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

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended March 31, 2016

or

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

For the Transition Period from ____________ to ____________

Commission file number: 333-153381

BioCorRx, Inc.

(Exact name of registrant as specified in its charter)

Nevada	**26-1972677**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

601 North Parkcenter Drive, Suite 103
Santa Ana, California 92705
(Address of principal executive offices) (zip code)

(714) 462-4880
(Registrant's telephone number, including area code)

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

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

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer (Do not check if a smaller reporting company)	☐	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 ☒

As of May 23, 2016, there were 165,394,501 shares of registrant's common stock outstanding.

BIOCORRX, INC.

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BIOCORRX INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2016 (unaudited)	December 31, 2015
ASSETS		
Current assets:		
Cash	$ 121,669	$ 220,060
Accounts receivable, net	16,000	2,750
Other accounts receivable	25,000	25,000
Prepaid expenses	29,597	64,253
Total current assets	192,266	312,063
Property and equipment, net	3,327	3,900
Other assets:		
Prepaid expenses, long term	6,063	8,573
Intellectual property, net	55,648	1,075,400
Deposits, long term	22,968	5,334
Total other assets	84,679	1,089,307
Total assets	$ 280,272	$ 1,405,270
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued expenses, including related party payables of $538,822 and $731,666, respectively	$ 1,066,584	$ 1,256,956
Deferred revenue, short term	432,836	635,613
Settlement payable	250,000	-
Convertible notes payable, short term, net of debt discount	14,186	21,134
Notes payable, net of debt discount, short term portion	829,327	1,461,256
Notes payable, net of debt discount, related party	216,047	269,635
Derivative liability	124,932	110,753
Total current liabilities	2,933,912	3,755,347
Long term debt:		
Deferred revenue, long term	939,537	844,673
Convertible notes payable, long term, net of debt discount	-	5,530
Warrant liability	19,425	22,746
Derivative liability	-	59,778
Total long term debt	958,962	932,727
Total liabilities	3,892,874	4,688,074
Stockholders' deficit:		
Preferred stock, no par value; 80,000 designated; 80,000 shares issued and outstanding as of March 31, 2016 and December 31, 2015, respectively	16,000	16,000
Common stock, $0.001 par value; 200,000,000 shares authorized, 165,394,501 and 164,144,501 shares issued and outstanding as of March 31, 2016 and December 31, 2015, respectively	165,395	164,145
Common stock subscribed	100,000	100,000
Additional paid in capital	9,865,471	9,667,934
Accumulated deficit	(13,759,468)	(13,230,883)
Total stockholders' deficit	(3,612,602)	(3,282,804)
Total liabilities and stockholders' deficit	$ 280,272	$ 1,405,270

See the accompanying notes to the unaudited condensed consolidated financial statements

BIOCORRX INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three months ended March 31, 2016	Three months ended March 31, 2015
Revenues, net	$ 230,413	$ 275,465
Operating expenses:		
Cost of implants and other costs	40,453	11,500
Selling, general and administrative	391,239	238,068
Termination of licensing agreement	132,804	-
Depreciation and amortization	573	33,566
Total operating expenses	565,069	283,134
Net loss from operations	(334,656)	(7,669)
Other income (expenses):		
Interest expense, net	(165,232)	(99,849)
Gain on change in fair value of derivative liability	(28,697)	(95,656)
Total other income (expenses)	(193,929)	(195,505)
Loss before income taxes	(528,585)	(203,174)
Income taxes	-	-
Net loss	$ (528,585)	$ (203,174)
Net loss per common share, basic and diluted	$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding, basic and diluted	164,938,457	149,134,223

See the accompanying notes to the unaudited condensed consolidated financial statements

BIOCORRX INC.
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
THREE MONTHS ENDED MARCH 31, 2016

	Preferred stock		Common stock		Common stock Subscribed	Additional Paid in Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount				
Balance, December 31, 2015	80,000	$ 16,000	164,144,501	$164,145	$ 100,000	$9,667,934	$ (13,230,883)	$(3,282,804)
Common stock issued for services rendered	-	-	1,250,000	1,250	-	23,750	-	25,000
Reclassify fair value of debt derivative at payoff of note payable	-	-	-	-	-	173,787	-	173,787
Net loss	-	-	-	-	-	-	(528,585)	(528,585)
Balance, March 31, 2016 (unaudited)	80,000	$ 16,000	165,394,501	$165,395	$ 100,000	$9,865,471	$ (13,759,468)	$(3,612,602)

