES:		
	(32,404)	(25,000)
Payment of acquisition deposit		(3,056)
Payment of long term deposit	-	(6,665)
Purchase of equipment	(487)	-
Net cash used in investing activities	(32,891)	(34,721)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	76,750	328,480
Proceeds from exercise of options	5,000	-
Repayments of convertible notes payable	-	(58,000)
Repayments of notes payable	(45,079)	(174,999)
Repayments of advances from lenders	(95,599)	(4,401)
Net repayments of notes payable, related party	(131,296)	(57,253)
Net cash (used in) provided by financing activities	(190,224)	33,827
Net (decrease) increase in cash	(55,446)	102,564
Cash, beginning of the period	108,566	6,002
Cash, end of period	\$ 53,120	\$ 108,566
Supplemental disclosures of cash flow information:		
Interest paid	\$ 21,493	\$ 119,648
Taxes paid	\$ -	\$ 1,600
Non-cash financing activities:		
Common stock issued for exercise of options paid by amounts due to the option holders of the Company	\$ 172,500	\$ 135,000
Common stock issued in settlement of outstanding accounts payable	\$ -	\$ 3,000
Fair value of warrants issued for licensing fees	\$ 24,558	\$ -
Common stock issued for licensing fees	\$ 89,500	\$ -
Convertible notes payable and accrued interest exchanged for licensing rights	\$ 609,368	\$ -
Reclassify fair value of debt derivative at payoff of note payable	\$ 800,987	\$ -

See the accompanying notes to the consolidated financial statements

BIOCORRX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 1 – BUSINESS AND RECAPITALIZATION

BioCorRx Inc. through its wholly owned subsidiary Fresh Start Private, Inc. provides an innovative alcoholism and opioid treatment program that empowers patients to succeed in their overall recovery. We offer a unique treatment philosophy that combines medical intervention, a singular focus and a comprehensive approach, and a focus on family and friends.

On January 7, 2014, the Company changed its name from Fresh Start Private Management, Inc. to BioCorRx Inc. In addition, effective February 20, 2014, the Company's quotation symbol on the Over-the-Counter Bulletin Board was changed from CEYY to BICX.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements include the accounts of BioCorRx Inc. and its wholly owned subsidiary, Fresh Start Private, Inc. (hereafter referred to as the "Company" or "BioCorRx"). All significant intercompany balances and transactions have been eliminated in consolidation.

Revenue Recognition

The Company generates revenue from services and product sales. Revenue is recognized in accordance with Accounting Standards Codification subtopic 605-10, Revenue Recognition ("ASC 605-10") which requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management's judgments regarding the fixed nature of the selling prices of the services delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related revenue are recorded. The Company defers any revenue for which the services has not been performed or is subject to refund until such time that the Company and the customer jointly determine that the services has been performed or no refund will be required.

The Company licenses technology to customers under licensing agreements that allow those customers to utilize the technology in services they provide to their customers. The timing and amount of revenue recognized from license agreements depends upon a variety of factors, including the specific terms of each agreement. Such agreements are reviewed for multiple elements. Multiple elements can include amounts related to initial non-refundable license fees for the use of the Company's patented and additional royalties on covered services. Revenue is only recognized after all of the following criteria are met: (1) written agreements have been executed; (2) delivery of technology or intellectual property rights has occurred; (3) fees are fixed or determinable; and (4) collectability of fees is reasonably assured.

Under these license agreements, the Company receives an initial non-refundable license fee and in some cases, additional running royalties. Generally, the Company defers recognition of non-refundable upfront fees if it has continuing performance obligations without which the technology, right, product or service conveyed in conjunction with the non-refundable fee has no utility to the licensee that is separate and independent of its performance under the other elements of the arrangement. License fees collected from Licensees but not yet recognized as income are recorded as deferred revenue and amortized as income earned over the expected economic life of the related contract.

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Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include assumptions used in the fair value of revenue recognition, long lived assets, stock-based compensation, and the fair value of other equity and debt instruments.

Accounts Receivable

Accounts receivable are recorded at original invoice amount less an allowance for uncollectible accounts that management believes will be adequate to absorb estimated losses on existing balances. Management estimates the allowance based on collectability of accounts receivable and prior bad debt experience. Accounts receivable balances are written off upon management's determination that such accounts are uncollectible. Recoveries of accounts receivable previously written off are recorded when received. Management believes that credit risks on accounts receivable will not be material to the financial position of the Company or results of operations. The allowance for doubtful accounts was \$109,500 and \$659,850 as of December 31, 2014 and 2013, respectively.

Fair Value of Financial Instruments

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of December 31, 2014 and 2013. The respective carrying value of certain financial instruments approximated their fair values. These financial instruments include cash, stock based compensation and notes payable. The fair value of the Company's convertible securities is based on management estimates and reasonably approximates their book value.

See Footnote 10 and 11 for derivative liabilities and Footnote 13 and 14 for stock based compensation and other equity instruments.

Segment Information

Accounting Standards Codification subtopic Segment Reporting 280-10 ("ASC 280-10") establishes standards for reporting information regarding operating segments in annual financial statements and requires selected information for those segments to be presented in interim financial reports issued to stockholders. ASC 280-10 also establishes standards for related disclosures about products and services and geographic areas. Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker, or decision-making group, in making decisions how to allocate resources and assess performance. The information disclosed herein materially represents all of the financial information related to the Company's principal operating segment.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is calculated using the straight-line method over the asset's estimated useful life, which is five years for furniture and all other equipment. Expenditures for maintenance and repairs are expensed as incurred.

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Long-Lived Assets

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

Net Income (loss) Per Share

The Company accounts for net income (loss) per share in accordance with Accounting Standards Codification subtopic 260-10, Earnings Per Share ("ASC 260-10"), which requires presentation of basic and diluted earnings per share ("EPS") on the face of the statement of operations for all entities with complex capital structures and requires a reconciliation of the numerator and denominator of the basic EPS computation to the numerator and denominator of the diluted EPS.

Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during each period. It excludes the dilutive effects of any potentially issuable common shares.

Diluted net loss share is calculated by including any potentially dilutive share issuances in the denominator. As of December 31, 2014, potentially dilutive shares issuances were comprised of warrants and stock options. As of December 31, 2013, potentially dilutive shares issuances were comprised of convertible notes payable, warrants and vested stock options.

The following potentially dilutive securities have been excluded from the computations of weighted average shares outstanding as of December 31, 2014 and 2013, as they would be anti-dilutive:

	<u>December 31,</u>	
	<u>2014</u>	<u>2013</u>
Shares underlying options outstanding	15,350,000	11,750,000
Shares underlying warrants outstanding	2,630,000	2,430,000
Shares underlying convertible notes outstanding	-	1,620,000
	<u>17,980,000</u>	<u>15,800,000</u>

Advertising

The Company follows the policy of charging the costs of advertising to expense as incurred. The Company charged to operations \$192,672 and \$36,053 as advertising costs for the years ended December 31, 2014 and 2013, respectively.

Derivative Instrument Liability

The Company accounts for derivative instruments in accordance with ASC 815, which establishes accounting and reporting standards for derivative instruments and hedging activities, including certain derivative instruments embedded in other financial instruments or contracts and requires recognition of all derivatives on the balance sheet at fair value, regardless of hedging relationship designation. Accounting for changes in fair value of the derivative instruments depends on whether the derivatives qualify as hedge relationships and the types of relationships designated are based on the exposures hedged. At December 31, 2014 and 2013, the Company did not have any derivative instruments that were designated as hedges.

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Stock Based Compensation

Share-based compensation issued to employees is measured at the grant date, based on the fair value of the award, and is recognized as an expense over the requisite service period. The Company measures the fair value of the share-based compensation issued to non-employees using the stock price observed in the arms-length private placement transaction nearest the measurement date (for stock transactions) or the fair value of the award (for non-stock transactions), which were considered to be more reliably determinable measures of fair value than the value of the services being rendered. The measurement date is the earlier of (1) the date at which commitment for performance by the counterparty to earn the equity instruments is reached, or (2) the date at which the counterparty's performance is complete.

As of December 31, 2014, there were 15,000,000 employee and 350,000 non-employee stock options were outstanding with 15,000,000 and 338,000 options vested and exercisable, respectively. As of December 31, 2013, 9,000,000 and 2,750,000 employee and non-employee stock options were outstanding, respectively, with 3,000,000 and 2,750,000 options vested and exercisable, respectively.

Income Taxes

Deferred income tax assets and liabilities are determined based on the estimated future tax effects of net operating loss and credit carry forwards and temporary differences between the tax basis of assets and liabilities and their respective financial reporting amounts measured at the current enacted tax rates. The Company records an estimated valuation allowance on its deferred income tax assets if it is more likely than not that these deferred income tax assets will not be realized.

The Company recognizes a tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. As of December 31, 2014 and 2013, the Company has not recorded any unrecognized tax benefits.

Reclassifications

Certain reclassifications have been made to the prior years' data to conform to the current year presentation. These reclassifications had no effect on reported income (losses).

Recent Accounting Pronouncements

In April 2014, the FASB issued ASU 2014-08, "Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity." ASU 2014-08 requires that a disposal representing a strategic shift that has (or will have) a major effect on an entity's financial results or a business activity classified as held for sale should be reported as discontinued operations. ASU 2014-08 also expands the disclosure requirements for discontinued operations and adds new disclosures for individually significant dispositions that do not qualify as discontinued operations. ASU 2014-08 is effective prospectively for fiscal years, and interim reporting periods within those years, beginning after December 15, 2014. The impact of ASU 2014-08 is dependent upon the nature of dispositions, if any, after adoption.

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The FASB has issued ASU No. 2014-09, *Revenue from Contracts with Customers*. This ASU supercedes the revenue recognition requirements in Accounting Standards Codification 605 - Revenue Recognition and most industry-specific guidance throughout the Codification. The standard requires that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This ASU is effective on January 1, 2017 and should be applied retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying the ASU recognized at the date of initial application. The Company has not yet determined the effect of the adoption of this standard and it is expected to have an immaterial impact on the Company's consolidated financial statements.

In July 2014, the Company adopted ASU 2013-11, "Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists." ASU 2013-11 requires netting of unrecognized tax benefits against a deferred tax asset for a loss or other carryforward that would apply in settlement of the uncertain tax position. The adoption of ASU 2013-11 did not have a material impact on the Company's consolidated results of operations, financial condition, or cash flows.

The FASB has 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. As such, the performance target should not be reflected in estimating the grant date fair value of the award. This update further clarifies that compensation cost should be recognized in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the period(s) for which the requisite service has already been rendered. The amendments in this ASU are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted. The Company has not yet determined the effect of the adoption of this standard and it is expected to have a material impact on the Company's consolidated financial statements.

