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, 2016

Commission File Number: 000-54208

BioCorRxÒ Inc.

(Exact name of registrant as specified in its charter)

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

2390 East Orangewood Avenue Suite 575 Anaheim, California	**92806**	**(714) 462-4880**
(Address of principal executive office)	(Zip Code)	(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	☐	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 ☒

The aggregate market value of the voting Common Stock held by non-affiliates based upon the closing sale price of $0.024 per share on the Over the Counter Bulletin Board of the registrant as of June 30, 2016: $3,294,542.

As of April 13, 2017, there were 212,711,286 shares of registrant's common stock outstanding.

Documents Incorporated by Reference: None.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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 BioCorRxÒ Inc. ("BioCorRxÒ") and our wholly owned subsidiary, Fresh Start Private, Inc. (FSP).

PART I

Item 1 – Business

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 BioCorRxÒ Recovery Program and related products.

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 BioCorRxÒ Inc.

Effective July 5, 2016, the Company amended its articles of incorporation to increase the authorized shares of capital stock of the Company from two hundred million (200,000,000) shares of common stock, and eighty thousand (80,000) shares of preferred stock, both $.001 par value respectively, to five hundred twenty five million (525,000,000) shares common stock ($0.001 par value), and six hundred thousand (600,000) shares of preferred stock (no par value), respectively.

On July 28, 2016, we formed BioCorRx Pharmaceuticals, Inc., a Nevada Corporation, for the purpose of developing certain business lines. In connection with the formation, the, the newly formed sub issued 21.9% ownership to officers of the Company with the Company retaining 78.1%.

On November 23, 2016, the Company" filed a certificate of designations, rights and preferences with the Secretary of State of the State of Nevada pursuant to which the Company set forth the designation, powers, rights, privileges, preferences and restrictions of the Series B Preferred Stock.

Business Overview

Through our wholly and majority owned subsidiaries, we distribute and license the BioCorRxÒ Recovery Program for alcoholism and opioid addiction treatment headquartered in Anaheim, California. We were established in January 2010 and are currently operating in Anaheim, California. We developed the BioCorRx Ò Recovery 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 a counseling/life coaching program which includes a series of modules to be used by trained counselors usually within 16 sessions, as well as 12 months of peer recovery support and tracking.

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

The BioCorRxÒ Recovery Program

We have developed and own the rights to an innovative alcoholism and opioid addiction treatment program, called BioCorRxÒ Recovery Program, that empowers patients to succeed in their overall recovery. We offer a comprehensive medication-assisted treatment (MAT) program that combines non-addictive medication coupled with psycho-social counseling modules and peer recovery support and tracking. We have been operating for over 6 years and over 800 patients have been treated with our program since we began operating. Currently, about 2 to 3 patients per month are being treated with our program. This number fluctuates depending on provider(s) current advertising and time of year. The addiction treatment services reported cost from provider to patient is an average of $15,000 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 may also be provided to cash patients, by licensed providers, at discounted rates due to financial difficulties.

The BioCorRxÒ Recovery Program is a comprehensive addiction program which includes peer support coaching and counseling modules (typically completed in16 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 and is designed to release naltrexone into the body over several months. 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 BioCorRxÒ Recovery 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 pellet(s) under the skin in the lower abdomen. The pellet is absorbed into the body and dissolves within several 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 primarily on the treatment of alcohol and opioid addiction.

Comprehensive Approach: Alcoholism and opioid addiction are complex diseases that needs a program specifically designed to treat the body, the mind, and the spirit of one suffering from addiction. We have created a comprehensive recovery program that includes state-of-the-art medical intervention, individually tailored peer support and cognitive behavioral therapy (CBT) counseling modules used by trained addiction specialists. Our program typically lasts for up to 13 months from the initial surgical procedure of inserting the naltrexone pellet(s) to the last peer support coaching session. 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 those suffering from addiction. 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) peer support and counseling that focuses on the psycho-social aspect of 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 over the period of several 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/or opioids. The implant is a naltrexone pellet(s) that is the size of a marble and inserted via an outpatient surgical procedure into the lower abdomen of the patient. The naltrexone pellets 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 pellets into patients are performed at several independently owned and licensed provider locations. There are over 15 licensed providers throughout the United States that offer the BioCorRxÒ Recovery Program. Addresses of most independently owned provider locations offering our program are available on our website www.beataddiction.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 our partners access to the naltrexone implant that has been designed for addiction treatment. 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).

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 one or two small pellets 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 20-30 minutes. A local anesthetic is administered before the pellets are implanted and the patient is free to leave the clinic and return to normal activities within a few hours of the procedure in most cases. The pellets are biodegradable and will gradually dissolve in the human body. The pellets contain a medicine 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 medication from a medical doctor. The doctors employed by the licensed providers 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 pellets using naltrexone as the core ingredient. BioCorRx does not compound, manufacture or handle the naltrexone implants.

Once the pellet is implanted in the patient, they are usually free to return to work on the next business day and will be contacted by a peer support specialist and/or counselor within a few days if not prior to the procedure to begin coaching and/or counseling.

BioCorRxÒ Recovery Program Counseling: We developed a counseling program to assist patients in beating their dependence on alcohol and opioids. Prior to, or upon receiving the naltrexone implant, each patient will typically speak with a counselor. This counselor will treat the patient for the next several weeks following the implant using the program modules in combination with their our skill sets to help them cope with and address their dependence on alcohol and/or opioids. It usually takes approximately 16 sessions to complete the program modules.

As part of the peer support and counseling program, peer support specialists/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 6 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 BioCorRxÒ Recovery Program. In addition to word of mouth from patients, we are focusing advertising and public relations on the radio, television and digital.

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 licensed providers that provide alcohol and opioid addiction treatment and detoxification services, some using other naltrexone implants. We hope to distinguish ourselves from our competition by proving that our program is successful and our success rate is much higher than our competitors. We intend to continue our expansion of the number of licensed providers throughout the United States using our program on their patients.

The following is a detailed description of well known 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 more effectively than traditional methods. We are currently operating in Anaheim, California and market nationally. We are constantly seeking and contracting withadditional independent treatment providers in the United States and ramping up efforts to establish pilot programs with local and state government entities.

Government Regulation and Approvals

All Surgical procedures need to be performed by a licensed physician.

The naltrexone implant does not require regulatory approval because naltrexone is already an FDA approved medication. Once the physician writes a prescription for naltrexone implant, a pharmacist can put it into a compounded form under U.S. Compounding laws and then distribute the compounded medication directly to the ordering physician treating the intended patient. The pharmacy is required to be properly licensed in each state to which the implant is being distributed.

Intellectual Property/Licensing Rights

On June 30, 2015, we 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 BioCorRx counseling program/modules used in the BioCorRx Recovery Program are protected by copyright.

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.

On July 28, 2016, the Company and Therakine, Ltd., an Irish private company limited by shares ("Therakine"), entered into a Development, Commercialization and License Agreement (the "Agreement"). Therakine has know-how and patents related to sustained release drug delivery technology (the "Technology"). Pursuant to the Agreement, Therakine granted the Company an exclusive license to utilize the Technology in developing injectable naltrexone products to treat patients suffering addiction to opioids, methamphetamines, cocaine, or alcohol. The Company is permitted to sell on a worldwide basis the products that utilize the Technology. The Agreement expires when the Company's last valid claim to Therakine's patents expires. Upon expiration of the Agreement, the licenses granted will become irrevocable and fully paid up.

The Company agreed to pay, in return for the license to the Technology, up to $2,750,000 in milestone payments and royalties ranging from 5% to 12% of net sales of products that use the Technology with aggregate payments per year of not less than $250,000. The Company is also required to pay a percentage of any sublicense income it receives related to products that use the Technology. In the event Therakine enters into a license agreement with a third party for products unrelated to injectable naltrexone that use the Technology, Therakine will pay the Company a percentage of its income from these products. As of December 31, 2016, the Company has paid an aggregate of $250,000 of which $75,000 is held in escrow until certain drug levels are met.