See the accompanying notes to the unaudited condensed consolidated financial statements

BIOCORRX INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Three months ended March 31, 2016	Three months ended March 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (528,585)	$ (203,174)
Adjustments to reconcile net loss to cash flows (used in) provided by operating activities:		
Depreciation and amortization	573	33,566
Bad debt expense	2,750	-
Termination of licensing agreement	132,804	-
Non-cash interest	21,722	71,354
Amortization of debt discount	122,256	4,624
Stock based compensation	64,006	41,695
Change in fair value of derivative liabilities	28,697	95,656
Changes in operating assets and liabilities:		
Accounts receivable	(16,000)	828
Prepaid expenses and other current assets	(1,840)	(1,385)
Accounts payable and accrued expenses	5,473	15,487
Settlement payable	-	(55,000)
Deferred revenue	(107,913)	(179,965)
Net cash used in operating activities	(276,057)	(176,314)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment of long term deposit	(17,634)	-
Payment for intellectual property	(55,648)	-
Net cash used in investing activities	(73,282)	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	300,000	-
Proceeds from convertible notes payable	74,448	50,000
Proceeds from advances	-	100,000
Repayments of notes payable	(123,500)	(5,419)
Net cash provided by financing activities	250,948	144,581
Net decrease in cash	(98,391)	(31,733)
Cash, beginning of the period	220,060	53,120
Cash, end of period	$ 121,669	$ 21,387
Supplemental disclosures of cash flow information:		
Interest paid	$ 7,418	$ 21,493
Taxes paid	$ -	$ -
Non-cash financing activities:		
Reclassify fair value of debt derivative at payoff of note payable	$ 173,787	$ 800,987

See the accompanying notes to the unaudited condensed consolidated financial statements

NOTE 1 – BUSINESS

BioCorRx Inc., through its wholly owned subsidiary Fresh Start Private, Inc., distributes and licenses the BioCorRx Recovery Program for alcoholism and opioid addiction treatment that empowers patients to succeed in their overall recovery. We offer a unique treatment philosophy that combines medical intervention and a counseling/coaching program that is administered by specialized life coaches/counselors.

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

Interim Financial Statements

The following (a) condensed consolidated balance sheet as of December 31, 2015, which has been derived from audited financial statements, and (b) the unaudited condensed consolidated interim financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information and the instructions to Form 10-Q and Rule 8-03 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2016 are not necessarily indicative of results that may be expected for the year ending December 31, 2016. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2015 included in the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission ("SEC") on April 14, 2016.

Basis of Presentation:

The condensed 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 proprietary products and protocols to customers under licensing agreements that allow those customers to utilize the products and protocols 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 products and protocols 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 products 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 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.

Use of Estimates

The preparation of the 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 stock-based compensation, derivative and warrant liabilities, the fair value of other equity and debt instruments and allowance for doubtful accounts.

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 $47,250 and $44,500 as of March 31, 2016, December 31, 2015, 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 March 31, 2016 and December 31, 2015. 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 9 and 11 for derivative liabilities and Footnote 12 and 13 for stock based compensation and other equity instruments.

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 March 31, 2016 and 2015, potentially dilutive shares issuances were comprised of convertible notes, warrants and stock options.

The following potentially dilutive securities have been excluded from the computations of weighted average shares outstanding as of March 31, 2016 and 2015, as they would be anti-dilutive:

	March 31,	
	2016	**2015**
Shares underlying options outstanding	14,850,000	15,350,000
Shares underlying warrants outstanding	2,630,000	2,630,000
Shares underlying convertible notes outstanding	8,058,608	1,833,333
	25,538,608	19,813,333

Advertising

The Company follows the policy of charging the costs of advertising to expense as incurred. The Company charged to operations $68,522 and $43,358 as advertising costs for the three months ended March 31, 2016 and 2015, 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 March 31, 2016 and December 31, 2015, the Company did not have any derivative instruments that were designated as hedges.