In August, 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements – Going Concern (Subtopic 205-40): Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern*. The standard is intended to define management's responsibility to decide whether there is substantial doubt about an organization's ability to continue as a going concern and to provide related footnote disclosures. The standard requires management to decide whether there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued. The standard provides guidance to an organization's management, with principles and definitions that are intended to reduce diversity in the timing and content of disclosures that are commonly provided by organizations in the footnotes. The standard becomes effective in the annual period ending after December 15, 2016, with early application permitted. The adoption of this pronouncement is not expected to have a material impact on the consolidated financial statements.

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

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NOTE 3 – GOING CONCERN MATTERS

The Company's consolidated financial statements are prepared using generally accepted accounting principles applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has incurred significant recurring losses which have resulted in an accumulated deficit of \$8,564,893, total current liabilities in excess of current assets (working capital deficiency) of \$1,724,636 and minimum cash flow from operations at December 31, 2014 which raises substantial doubt about the Company's ability to continue as a going concern.

Continuation as a going concern is dependent upon obtaining additional capital and upon the Company's attaining profitable operations. The Company will require a substantial amount of additional funds to build a sales and marketing organization, and to fund additional losses which the Company expects to incur over the next few years. The Company recognizes that, if it is unable to raise additional capital, it may find it necessary to substantially reduce or cease operations. The accompanying consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result from the outcome of this uncertainty.

NOTE 4 – PROPERTY AND EQUIPMENT

The Company's property and equipment at December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Office equipment	\$ 15,137	\$ 14,649
Computer equipment	2,574	2,574
Leasehold improvements	20,014	20,014
	<u>37,725</u>	<u>37,237</u>
Less accumulated depreciation	<u>(31,531)</u>	<u>(28,392)</u>
	<u>\$ 6,194</u>	<u>\$ 8,845</u>

Depreciation expense charged to operations amounted to approximately \$3,138 and \$3,162, respectively, for the years ended December 31, 2014 and 2013.

NOTE 5 – LICENSING RIGHTS

On October 28, 2010, prior to the recapitalization of the Company, the Company acquired an exclusive product license, which included the right to use the Naltrexone Implant and any procedures related to the licensed product. The Company paid a onetime license fee of 7.5% of the total common shares outstanding on the date of the agreement, or 5,672,250 common shares at the market value of \$0.70 per share as of the date of the agreement. Total value of the license is recorded as \$3,970,575. Additionally, the Company will pay \$600 for each prescription request of the licensed product. The agreement will remain in force for so long as the Company continues to use the Licensed Product.

During the year ended December 31, 2013, the Company determined that its licensing rights had a definite life based on various economic factors. The Company estimated a useful life of 30 years. Amortization of the year ended December 31, 2014 and 2013 was \$132,353 and \$132,353, respectively.

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The Company follows Accounting Standards Codification subtopic 360-10, Property, Plant and Equipment (“ASC 360-10”). ASC 360-10 requires that 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 is reported at the lower of the carrying amount or the fair value less costs to sell.

At December 31, 2014, the Company’s management performed an evaluation of its intangible assets (licensing rights) for purposes of determining the implied fair value of the assets at December 31, 2014. The test indicated that the recorded book value of its licensing rights did not exceed its fair value for the year ended December 31, 2014 as determined by discounted future cash flows. Considerable management judgment is necessary to estimate the fair value. Accordingly, actual results could vary significantly from management’s estimates.

Estimated future amortization expense as of December 31, 2014 is as follows:

2015	\$ 132,353
2016	132,353
2017	132,353
2018	132,353
2019 and thereafter	<u>3,176,458</u>
Total	<u>\$3,705,870</u>

NOTE 6 – DEFERRED REVENUE

In 2013 and 2014, the Company has granted license and sub-license agreements (“Agreements”) for various regions or States in the United States allowing the licensee to market, distribute and sell solely in the defined license territory, as defined, the products provided by the Company. The agreements are granted for a defined period or perpetual and are effective as long as annual milestones are achieved.

Terms for payments for licensee agreements vary from full cash payment to defined terms. In cases where license or sub-license fees are uncollected or deferred; the Company nets those uncollected fees with the deferred revenue for balance sheet presentation.

The Company amortizes license fees over the shorter of the economic life of the related contract life or contract terms for each licensee. The remaining unamortized aggregate balance of deferred revenue as of December 31, 2014 and 2013 was \$1,917,026 and \$934,593, respectively.

NOTE 7 – ADVANCE FROM LENDERS

During the year ended December 31, 2012, the Company received an aggregate of \$885,000 of net proceeds in connection with the expected issuance of convertible debt. As of December 31, 2013, \$95,599 of the notes have yet to be executed and finalized or refunded. During the year ended December 31, 2014, the Company paid an aggregate of \$134,968 in full settlement of the outstanding balance and accrued interest.

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NOTE 8 – SETTLEMENT PAYABLE

On June 13, 2013, Fresh Start Private Florida, LLC (“FSPF”) filed a complaint against the Company alleging breach of a License Agreement whereby FSPF was to receive, implant, use, sell and otherwise commercialize the Naltrexone implant product and the Fresh Start Alcohol Rehabilitation Program throughout the state of Florida. The complaint alleged that the Company made certain misrepresentations and failed to provide certain operational documentation pursuant to the License Agreement. (Fresh Start Private Florida, LLC v. Fresh Start Private Management, Inc., Case No. 13-CA 1850, Circuit Court of the Twentieth Judicial Circuit in and for Collier County, Florida).

On June 3, 2014, the Company entered into a settlement agreement to pay the plaintiff in increments through October 31, 2015 in exchange for dismissal of all pending litigation and termination of all prior and current agreements.

NOTE 9 – NOTES PAYABLE

On July 7, 2014, the Company issued unsecured promissory notes in aggregate of \$545,218 in settlement of previously issued convertible debentures dated April 3, 2013(See Note 10) and related accrued interest. The promissory notes include monthly payments of principal and interest, at 12% per annum, of \$10,658 beginning August 15, 2014 through July 15, 2016 with the remaining unpaid balance due on or before July 15, 2016. The balance as of December 31, 2014 was \$524,079.

NOTE 10 – CONVERTIBLE NOTES PAYABLE AND DERIVATIVE LIABILITIES

Asher Note

On December 11, 2012, the Company entered into a Securities Purchase Agreement with Asher Enterprises, Inc. (“Asher”), for the sale of an 8% convertible note in the principal amount of \$58,000 (the “Note”). The financing closed on December 11, 2012.

The Note bears interest at the rate of 8% per annum. All interest and principal must be repaid on September 13, 2013. The Note is convertible into common stock, at Asher’s option, at a 42% discount to the average of the three lowest closing bid prices of the common stock during the 10 trading day period prior to conversion. In the event the Company prepays the Note in full, the Company is required to pay off all principal, interest and any other amounts owing multiplied by (i) 115% if prepaid during the period commencing on the closing date through 30 days thereafter, (ii) 120% if prepaid 31 days following the closing through 60 days following the closing, (iii) 125% if prepaid 61 days following the closing through 90 days following the closing and (iv) 130% if prepaid 91 days following the closing through 120 days following the closing. (v) 135% if prepaid 121 days following the closing through 150 days following the closing, (vi) 150% if prepaid 151 days following the closing through 180 days following the closing. After the expiration of 180 days following the date of the Note, the Company has no right of prepayment.

The Company has identified the embedded derivatives related to the above described Note. This embedded derivative included variable conversion features. The accounting treatment of derivative financial instruments requires that the Company record fair value of the derivative as of the inception date of the Note and to fair value as of each subsequent reporting date.

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At the inception of the Note, the Company determined the aggregate fair value of \$78,770 of embedded derivatives. The fair value of the embedded derivatives was determined using the Binomial Option Pricing Model based on the following assumptions: (1) dividend yield of 0%; (2) expected volatility of 258.65%, (3) weighted average risk-free interest rate of 0.16%, (4) expected life of 0.76 years, and (5) estimated fair value of the Company's common stock of \$0.011 per share.

The determined fair value of the embedded derivative of \$78,770 was charged as a debt discount up to the net proceeds of the note with the remainder, \$20,770, charged to current period operations as non-cash interest expense.

On May 10, 2013, the Company paid off the above described note including accrued interest. Any unamortized debt discount and related derivative liability were charged to non-cash interest for the year ended December 31, 2013.

Convertible debenture issued on April 5, 2013, related party

On April 5, 2013, the Company issued a convertible debenture for an aggregate of \$425,000 comprised of \$400,000 previous advances (see note 7 above) and \$25,000 additional proceeds. The financing closed on April 5, 2013.

The Note bears interest at the rate of 15% per annum. Interest is payable quarterly on April 15, July 15, October 15 and January 15 for the prior quarter and principal must be repaid on April 5, 2016. The Note is convertible into common stock, at holder's option, at a \$0.50 per share with certain conversion adjustments in the event the Company issues additional shares of its common stock or securities convertible into the Company's common stock at a price per share less than the conversion price in effect or without consideration, then the conversion price upon each issuance shall be adjusted to the price equal to the consideration per share paid for such additional shares of the Company's common stock.

In connection with the issuance of the convertible debenture, the Company issued an aggregate of 1,275,000 shares of its common stock and detachable warrants granting the holder the right to acquire an aggregate of 1,275,000 shares of the Company's common stock at an initial exercise price of \$1.00 per share for five years. The warrant contains exercise price adjustments in the event the Company issues additional shares of its common stock or securities convertible into the Company's common stock at a price per share less than the exercise price in effect or without consideration, then the exercise price upon each issuance shall be adjusted to the price equal to the consideration per share paid for such additional shares of the Company's common stock.

The Company has identified the embedded derivatives related to the above described debenture and warrants. This embedded derivative included variable conversion or exercise features. The accounting treatment of derivative financial instruments requires that the Company record the fair value of the derivatives as of the inception date of the debenture and to fair value as of each subsequent reporting date.

The Company allocated proceeds based on the relative fair values of the debt, common stock and warrants, measured at an aggregate of \$148,134, to the warrant and debt conversion provision liabilities (debt and warrants) and equity (common stock) to discount to convertible debenture. The fair values of the embedded derivatives were determined using the Binominal Option Pricing Model with the following assumptions: contractual terms of 3 to 5 years, an average risk free interest rate of 0.33% to 0.68%, a dividend yield of 0%, and volatility of 256.18%.

On July 7, 2014, the Company exchanged the convertible debentures and warrants for unsecured promissory notes and accrued interest and 1,275,000 warrants with an exercise price of \$0.25 per share for five years. (See Note 9)

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At July 7, 2014, the Company determined the fair value of the embedded derivatives relating to previously issued convertible debentures and warrants of \$432,398 and \$129,551, respectively. The fair values were determined using the Binominal Option Pricing Model with the following assumptions: contractual terms of 1.75 to 3.75 years, an average risk free interest rate of 0.52% to 1.00%, a dividend yield of 0%, and volatility of 217.48%. The aggregate fair values determined of \$561,949 was reclassified to equity.