In 2016, the Company assigned and Therakine agreed to assign the rights under the Therakine Agreement, to BioCorRx Pharmaceuticals, Inc., the Company majority owned subsidiary.

MATERIAL AGREEMENTS

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-sublicensible 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 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 November 30, 2015, the Company and Kryptonite Investments LLC entered into an amendment of Restatement of Sublicense Agreement, which amends certain 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.

On June 30, 2015, the Company entered into a sublicense release agreement with Sobriety and Addiction Solutions (SAS) [also known as Fresh Start No Cal LLC and MyLife Recovery Centers]. SAS agreed to terminate and relinquish all rights granted under sublicense agreements, dated May 13, 2014, May 15, 2014 and June 25, 2014.

On January 26, 2015, the Company granted three-year distribution rights to Start Fresh Management LLC in Plano, TX. The distributor has agreed to pay a program access fee for each program order. Either party may elect to non-renew the distribution agreement by providing written notice to other party with a sixty day notice.

On March 10, 2015, the Company granted six month distribution rights to Corona Physical Medicine in Corona, CA. The distributor has agreed to pay a program access fee for each program order. Either party may elect to non-renew the distribution agreement by providing written notice to other party with a sixty day notice.

On March 20, 2015, the Company entered into a Sales Agency Agreement with Myriad Medical Marketing (MMM). MMM agreed to become the exclusive sales agent for BioCorRx within the Wellness Center category in the United States.

On June 30, 2015, the Company entered into an Asset Purchase Agreement with Trinity Compound Solutions Inc. The company agreed to purchase the intellectual property and contractual rights of the Naltrexone Implant Formulation for one million dollars ($1,000,000), plus three million (3,000,000) common restricted shares of BioCorRx Inc.

On August 14, 2015, the Company granted six month distribution rights to Next Advance Medicine in Irvine, CA. The distributor has agreed to pay a program access fee for each program order. Either party may elect to non-renew the distribution agreement by providing written notice to other party with a sixty day notice.

On August 26, 2015, the Company granted six month distribution rights to Escalon Physical Medicine in Escalon, CA and Scott Medical Health Center in Pittsburgh, PA respectively. The distributors have agreed to pay a program access fee for each program order. The parties may elect to non-renew the distribution agreement by providing written notice to other party with a sixty day notice.

On September 2, 2015, the Company granted six month distribution rights to Coastside Health and Medical Clinic Inc. in Daly City, CA, COR Medical Group in Palmdale, CA and Mazolewskioc Medical PC in San Diego, CA respectively. The distributors have agreed to pay a program access fee for each program order. The parties may elect to non-renew the distribution agreement by providing written notice to other party with a sixty day notice.

On September 22, 2015, the Company granted six month distribution rights to Superior Health Care LLC in Canton, GA. The distributor has agreed to pay a program access fee for each program order. Either party may elect to non-renew the distribution agreement by providing written notice to other party with a sixty day notice.

On October 21, 2015, the Company granted five year distribution rights to Kalani Total Health Center in Oxnard, CA. The distributor has agreed to pay a program access fee for each program order. Either party may elect to non-renew the distribution agreement by providing written notice to other party with a sixty day notice.

On December 1, 2015, the Company granted five year distribution rights to Pain Mechanix, in Mesa, AZ and SL Solutions in Oconomowoc, WI respectively. The distributor has agreed to pay a program access fee for each program order. The parties may elect to non-renew the distribution agreement by providing written notice to other party with a sixty day notice.

On December 15, 2015, the Company granted five year distribution rights to Metabolic Health and Wellness LLC in Memphis, TN. The distributor has agreed to pay a program access fee for each program order. Either party may elect to non-renew the distribution agreement by providing written notice to other party with a sixty day notice.

On December 28, 2015, the Company granted five year distribution rights to Global Medical Center LLC in Slidell, LA. The distributor has agreed to pay a program access fee for each program order. Either party may elect to non-renew the distribution agreement by providing written notice to other party with a sixty day notice.

On December 10, 2015. The Company entered into a royalty agreement with Alpine Creek Capital Partners LLC ("Alpine Creek"). The Company is in the business of selling a distinct implementation of the BioCorRx Recovery Program, a two-tiered comprehensive MAT program, which includes a counseling program, coupled with its proprietary Naltrexone Implant (the "Treatment").

In accordance with the terms and provisions of the agreement, Alpine Creek will pay the Company an aggregate of $405,000 , payable as follows: (a) a deposit in the amount of $55,000, which Alpine Creek paid to the Company on November 20, 2015, (b) cancellation of that certain secured promissory note, dated October 19, 2015, issued by the Company to Alpine Creek in the aggregate principal amount of $55,000 and (c) within two (2) business days from the effective date, Alpine Creek will pay $295,000 to the Company.

In consideration for the payment, with the exception of treatments conducted in certain territories, the Company will pay Alpine Creek fifty percent (50%) of the Company's gross profit for each Treatment sold in the United States that includes procurement of the Company's implant product until the Company has paid Alpine Creek $1,215,000. In the event that the Company has not paid Alpine Creek $1,215,000 within 24 months of the Effective Date, then the Company shall continue to pay Alpine Creek fifty percent (50%) for each Treatment following the Effective Date until the Company has paid Alpine Creek an aggregate of $1,620,000, with the exception of treatments conducted in certain territories. Upon the Company's satisfaction of these obligations, the Company shall pay Alpine Creek $100 for each treatment sold in the United States that includes procurement of the Company's implant product, into perpetuity.

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 2390 East Orangewood Avenue, Suite 575, Anaheim, California 92806, and our telephone number is (714) 462-4880. We lease this property. Our lease commenced effective July 1, 2016 for a term of three years. The base rent is $4,212 per month.

Item 3 – Legal Proceedings

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. Subsequently, on March 8, 2017, the settlement agreement was amended with an initial payment of $190,000 to be delivered by March 15, 2017 and the remaining balance of $160,000 shall be paid in twelve (12) monthly payments of $15,000 each through April 1, 2018. 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. As of December 31, 2016, the outstanding balance due was $250,000.

On March 7, 2016, Jeffery D. Segal, A Professional Corporation ("Segal") filed a complaint against the Company alleging failure to pay for legal services rendered in aggregate of $59,174 with the Superior Court of the State of California, County of Los Angeles.

In March 2017, the Company entered into a settlement agreement to pay the plaintiff and did pay $65,000 in full settlement. The Company has accrued the $65,000 for the year ended December 31, 2016.

With the exception of the foregoing, the Company is not involved in any disputes and does not have any litigation matters pending.

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

Market Information

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.

	Common Stock Market Price	
Financial Quarter Ended	**High ($)**	**Low ($)**
December 31, 2016	0.0450	0.0100
September 30, 2016	0.0749	0.0200
June 30, 2016	0.0320	0.0150
March 31, 2016	0.0330	0.0150
December 31, 2015	0.0450	0.0200
September 30, 2015	0.0600	0.0300
June 30, 2015	0.1250	0.0400
March 31, 2015	0.1200	0.0400

As of April 13, 2017, 212,711,286 shares of our common stock were issued and outstanding.

Holders

As of April 13, 2017, there were approximately 109 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	20,000,000	0.10	5,000,000
Equity compensation plans not approved by security holders	27,850,000	0.04	-
Total	47,850,000	0.04	5,000,000

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 of which 5,000,000 were subsequently canceled.

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.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is VStock Transfer, LLC.

Rule 10B-18 Transactions

During the fiscal year ended September 30, 2016, there were no repurchases of the Company's common stock by the Company.

Recent Sales of Unregistered Securities

In February 2016, we 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.