At March 31, 2016 and December 31, 2015, the Company had outstanding convertible notes and warrants that contained embedded derivatives. These embedded derivatives include certain conversion features and reset provisions. (See Note 9 and Note 11).

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 March 31, 2016, there were 10,000,000 employee and 4,850,000 non-employee stock options outstanding, which were all vested and exercisable. As of March 31, 2015, there were 15,000,000 employee and 350,000 non-employee stock options outstanding, which were all vested and exercisable.

Income Taxes

Income tax provisions or benefits for interim periods are computed based on the Company's estimated annual effective tax rate. Based on the Company's historical losses and its expectation of continuation of losses for the foreseeable future, the Company has determined that it is not more likely than not that deferred tax assets will be realized and, accordingly, has provided a full valuation allowance. As the Company anticipates or anticipated that its net deferred tax assets at December 31, 2015 and 2014 would be fully offset by a valuation allowance, there is no federal or state income tax benefit for the three months ended March 31, 2016 and 2015 related to losses incurred during such periods.

Recent Accounting Pronouncements

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

NOTE 3 – GOING CONCERN AND MANAGEMENT'S LIQUIDITY PLANS

As of March 31, 2016, the Company had cash of $121,669 and working capital deficit of $2,741,646. During the three months ended March 31, 2016, the Company used net cash in operating activities of $276,057. The Company has not yet generated any significant revenues, and has incurred net losses since inception. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

During the three months ended March 31, 2016, the Company raised $374,448 in cash proceeds the issuance of convertible notes and notes payable. The Company believes that its current cash on hand will be sufficient to fund its projected operating requirements through June 2016.

The Company's primary source of operating funds since inception has been from proceeds from private placements of convertible and other debt. The Company intends to raise additional capital through private placements of debt and equity securities, but there can be no assurance that these funds will be available on terms acceptable to the Company, or will be sufficient to enable the Company to fully complete its development activities or sustain operations. If the Company is unable to raise sufficient additional funds, it will have to develop and implement a plan to further extend payables, reduce overhead, or scale back its current business plan until sufficient additional capital is raised to support further operations. There can be no assurance that such a plan will be successful.

Accordingly, the accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"), which contemplate continuation of the Company as a going concern and the realization of assets and satisfaction of liabilities in the normal course of business. The carrying amounts of assets and liabilities presented in the financial statements do not necessarily purport to represent realizable or settlement values. The consolidated financial statements do not include any adjustment that might result from the outcome of this uncertainty.

NOTE 4 – PROPERTY AND EQUIPMENT

The Company's property and equipment at March 31, 2016 and December 31, 2015:

	March 31, 2016	December 31, 2015
Office equipment	$ 15,137	$ 15,137
Computer equipment	2,574	2,574
Leasehold improvements	20,014	20,014
	37,725	37,725
Less accumulated depreciation	(34,398)	(33,825)
	$ 3,327	$ 3,900

Depreciation expense charged to operations amounted to $573 and $478, respectively, for the three months ended March 31, 2016 and 2015, respectively.

NOTE 5 – INTELLECTUAL PROPERTY/ LICENSING RIGHTS

On June 30, 2015, the Company acquired the complete rights, title and interest in the Naltrexone Implant Formulation used specifically in the BioCorRx Recovery Program for an aggregate purchase price of $1,132,000 comprised of an obligation to pay $1,000,000 over 14 months starting October 1, 2015 and 3,000,000 of the Company's common stock at the market value of $0.044 per share as of the date of the agreement. The Company estimated a useful life of 10 years.

On March 31, 2016, the parties agreed to terminate the above described acquisition and to cancel any and all obligations assumed under the agreement. In connection with the cancellation, the Company recorded a loss on termination of licensing agreement of $132,804.

On January 26, 2016, the Company entered into an asset purchase agreement to acquire intellectual and contractual rights for all of North America with the option for Central and South America for Naltrexone Implants formulas created by the Seller for 24 months upon receipt of the intellectual property for a fee of $55,648. The Company, within the first 12 months has the right to purchase perpetual rights for above territories for a one-time fee, financed over 5 years.

NOTE 6 – DEFERRED REVENUE

In 2014 and 2015, the Company granted license and sub-license 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 March 31, 2016 and December 31, 2015 was $1,372,373 and $1,480,286, respectively.