The charge of the amortization of debt discounts and costs for the year ended December 31, 2014 and 2013 was \$111,641 and \$36,493, respectively, which was accounted for as interest expense.

Convertible debentures effective March 31, 2013

In November 2013, effective March 31, 2013, the Company issued four convertible debentures for an aggregate of \$385,000 comprised of previous advances. The financing closed in November 2013.

The Notes bear interest at the rate of 15% per annum. Interest is payable quarterly on April 15, July 15, October 15 and January 15 for the prior quarter and principal must be repaid on March 31, 2016. The Notes are convertible into common stock, at holder's option, at a \$0.50 per share with certain conversion adjustments in the event the Company issues additional shares of its common stock or securities convertible into the Company's common stock at a price per share less than the conversion price in effect or without consideration, then the conversion price upon each issuance shall be adjusted to the price equal to the consideration per share paid for such additional shares of the Company's common stock.

In connection with the issuance of the convertible debentures, the Company issued or is obligated to issue an aggregate of 1,155,000 shares of its common stock and detachable warrants granting the holder the right to acquire an aggregate of 1,155,000 shares of the Company's common stock at an initial exercise price of \$1.00 per share for five years. The warrant contains exercise price adjustments in the event the Company issues additional shares of its common stock or securities convertible into the Company's common stock at a price per share less than the exercise price in effect or without consideration, then the exercise price upon each issuance shall be adjusted to the price equal to the consideration per share paid for such additional shares of the Company's common stock.

The Company has identified the embedded derivatives related to the above described debentures and warrants. This embedded derivative included variable conversion or exercise features. The accounting treatment of derivative financial instruments requires that the Company record the fair value of the derivatives as of the inception date of the debenture and to fair value as of each subsequent reporting date.

The Company allocated proceeds based on the relative fair values of the debt, common stock and warrants, measured at an aggregate of \$129,532, to the warrant and debt conversion provision liabilities (debt and warrants) and equity (common stock) to discount to convertible debenture. The fair values of the embedded derivatives were determined using the Binominal Option Pricing Model with the following assumptions: contractual terms of 3 to 5 years, an average risk free interest rate of 0.36% to 0.77%, a dividend yield of 0%, and volatility of 227.18%.

During the year ended December 31, 2014, the Company paid \$35,000 outstanding convertible notes. In addition, the remaining notes in aggregate of \$350,000 and accrued interest were exchanged for licensing rights for the State of Ohio (See Note 6 above). At the date(s) of payoff or exchange, the Company determined fair value of the embedded derivatives of \$324,239, using the Binominal Option Pricing Model with the following assumptions: contractual terms of 2 to 3 years, an average risk free interest rate of 0.39% to 0.48%, a dividend yield of 0%, and volatility of 205.71% to 232.90%, was reclassified to additional paid in capital.

The charge of the amortization and write off (upon payoff or conversion) of debt discounts and costs for the year December 31, 2014 and 2013 was \$97,031 and \$32,051, respectively, which was accounted for as interest expense.

As of December 31, 2014, there are no outstanding convertible debentures. The Company recorded a gain (loss) on change in fair value of debt derivative liabilities of \$218,116 and \$(862,584) for years ended December 31, 2014 and 2013, respectively.

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NOTE 11 – WARRANT LIABILITY

The Company issued warrants in conjunction with the issuance of convertible debentures. These warrants contain certain reset provisions. Therefore, in accordance with ASC 815-40, the Company reclassified the fair value of the warrant from equity to a liability at the date of issuance. Subsequent to the initial issuance date, the Company is required to adjust to fair value the warrant as an adjustment to current period operations.

As described in Notes 9 and 10, above, on July 7, 2014, the Company exchanged previously issued warrants that contained certain reset provisions with warrants without these provisions. At the date of the exchange, the Company reclassified the determined fair value of \$129,551 from liability to equity. The fair values were determined using the Binomial Option Pricing Model with the following assumptions: contractual terms of 3.75 years, an average risk free interest rate of 1.00%, a dividend yield of 0%, and volatility of 217.48%.

The Company recorded a gain (loss) on change in fair value of warrant liability of \$59,478 and \$(188,670) for the year ended December 31, 2014 and 2013, respectively.

At December 31, 2014, the fair value of the remaining 1,155,000 warrants containing certain reset provisions were determined using the Binomial Option Pricing Model based on the following assumptions: (1) dividend yield of 0%, (2) expected volatility of 206.84%, (3) weighted average risk-free interest rate of 1.10%, (4) expected life of 3.51 years, and (5) estimated fair value of the Company's common stock of \$0.091 per share.

At December 31, 2014, the warrant liability valued at \$98,702, the Company believes an event under the contract that would create an obligation to settle in cash or other current assets is remote and has classified the obligation as a long term liability.

NOTE 12 – NOTES PAYABLE-RELATED PARTY

As of December 31, 2014 and 2013, the Company received advances from Jorge Andrade, director, Scott Carley, and Neil Muller, President as loans from related parties. The loans are payable on demand and without interest.

On January 22, 2013, the Company issued an unsecured promissory note payable for \$200,000 due January 1, 2018, with a stated interest rate of 12% per annum beginning three months from issuance; payable monthly. Principal payments are due starting February 1, 2015 at \$6,650 per month. The lender has an option to convert the note to licensing rights for the State of Oregon. The Company currently is in default of the required interest payments initially due starting April 22, 2013. During the year ended December 31, 2014, the Company has paid \$36,390 principal and accrued interest towards the promissory note.

In connection with the issuance of the above described promissory note, the Company is to issue 950,000 (as amended) of its common stock.

The Company recorded a debt discount of \$11,250 based on the fair value of the Company's common stock at the issuance date of the promissory note. The discount is amortized ratably over the term on the notes. The note holder subsequently became an officer of the Company. The balance outstanding as of December 31, 2014 is \$163,610 with unamortized debt discount of \$5,385.

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NOTE 13 – STOCKHOLDERS' EQUITY

Preferred stock

The Company is authorized to issue 80,000 shares of preferred stock with no par value. As of December 31, 2014 and 2013, the Company had 80,000 shares and -0- shares of preferred stock issued and outstanding.

On June 19, 2014, the Company's Board of Directors designated 80,000 shares of preferred stock, no par value. Each share of preferred stock shall entitle the holder to one thousand (1,000) votes and is convertible into one share of common stock and shall have the same rights and privileges and rank equally, share ratably and be identical in all respects as to all matters with the Company's common stock.

On June 25, 2014, the Company issued an aggregate of 80,000 shares of preferred stock to officers and directors for services rendered.

Common stock

The Company is authorized to issue 200,000,000 shares of common stock with par value \$0.001 per share. As of December 31, 2014 and 2013, the Company had 146,134,501 shares and 127,343,501 shares of common stock issued and outstanding.

In January 2013, the Company issued an aggregate of 14,500,000 shares of its common stock for services valued at \$170,347, net of prior year accretion. The fair value of the common stock issued is amortized to operations over the underlying contractual period.

In February 2013, the Company issued 100,000 shares of its common stock in settlement of a past services previously accrued at December 31, 2012.

In April 2013, the Company issued an aggregate of 1,275,000 shares of its common stock in connection with an issued convertible debenture.

In June 2013, the Company issued 100,000 shares of its common stock in settlement of interest relating to an issued notes payable.

In June 2013, the Company issued 1,000,000 shares of its common stock in payment of legal fees incurred valued at \$45,000.

In July 2013, the Company issued 125,000 shares of its common stock for services rendered valued at \$4,250 based on the underlying market value of the common stock at the date of issuance.

In November 2013, the Company issued 300,000 shares of its common stock in connection with an issued convertible debenture.

In November 2013, the Company issued 9,000,000 shares of its common stock in connection with the exercise of employee stock options exercised at \$0.015 per share. The aggregate exercise price of \$135,000 was paid to the Company by utilizing amounts due to the employees by the Company.

In December 2013, the Company issued 175,000 shares of its common stock for services valued at \$19,250. The fair value of the common stock issued is amortized to operations over the underlying contractual period.

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As of December 31, 2013, the Company is obligated to issue an aggregate of 1,705,000 and 3,100,000 shares of its common stock in connection with issuance of convertible notes and approximately \$187,600 of past services rendered, respectively. The fair value, determined by the underlying market value of the common stock at the date of obligation, was recorded in the current period operations.

In February 2014, the Company issued 2,500,000 shares of its common stock in connection with the exercise of non-employee stock options exercised at \$0.015 per share. The aggregate exercise price of \$37,500 was paid to the Company by utilizing amounts due to the employees by the Company.

In March 2014, the Company issued 4,805,000 shares of its common stock in settlement of \$238,113 in past services and other obligations previously accrued at December 31, 2013.

In March 2014, the Company issued 250,000 shares of its common stock for advertising valued at \$45,000 based on the underlying market value of the common stock at the date of issuance.

In March 2014, the Company issued 100,000 shares of its common stock for related party interest valued at \$18,000 based on the underlying market value of the common stock at the date of issuance.

In March 2014, the Company issued 716,000 shares of its common stock to a licensee valued at \$89,500 based on the underlying market value of the common stock at the date of issuance.

In March 2014, the Company issued 100,000 shares of its common stock for services rendered valued at \$12,000 based on the underlying market value of the common stock at the date of issuance.

In June 2014, the Company issued 150,000 shares of its common stock for advisory services valued at \$27,750 based on the underlying market value of the common stock at the date of issuance.

In June 2014, the Company issued 6,000,000 shares of its common stock in connection with the exercise of non-employee stock options exercised at \$0.015 per share. The aggregate exercise price of \$90,000 was paid to the Company by utilizing amounts due to the employees by the Company.

In July 2014, the Company issued 1,600,000 shares of its common stock in connection with the exercise of employee stock options exercised at \$0.015 per share. The aggregate exercise price of \$24,000 was paid to the Company by utilizing amounts due to the employees by the Company.

In September 2014, the Company issued an aggregate of 475,000 shares of its common stock for services rendered valued at \$53,548 based on the underlying market value of the common stock at the date of issuance.

In September 2014, the Company issued 1,400,000 shares of its common stock in connection with the exercise of employee stock options exercised at \$0.015 per share. The aggregate exercise price of \$21,000 was paid to the Company by utilizing amounts due to the employees by the Company.

In November 2014, the Company issued 50,000 shares of its common stock in connection with the exercise of non-employee stock options exercised at \$0.10 per share.

In November 2014, the Company issued an aggregate of 645,000 shares of its common stock for services rendered valued at \$75,688 based on the underlying market value of the common stock at the date of issuance.

As of December 31, 2014, the Company is obligated to issue 3,000,000 shares of its common stock in connection with past services rendered of \$300,000. The fair value, determined by the underlying market value of the common stock at the date of obligation, was recorded in the current period operations.