In June 2016, the Company issued to BICX Holding Company, LLC a $2,500,000 senior secured convertible promissory note due June 10, 2019 and bearing interest at 8% per annum due annually beginning June 10, 2018. Under the terms of the note, the note holder may, at any time, convert the unpaid principal of the note, or any portion thereof, into shares of the Company's common stock at an initial conversion price equal to 25% of the Company's total authorized common stock, determined at $0.019 per share at the date of issuance.

In July 2016, we issued an aggregate of 3,700,000 shares of its common stock for services rendered valued at $101,090 based on the underlying market value of the common stock at the date of issuance.

In July 2016, we issued 3,000,000 shares of its common stock as conversion for outstanding accounts payable to related party valued at $80,433 based on the underlying market value of the common stock at the date of issuance.

In August 2016, we issued 300,000 shares of its common stock for as loan extension valued at $17,970 based on the underlying market value of the common stock at the date of issuance.

In August 2016,we issued an aggregate of 3,150,000 shares of its common stock for services rendered valued at $182,725 based on the underlying market value of the common stock at the date of issuance.

In October 2016, we issued an aggregate of 800,000 shares of its common stock for in connection with the issuance of convertible debt valued at $30,000 based on the underlying market value of the common stock at the date of issuance.

In October 2016, we issued 60,000 shares of its common stock for services rendered valued at $2,346 based on the underlying market value of the common stock at the date of issuance.

In October 2016**,** the Company issued to an aggregate of $220,000 Convertible Promissory Notes. The proceeds from the notes provides was up to an aggregate of $200,000 in net proceeds after taking into consideration an Original Issue Discount ("OID") of $20,000. The maturity date is six months from the date of issuance. 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 25 trading days immediately prior the conversion date. In connection with the issuance of the promissory notes, the Company issued 800,000 shares of its common stock as an inducement and is obligated to issue an additional 250,000 shares should the Company's common stock close below $0.025 per share prior to full pay off of the notes. The fair value of the issued shares was charged as a debt discount at the time of issuance.

In December 2016, we issued an aggregate of 400,000 shares of its common stock for services rendered valued at $11,900 based on the underlying market value of the common stock at the date of issuance.

In December 2016, we issued 5,000,000 shares of its common stock in exchange for proceeds of $100,000.

Item 6 – Selected Financial Data

Not applicable.

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 an addiction healthcare solutions company and developer of the BioCorRx® Recovery Program and BICX101 headquartered in Anaheim, California. We were established in January 2010 and currently operating in Anaheim, California. The Company's current treatment program is called the BioCorRx® Recovery Program and it is also developing a new injectable naltrexone product called BICX101 for the treatment of alcohol and opioid addiction under our subsidiary, BioCorRx Pharmaceuticals. 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 *Alcoholism 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 over a period of several months; and (2) a uniquely and specifically structured, intensive one on one counseling program developed by BioCorRx Inc. (the "Counseling Program") coupled with overlapping peer support.

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 continued to expand its operations in 2016 through distribution opportunities of its BioCorRx Recovery Program. There are over 15 licensed providers throughout the United States that offer the BioCorRx 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 and licensed healthcare professionals.

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):

	2016	**2015**
Revenues	$ 701,772	$ 924,732
Total Operating Expenses	(2,883,793)	(6,042,616)
(Loss) gain on settlement agreement	-	731,973
Net Interest Expense	(1,048,013)	(377,087)
Gain on change in derivative liability	(2,673,948)	97,008
Income taxes	-	-
Net Loss	$(5,903,982)	$(4,665,990)

Year Ended December 31, 2016 Compared with Year Ended December 31, 2015

Revenues

Revenues for the year ended December 31, 2016 were $701,772 compared with $924,732 for the year ended December 31, 2015, reflecting a decrease of 24%. The decrease in revenue is directly related to the reduced number of patients treated at licensed clinics and BioCorRx Recovery Program distribution.

Operating Expenses

Total operating expenses for the year ended December 31, 2016 and 2015 were $2,883,793 and $6,042,616, reflecting a decrease of 52%. Cost of implants and other direct costs for the year ended December 31, 2016 were $175,430 compared with $151,970 for the year ended December 31, 2015, reflecting an increase of 15%. Cost of implants and other direct costs increased as a percentage of sales (from 16% to 24%) 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, 2015 to December 31, 2016, consulting fees increased from $536,267 to $768,007, accounting fees decreased from $79,995 to $77,023, advertising increased from $76,859 to $223,728, and rent increased from $17,044 to $40,736. In addition, we incurred $582,348 as stock based compensation in 2016 compared to $802,920 in 2015 and loss on termination of licensing agreement of $132,804 in 2016 compared to $3,639,694 in 2015.

Interest Expenses

Net interest expense for the year ended December 31, 2016 and 2015 were $1,048,013 and $377,087, respectively, reflecting additional costs incurred from our 2016 borrowings. In addition, non-cash debt discount amortization and other non-cash interest relating to our convertible debt was $749,514 and $281,481 for the years ended December 31, 2016 and 2015, respectively

Net Gain on Settlement Agreement

In 2015, we settled outstanding sub licensing agreements with certain of our licensees resulting in a net gain of $731,973 for the current period.

(Loss) gain on derivative liabilities

We have issued convertible debt and certain warrants with certain anti-dilutive provisions requiring us to record and adjust to fair value at each reporting period. As such for the years ended December 31, 2016 and 2015, we recorded a (loss) gain on change in fair value of derivatives of $(2,673,948) and $97,008, respectively.

Net Loss

For the year ended December 31, 2016, the Company experienced a loss of $5,903,982 compared with a net loss of $4,665,990 for the year ended December 31, 2015. We experienced an increase in net loss due to the independent clinics experiencing lack of private insurance coverage and/or reimbursement.

Liquidity and Capital Resources

As of December 31, 2016, we had cash of approximately $92,455. The following table provides a summary of our net cash flows from operating, investing, and financing activities.

	2016	2015
Net cash (used in) provided by operating activities	$(1,987,100)	$ 47,859
Net cash used in investing activities	(340,541)	-
Net cash provided by financing activities	2,200,036	119,081
Net (decrease) increase in cash	(127,065)	166,940
Cash, beginning of period	220,060	53,120
Cash, end of period	$ 92,455	$ 220,060

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 2016, the company has continued to expand its operations through distribution agreements with independently owned clinics, we believe that the current 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 decreased by $2,034,959 for the year ended December 31, 2016 compared to 2015 primarily due to the Company's ability to decrease 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 increased by $340,541 for the year ended December 31, 2016 compared to 2015 primarily due payments for intellectual property, purchase of equipment and payment of lease deposit in 2016.

Net Cash Flow From Financing Activities

Net cash provided by financing activities increased by $2,080,955 for the year ended December 31, 2016 compared to 2015 due to additional borrowings of $2,664,448 and stock sales of $100,000, net with repayments of notes payable of $564,412 as compared to borrowings of $235,000, net with repayments of notes payable of $115,919 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 December 31, 2016 , the Company had cash of $92,445, a working capital deficit of $2,350,268 and an accumulated deficit of $19,134,865. The Company used net cash in operating activities of $1,987,100. 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. 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

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 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.

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

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.

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 December 31, 2016 and 2015, we did not have any derivative instruments that were designated as hedges.

Item 7A – Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 8 – Financial Statements and Supplementary Data

Our financial statements are contained in pages F-1 through F-32, which appear at the end of this Form 10-K Annual Report.

Item 9 – Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

None

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, 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:

(i) 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 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.

(ii) 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, 2016 that have materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

(iii) 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 (2013) 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 not effective as of December 31, 2016 for the reasons discussed above.

This annual report does not include an attestation report by Liggett & 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 April 13, 2017 are set forth below:

Name	Age	Positions
Brady Granier, President and CEO since June 10, 2016;	44	President, Chief Executive Officer and Director
Lourdes Felix, Chief Financial Officer since October 1, 2012;	49	Chief Financial Officer, Chief Operating Officer and Director
Kent Emry, Director	49	Director

Brady J. Granier, President, 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.