NOTE 7 – SETTLEMENT PAYABLE

On March 9, 2016, Jorge Andrade (former Company's Chief Executive Officer) and Terranautical Global Investments, Inc. filed with the Eighth Judicial District Court in Clark County, Nevada a lawsuit claiming unpaid compensation, bonuses and previous loans in aggregate of $316,000 plus accrued interest and damages.

On March 21, 2016, the Plaintiff and the Company entered into a settlement agreement whereby the Company agreed to settle for a cash payment of $250,000 due December 16, 2016. At March 21, 2016, the Company reclassified $195,845 accounts payable and $54,155 notes payable, related party to settlement payable in the accompanying balance sheet.

NOTE 8 – 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 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 March 31, 2016 and December 31, 2015 was $518,660. The notes are currently in default.

On March 15, 2016, the Company issued a secured promissory note for $360,000 due 90 days from the date of issuance. Proceeds received were $300,000, net of Original Issuance Discount ("OID") of $60,000. The promissory note is secured by all accounts, all proceeds and all accessions for rents, profits and products. During the three months ended March 31, 2016, the Company amortized $10,667 of the OID to interest expense.

NOTE 9 – CONVERTIBLE NOTES PAYABLE AND DERIVATIVE LIABILITIES

On February 1, 2016**,** the Company issued to Iconic Holdings, LLC a $88,000 Convertible Promissory Note. The proceeds from the Iconic note provides was up to an aggregate of $79,200 in net proceeds after taking into consideration an Original Issue Discount ("OID") of $8,800. The maturity date is one year from the date of issuance.

The Company, at its sole discretion, has an option to repay the Iconic note within 90 days of the effective date at a rate of 110% of unpaid principal or 135% from 91-180 days of effective date. After 180 days, the note may not be prepaid without the consent of the holder.

The Note is convertible after 180 days into shares of the Company's common stock at a conversion price equal to 60% discount to the lowest closing price of the common stock for the 10 trading days immediately prior the conversion date.

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

At inception, the Company determined the aggregate fair value of $96,170 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 150.09%, (3) weighted average risk-free interest rate of 0.47%, (4) expected life of 1.00 year, and (5) estimated fair value of the Company's common stock of $0.0121 per share.

The determined fair value of the debt derivatives of $96,170 was charged as a debt discount up to the net proceeds of the note with the remainder of $21,722 charged to current period operations as non-cash interest expense.

During the three months ended March 31, 2016, the Company paid off an aggregate of $123,500 of the previously issued convertible notes. At the date of payoff, the Company marked to market the fair value of the debt derivatives and determined a fair value of $173,787 and transferred to equity. The fair value of the embedded derivatives was determined using Binomial Option Pricing Model based on the following assumptions: (1) dividend yield of 0%, (2) expected volatility of 147.99% to 148.167%, (3) weighted average risk-free interest rate of 0.73% to 0.99%, (4) expected life of 0.69 to 1.70 years, and (5) estimated fair value of the Company's common stock of $0.027 per share.

At March 31, 2016, the Company marked to market the fair value of the debt derivatives and determined a fair value of $124,932. The Company recorded a loss from change in fair value of debt derivatives of $32,018 for the three months ended March 31, 2016. The fair value of the embedded derivatives was determined using Binomial Option Pricing Model based on the following assumptions: (1) dividend yield of 0%, (2) expected volatility of 155.27%, (3) weighted average risk-free interest rate of 0.59%, (4) expected life of 0.84 years, and (5) estimated fair value of the Company's common stock of $0.0226 per share.

The charge of the amortization of debt discounts and costs for the three months ended March 31, 2016 and 2015 was $111,022 and $4,063, respectively, which was accounted for as interest expense.

NOTE 10 – NOTES PAYABLE-RELATED PARTY

As of March 31, 2016 and December 31, 2015, the Company received advances from Kent Emry current President of the Company,Scott Carley, and Neil Muller, former President of the Company as loans from related parties. The loans are payable on demand and without interest. In addition, the Company has issued unsecured, non-interest bearing demand notes to related parties. The balance outstanding as of March 31, 2016 and December 31, 2015 were $54,980 and $109,135, respectively. (See Note 7-Settlement Payable)

On January 22, 2013, the Company issued a 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 issued 950,000 (as amended) of its common stock on March 31, 2014.