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NOTE 14 – STOCK OPTIONS AND WARRANTS

Employee Options

On September 13, 2013, the Company ratified, confirmed and approved the granting of 2013 stock options in aggregate of 6,000,000 to Kent Emry, newly appointed CEO of the Company under the Company's 2013 Stock Option Plan. The issued options are exercisable 50% immediately and 50% December 13, 2013 at \$0.015 per share for five years.

On October 16, 2013, the Company ratified, confirmed and approved the granting of 2013 stock options in aggregate of 3,000,000 to Brady Granier, newly appointed COO of the Company under the Company's 2013 Stock Option Plan. The issued options are exercisable immediately at \$0.015 per share for five years.

On November 17, 2014, the Company ratified, confirmed and approved the granting of 2014 stock options of 5,000,000 each to Brady Granier, Lourdes Felix and Neil Muller, officers and directors of the Company (in aggregate of 15,000,000 options) under the Company's 2014 Stock Option Plan. The issued options are exercisable immediately at \$0.10 per share for five years.

The following table summarizes the changes in employee options outstanding and the related prices for the shares of the Company's common stock issued to non-employees of the Company under the 2014 Stock Option Plan:

Options Outstanding			Options Exercisable		
Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
\$ 0.10	15,000,000	4.88	\$ 0.10	15,000,000	\$ 0.10

Transactions involving stock options issued to employees are summarized as follows:

	Number of Shares	Weighted Average Exercise Price Per Share
Outstanding at December 31, 2012	9,000,000	\$ 0.015
Granted	9,000,000	0.015
Exercised	(9,000,000)	0.015
Expired		
Outstanding at December 31, 2013	9,000,000	\$ 0.015
Granted	15,000,000	0.100
Exercised	(9,000,000)	(0.015)
Expired	-	-
Outstanding at December 31, 2014	15,000,000	\$ 0.100

As described above, on September 13, 2013, the Company granted 6,000,000 options to purchase the Company's common stock at an exercise price of \$0.015 per share for five years to the CEO with 50% immediate vesting and 50% on December 13, 2013. The fair value of options was determined using the Black Scholes Option Pricing Model with the following assumptions: dividend yield \$-0-, volatility of 240.38% and risk free rate of 1.39%.

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As described above, on October 16, 2013, the Company granted 3,000,000 options to purchase the Company's common stock at an exercise price of \$0.015 per share for five years to the COO with immediate vesting on October 16, 2013. The fair value of options was determined using the Black Scholes Option Pricing Model with the following assumptions: dividend yield \$-0-, volatility of 239.10% and risk free rate of 1.45%.

As described above, on November 17, 2014, the Company granted 15,000,000 options to purchase the Company's common stock at an exercise price of \$0.10 per share for five years to officers and directors with immediate vesting on November 17, 2014. The fair value of options was determined using the Black Scholes Option Pricing Model with the following assumptions: dividend yield \$-0-, volatility of 209.42% and risk free rate of 0.96%.

During the years ended December 31, 2014 and 2013, the Company issued each year an aggregate of 9,000,000 shares of its common stock in connection with the exercise of employee stock options exercised at \$0.015 per share. The above employee options were exercised by offsetting compensation accrued each year totaling \$135,000.

The Company recorded \$1,355,048 and \$307,281 as employee stock compensation expense for the years ended December 31, 2014 and 2013, respectively.

The intrinsic value of the vested non-employee stock options as of December 31, 2014 was \$-0- based on the Company's stock price of \$0.091 per share at December 31, 2014. The intrinsic value of the vested employee stock options as of December 31, 2013 was \$945,000 based on the Company's stock price of \$0.12 per share at December 31, 2013.

Non-employee options

In October, 2013, the Company ratified, confirmed and approved the granting of 2013 stock options in aggregate of 250,000 to the Company's advisory board representing five individuals under the Company's 2012 Stock Option Plan. The issued options are exercisable 52% immediately and remainder at 10,000 per month (12 months) at \$0.015 per share for five years.

On December 4, 2013, the Company ratified, confirmed and approved the granting of 2013 stock options in aggregate of 2,500,000 to consultant organizations of the Company under the Company's 2013 Stock Option Plan. The issued options are exercisable immediately at \$0.015 per share for five years.

On March 10, 2014, the Company ratified, confirmed and approved the granting of 2014 stock options in aggregate of 150,000 to the Company's advisory board representing five individuals under the Company's 2012 Stock Option Plan. The issued options are exercisable 52% immediately and remainder at 10,000 per month (12 months) at \$0.20 per share for five years.

The following table summarizes the changes in non-employee options outstanding and the related prices for the shares of the Company's common stock issued to non-employees of the Company under the 2013 Stock Option Plan:

Options Outstanding				Options Exercisable		
Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price	
\$ 0.10	200,000	3.77	\$ 0.10	200,000	\$ 0.10	
0.20	150,000	4.19	0.20	138,000	0.20	
	350,000	3.95	0.14	338,000		

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Transactions involving stock options issued to non-employees are summarized as follows:

	Number of Shares	Weighted Average Exercise Price Per Share
Outstanding at December 31, 2012	-	\$ -
Granted	2,750,000	0.015
Exercised	-	-
Expired	-	-
Outstanding at December 31, 2013	2,750,000	0.015
Granted	150,000	0.20
Exercised	(2,550,000)	0.017
Expired	-	-
Outstanding at December 31, 2014	350,000	\$ 0.14

On March 10, 2014, the Company ratified, confirmed and approved the granting of 2014 stock options in aggregate of 150,000 to the Company's advisory board representing five individuals under the Company's 2012 Stock Option Plan. The issued options are exercisable 52% immediately and remainder at 6,000 per month (12 months) at \$0.20 per share for five years.

In November 2014, the Company issued 50,000 shares of its common stock in connection with the exercise of non-employee stock options exercised at \$0.10 per share.

During the years ended December 31, 2014, 2,500,000 non-employee stock options were exercised at a weighted average price per share of \$0.017. The above non-employee options were exercised by offsetting the amount due to the consultants totaling \$37,500.

The assumptions used in the valuation of stock options granted during the years ended December 31, 2014 and 2013 were as follows:

	2014	2013
Risk-free interest rate	1.07% to 1.73%	1.39% to 1.75%
Expected term of option	3.8 to 5.00 years	4.8 to 5.0 years
Expected stock price volatility	205.83% to 226.04%	237.24% to 240.94%
Expected dividend yield	0.0%	0.0%

The risk-free interest rate is based on the yield of Daily U.S. Treasury Yield Curve Rates with terms equal to the expected term of the options as of the grant date.

The intrinsic value of the vested non-employee stock options as of December 31, 2014 was \$-0- based on the Company's stock price of \$0.091 per share at December 31, 2014.

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Warrants:

The following table summarizes the changes in warrants outstanding and the related prices for the shares of the Company's common stock:

Warrants Outstanding			Warrants Exercisable		
Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Exercise Price	Number Exercisable	Weighted Average Remaining Contractual Life (Years)
\$ 0.25	1,475,000	3.94	\$ 0.25	1,475,000	3.94
1.00	1,155,000	3.51	1.00	1,155,000	3.51
\$ 0.58	2,630,000	3.75	\$ 0.58	2,630,000	3.75

Transactions involving warrants are summarized as follows:

	Number of Shares	Weighted Average Exercise Price Per Share
Outstanding at December 31, 2012	-	\$ -
Issued	2,430,000	1.00
Exercised	-	-
Expired	-	-
Outstanding at December 31, 2013	2,430,000	\$ 1.00
Issued	1,475,000	0.25
Exercised	-	-
Canceled	(1,275,000)	(1.00)
Outstanding at December 31, 2014	2,630,000	\$ 0.58

As described in Note 10, above, the Company issued detachable warrants granting the holder the right to acquire an aggregate of 2,430,000 shares of the Company's common stock at an initial exercise price of \$1.00 per share for five years. The warrant contains exercise price adjustments in the event the Company issues additional shares of its common stock or securities convertible into the Company's common stock at a price per share less than the exercise price in effect or without consideration, then the exercise price upon each issuance shall be adjusted to the price equal to the consideration per share paid for such additional shares of the Company's common stock. On July 7, 2014, the Company exchanged 1,275,000 warrants with an initial exercise price of \$1.00 containing certain reset provisions with 1,275,000 warrants exercisable at \$0.25 per share for five years.

In March 2014, the Company issued 200,000 warrants to purchase the Company's common stock at an exercise price of \$0.25 per share for one year to a Company's licensee vesting immediately. The fair value of the warrant of \$24,557 was determined using the Black Scholes Option Pricing Model with the following assumptions: dividend yield \$-0-, volatility of 191.73% and risk free rate of 0.13% and is amortized over the term of the related licensee agreement.

NOTE 15 – RELATED PARTY TRANSACTIONS

The Company has an arrangement with Terranautical Global Investments ("TGI"). TGI is a company controlled by Jorge Andrade, a shareholder of the Company, that provides consulting services to the Company. There is no formal agreement between the parties and the amount of remuneration is \$6,250 per month. During the year ended December 31, 2014 and 2013, the Company incurred \$56,250 and \$227,360 as consulting fees, respectively. As of December 31, 2014 and 2013, there was an unpaid balance of \$169,101 and \$162,850, respectively.

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The Company has an arrangement with Premier Aftercare Recovery Service, (“PARS”). PARS is a Company controlled by Neil Muller, a shareholder of the Company, that provides consulting services to the Company. There is no formal agreement between the parties and the amount of remuneration is \$6,250 per month. During the year ended December 31, 2014 and 2013, the Company incurred \$75,000 and \$77,794, respectively, as consulting fees and expense reimbursements. As of December 31, 2014 and 2013, there was an unpaid balance of \$60,675 and \$142,459, respectively.

The Company has an arrangement with Felix Financial Enterprises (“FFE”). FFE is a Company controlled by Lourdes Felix, an officer of the Company, that provides consulting services to the Company. There is no formal agreement between the parties and the amount of remuneration is \$6,250 per month. During the year ended December 31, 2014 and 2013, the Company incurred \$75,000 and \$125,000 as consulting fees, respectively. As of December 31, 2014 and 2013, there was an unpaid balance of \$100,260 and \$105,390, respectively.

The Company has an arrangement with Brady Granier, an officer of the Company. There is no formal agreement between the parties and the amount of remuneration is \$6,250 per month. For the year ended December 31, 2014 and 2013, \$75,000 and \$91,940 in consulting fees were incurred, respectively. As of December 31, 2014 and 2013, there was an unpaid balance of \$45,196 and \$72,640, respectively.

The Company has an arrangement with Kent Emry, an officer of the Company. There is no formal agreement between the parties and the amount of remuneration is \$6,250 per month. For year ended December 31, 2014 and 2013, \$65,625 and \$7,000 in consulting fees were incurred, respectively. As of December 31, 2014 and 2013, there was an unpaid balance of \$28,125 and \$26,189, respectively.