Lourdes Felix, Chief Financial Officer, Chief Operating Officer 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 Ò 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 BioCorRxÒ Inc. since September 13, 2013.

He has been a Director of BioCorRxÒ 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 Bachelor's degree in Healthcare Administration from Oregon State University.

Employment Agreements

Lourdes Felix, Chief Financial Officer and Chief Operating Officer and Brady Granier, President and 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.

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.

A copy of our Code of Business Conduct and Ethics is available without charge, to any person desiring a copy of the Code of Business Conduct and Ethics, by written request to us at our principal offices at 2390 East Orangewood Avenue, Suite 575, Anaheim, CA 92806.

Board Composition, 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 autho4rity over its members or persons associated with a member.

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Item 11 – Executive Compensation

Summary Compensation Table

The following table summarizes information concerning the compensation awarded to, earned by, or paid to, our Chief Executive Officer (Principal Executive Officer) and our two most highly compensated executive officers other than the Principal Executive Officer during fiscal years 2016 and 2015 (collectively, the "Named Executive Officers")

Name and principal position	Fiscal Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)	Non-equity incentive plan compensation ($)	Non-qualified deferred compensation ($)	All other compensation ($)	Total ($)
Brady Granier, President, CEO and Director since June 10, 2016	2016	175,000	0	0	201,812(1)	0	0	0	376,812
	2015	100,430	0	0	0	0	0	0	100,430
Lourdes Felix, CFO, COO and Director since October 1, 2012	2016	166,756	0	0	213,236(2)	0	0	0	379,992
	2015	100,430	0	0	0	0	0	0	100,430

____

(1) On June 17, 2016, the Company granted 10,600,000 options to Mr. Brady Granier exercisable at $0.0201 per share for ten years, vesting ratably over 24 months.

(2) On June 17, 2016, the Company granted 11,200,000 options to Ms. Lourdes Felix exercisable at $0.0201 per share for ten years, vesting ratably over 24 months.

Option/SAR Grants in Fiscal Year Ended December 31, 2016

None

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, 2016.

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	31,800,000	8.97	$ 0.05	18,250,000	$ 0.06

Long-Term Incentive Plans and Awards

On June 17, 2016, we awarded options to purchase an aggregate of 21,800,000 shares of common stock to key officers of the Company. These options vest monthly over 24 months and have a term of 10 years. The options have an exercise price of $0.0201 per share.

On June 17, 2016, we extended the term of previously granted options in aggregate of 10,000,000 initially expiring from November 2019 to July 2020 by five years to November 2024 to July 2025.

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. Effective June 10, 2016 the annual salary for Ms. Felix was increased to $160,000.

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. Effective March 1, 2015 the annual salary for Mr. Granier was increased to $175,000.

Director Compensation

We have not compensated our Directors during fiscal 2016 except as described under officers as described in above.

Item 12 – Security Ownership of Certain Beneficial Owners and Management and Related Stockholder

The following table sets forth, as of April 13, 2017, 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: 2390 East Orangewood Avenue, Suite 575, Anaheim, California 92806.

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	6.17%
Common Stock and options	Brady Granier	17,280,233	9.47%
Common Stock	Kent Emry	9,950,000	5.45%
Common Stock and options	Lourdes Felix	12,633,333	6.93%
All directors and executive officers as a group (4 persons)		51,113,566	28.03%

(1) As of April 13, 2017, we have 212,771,286 shares of common stock outstanding.

Changes in Control

We are not aware of any arrangements that may result in “changes in control” as that term is defined by the provisions of Item 403(c) of Regulation S-K.

Item 13 – Certain Relationships and Related Transactions and Director Independence.

Other than compensation arrangements, the following is a description of transactions to which we were a participant or will be a participant to, in which:

- the amounts involved exceeded or will exceed the lesser of 1% of our total assets or $120,000; and
- any of our directors, executive officers or holders of more than 5% of our capital stock, or any member of the immediate family of the foregoing persons, had or will have a direct or indirect material interest.

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, 2016 and 2015, we have received an advance from Jorge Andrade, ex-CEO, Neil Muller, ex-President and Kent Emry, past President as loans from related parties. The loans are payable on demand and without interest.

	2016	2015
Jorge Andrade	$ -	$ 37,842
Neil Muller	10,000	-
Kent Emry	16,500	16,500
	$ 26,500	$ 54,342

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 was $14,583 per month. During the years ended December 31, 2016 and 2015, the Company incurred $-0- and $100,000, respectively, as consulting fees and expense reimbursements. As of December 31, 2016 and 2015, there was an unpaid balance of $64,638 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. Until June 17, 2016, there was no formal agreement between the parties and the amount of remuneration is $14,583 per month. During the year ended December 31, 2016 and 2015 incurred $166,756 and $191,183, respectively, as consulting fees. As of December 31, 2016 and 2015, there was an unpaid balance of $91,465 and $191,013, respectively. On June 17, 2016, the Company entered into an executive service contract with Felix Financial Enterprises LLC to provide consulting services. The agreement is an at will agreement and provides for a base salary of $175,000 per year, 11,200,000 stock options, extended previously issued options and auto allowance.

The Company has an arrangement with Brady Granier, an officer of the Company. Until June 17, 2016 there was no formal agreement between the parties and the amount of remuneration is $14,583 per month. For the year ended December 31, 2016 and 2015, the Company incurred $175,000 and $192,279, respectively, as consulting fees. As of December 31, 2016 and 2015, there was an unpaid balance of $64,481 and $137,045, respectively.

On June 17, 2016, the Company entered into an executive service contract with Brady Granier as the Company's President and Chief Executive Officer. The agreement is an at will agreement and provides for a base salary of $175,000 per year, 10,600,000 stock options, extended previously issued options and auto allowance.

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 year ended December 31, 2016 and 2015the Company incurred $33,558 and $25,000, respectively. As of December 31, 2016 and 2015, there was an unpaid balance of $-0- and $53,125, respectively. On July 5, 2016, the Company issued 3,000,000 shares of the Company's common stock in settlement of $80,433 outstanding payables.

On June 17, 2016, the Company entered into an executive service contract with Tom Welch as the Company's Vice President of Operations. The agreement is an at will agreement and provides for a base salary of $140,000 per year, 11,200,000 stock options, extended previously issued options and an auto allowance.

On July 28, 2016, the Company formed BioCorRx Pharmaceuticals, Inc. for the purpose of developing certain business lines. In connection with the formation, the newly formed sub issued 21.9% ownership to Brady Granier, Lourdes Felix and Kent Emry, officers of the Company, with the Company retaining 78.1%. As of December 31, 2016, there were no significant assets or liabilities in BioCorRx Pharmaceuticals, Inc., or operations since its formation.

Item 14 – Principal Accounting Fees and Services

Audit Fees. The aggregate fees billed by our independent registered public accounting firm, for professional services rendered for the audit of our annual financial statements for the years ended December 31, 2016 and 2015, including review of our interim financial statements were $57,000 and $55,000, respectively.

Audit Related Fees. We incurred fees to our independent registered public accounting firm of $-0- and $-0- for audit related fees during the fiscal years ended December 31, 2016 and 2015, respectively, which related to filings with the SEC.

Tax and Other Fees. We incurred fees to our independent registered public accounting firm of $-0- and $-0- for tax and fees during the fiscal years ended December 31, 2016 and 2015.

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.