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 March 31, 2016 and December 31, 2015 was $163,610, with unamortized debt discount of $2,543 and $3,110, respectively.

NOTE 11 – WARRANT LIABILITY

The Company issued warrants in conjunction with the issuance of certain 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.

At March 31, 2016, the fair value of the 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 155.27%, (3) weighted average risk-free interest rate of 0.73%, (4) expected life of 2.01 years, and (5) estimated fair value of the Company's common stock of $0.0226 per share.

The Company recorded a gain from change in fair value of warrant liability of debt derivatives of $3,321 for the three months ended March 31, 2016.

At March 31, 2016, the warrant liability valued at $19,425, 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 – STOCKHOLDERS' DEFICIT

Preferred stock

The Company is authorized to issue 80,000 shares of preferred stock with no par value. As of March 31, 2016 and December 31, 2015, the Company had 80,000 shares of preferred stock issued and outstanding.

Common stock

The Company is authorized to issue 200,000,000 shares of common stock with par value $.001 per share. As of March 31, 2016 and December 31, 2015, the Company had 165,394,501 shares and 164,144,501 shares of common stock issued and outstanding.

In February 2016, the Company issued an aggregate of 1,250,000 shares of its common stock for services rendered valued at $25,000 based on the underlying market value of the common stock at the date of issuance.

NOTE 13 – STOCK OPTIONS AND WARRANTS

Employee Options

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 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	10,000,000	3.63	$ 0.10	10,000,000	$ 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, 2015	10,000,000	$ 0.100
Granted	-	
Exercised	-	
Canceled	-	
Outstanding at March 31, 2016	10,000,000	$ 0.100

The intrinsic value of the vested employee stock options as of March 31, 2016 was $-0- based on the Company's stock price of $0.0226 per share at March 31, 2016. The intrinsic value of the vested employee stock options as of December 31, 2015 was $-0- based on the Company's stock price of $0.0265 per share at December 31, 2015.

Non-employee options

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 and 2014 Stock Option Plans:

Options Outstanding			Options Exercisable		
Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$ 0.045	3,500,000	4.31	$ 0.045	3,500,000	$ 0.045
$ 0.10	200,000	2.77	$ 0.10	200,000	$ 0.10
$ 0.15	1,000,000	4.28	$ 0.15	1,000,000	$ 0.15
$ 0.20	150,000	2.94	$ 0.20	150,000	$ 0.20
	4,850,000	4.20	$ 0.07	4,850,000	

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, 2015	4,850,000	0.07
Granted	-	-
Exercised	-	-
Expired	-	-
Outstanding at March 31, 2016	4,850,000	$ 0.07

The intrinsic value of the vested non-employee stock options as of March 31, 2016 was $-0- based on the Company's stock price of $0.0226 per share at March 31, 2016. The intrinsic value of the vested non-employee stock options as of December 31, 2015 was $-0- based on the Company's stock price of $0.0265 per share at December 31, 2015.

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)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Remaining Contractual Life (Years)
$ 0.25	1,475,000	2.69	$ 0.25	1,475,000	3.19
1.00	1,155,000	2.26	1.00	1,155,000	3.76
$ 0.58	2,630,000	2.50	$ 0.58	2,630,000	3.00

Transactions involving warrants are summarized as follows:

	Number of Shares	Weighted Average Exercise Price Per Share
Outstanding at December 31, 2015	2,630,000	$ 0.58
Issued	-	-
Exercised	-	-
Canceled	-	-
Outstanding at March 31, 2016	2,630,000	$ 0.58