The above related parties are compensated as independent contractors and are subject to the Internal Revenue Service regulations and applicable state law guidelines regarding independent contractor classification. These regulations and guidelines are subject to judicial and agency interpretation, and it could be determined that the independent contractor classification is inapplicable.

NOTE 16 – COMMITMENTS AND CONTINGENCIES

Operating lease

The Company’s lease commenced effective July 1, 2013 for a term of three years. The base rent is \$1,440 per month. The lease agreement contains escalation clauses. The Company determined that any related straight line rent is not material.

Aggregate maturities of long-term debt as of December 31, 2014 are as follows:

For the twelve months ended December 31,	Amount
2015	\$ 211,888
2016	547,775
2017	10,660
Total	<u>\$ 770,323</u>

Employment and consulting agreements

On September 9, 2013, the Company entered into an employment agreement with Kent Emry for the full time position of Chief Executive Officer of the Company for 12 months with automatic renewals. Compensation at \$200,000 per annum with employee stock options to purchase 6,000,000 shares of the Company’s common stock (See Note 14).

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Lourdes Felix, Chief Financial Officer and Brady Granier, Chief Operating Officer of the Company, entered into Executive Service Agreements with the Company on February 28, 2013 and October 16, 2013, respectively (the "Executive Agreements").

The Executive Agreements provided, among other things, (i) the remuneration to be received in exchange for services provided to the Company; (ii) a general description of the services to be provided to the Company; and (iii) other obligations, terms, and conditions relating to the professional relationship between Felix and Granier, as applicable, and the Company.

On June 30, 2014, each of Felix and Granier entered into an amendment to the Executive Agreements (the "Amendments"), which provide that each of Felix and Granier shall receive three percent (3%) of the Company's gross margin of sales of then-current healthcare products, devices and/or modifications thereto thereafter for a period of fifteen years following the Termination Date, as defined in the Executive Agreements. The Amendments were approved by the unanimous consent of the disinterested directors of the Company in accordance with the requirements of the Nevada Revised Statutes. As of December 31, 2014, \$174,582 was paid in connection with this agreement.

On December 1, 2013, the Company entered into an agreement with Mark Tannaz whereby Tannaz will provide pharmaceutical sales recruiting services. The remuneration for the services shall be 100,000 shares of the Company's common stock. The term of the agreement is at will. The Company charged the fair value of earned portion of the stock obligation of \$8,900 to operations in 2013.

On December 1, 2013, the Company entered into an agreement with Jim Markel whereby Markel will advise on a health care and sales. The remuneration for the services shall be 350,000 shares of the Company's common stock. The term of the agreement is at will. The Company charged the fair value of earned portion of the stock obligation of \$31,150 to operations in 2013.

On May 1, 2013, the Company entered into an agreement with Tom Welch whereby Mr. Welch is to be appointed as the senior sales/marketing and placement specialist for the Company. The remuneration for the services shall be 1,250,000 shares of the Company's common stock. The term of the agreement is at will. The Company charged the fair value of earned portion of the stock obligation of \$53,750 to operations in 2013. This agreement supersedes the May 24, 2012 agreement with Mr. Welch.

On December 1, 2013, the Company entered into an agreement with George N. Fallieras, MD whereby Fallieras will conduct research in relation to opiate addiction, treatments available and provide program recommendations. The remuneration for the services shall be 1,000,000 shares of the Company's common stock. The term of the agreement is at will. The Company charged the fair value of earned portion of the stock obligation of \$89,000 to operations in 2013.

On November 16, 2012 (effective January 1, 2013), the Company entered into an agreement with Academy Funding Group, LLC whereby Academy will advise on a non-exclusive basis to assist the Company with sales, financing, business development and developing strategic partnerships. The remuneration for the services shall be \$1,500 per month and 100,000 shares of the Company's common stock. The term of the agreement is for six months. The Company charged the fair value of earned portion of the stock obligation of \$1,200 to operations in 2013.

On November 14, 2012 (effective January 1, 2013), the Company entered into an agreement with Maria Orellana whereby Ms. Orellana will serve on the audit committee of the Company. The remuneration for the services shall be \$1,500 per month and 300,000 shares of the Company's common stock. The term of the agreement is at will. The Company charged the fair value of earned portion of the stock obligation of \$3,600 to operations in 2013.

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On May 1, 2013, the Company entered into an agreement with Tom Welch whereby Mr. Welch is to be appointed as the senior sales/marketing and placement specialist for the Company. The remuneration for the services shall be 1,250,000 shares of the Company's common stock. The term of the agreement is at will. The Company charged the fair value of earned portion of the stock obligation of \$53,750 to operations in 2013.

In 2013 and 2014, the Company entered into an agreements with five individuals to serve as an advisory board to the Company. The remuneration for the services shall be 50,000 each options to purchase the Company's common stock each year. The term of the agreement is at will. See Note 14 above.

On July 1, 2014, the Company entered into an agreement with Maximum Harvest LLC whereby Maximum Harvest LLC will advise on marketing and sales development. The remuneration for the services shall be \$3,000 per month and 330,000 shares of the Company's common stock (as extended). The initial term of the agreement is for three months, subsequently extended. The Company charged the fair value of the stock obligation of \$34,155 to operations in 2014.

On September 11, 2014, the Company entered into an agreement with Smallcapvoice.com whereby Smallcapvoice will provide general corporate consulting services. The remuneration for the services shall be \$2,500 per month and 75,000 shares of the Company's common stock. The agreement expires December 31, 2014. The Company charged the fair value of the stock obligation of \$7,733 to operations in 2014.

On October 1, 2014, the Company entered into an agreement with Troy Emry whereby Emry will create written policy and procedure manuals for use by the company and any current or future subsidiaries. The remuneration for the services shall be 400,000 shares of the Company's common stock. The agreement is expires September 30, 2015. The Company charged the fair value of the stock obligation of \$50,000 to operations in 2014.

On November 20, 2014, the Company entered into an agreement with Joel B. Singer MD whereby Dr. Singer will create documented protocol specific to surgical techniques . The remuneration for the services shall be 50,000 shares of the Company's common stock. The agreement is for twelve months, unless terminated earlier. The Company charged the fair value of the stock obligation of \$5,325 to operations in 2014.

On December 3, 2014, the Company entered into an agreement with EROI, LLC whereby EROI will provide strategic assistance in obtaining capital for acquisition of a management company and develop plans thereafter . The remuneration for the services shall be an aggregate of 9,000,000 shares of the Company's common stock, of which, 6,000,000 shares will be issued upon milestone completion, plus \$30,000 per month, paid by the management company upon acquisition, and with ownership percentage of acquired management company. The agreement has open to service terms. The Company charged the fair value of the stock obligation of \$300,000 to operations in 2014.

Potential Acquisitions

The Board of Directors of the Company authorized the execution of a letter of understanding dated December 30, 2013 (the "Letter of Understanding") with Trinity Rx Solutions LLC ("Trinity Rx") and Sal Amodeo, the sole member of Trinity Rx ("Amodeo").

The Company is involved in establishing alcohol rehabilitation and treatment centers and has created certain alcohol therapeutic and rehabilitation programs (the "Counseling Programs") consisting of a Naltrexone implant that is placed under the skin in the lower abdomen coupled with life counseling sessions. The Naltrexone implant formula is owned by Trinity Rx. The Company entered into an exclusive license dated September 7, 2010 (the "'License Agreement") with Trinity Rx. In accordance with the terms and provisions of the License Agreement, Trinity Rx provides to the Company the Naltrexone Implant that has been designed for alcoholism.

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As of December 31, 2014, the above described acquisition has not closed. The total aggregate payments of the \$57,404 and \$25,000 in refundable deposits is reflected in the Company's balance sheet as short term deposits as of December 31, 2014 and December 31, 2013, respectively.

Litigation

On June 13, 2013, Fresh Start Private Florida, LLC ("FSPF") filed a complaint against the Company alleging breach of a License Agreement whereby FSPF was to receive, implant, use, sell and otherwise commercialize the Naltrexone implant product and the Fresh Start Alcohol Rehabilitation Program throughout the state of Florida. The complaint alleged that the Company made certain misrepresentations and failed to provide certain operational documentation pursuant to the License Agreement. (Fresh Start Private Florida, LLC v. Fresh Start Private Management, Inc., Case No. 13-CA 1850, Circuit Court of the Twentieth Judicial Circuit in and for Collier County, Florida).

On June 3, 2014, the Company entered into a settlement agreement to pay the plaintiff in increments through October 31, 2015 in exchange for dismissal of all pending litigation and termination of all prior and current agreements. . Under the confidentiality clause of the settlement agreement the parties are prohibited from disclosing settlement amounts.

The Company is subject at times to other legal proceedings and claims, which arise in the ordinary course of its business. Although occasional adverse decisions or settlements may occur, the Company believes that the final disposition of such matters should not have a material adverse effect on its financial position, results of operations or liquidity. There was no outstanding litigation as of December 31, 2014.

Uncertain Tax Positons

The Company uses a number of independent contractors in our operations in which it does not pay or withhold any federal, state or provincial employment tax. There are a number of different tests used in determining whether an individual is an employee or an independent contractor and such tests generally take into account multiple factors. There can be no assurance that legislative, judicial or regulatory (including tax) authorities will not introduce proposals or assert interpretations of existing rules and regulations that would change, or at least challenge, the classification of our independent contractors. As of December 31, 2014 and 2013, the Company has reviewed the various independent contractor relationships and has determined to not accrue any additional liabilities related to the above contingency.

NOTE 17 – CONCENTRATIONS

Financial instruments and related items, which potentially subject the Company to concentrations of credit risk, consist primarily of cash, cash equivalents and trade receivables. The Company places its cash and temporary cash investments with high credit quality institutions. At times, such investments may be in excess of the FDIC insurance limit.

The Company's revenues earned from sale of products and services for the year ended December 31, 2014 included 21% and 15% (aggregate of 36%) from two customers of the Company's total revenues.

The Company's revenues earned from sale of products and services for the year ended December 31, 2013 included an aggregate of 26% from one customer of the Company's total revenues.

Three customers accounted for 65%, 16% and 10% of the Company's total accounts receivable at December 31, 2014; and one customer accounted for 17% of total accounts receivable at December 31,2013.

The Company relies on Trinity Rx as its sole supplier of its Naltrexone implant.