PART IV

Item 15 – Exhibits

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. (incorporated herein by reference to the Company's Form 8K/A filed on November 4, 2011)
3.1	Articles of Incorporation. (incorporated herein by reference to the Company's Registration Statement on Form S-1 filed with the Commission on September 9, 2008)
3.2	Certificate of Amendment to Articles of Incorporation (incorporated herein by reference to the Company's Registration Statement on Form S-1 filed with the Commission on September 9, 2008).
3.2	Certificate of Amendment to Articles of Incorporation.(incorporated herein by reference to the Company's Form 8-K filed on February 20, 2014)
3.3	Certificate of Amendment to Articles of Incorporation , dated July 5, 2016 (incorporated by reference to Form 8-K filed on July 6, 2016)
3.3	By Laws (incorporated herein by reference to the Company's Registration Statement on Form S-1 filed with the Commission on September 9, 2008)
3.4	Amendments to the Company's Bylaws , dated May 13, 2016 (incorporated by reference to Form 8-K filed on May 20, 2016)
4.1	Certificate of Designation (incorporated herein by reference to the Company's Form 8-K filed on November 30, 2016)
5.0	Registration Statement Pursuant to 2013 Stock Option Plan (incorporated herein by reference to the Company's Form S-8 filed on January 10, 2014)
5.0	Registration Statement Pursuant to 2014 Stock Option Plan (incorporated herein by reference to the Company's Form S-8 filed on November 19, 2014
10.1	Termination Agreement, dated October 31, 2011, by and among the Company, FSP and Muller. incorporated herein by reference to the Company's Form 8K/A filed on November 4, 2011)
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)
10.5	Distribution agreement, dated January 26, 2015 (incorporated by reference to Form 8-K filed on January 29, 2015)
10.6	JMJ Convertible Promissory Note, dated February 4, 2015 (incorporated by reference to Form 8-K filed on February 5, 2015)
10.7	Letter of Intent, dated February 24, 2015 (incorporated by reference to Form 8-K filed on March 13, 2015)
10.8	Supply and Distribution Agreement, dated March 10, 2015 (incorporated by reference to Form 8-K filed on March 13, 2015)
10.9	Amendment to Letter of Understanding, dated March 12, 2015 (incorporated by reference to Form 8-K filed on March 18, 2015)
10.10	Sales Agency Agreement, dated March 20, 2015 (incorporated by reference to Form 8-K filed on March 24, 2015)
10.11	Investment Agreement, dated June 25, 2015 (incorporated by reference to Form 8-K filed on July 1, 2015)
10.12	Termination of Sublicense Agreement, dated June 30, 2015 (incorporated by reference to Form 8-K filed on July 2, 2015)
10.13	Asset Purchase Agreement, dated June 30, 2015 (incorporated by reference to Form 8-K filed on July 7, 2015)
10.14	Resignation and appointment of officers, dated August 13, 2015 (incorporated by reference to Form 8-K filed on August 18, 2015)

10.15	Supply and Distribution Agreement, dated August 14, 2015 (incorporated by reference to Form 8-K filed on August 27, 2015)
10.16	Supply and Distribution Agreements, dated August 26, 2015 and August 27, 2015 (incorporated by reference to Form 8-K filed on September 3, 2015)
10.17	Supply and Distribution Agreements, dated September 2, 2015 and August 28, 2015 (incorporated by reference to Form 8-K filed on September 9, 2015)
10.18	Supply and Distribution Agreement, dated September 22, 2015 (incorporated by reference to Form 8-K filed on September 29, 2015)
10.19	Securities Purchase Agreement with S. George Investments, dated October 1, 2015 (incorporated by reference to Form 8-K filed on October 13, 2015)
10.20	Supply and Distribution Agreement, dated October 21, 2015 (incorporated by reference to Form 8-K filed on October 26, 2015)
10.21	Supply and Distribution Agreement, dated December 1, 2015 (incorporated by reference to Form 8-K filed on December 7, 2015)
10.22	Royalty Agreement, dated December 10, 2015 (incorporated by reference to Form 8-K filed on December 17, 2015)
10.23	Supply and Distribution Agreement, dated December 15, 2015 (incorporated by reference to Form 8-K filed on December 21, 2015)
10.24	Supply and Distribution Agreement, dated December 28, 2015 (incorporated by reference to Form 8-K filed on December 30, 2015)
10.25	Supply and Distribution Agreement, dated January 4, 2016 (incorporated by reference to Form 8-K filed on January 7, 2016)
10.26	Supply and Distribution Agreement, dated January 8, 2016 (incorporated by reference to Form 8-K filed on January 12, 2016)
10.27	Supply and Distribution Agreement, dated January 21, 2016 (incorporated by reference to Form 8-K filed on January 26, 2016)
10.28	Asset Purchase Agreement, dated January 26, 2016 (incorporated by reference to Form 8-K filed on January 29, 2016)
10.29	Convertible Promissory Note , dated February 1, 2016 (incorporated by reference to Form 8-K filed on February 10, 2016)
10.30	Supply and Distribution Agreement , dated February 9, 2016 (incorporated by reference to Form 8-K filed on February 16, 2016)
10.31	Supply and Distribution Agreement , dated February 12, 2016 (incorporated by reference to Form 8-K filed on February 18, 2016)
10.32	Secured Promissory Note , dated March 15, 2016 (incorporated by reference to Form 8-K filed on March 18, 2016)
10.33	Termination of Asset Purchase Agreement , dated April 15, 2016 (incorporated by reference to Form 8-K filed on April 18, 2016)
10.34	Amendments to the Company's Bylaws , dated May 13, 2016 (incorporated by reference to Form 8-K filed on May 20, 2016)
10.35	Senior Convertible Note, resignation of President , dated June 14, 2016 and June 17, 2016 (incorporated by reference to Form 8-K filed on June 21, 2016)
10.36	Certificate of Amendment to Articles of Incorporation , dated July 5, 2016 (incorporated by reference to Form 8-K filed on July 6, 2016)
10.37	Development, Commercialization and License Agreement , dated July 28, 2016 (incorporated by reference to Form 8-K filed on August 3, 2016)
10.38	Convertible Promissory Notes , dated October 21, 2016 (incorporated by reference to Form 8-K filed on October 27, 2016)
10.39	Certificate of Designation , dated November 23, 2016 (incorporated by reference to Form 8-K filed on November 30, 2016)
10.40	Subscription Agreement , dated December 22, 2016 (incorporated by reference to Form 8-K filed on January 6, 2017)
10.41	Subscription Agreement s, dated from February 13, 2017 through March 6, 2017 (incorporated by reference to Form 8-K filed on March 9, 2017)

31.1	Certifications of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *
31.2	Certifications of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *
32.1	Certifications of Chief Executive Officer pursuant to 18 U.S.C. SEC. 1350 (Section 906 of Sarbanes-Oxley Act of 2002) +
32.2	Certifications of Chief Financial Officer pursuant to 18 U.S.C. SEC. 1350 (Section 906 of Sarbanes-Oxley Act of 2002) +
99.1	2012 Employee Stock Option Plan (incorporated herein by reference to the Company's Form S-8 filed on December 18, 2012)
99.1	2013 Employee Stock Option Plan (incorporated herein by reference to the Company's Form S-8 filed on January 10, 2014)
99.1	2014 Employee Stock Option Plan (incorporated herein by reference to the Company's Form S-8 filed on November 19,2014.
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 *

* Filed herewith

\+ In accordance with SEC Release 33-8238, Exhibit 32.1 and 32.2 is being furnished and not filed.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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: April 13, 2017	By: */s/ Brady Granier* Brady Granier President and Chief Executive Officer (Principal Executive Officer)
Date: April 13, 2017	By: */s/ Lourdes Felix* Lourdes Felix Chief Financial Officer, Chief Operating Officer (Principal Financial and Accounting Officer)

SIGNATURES

Pursuant to the requirements of 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: April 13, 2017	By: */s/ Brady Granier* Brady Granier President, Chief Executive Officer and Director (Principal Executive Officer)
Date: April 13, 2017	By: */s/ Lourdes Felix* Lourdes Felix Chief Financial Officer, Chief Operating Officer and Director (Principal Accounting and Financial Officer)

ITEM 8 – FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

BIOCORRX, INC.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
BioCorRx Inc.