NOTE 14 – RELATED PARTY TRANSACTIONS

The Company has an arrangement with Premier Aftercare Recovery Service, ("PARS"). PARS is a Company controlled by Neil Muller, a shareholder of the Company and prior 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 $14,583 per month. During the three months ended March 31, 2016 and 2015, the Company incurred $-0- and $27,083, respectively, as consulting fees and expense reimbursements. As of March 31, 2016 and December 31, 2015, there was an unpaid balance of $139,638 and $154,638, 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 $14,583 per month. During the three months ended March 31, 2016 and 2015, the Company incurred $43,750 and $27,083, respectively, as consulting fees. As of March 31, 2016 and December 31, 2015, there was an unpaid balance of $193,763 and $191,013, 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 $14,583 per month. For the three months ended March 31, 2016 and 2015 the Company incurred $43,750 and $27,083, respectively, as consulting fees. As of March 31, 2016 and December 31, 2015, there was an unpaid balance of $139,795 and $137,045, 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 the three months ended March 31, 2016 and 2015, the Company incurred $18,750 and $-0-, respectively, as consulting fees. As of March 31, 2016 and December 31, 2015, there was an unpaid balance of $65,625 and $53,125, 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 15 – 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 three months ended March 31, 2016 included 12%, 15% and 16% (aggregate of 43%) from three customers of the Company's total revenues.

The Company's revenues earned from sale of products and services for the three months ended March 31, 2015 included 38%, 15% and 18% (aggregate of 71%) from three customers of the Company's total revenues.

Four customers accounted for 12%, 36%, 15% and 11% (aggregate of 74%) of the Company's total accounts receivable at March 31, 2016 and two customers accounted for 49% and 20% of the Company's total accounts receivable at December 31, 2015.

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

NOTE 16 – 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 March 31, 2016:

	Level 1	Level 2	Level 3	Total
Derivative liability	$ -	$ -	$ 124,932	$ 124,932
Warrant liability			19,425	19,425
Total	$ -	$ -	$ 144,357	$ 144,357

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, 2015:

	Level 1	Level 2	Level 3	Total
Derivative liability	$ -	$ -	$ 170,531	$ 170,531
Warrant liability			22,746	22,746
Total	$ -	$ -	$ 193,277	$ 193,277

The table below sets forth a summary of changes in the fair value of the Company's Level 3 financial liabilities from December 31, 2015 through March 31, 2016:

	Debt Derivative Liability	Warrant Liability
Balance, December 31, 2015	$ 170,531	22,746
Transfers in (out):		
Initial fair value of debt derivative at note issuance	96,170	
Fair value of debt derivative at note extinguishment transferred to equity	(173,787)	
Mark-to-market at March 31, 2016:		
Embedded derivative	32,018	(3,321)
Balance, March 31, 2016	$ 124,932	$ 19,425

NOTE 17 – SUBSEQUENT EVENTS

Management has evaluated subsequent events in accordance with the requirements of ASC 855, Subsequent Events, and has determined that there are no subsequent events that required disclosure.

ITEM 2. 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 an addiction rehabilitation service company and developer of the BioCorRx Recovery 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 BioCorRx Recovery Program. On January 7, 2014 we changed our name to BioCorRx Inc. to take advantage of unique branding of our BioCorRx Recovery 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 *Addiction Rehabilitation Hospital*.

The BioCorRx Recovery Program is an addiction treatment protocol comprised of multiple parts: (1) an implant, administered by a licensed physician, of a proprietary compounded formulation of the medication, Naltrexone (implanted under the skin) (the "Implant") which can reduce alcohol and opioid cravings and certain effects over a period of time which typically is several months and longer than other means of administration of Naltrexone such as oral and injectable forms; and (2) uniquely and specifically structured, intensive one on one substance abuse disorder life coaching/counseling programs developed by BioCorRx, Inc. (the "Counseling 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. BioCorRx makes the BioCorRx Recovery 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 Counseling Program to the providers' patients although BioCorRx certainly encourages that providers do so.

BioCorRx has issued several license and distribution agreements to several unrelated third parties involving the establishment of alcoholism and opioid addiction rehabilitation and treatment centers and creating certain addiction rehabilitation programs. The Company has substantially expanded its operations since 2013 through the licensing and distribution opportunities of its BioCorRx Recovery Program. There are over 15 licensed providers throughout California, Arizona, Connecticut, Atlanta, Illinois, Nebraska, Oklahoma, Louisiana, Tennessee, Nevada, Wisconsin and Pennsylvania that offer the BioCorRxÒ Recovery Program. The company's current focus will continue on wider distribution across the United States, branding of the BioCorRx Recovery Program and acquisition of healthcare related products and services. The Company is committed to continuing to provide excellent rehabilitation products and services to healthcare providers nationwide as it expands the distribution of the BioCorRx Recovery Program to a network of independent 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):

Three Months ended March 31, 2016 Compared with Three Months ended March 31, 2015

Three months ended March 31,

	2016	2015
Net Revenues	$ 230,413	$ 275,465
Total Operating Expenses	(565,069)	(283,134)
Net Interest Expense	(165,232)	(99,849)
Loss on change in derivative liability	(28,697)	(95,656)
Net loss	$ (528,585)	$ (203,174)

Revenues

Sales for the three months ended March 31, 2016 were $230,413 compared with $275,465 for the three months ended March 31, 2015, reflecting a decrease of 16%.