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NOTE 18 – INCOME TAXES

The components of the income tax provisions for 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Current provision:		
Federal	\$ -	\$ -
State	-	1,600
Deferred benefit:		
Federal	(639,913)	(946,991)
State	(112,926)	(246,076)
	<u>(752,839)</u>	<u>(1,193,068)</u>
Change in valuation allowance	752,839	1,193,068
Total Provision	<u>\$ -</u>	<u>\$ 1,600</u>

The difference between the income tax provision and income taxes computed using the U. S. federal income tax rate of 34% consisted of the following:

	<u>2014</u>	<u>2013</u>
Provision at statutory rate	34.0%	34.0%
State taxes, net of federal benefit	5.8%	5.8%
Nondeductible and other items	(8.9%)	(8.8%)
Change in valuation allowance	(25.9%)	(31.1%)
Total	<u>(0.0%)</u>	<u>(0.1%)</u>

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for income tax purposes. Significant components of the Company's deferred taxes as of December 31, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Deferred tax assets:		
Net operating loss carry forwards	\$ 1,427,000	\$ 1,239,529
Share-based compensation	783,494	86,806
Accrual to cash	384,886	622,243
Other	65,418	11,297
Total deferred tax assets	<u>2,660,800</u>	<u>1,959,875</u>
Valuation allowance	<u>(2,521,561)</u>	<u>(1,768,722)</u>
	135,239	191,153
Deferred tax liabilities:		
Tax deductible licensing agreement	(135,233)	(187,645)
Accrual to cash	-	-
Other	-	(3,509)
Total deferred tax liabilities	<u>(135,239)</u>	<u>(191,153)</u>
Net deferred tax assets (liabilities)	<u>\$ -</u>	<u>\$ -</u>

BIOCORRX, INC.
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A full valuation allowance has been provided against the Company's deferred tax assets at December 31, 2014 as the Company believes it is more likely than not that sufficient taxable income will not be generated to realize these temporary differences.

The Company has Federal net operating losses (NOLs) of approximately \$3.6 million which begin to expire in the years beginning in 2029. Pursuant to Section 382 of the Internal Revenue Code, use of the Company's NOLs and credit carry forwards may be limited if the Company experiences a cumulative change in ownership of greater than 50% in a moving three-year period.

The Company also has federal credits that begin to expire 2028 and state tax credits that may be carried forward indefinitely.

The Company provides for uncertain tax positions when such tax positions do not meet the recognition thresholds or measurement standards as set forth in ASC Topic 740. Income Taxes, regarding accounting for uncertainty in income taxes. Amounts for uncertain tax positions are adjusted in periods when new information becomes available or when positions are effectively settled. There are no unrecognized benefits related to uncertain tax positions as of December 31, 2014. The Company does not anticipate that there will be material change in the liability for unrecognized tax benefits within the next 12 months.

NOTE 19 – FAIR VALUE MEASUREMENTS

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

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

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

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

Items recorded or measured at fair value on a recurring basis in the accompanying consolidated financial statements consisted of the following items as of December 31, 2014:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Warrant liability	\$	\$	\$ 98,702	\$ 98,702
Total	\$ -	\$ -	\$ 98,702	\$ 98,702

BIOCORRX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Items recorded or measured at fair value on a recurring basis in the accompanying consolidated financial statements consisted of the following items as of December 31, 2013:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Debt derivative liability	\$	\$	\$ 1,019,103	1,019,103
Warrant liability	\$	\$	\$ 287,731	287,731
Total	\$ -	\$ -	\$ 1,306,834	\$ 1,306,834

The table below sets forth a summary of changes in the fair value of the Company's Level 3 financial liabilities for the years ended December 31, 2014 and 2013:

	<u>Debt Derivative Liability</u>	<u>Warrant Liability</u>
Balance, December 31, 2012	\$ 80,039	-
Transfers in (out):		
Initial fair value of debt derivative at note issuance	76,480	99,061
Mark-to-market at December 31, 2013:		
Embedded derivative	862,584	188,670
Balance, December 31, 2013	1,019,103	287,731
Transfers in (out):		
Fair value of debt derivative at note extinguishment transferred to equity	(800,987)	-
Fair value of warrant liability at date of cancellation transferred to equity		(129,551)
Mark-to-market at December 31, 2014:		
Embedded derivative	(218,116)	(59,478)
Balance, December 31, 2014	\$ -	\$ 98,702

NOTE 20 – SUBSEQUENT EVENTS

Management has evaluated subsequent events according to the requirements of ASC TOPIC 855 and has determined that there are the following subsequent events:

On January 26, 2015, the Company entered into a distribution agreement with Start Fresh Management LLC to grant the right to use and distribute certain therapeutic programs for the territory of Plano, TX.

On February 2, 2015 the Company executed a convertible note with JMJ financial providing up to an aggregate of \$225,000. JMJ funded a total of \$50,000 under the note.

On March 10, 2015, the Company entered into a distribution agreement with Corona Physical Medicine (“CPM”) to grant the right to use and distribute certain therapeutic programs for the territory of office of distributor CPM in Corona, CA.

On March 12, 2015, the Company entered into a second amendment of Letter of Understanding (“LOU”) reinstating the LOU with Trinity Compound Solutions, Inc. (Formerly known as Trinity Rx Solutions LLC) and extending the due diligence period to 12/31/15.

On March 20, 2015, the Company entered into sales agency agreement with Myriad Medical Marketing to represent and market the Start Fresh Program directly to Physicians Business Solutions and medically integrated wellness centers throughout the United States.

ITEM 9 – CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES.

Previous independent registered public accounting firm

On July 7, 2014 (the “Dismissal Date”), the Company advised Kling & Pathak LLP (the “Former Auditor”) that it was dismissed as the Company’s independent registered public accounting firm. The decision to dismiss the Former Auditor as the Company’s independent registered public accounting firm was approved by the Company’s Board of Directors on July 7, 2014. Except as set forth below, the reports of the Former Auditor on the Company’s consolidated financial statements for the years ended December 31, 2013 and December 31, 2012 did not contain an adverse opinion or disclaimer of opinion, and such reports were not qualified or modified as to uncertainty, audit scope, or accounting principle. The reports of the Former Auditor on the Company’s financial statements for each of the years ended December 31, 2013 and December 31, 2012 contained an explanatory paragraph, which noted that there was substantial doubt about the Company’s ability to continue as a going concern.

During the years ended December 31, 2013 and December 31, 2012, and through the Dismissal Date, the Company has not had any disagreements with the Former Auditor on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the Former Auditor’s satisfaction, would have caused them to make reference thereto in their reports on the Company’s consolidated financial statements for such years.

During the years ended December 31, 2013 and December 31, 2012, and through the Dismissal Date, there were no reportable events, as defined in Item 304(a)(1)(v) of Regulation S-K.

New independent registered public accounting firm

On July 7, 2014 (the “Engagement Date”), the Company engaged Liggett, Vogt & Webb P.A. (“New Auditor”) as its independent registered public accounting firm for the Company’s fiscal year ended December 31, 2014. The decision to engage the New Auditor as the Company’s independent registered public accounting firm was approved by the Company’s Board of Directors.

During the two most recent fiscal years and through the Engagement Date, the Company has not consulted with the New Auditor regarding either:

1. application of accounting principles to any specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company’s financial statements, and neither a written report was provided to the Company nor oral advice was provided that the New Auditor concluded was an important factor considered by the Company in reaching a decision as to the accounting, auditing or financial reporting issue; or
2. any matter that was either the subject of a disagreement (as defined in Regulation S-K, Item 304(a)(1)(iv) and the related instructions) or reportable event (as defined in Regulation S-K, Item 304(a)(1)(v)).

ITEM 9A – CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on management's evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as a result of the material weaknesses described below, as of December 31, 2014, our disclosure controls and procedures are not designed at a reasonable assurance level and are ineffective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The material weaknesses, which relate to internal control over financial reporting, that were identified are:

- (a) We did not have sufficient personnel in our accounting and financial reporting functions. As a result we were not able to achieve adequate segregation of duties and were not able to provide for adequate reviewing of the financial statements. This control deficiency, which is pervasive in nature, results in a reasonable possibility that material misstatements of the financial statements will not be prevented or detected on a timely basis.

Management believes that hiring additional knowledgeable personnel with technical accounting expertise will remedy the following material weaknesses: A lack of sufficient personnel in our accounting and financial reporting functions to achieve adequate segregation of duties.

Management believes that the hiring of additional personnel who have the technical expertise and knowledge with the non-routine or technical issues we have encountered in the past will result in both proper recording of these transactions and a much more knowledgeable finance department as a whole. Due to the fact that our accounting staff consists of a Chief Financial Officer, additional personnel will also ensure the proper segregation of duties and provide more checks and balances within the department. Additional personnel will also provide the cross training needed to support us if personnel turnover issues within the department occur. We believe this will eliminate or greatly decrease any control and procedure issues we may encounter in the future.

We will continue to monitor and evaluate the effectiveness of our disclosure controls and procedures and our internal controls over financial reporting on an ongoing basis and are committed to taking further action and implementing additional enhancements or improvements, as necessary and as funds allow.

(b) Attestation Report of Our Registered Public Accounting Firm

This Annual Report on Form 10-K ("Annual Report") does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. We are a non-accelerated filer; therefore, management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the SEC that permit us to provide only management's report in this Annual Report.

(c) Changes in internal control over financial reporting.

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 or 15d-15 under the Exchange Act that occurred during the quarter ended December 31, 2014 that have materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

(d) Management's report on internal control over financial reporting.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f). Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was ineffective as of December 31, 2014 for the reasons discussed above.

This annual report does not include an attestation report by Liggett, Vogt & Webb P.A., our independent registered public accounting firm regarding internal control over financial reporting. As a smaller reporting company, our management's report was not subject to attestation by our registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit us to provide only management's report in this annual report.

ITEM 9B – OTHER INFORMATION

None.

PART III

ITEM 10 – DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The names of our executive officers and directors and their age, title, and biography as of March 27, 2015 are set forth below:

Name	Age	Positions
Brady Granier, Interim CEO since December 2, 2014;	42	Interim Chief Executive Officer, Chief Operating Officer, Secretary and Director
Neil Muller President since November 22, 2010;	54	President and Chairman of the Board
Lourdes Felix, Chief Financial Officer since October 1, 2012;	47	Chief Financial Officer, Treasurer and Director
Kent Emry, Director since September 13, 2013	47	Director

Brady J. Granier, Interim Chief Executive Officer, Director

During the twelve years prior to joining BioCorRx in June of 2013, Mr. Granier had been involved in sales management, media sales and business development. Mr. Granier was employed at Clear Channel Media & Entertainment (“CCME”), where he had served in several positions from Account Executive to Director of Business Development and Local Sales Manager. Mr. Granier has also served as the Healthcare Category Manager for the Los Angeles division of CCME, the largest media company in the United States. During his tenure at CCME and other media companies, Mr. Granier worked on marketing campaigns for local businesses and physicians, as well as for National brands such as Neutrogena, New Line Cinema, Paramount Pictures, Samsung, AT&T, Coke, Dr Pepper, Hansen’s, Honda, MGM, Universal Studios and more. He also managed endorsements on the radio for Ryan Seacrest. In 2006, Mr. Granier received the coveted Pinnacle Award from CCME for being the top sales executive in the Western region. While serving as Director of Business Development, Mr. Granier grew new business by 49% in his first year in that role.