We have audited the accompanying consolidated balance sheets of BioCorRx Inc. (the "Company") as of December 31, 2016 and 2015 and the related consolidated statements of operations, stockholders' deficit, and cash flows for the years 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 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 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, 2016 and 2015, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The 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 & Webb, P.A.

New York, New York
April 13, 2017

BIOCORRX INC.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
Current assets:		
Cash	$ 92,455	$ 220,060
Accounts receivable, net	-	2,750
Other accounts receivable	-	25,000
Prepaid expenses	8,400	64,253
Total current assets	100,855	312,063
Property and equipment, net	22,164	3,900
Other assets:		
Restricted cash	50,000	-
Prepaid expenses, long term	-	8,573
Intellectual property, net	279,729	1,075,400
Deposits, long term	17,634	5,334
Total other assets	347,363	1,089,307
Total assets	$ 470,382	$ 1,405,270
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued expenses, including related party payables of $195,584 and $731,666, respectively	$ 937,938	$ 1,256,956
Deferred revenue, short term	432,836	635,613
Settlement payable	315,000	-
Convertible notes payable, short term, net of debt discount	87,033	21,134
Notes payable, net of debt discount, short term portion	172,748	1,461,256
Notes payable, net of debt discount, related party	210,761	269,635
Derivative liability	294,807	110,753
Total current liabilities	2,451,123	3,755,347
Long term debt:		
Deferred revenue, long term	613,428	844,673
Convertible notes payable, long term, net of debt discount	688,783	5,530
Warrant liability	26,903	22,746
Derivative liability	4,820,473	59,778
Total long term debt	6,149,587	932,727
Total liabilities	8,600,710	4,688,074
Commitments and contingencies (Note 17)	-	-
Stockholders' deficit:		
Preferred stock, no par value; 600,000 and 80,000 authorized as of December 31, 2016 and 2015, respectively		
Preferred stock, no par value; 80,000 designated; 80,000 shares issued and outstanding as of December 31, 2016 and 2015	16,000	16,000
Series B Preferred stock, no par value; 160,000 designated; 160,000 and -0- shares issued and outstanding as of December 31, 2016 and 2015	5,616	-
Common stock, $0.001 par value; 525,000,000 and 200,000,000 shares authorized, 181,804,501 and 164,144,501 shares issued and outstanding as of December 31, 2016 and 2015, respectively	181,805	164,145
Common stock subscribed	100,000	100,000
Additional paid in capital	10,701,116	9,667,934
Accumulated deficit	(19,134,865)	(13,230,883)
Total stockholders' deficit	(8,130,328)	(3,282,804)
Total liabilities and stockholders' deficit	$ 470,382	$ 1,405,270

See the accompanying notes to the consolidated financial statements

BIOCORRX INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year ended December 31, 2016	2015
Revenues, net	$ 701,772	$ 924,732
Operating expenses:		
Cost of implants and other costs	175,430	151,970
Selling, general and administrative	2,545,311	2,125,882
Termination of licensing agreement	132,804	3,639,694
Depreciation and amortization	30,248	125,070
Total operating expenses	2,883,793	6,042,616
Loss from operations	(2,182,021)	(5,117,884)
Other income (expenses):		
Net gain on settlement agreement	-	731,973
Interest expense, net	(1,048,013)	(377,087)
(Loss) gain on change in fair value of derivative liability	(2,673,948)	97,008
Total other income (expenses)	(3,721,961)	451,894
Loss before income taxes	(5,903,982)	(4,665,990)
Income taxes	-	-
Net loss	$ (5,903,982)	$ (4,665,990)
Net loss per common share, basic and diluted	$ (0.03)	$ (0.03)
Weighted average number of common shares outstanding, basic and diluted	170,245,976	155,487,569

See the accompanying notes to the consolidated financial statements

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BIOCORRX INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
TWO YEARS ENDED DECEMBER 31, 2016

	Preferred stock		Series B Preferred stock		Common stock		Common stock Subscribed	Additional Paid in Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance, January 1, 2015	80,000	$ 16,000	-	$ -	146,134,501	$146,135	$ 100,000	$8,609,059	$ (8,564,893)	$ 306,301
Common stock issued for services rendered	-	-	-	-	15,010,000	15,010	-	502,380	-	517,390
Common stock issuable in settlement of sub-licensing agreement	-	-	-	-	2,000,000	2,000	-	86,000	-	88,000
Common stock issued in payment for intellectual property	-	-	-	-	1,000,000	1,000	-	43,000	-	44,000
Common stock issuable in payment for intellectual property	-	-	-	-	-	-	-	88,000	-	88,000
Reclassify fair value of debt derivative at payoff of note payable	-	-	-	-	-	-	-	158,959	-	158,959
Fair value of vested options	-	-	-	-	-	-	-	180,536	-	180,536
Net loss	-	-	-	-	-	-	-	-	(4,665,990)	(4,665,990)
Balance, December 31, 2015	80,000	$ 16,000	-	$ -	164,144,501	$164,145	$ 100,000	$9,667,934	$ (13,230,883)	$(3,282,804)

See the accompanying notes to the consolidated financial statements

BIOCORRX INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
TWO YEARS ENDED DECEMBER 31, 2016

	Preferred stock		Series B Preferred stock		Common stock		Common stock Subscribed	Additional Paid in Capital	Accumulated Deficit	Total
	Shares	Amount	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	-	-	-	-	8,560,000	8,560	-	314,501	-	323,061
Series B preferred stock issued for services rendered	-	-	160,000	5,616	-	-	-	-	-	5,616
Common stock issued in settlement of related party accounts payable	-	-	-	-	3,000,000	3,000	-	77,433	-	80,433
Common stock issued in connection with convertible debt	-	-	-	-	800,000	800	-	29,200	-	30,000
Common stock issued in consideration of loan extension	-	-	-	-	300,000	300	-	17,670	-	17,970
Sale of common stock	-	-	-	-	5,000,000	5,000	-	95,000	-	100,000
Reclassify fair value of debt derivative at payoff of note payable	-	-	-	-	-	-	-	262,271	-	262,271
Change in fair value of modifications of options	-	-	-	-	-	-	-	53,858	-	53,858
Fair value of vested options	-	-	-	-	-	-	-	183,249	-	183,249
Net loss	-	-	-	-	-	-	-	-	(5,903,982)	(5,903,982)
Balance, December 31, 2016	80,000	$ 16,000	160,000	$ 5,616	181,804,501	$181,805	$ 100,000	$10,701,116	$ (19,134,865)	$(8,130,328)

See the accompanying notes to the consolidated financial statements

BIOCORRX INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,	
	2016	**2015**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$(5,903,982)	$(4,665,990)
Adjustments to reconcile net loss to cash flows (used in) provided by operating activities:		
Depreciation and amortization	30,248	125,070
Bad debt expense	59,750	125,522
Net gain on settlement of sub-licenses	-	(731,973)
Termination of licensing agreement	132,804	3,639,694
Non cash interest	66,874	170,042
Amortization of debt discount	748,840	111,439
Common stock issued in connection with loan extension	17,970	-
Stock based compensation	582,348	802,920
Change in fair value of option modifications	53,858	-
Change in fair value of derivative liabilities	2,673,948	(97,008)
Changes in operating assets and liabilities:		
Accounts receivable	(32,000)	(49,772)
Prepaid expenses and other current assets	(5,996)	(1,020)
Accounts payable and accrued expenses	(42,740)	480,702
Settlement payable	65,000	(295,000)
Deferred revenue	(434,022)	433,233
Net cash (used in) provided by operating activities	(1,987,100)	47,859
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	(22,594)	-
Payment of long term deposit	(12,300)	-
Payment for intellectual property	(305,647)	-
Net cash used in investing activities	(340,541)	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sale of common stock	100,000	-
Proceeds from related party notes payable	-	54,500
Proceeds from convertible notes payable	2,664,448	180,500
Net repayments of advances from lenders	-	(28,000)
Repayments of notes payable	(564,412)	(87,919)
Net cash provided by financing activities	2,200,036	119,081
Net (decrease) increase in cash	(127,605)	166,940
Cash, beginning of the period	220,060	53,120
Cash, end of period	$ 92,455	$ 220,060
Supplemental disclosures of cash flow information:		
Interest paid	$ 106,333	$ 7,418
Taxes paid	$ -	$ -
Non cash financing activities:		
Reclassify fair value of debt derivative at payoff of note payable	$ 262,271	$ -
Common stock issued in settlement of related party accounts payable	$ 80,433	$ -
Common stock issued in connection with issuance of convertible notes payable	$ 30,000	$ -
Note payable issued in settlement of sub-licensing fees	$ -	$ 900,000
Note payable and common stock issuable to acquire intellectual property	$ -	$ 1,132,000
Deposits applied as payment on notes payable	$ -	$ 57,404

See the accompanying notes to the consolidated financial statements

BIOCORRX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

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, one on one counseling, 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.