The decrease in revenue is directly related to the reduced number of patients treated at licensed clinics and BioCorRx Recovery Program distribution.

Total Operating Expenses

Total operating expenses for the three months ended March 31, 2016 and 2015 were $565,069 and $283,134 reflecting an increase of $281,935 primarily due to termination of our licensing agreement incurred in 2016 of $132,804.

In addition, comparing the three months ended March 31, 2016 to March 31, 2015, consulting and investor relations fees increased from $119,907 to $148,633, accounting and legal fees increased from $10,619 to $43,569, advertising increased from $43,358 to $68,522, and rent increased from $4,451 to $4,737. In addition, we incurred $64,006 as stock based compensation in 2016 compared to $41,695 in 2015.

Gain (loss) on change in Fair Value of Derivative Liability

As of March 31, 2016, we had outstanding convertible debt and warrants with variable conversion provisions that had the possibility of exceeding our common shares authorized when considering the number of possible shares that may be issuable to satisfy settlement provision of this note. As such, we are required to determine the fair value of this derivative and mark to market each reporting period. For the three months ended March 31, 2016, we incurred a $28,697 loss on change in fair value of our derivative liabilities compared to $95,656 loss in the same period, last year.

Interest Expense

Interest expense for the three months ended March 31, 2016 and 2015 were $165,232 and $99,849, respectively, the increase is due to debt discount amortization, a non-cash interest charge.

Net Loss

For the three months ended March 31, 2016, the Company experienced loss of $528,585 compared with a net loss of $203,174 for the three months ended March 31, 2015. The increase in net loss is primarily due to the increase in total operating expenses in 2016.

Liquidity and Capital Resources

As of March 31, 2016, we had cash of approximately $122,000. The following table provides a summary of our net cash flows from operating, investing, and financing activities.

Three months ended March 31,

	2016	2015
Net cash (used in) operating activities	$ (276,057)	$ (176,314)
Net cash used in investing activities	(73,282)	-
Net cash provided by (used in) financing activities	250,948	144,581
Net decrease in cash	(98,391)	(31,733)
Cash, beginning of period	220,060	53,120
Cash, end of period	$ 121,669	$ 21,387

Currently we have no material commitments for capital expenditures as of March 31, 2016. 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 five 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 continued distribution opportunities 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 used in operating activities was $276,057 for the three months ended March 31, 2016 compared to $176,314 used in operating activities the three months ended March 31, 2015. The increase was primarily due to the increased operating costs and expenses incurred in 2016.

Net Cash Flow From Investing Activities

Net cash used in investing activities increased by $73,282 for the three months ended March 31, 2016 compared to of three months ended March 31, 2015 primarily due to payments for intellectual property and lease deposit in 2016.

Net Cash Flow From Financing Activities

Net cash provided by financing activities increased by $106,367, from $144,581 provided by financing activities for the three months ended March 31, 2015 to $250,948 cash provided by financing activities for the three months ended March 31, 2016. The increase is primarily from $300,000 received from notes payable and $74,448 from issuance of convertible note, net with repayments of notes payable of $123,500 as compared to $50,000 and $100,000 from advances and issuance of convertible notes, respectively, net with $5,419 repayments of notes payable in 2015.

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 March 31, 2016 and December 31, 2015, the Company has a working capital deficit of $2,741,646 and $3,443,284, and an accumulated deficit of $13,759,468 and $13,230,883. We will be dependent upon the raising of additional capital through placement of our common stock in order to implement the Company's 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

The preparation of the 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 stock-based compensation, derivative and warrant liabilities, the fair value of other equity and debt instruments and allowance for doubtful accounts.