Mr. Granier was born and raised in the heart of Cajun Country in Southeast Louisiana where he starting working at the age of eleven to help support his single mother and younger brother. After graduating with honors from high school, Mr. Granier attended college at Nicholls State University in Thibodaux, LA. Mr. Granier earned his Bachelor of Science Degree in Nursing in 1995 and was a member of Sigma Theta Tau Honor Society and Phi Kappa Theta. During his nursing career, Mr. Granier specialized in the critical care areas of ER/ICU/CCU and CICU. He also moonlighted as a home health nurse, critical care air transport nurse, and TV studio set medic. In 1996, Mr. Granier moved to California as a travel nurse and spent most of his remaining years in healthcare as the charge nurse in the emergency room at White Memorial Hospital in downtown Los Angeles. Mr. Granier continues to reside in the Los Angeles area with his family. Mr. Granier has also been a volunteer with Big Brothers of America.

Neil Muller, President and Chairman of the Board of Directors

Mr. Muller has more than 20 years of experience in the fields of property development, residential/commercial sales and business management.

In 2004, Mr. Muller began his very personal journey with what is now the Start Fresh Program today in the United States after his wife, Deidre, went through a similar program as a patient and recipient of the implant. Dee was an alcoholic for years before having the successful implant procedure in Australia. Prior to his wife receiving the implant, Muller, like many family members around the world suffering from the effects of alcoholism, spent hundreds of thousands of dollars trying to help his wife and family escape the stranglehold of alcohol addiction.

Lourdes Felix, Chief Financial Officer, Treasurer and Director

Ms. Felix is a corporate finance executive offering over fifteen years of combined experience in public accounting and in the private sector in building, leading, and advising corporations through complex restructurings. Ms. Felix has been instrumental in assisting in capital procurement and implementing an audit committee. She is thoroughly experienced in guiding troubled companies to greater efficiency and profitability. Ms. Felix has acquired expertise in securities laws and knowledge of SOX requirements. She has worked with private and public SEC reporting companies. Ms. Felix was previously the controller for a mid-size public accounting firm for over seven years and was responsible for the operations and financial management of regional offices. Her experience includes a wide variety of industries including advertising, marketing, non-profit organizations, medical practices, mortgage banking, manufacturing and SEC reporting companies. She has assisted companies with documented contributions leading to improved financial performance, heightened productivity, and enhanced internal controls.

Ms. Felix is very active in the Hispanic community and speaks fluent Spanish. Ms. Felix holds a Bachelor of Science degree in Business Management and Accounting from University of Phoenix.

Kent Emry, Director

Mr. Kent Emry served as the Chief Executive Officer of BioCorRx Inc. from September 13, 2013 to November 14, 2014. For twelve years, Mr. Emry has been involved in the healthcare industry. Mr. Emry has specialized in identifying and securing financing for the acquisition of troubled skilled nursing and rehabilitation facilities. Mr. Emry was able to re-structure these facilities both on a clinical and financial level resulting in a profitable facility. Mr. Emry has vast ... knowledge of operational systems and creation and development of policies and procedures has been key in the healthcare industry. Mr. Emry has extensive experience in contract negotiations with public, private, federal and state healthcare reimbursement entities including HMOs, Medicare, Medicaid, VA and Military contracting and billing. Mr. Emry's focuses on the acquisition and restructuring of troubled healthcare facilities, Mr. Emry owned and operated a marketing company which focused on the healthcare industry. He developed creative and concise marketing strategies. Mr. Emry's campaigns and tactics improved corporate revenues and profits by increasing their number of patients and controlling expenses. Mr. Emry served in a number of industries outside of healthcare as well, including food processing and brokerage, construction, development, sales, marketing and property management. He has been a Director of BioCorRx Inc. since September 13, 2013. He has been a Director of BioCorRx Inc.. since September 13, 2013. Mr. Emry has the ability to quickly identify operational and structural inefficiencies and replace them with systems and policies that enhance productivity and growth resulting in a more profitable business. Mr. Emry has a Bachelors degree in Healthcare Administration from Oregon State University.

Employment Agreements

Lourdes Felix, Chief Financial Officer and Brady Granier, Interim Chief Executive Officer of the Company, entered into Executive Service Agreements with the Company on February 28, 2013 and October 16, 2013, respectively (the "Executive Agreements").

The Executive Agreements provided, among other things, (i) the remuneration to be received in exchange for services provided to the Company; (ii) a general description of the services to be provided to the Company; and (iii) other obligations, terms, and conditions relating to the professional relationship between Felix and Granier, as applicable, and the Company.

On June 30, 2014, each of Felix and Granier entered into an amendment to the Executive Agreements (the “Amendments”), which provide that each of Felix and Granier shall receive three percent (3%) of the Company’s gross margin of sales of then-current healthcare products, devices and/or modifications thereto thereafter for a period of fifteen years following the Termination Date, as defined in the Executive Agreements. The Amendments were approved by the unanimous consent of the disinterested directors of the Company in accordance with the requirements of the Nevada Revised Statutes.

Family Relationships

There are no family relationships between any of our directors or executive officers and any other directors or executive officers.

Board Committees and Independence

We are not required to have any independent members of the Board of Directors. As we do not have any board committees, the board as a whole carries out the functions of nominating and compensation committees, and such “independent director” determination has been made pursuant to the committee independence standards.

Involvement in Certain Legal Proceedings

Our Directors and Executive Officers have not been involved in any of the following events during the past ten years:

1. any bankruptcy petition filed by or against such person or any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time (a);
2. any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
3. being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from or otherwise limiting his involvement in any type of business, securities or banking activities or to be associated with any person practicing in banking or securities activities;
4. being found by a court of competent jurisdiction in a civil action, the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
5. being subject of, or a party to, any federal or state judicial or administrative order, judgment decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
6. being subject of or party to any sanction or order, not subsequently reversed, suspended, or vacated, of any self-regulatory organization, any registered entity or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Section 16(a) Beneficial Owner Reporting Compliance

Since we are governed under Section 15(d) of the Exchange Act, we are not required to file reports of executive officers and directors and persons who own more than 10% of a registered class of our equity securities pursuant to Section 16(a) of the Exchange Act.

Code of Ethics

We have not adopted a Code of Ethics but expect to adopt a Code of Ethics and will require that each employee abide by the terms of such Code of Ethics.

ITEM 11 – EXECUTIVE COMPENSATION

Summary Compensation Table

The following table provides certain summary information concerning compensation awarded to, earned by or paid to our Chief Executive Officer, the two highest paid executive officers and up to two other highest paid individuals whose total annual salary and bonus exceeded \$100,000 for fiscal years 2014 and 2013.

<u>Name</u>	<u>and principal position</u>	<u>Fiscal Year</u>	<u>Salary (\$)</u>	<u>Bonus (\$)</u>	<u>Stock Awards (\$)(1)</u>	<u>Option Awards (\$)</u>	<u>Non-equity incentive plan compensation (\$)</u>	<u>Non-qualified deferred compensation (\$)</u>	<u>All other compensation (\$)</u>	<u>Total (\$)</u>
Brady Granier,	Interim CEO,	2014	0	0	451,683	0	0	0	157,500	609,183
Director	since	2013	0	0	114,987	0	0	0	143,223	258,210
	December 2, 2014									
Neil Muller,	Chairman of the	2014	0	0	451,683	0	0	0	98,250	549,933
	Board of Directors	2013	0	0	89,731	0	0	0	215,485	305,216
	Since December 2, 2014									
Lourdes Felix,	CFO,	2014	0	0	451,683	0	0	0	135,800	587,483
Treasurer	since	2013	0	0	134,597	0	0	0	173,640	308,237
	October 1, 2012									

(1) On November 17, 2014, the Company granted 5,000,000 options each to Mr. Brady Granier, Mr. Neil Muller and Ms. Lourdes Felix at \$0.10 per share, vesting immediately.

On October 16, 2013, the Company granted 3,000,000 options to purchase the Company's common stock at \$0.015 per share, vesting immediately for five years to Mr. Brady Granier.

(2) On December 4, 2013, the Company granted 1,500,000 options to purchase the Company's common stock at \$0.015 per share, vesting immediately for five years to Ms. Lourdes Felix.

Option/SAR Grants in Fiscal Year Ended December 31, 2014

Name	Grant Date	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Share)	Grant Date Fair Value of Stock and Option Awards (\$)
Neil Muller	11/17/2014	5,000,000	\$ 0.10	\$ 451,683
Lourdes Felix	11/17/2014	5,000,000	\$ 0.10	\$ 451,683
Brady Granier	11/17/2014	5,000,000	\$ 0.10	\$ 451,683

Outstanding Equity Awards at Fiscal Year-End Table

The following table sets forth information for the named executive officers regarding the number of shares subject to both exercisable and unexercisable stock options, as well as the exercise prices and expiration dates thereof, as of December 31, 2014.

Options Outstanding			Options Exercisable		
Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Exercise Price	Number Exercisable	Weighted Average Exercise Price
\$ 0.10	15,000,000	4.88	\$ 0.10	15,000,000	\$ 0.10

Long-Term Incentive Plans and Awards

There were no awards made to a named executive officer in fiscal 2013 under any long-term incentive plan.

Employment/Consulting Contracts, Termination of Employment, Change-in-Control Arrangements

On February 15, 2013, the Company adopted an Executive Management Bonus plan, which includes corporate revenue, license revenue and royalty revenue from which the bonus shall be calculated.

On February 28, 2013, we entered into one year Executive Service Agreement with Felix Financial Enterprise, LLC controlled by our Chief Financial Officer, Lourdes Felix pursuant to which the parties agreed to (i) Felix to provide certain executive services commensurate with his position as Chief Financial Officer; (ii) the Company shall pay Felix an annual salary of \$150,000 and grant 1,000,000 stock options and (iii) Felix shall be eligible to participate in the Executive Management Bonus Plan as adopted by the Board of Directors effective February 15, 2013. Effective October 16, 2013 the annual salary for Ms. Felix was reduced to \$75,000.

On February 28, 2013, we entered into one year Executive Service Agreement with PARS controlled by our President, Neil Muller pursuant to which the parties agreed to (i) Muller to provide certain executive services commensurate with his position as President; (ii) the Company shall pay Muller annual salary of \$200,000 and grant 4,000,000 stock options and (iii) Muller shall be eligible to participate in the Executive Management Bonus Plan as adopted by the Board of Directors effective February 15, 2013. Effective October 16, 2013 the annual salary for Mr. Muller was reduced to \$75,000.

On October 16, 2013, we entered into a one year Executive Service Agreement with Brady Granier pursuant to which the parties agreed to i) Granier to provide certain executive services commensurate with his position as Chief Operating Officer; (ii) the Company shall pay Granier annual salary of \$75,000 and grant 3,000,000 stock options and (iii) Granier shall be eligible to participate in the Executive Management Bonus Plan as adopted by the Board of Directors effective February 15, 2013.

Director Compensation

We have not compensated our Directors during fiscal 2014 except as described under officers as described in above.