On July 28, 2016, the Company formed BioCorRx Pharmaceuticals, Inc., a Nevada Corporation, for the purpose of developing certain business lines. In connection with the formation, the, the newly formed sub issued 21.9% ownership to officers of the Company with the Company retaining 78.1%. As of December 31, 2016, there were no significant assets or liabilities in BioCorRx Pharmaceuticals, Inc., or operations since its formation.

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. and its majority owned subsidiary, BioCorRx Pharmaceuticals, 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 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.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity date of three months or less as cash equivalents.

BIOCORRX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

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.

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.

Concentrations of Credit Risk

Financial instruments and related items, which potentially subject the Company to concentrations of credit risk, consist primarily of cash and cash equivalents. The Company places its cash and temporary cash investments with credit quality institutions. At times, such amounts may be in excess of the FDIC insurance limit. At December 31, 2016 and 2015, the Company did not have deposits in excess of the FDIC limits.

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 $79,250 and $44,500 as of December 31, 2016 and 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 December 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.

Restricted Cash

The Company is required to maintain in its bank accounts at all times no less than 10% of the outstanding principle of its convertible debt issued June 10, 2016. The amount held may be reduced upon noteholder approval. The Cash held must be unrestricted and not subject to any liens. As of December 31, 2016, the Company's restricted cash balance of $50,000 was classified as other assets in the accompanying balance sheet.

BIOCORRX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

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.

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.

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.

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

BIOCORRX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

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

	2016	2015
Shares underlying options outstanding	47,850,000	14,850,000
Shares underlying warrants outstanding	2,630,000	2,630,000
Shares underlying convertible notes outstanding	199,706,315	9,313,725
	250,186,315	26,793,725

Advertising

The Company follows the policy of charging the costs of advertising to expense as incurred. The Company charged to operations $223,728 and $76,859 as advertising costs for the year ended December 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 December 31, 2016 and 2015, the Company did not have any derivative instruments that were designated as hedges.

At December 31, 2016 and 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 December 31, 2016, there were 47,850,000 stock options outstanding, of which 23,100,000 were vested and exercisable, respectively. As of December 31, 2015, there were 14,850,000 stock options outstanding with all 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.

BIOCORRX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

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, 2016 and 2015, the Company has not recorded any unrecognized tax benefits.

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 December 31, 2016, the Company had cash of $92,455 and working capital deficit of $2,350,268. During the year ended December 31, 2016, the Company used net cash in operating activities of $1,987,100. 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 year ended December 31, 2016, the Company raised $2,664,448 in cash proceeds from the issuance of convertible notes and notes payable and $100,000 proceeds from the sale of common stock. In February and March 2017, the Company raised $1,660,000 and $940,000 proceeds from the issuance of a convertible note and from the sale of its common stock, respectively (See Subsequent Events-Note 20). The Company believes that its current cash on hand will be sufficient to fund its projected operating requirements through December 2017.

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 December 31, 2016 and 2015:

	2016	2015
Office equipment	$ 34,234	$ 15,137
Computer equipment	2,574	2,574
Leasehold improvements	-	20,014
	36,808	37,725
Less accumulated depreciation	(14,644)	(33,825)
	$ 22,164	$ 3,900

Depreciation expense charged to operations amounted to $4,330 and $2,294, respectively, for the year ended December 31, 2016 and 2015, respectively.

BIOCORRX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 5 – INTELLECTUAL PROPERTY/ 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 a specific 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 for year ended December 31, 2015 was $66,176.

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.

In connection with the acquisition of the Naltrexone Implant formula, the Company wrote off the remaining unamortized balance of the licensing rights of $3,639,694 as a charge to operations in 2015.

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. The rights are amortized over the 24 month contract life. For the year ended December 31, 2016, amortization was $25,918.

On July 28, 2016, the Company and Therakine, Ltd., an Irish private company limited by shares ("Therakine"), entered into a Development, Commercialization and License Agreement (the "Agreement"). Therakine has know-how and patents related to sustained release drug delivery technology (the "Technology"). Pursuant to the Agreement, Therakine granted the Company an exclusive license to utilize the Technology in developing injectable naltrexone products to treat patients suffering addiction to opioids, methamphetamines, cocaine, or alcohol. The Company is permitted to sell on a worldwide basis the products that utilize the Technology. The Agreement expires when the Company's last valid claim to Therakine's patents expires. Upon expiration of the Agreement, the licenses granted will become irrevocable and fully paid up.

The Company agreed to pay, in return for the license to the Technology, up to $2,750,000 in milestone payments and royalties ranging from 5% to 12% of net sales of products that use the Technology with aggregate payments per year of not less than $250,000. The Company is also required to pay a percentage of any sublicense income it receives related to products that use the Technology. In the event Therakine enters into a license agreement with a third party for products unrelated to injectable naltrexone that use the Technology, Therakine will pay the Company a percentage of its income from these products. As of December 31, 2016, the Company has paid an aggregate of $250,000 of which $75,000 is held in escrow until certain drug levels are met.

In 2016, the Company assigned and Therakine agreed to assign the rights under the Therakine Agreement, to BioCorRx Pharmaceuticals, Inc., the Company majority owned subsidiary.

Estimated future amortization expense as of December 31, 2016 is as follows:

2017	$ 44,491
2018	18,572
2019	16,667
2020	16,667
2021 and thereafter	183,332
Total	$ 279,729

NOTE 6 – DEFERRED REVENUE

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.

On June 30, 2015, the Company entered into a separation agreement with a licensee and has agreed to reimburse prepaid license fees (see below). The Company agreed to issuance of 2,000,000 of the Company's common stock and a term note payable through September 16, 2019. On December 15, 2015, the Company and the licensee agreed to rescind the above described settlement agreement with no common stock nor reimbursements due from the Company and an obligation from the licensee to reimburse the Company $25,000. Accordingly, the Company recorded a net gain of sublicensing fees of $731,973 to operations in 2015. Under the confidentiality clause of the separation agreement the parties are prohibited from disclosing settlement amounts.

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, 2016 and 2015 was $1,046,264 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. Subsequently, on March 8, 2017, the settlement agreement was amended with an initial payment of $190,000 to be delivered by March 15, 2017 and the remaining balance of $60,000 shall be paid in twelve (12) monthly payments of $5,000 each through April 1, 2018. 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. As of December 31, 2016, the outstanding balance due was $250,000.

On March 7, 2016, Jeffery D. Segal, A Professional Corporation ("Segal") filed a complaint against the Company alleging failure to pay for legal services rendered in aggregate of $59,174 with the Superior Court of the State of California, County of Los Angeles.

In March 2017, the Company entered into a settlement agreement to pay the plaintiff and did pay $65,000 in full settlement. The Company has accrued the $65,000 for the year ended December 31, 2016.