Revenue Recognition

We generate 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. We defer any revenue for which the services have not been performed or is subject to refund until such time that the we and the customer jointly determine that the services has been performed or no refund will be required.

We license proprietary products and protocols to customers under licensing agreements that allow those customers to utilize the products and protocols 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 our products and protocols 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 product or intellectual property rights has occurred; (3) fees are fixed or determinable; and (4) collectability of fees is reasonably assured.

Under these license agreements, we receive an initial non-refundable license fee and in some cases, additional running royalties. Generally, we defer recognition of non-refundable upfront fees if it has continuing performance obligations without which the 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.

Deferred Revenue

We, from time to time, collect initial license fees when license agreements are signed and become effective. License fees collected from Licensees but not yet recognized as income are recorded as deferred revenue and amortized as income earned over the economic life of the related contract.

Derivative Financial Instruments

We account for derivative instruments in accordance with ASC 815, which establishes accounting and reporting standards for derivative instruments and hedging activities, including certain derivative instruments embedded in other financial instruments or contracts and requires recognition of all derivatives on the balance sheet at fair value, regardless of hedging relationship designation. Accounting for changes in fair value of the derivative instruments depends on whether the derivatives qualify as hedge relationships and the types of relationships designated are based on the exposures hedged. At March 31, 2016 and December 31, 2015, we did not have any derivative instruments that were designated as hedges.

At March 31, 2016 and December 31, 2015, we had outstanding convertible notes and warrants that contained embedded derivatives. These embedded derivatives include certain conversion features and reset provisions.

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.

Recent Accounting Pronouncements

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 4. 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 March 31, 2016, 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) 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 March 31, 2016 that have materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be engaged in various lawsuits and legal proceedings in the ordinary course of our business. Except as described below, we are currently not aware of any legal proceedings the ultimate outcome of which, in our judgment based on information currently available, would have a material adverse effect on our business, financial condition or results of operations. We are currently not a party to any material legal proceedings or claims not previously disclosed on Form 8-K.

Item 1A. Risk Factors

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

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

In February 2016, the Company issued an aggregate of 1,250,000 shares of its common stock for current and future services valued at $25,000 based on the underlying market value of the common stock at the date of issuance.

The above securities were issued to the individuals identified in connection with a transaction made in reliance upon exemptions from registration pursuant to Section 4(2) under the Securities Act of 1933, as amended (the "Securities Act") and/or Rule 506 promulgated under the Securities Act. The investors are accredited investors as defined in Rule 501 of Regulation D promulgated under the Securities Act.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Not Applicable.

Item 6. Exhibits

31.01	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.02	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.01	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.02	Certifications of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
101 INS	XBRL Instance Document
101 SCH	XBRL Schema Document
101 CAL	XBRL Calculation Linkbase Document
101 LAB	XBRL Labels Linkbase Document
101 PRE	XBRL Presentation Linkbase Document
101 DEF	XBRL Definition Linkbase Document

* In accordance with SEC Release 33-8238, Exhibit 32.01 is being furnished and not filed.

SIGNATURES

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

BIOCORRX, INC.

Date: May 23, 2016	By: *<u>/s/ Brady Granier</u>* Brady Granier Interim Chief Executive Officer, Chief Operating Officer and Director
Date: May 23, 2016	By: *<u>/s/ Lourdes Felix</u>* Lourdes Felix Chief Financial Officer and Director

EXHIBIT 31.01

CERTIFICATION

I, Brady Granier, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: May 23, 2016

By: */s/ Brady Grainer*
Brady Grainer
Interim Chief Executive Officer

EXHIBIT 31.02

CERTIFICATION

I, Lourdes Felix, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: May 23, 2016

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

EXHIBIT 32.01

CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Brady Grainer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of BioCorRx Inc. on Form 10-Q for the quarter ended March 31, 2016 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in this Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of BioCorRx Inc.

Date: May 23, 2016

By: */s/ Brady Grainer*
Brady Grainer
Interim Chief Executive Officer

EXHIBIT 32.02

CERTIFICATIONS OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

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 Quarterly Report of BioCorRx Inc. on Form 10-Q for the quarter ended March 31, 2016 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in this Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of BioCorRx Inc.

Date: May 23, 2016

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