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

The following table sets forth certain information as of the date hereof with respect to the holdings of: (1) each person known to us to be the beneficial owner of more than 5% of our common stock; (2) each of our directors, nominees for director and named executive officers; and (3) all directors and executive officers as a group. To the best of our knowledge, each of the persons named in the table below as beneficially owning the shares set forth therein has sole voting power and sole investment power with respect to such shares, unless otherwise indicated. Unless otherwise specified, the address of each of the persons set forth below is in care of the Company, at the address of: 601 North Parkcenter Drive, Suite 103, Santa Ana, California 92705.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Common Stock (1)
Common Stock	Neil Muller	11,250,000	7.54%
Common Stock	Brady Granier	7,421,900	4.98%
Common Stock	Kent Emry	6,950,000	4.66%
Common Stock	Lourdes Felix	2,500,000	1.68%
All directors and executive officers as a group (4 persons)		28,121,900	18.86%

(1) As of March 31, 2015, we have 149,134,501 shares of common stock outstanding.

ITEM 13 – CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

On November 22, 2010, the Company entered into an intellectual property license and asset purchase agreement with Fresh Start Private, Inc. a Nevada corporation (the “Transaction”) which has subsequently been terminated. In consideration of the license the Company agreed to issue 16,000,000 shares of common stock at the market value of \$0.77 per share as of the date of the agreement. Total value of the license is recorded as \$12,320,000. Dr. Jorge Andrade Jr., the Company’s CEO and Director, and Mr. Neil Muller, the Company’s President and Director are directors of and shareholders of Fresh Start Private, Inc. Mr. Muller owns 2,000,000 common shares of Fresh Start Private, Inc., therefore Mr. Muller’s interest in the Transaction is approximately \$1,540,000. Dr. Andrade owns 1,000,000 common shares of Fresh Start Private, Inc. therefore Dr. Andrade’s interest in the Transaction is approximately \$770,000. None of the 16,000,000 shares were issued. On October 31, 2011, we entered into the Termination Agreement pursuant to which such license agreement shall be deemed null and void.

As of December 31, 2014 and 2013, we have received an advance from Jorge Andrade, ex-President, and Neil Muller, director as loans from related parties. The loans are payable on demand and without interest.

	<u>2014</u>	<u>2013</u>
Jorge Andrade	\$ 37,842	\$ 39,842
Neil Muller	-	31,407
	<u>\$ 37,842</u>	<u>\$ 71,249</u>

Consulting agreement with Terranautical Global Investments (“TGI”).

The Company has an arrangement with Terranautical Global Investments (“TGI”). TGI is a company controlled by Jorge Andrade, a shareholder of the Company, that provides consulting services to the Company. There is no formal agreement between the parties and the amount of remuneration is \$6,250 per month. During the year ended December 31, 2014 and 2013, the Company incurred \$56,250 and \$226,360 as consulting fees, respectively. As of December 31, 2014 and 2013, there was an unpaid balance of \$169,101 and \$162,850, respectively. The Company terminated the consulting agreement with TGI effective 10/1/2014.

Consulting agreement with Premier Aftercare Recovery Services, (“PARS”).

The Company has an arrangement with Premier Aftercare Recovery Service, (“PARS”). PARS is a Company controlled by Neil Muller, a shareholder of the Company, that provides consulting services to the Company. There is no formal agreement between the parties and the amount of remuneration is \$6,250 per month. During the year ended December 31, 2014 and 2013, the Company incurred \$61,665 and \$77,794, respectively, as consulting fees and expense reimbursements. As of December 31, 2014 and 2013, there was an unpaid balance of \$41,010 and \$142,459, respectively.

Consulting agreement with Felix Financial Enterprises, (“FFE”).

The Company has an arrangement with Felix Financial Enterprises (“FFE”). FFE is a Company controlled by Lourdes Felix, an officer of the Company, that provides consulting services to the Company. There is no formal agreement between the parties and the amount of remuneration is \$6,250 per month. During the year ended December 31, 2014 and 2013, the Company incurred \$92,110 and \$125,000 as consulting fees, respectively. As of December 31, 2014 and 2013, there was an unpaid balance of \$83,150 and \$105,390, respectively.

Consulting agreement with Brady Granier.

The Company has an arrangement with Brady Granier, an officer of the Company. There is no formal agreement between the parties and the amount of remuneration is \$6,250 per month. For the year ended December 31, 2014 and 2013, \$92,296 and \$91,940 in consulting fees were incurred, respectively. As of December 31, 2014 and 2013, there was an unpaid balance of \$27,900 and \$72,640, respectively.

Consulting agreement with Kent Emry.

The Company has an arrangement with Kent Emry, a former officer of the Company. There is no formal agreement between the parties and the amount of remuneration is \$6,250 per month. For year ended December 31, 2014 and 2013, \$65,625 and \$7,000 in consulting fees were incurred, respectively. As of December 31, 2014 and 2013, there was an unpaid balance of \$28,125 and \$26,189, respectively.

During Fiscal Year 2013, there were no other material transactions between the Company and any Officer, Director or related party and the Company other than as described herein. With the exception of the transactions with Dr. Andrade, Mr. Muller, Mr. Granier, Mr. Emry and Ms. Felix, no other of the following parties has, since the date of incorporation, had any material interest, direct or indirect, in any transaction with us or in any presently proposed transaction that has or will materially affect us:

- Any person proposed as a nominee for election as a director;
- Any person who beneficially owns, directly or indirectly, shares carrying more than 5% of the voting rights attached to the outstanding shares of common stock;
- Any relative or spouse of any of the foregoing persons who have the same house as such person.

ITEM 14 – PRINCIPAL ACCOUNTING FEES AND SERVICES

Audit Fees. The aggregate fees billed by our independent auditors, for professional services rendered for the audit of our annual financial statements for the year ended December 31, 2014, including review of our interim financial statements were \$50,000 (including \$44,000 billed by Liggett, Vogt & Webb, P.A. and \$6,000 billed by Kling & Pathak LLC) . Audit fees billed by Kling & Pathak LLC in respect of 2013 financial statements were \$50,000.

Audit Related Fees. We incurred fees to our independent auditors of \$0 for audit related fees during the fiscal years ended December 31, 2014, which relates to filings with the SEC related to our recent reverse merger, and \$-0- for 2013.

Tax and Other Fees. We incurred fees to our independent auditors of \$-0- for tax and fees during the fiscal years ended December 31, 2014 and 2013.

The Audit Committee pre-approves all auditing services and all permitted non-auditing services (including the fees and terms thereof) to be performed by our independent registered public accounting firm.

ITEM 15 – EXHIBITS, FINANCIAL STATEMENT SCHEDULES

The following exhibits are included herein or incorporated by reference:

Exhibit No.	Description
2.1	Share Exchange Agreement, dated October 31, 2011, by and among the Company, the Company's former principal stockholder, FSP and the former principal shareholders of FSP.(2)
3.1	Articles of Incorporation. (1)
3.2	Certificate of Amendment to Articles of Incorporation. (1)
3.2	Certificate of Amendment to Articles of Incorporation (5)
3.3	By Laws (1)
5.0	Registration Statement Pursuant to 2012 Stock Option Plan (3)
5.0	Registration Statement Pursuant to 2013 Stock Option Plan (4)
5.0	Registration Statement Pursuant to 2014 Stock Option Plan (6)
10.1	Termination Agreement, dated October 31, 2011, by and among the Company, FSP and Muller.(2)
10.2	Agreement for Service, dated June 1, 2011, by and between FSP and Start Fresh Alcohol Recovery Clinic, Inc. (7)
10.3	License Agreement, dated September 7, 2010, by and between FSP and Trinity Rx Solutions, LLC.(2)
10.4	Asher Note Payable dated December 11, 2012, incorporated herein (7)
23.1	Consent of Kling & Pathak LLP
31.1	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of Brady Granier
31.2	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of Lourdes Felix
32.1	Certification of Brady Granier pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Lourdes Felix pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.1	2012 Employee Stock Option Plan (3)
99.1	2013 Employee Stock Option Plan (4)
99.1	2014 Employee Stock Option Plan (6)
101.INS **	XBRL Instance Document
101.SCH **	XBRL Taxonomy Extension Schema Document
101.CAL **	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF **	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB **	XBRL Taxonomy Extension Label Linkbase Document
101.PRE **	XBRL Taxonomy Extension Presentation Linkbase Document

(1) Incorporated herein by reference to the Company's Registration Statement on Form S-1 filed with the Commission on September 9, 2008.

(2) Incorporated herein by reference to the Company's Form 8K/A filed on November 4, 2011.

(3) Incorporated herein by reference to the Company's Form S-8 filed on December 18, 2012.

(4) Incorporated herein by reference to the Company's Form S-8 filed on January 10, 2014.

(5) Incorporated herein by reference to the Company's Form 8-K filed on February 20, 2014.

(6) Incorporated herein by reference to the Company's Form S-8 filed on November 19, 2014.

(7) Incorporated herein by reference

** XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

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.

BioCorRx, Inc.

Date: March 31, 2015

By: /s/ Brady Granier
Brady Granier
Interim Chief Executive Officer, Chief
Operating Officer and Director

Date: March 31, 2015

By: /s/ Lourdes Felix
Lourdes Felix
Chief Financial Officer and Director

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
BioCorRx, Inc. (formerly Fresh Start Private Management, Inc.)

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 of BioCorRx, Inc. (formerly Fresh Start Private Management, Inc.) of our reports dated April 11, 2014, relating to the consolidated financial statements which appears in this Form 10-K.

/s/ Kling & Pathak LLP

March 31, 2015

Cerritos, California

CERTIFICATION

I, Brady Granier, certify that:

1. I have reviewed this annual report on Form 10-K of BioCorRx 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 (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer 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 reasonable 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 controls over financial reporting.

Date: March 31, 2015

/s/ Brady Granier

Brady Granier
Interim Chief Executive Officer,
Chief Operating Officer and
Director (Principal Executive
Officer)

CERTIFICATION

I, Lourdes Felix, certify that:

1. I have reviewed this annual report on Form 10-K of BioCorRx 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 (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer 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 reasonable 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 controls over financial reporting.

Date: March 31, 2015

/s/ Lourdes Felix

Lourdes Felix
Chief Financial Officer and Director
(Principal Financial Officer)

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

I, Brady Granier, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the annual report of BioCorRx Inc. on Form 10-K for the fiscal year ended December 31, 2014 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of BioCorRx Inc.

/s/ Brady Granier

Brady Granier
Interim Chief Executive Officer,
Chief Operating Officer and
Director (Principal Executive
Officer)

March 31, 2015

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

I, Lourdes Felix, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the annual report of BioCorRx Inc. on Form 10-K for the fiscal year ended December 31, 2014 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of BioCorRx Inc.

/s/ Lourdes Felix

Lourdes Felix
Chief Financial Officer, Director
(Principal Financial Officer)

March 31, 2015