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 December 31, 2016 and 2015 was $172,748 and $518,660, respectively. The notes are currently in default.

In August 15, 2016, the Company issued 300,000 shares of its common stock for loan extension till December 15, 2016 in connection with the remaining outstanding note holder. The fair value of the issued common shares of $17,970 was charged to current period interest expense.

As described in Note 5, the Company acquired the complete rights, title and interest for the Naltrexone Implant formula for an aggregate purchase price of $1,132,000 comprised, in part, of an obligation to pay $1,000,000. The obligation was payable over approximately 14 months. During the year ended December 31, 2015, the Company applied a previously paid deposit of $57,404 towards the payment on the note. The remaining unpaid balance as of December 31, 2015 was $942,596. 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 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. On June 10, 2016, in connection with the issuance of a secured convertible note, the outstanding balance was settled in full. During the year ended December 31, 2016, the Company amortized $60,000 of the OID to interest expense. As of December 31, 2016, the promissory note was paid in full.

NOTE 9– CONVERTIBLE NOTES PAYABLE AND DERIVATIVE LIABILITIES

JMJ Financial

On February 3, 2015**,** the Company sold to JMJ Financial a $250,000 Convertible Promissory Note. The JMJ note provides up to an aggregate of $225,000 in gross proceeds after taking into consideration an Original Issue Discount ("OID") of $25,000. The maturity date is two years from the effective date of each payment paid under the promissory note.

The Company, at its sole discretion, has an option to repay all consideration received pursuant to the JMJ note within 120 days of the effective date, there will be zero percent interest charged under the JMJ Note. Otherwise, there will be a one-time interest charge of 12% for all consideration received by the Company pursuant to the JMJ Note.

The Notes earn an interest rate of 12% per annum after four months of each advance and are convertible six months after the issuance date of each advance at a conversion price equal to 60% discount to the lowest trading price of the common stock for the 25 trading days immediately prior the conversion date.

In the event of default, the Purchaser has the right to require the Company to repay in cash all or a portion of the Note at a price equal to 125% of the aggregate principal amount of the Note plus all accrued but unpaid interest.

As of December 31, 2015, the Company has been funded by the purchaser as aggregate of, in the principal amount of $121,000, consisting of the aggregate principal sum of $110,000 advanced by the holder and $11,000 in OID.

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The Company has identified the embedded derivatives related to the above described notes. 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 the funding dates of the JMJ note tranches, the Company determined the aggregate fair value of $239,511 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 144.83% to 172.85%, (3) weighted average risk-free interest rate of 0.52% to 0.70%, (4) expected life of 2.00 years, and (5) estimated fair value of the Company's common stock from $0.049 to $0.093 per share.

The determined fair value of the debt derivatives of $239,511 was charged as a debt discount up to the net proceeds of the note with the remainder of $134,554 charged to 2015 operations as non-cash interest expense.

In 2015, the Company paid off an aggregate of $75,000 of the outstanding notes. At the date of payoff, the Company marked to market the fair value of the debt derivatives and determined a fair value of $158,959 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 148.32% to 151.27%, (3) weighted average risk-free interest rate of 0.60% to 0.68%, (4) expected life of 1.58 to 1.67 years, and (5) estimated fair value of the Company's common stock of $0.04 to $0.05 per share.

In 2016, the Company paid off the remaining of $35,000 of the outstanding note. At the date of payoff, the Company marked to market the fair value of the debt derivatives and determined a fair value of $61,113 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 148.16%, (3) weighted average risk-free interest rate of 0.99%, (4) expected life of 1.70 years, and (5) estimated fair value of the Company's common stock of $0.027 per share.

St. George Investments, LLC

On October 1, 2015, the Company sold to St. George Investments, LLC a $85,000 Convertible Promissory Note. Net proceeds received were $70,500 after taking into consideration an Original Issue Discount ("OID") of $7,500 and other fees. The maturity date is one year from the effective date of the promissory note. The lender has the right, with the consent of the Company, to lend additional two additional tranches at any time up to one year.

The Company may repay the Note at any time on or before 120 days from issuance. If unpaid at 120 days, a one-time interest charge of 12% shall be applied to the outstanding balance. After 120 days the Company can repay only with the consent of the lender at 125% allowed to repay.

The Note is convertible 120 days from issuance date at a conversion price equal to 60% discount to the lowest trading price of the common stock for the 25 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.

On October 1, 2015, the Company determined the aggregate fair value of $105,988 of embedded derivatives of the St. George Note. 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 146.21%, (3) weighted average risk-free interest rate of 0.31%, (4) expected life of 1.00 year, and (5) estimated fair value of the Company's common stock of $0.0391 per share.

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The determined fair value of the debt derivatives of $105,988 was charged as a debt discount up to the net proceeds of the note with the remainder of $35,488 charged to current period operations as non-cash interest expense.

At December 31, 2015, the Company marked to market the fair value of the debt derivatives and determined a fair value of $170,531. The Company recorded a gain from change in fair value of debt derivatives of $21,051 for the year ended December 31, 2015. 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 148.92%, (3) weighted average risk-free interest rate of 0.65% to 1.06%, (4) expected life from 0.75 to 1.72 years, and (5) estimated fair value of the Company's common stock of $0.0265 per share.

In 2016, the Company paid off the St George Note. At the date of payoff, the Company marked to market the fair value of the debt derivatives and determined a fair value of $112,673 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%, (3) weighted average risk-free interest rate of 0.41%, (4) expected life of 0.69 years, and (5) estimated fair value of the Company's common stock of $0.027 per share.

Iconic Holdings, LLC

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.

In 2016, the Company paid off the Iconic Note. At the date of payoff, the Company marked to market the fair value of the debt derivatives and determined a fair value of $88,484 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 164.09%, (3) weighted average risk-free interest rate of 0.48%, (4) expected life of 0.67 years, and (5) estimated fair value of the Company's common stock of $0.0166 per share.

BICX Holding Company LLC

On June 10, 2016, the Company issued to BICX Holding Company, LLC a $2,500,000 senior secured convertible promissory note due June 10, 2019 and bearing interest at 8% per annum due annually beginning June 10, 2018.

Under the terms of the note, the note holder may, at any time, convert the unpaid principal of the note, or any portion thereof, into shares of the Company's common stock at an initial conversion price equal to 25% of the Company's total authorized common stock, determined at $0.019 per share at the date of issuance. In addition, the note contains certain anti-dilution provisions, as defined.

The Company is required to maintain a cash balance of $50,000 of the outstanding principal amount at all times, unrestricted and lien free (as amended).

The note holder has the right, until December 10, 2016, to purchase another convertible note from the Company in a principal amount of up to $2,500,000 for a total aggregate purchase price of $5,000,000. Based on the percentage of the maximum purchase price the note holder invests, they will receive another convertible note for a pro rata percentage the Company's total authorized common stock (up to another 26% of the Company's total authorized common stock, for a total of 51%, if the note holder invests the maximum purchase price). If the note holder does not exercise the right to pay the maximum purchase price, the note holder will pay the Company a break-up fee equal to 5% of the remaining balance of the maximum purchase price.

The note is secured by all of assets of the Company and is ranked senior to all of the Company's debt currently outstanding or hereafter, unless prohibited by law.

The Company has identified the embedded derivatives related to the above described note. These embedded derivatives included certain conversion and reset 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 $2,225,907 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 164.06%, (3) weighted average risk-free interest rate of 0.73%, (4) expected life of 3.00 years, and (5) estimated fair value of the Company's common stock of $0.0201 per share.

The determined fair value of the debt derivatives of $2,225,907 was charged as a debt discount.

Hoppel/Vista Capital Promissory Notes payable

On October 20, 2016**,** the Company issued to an aggregate of $220,000 Convertible Promissory Notes. The proceeds from the notes provides was up to an aggregate of $200,000 in net proceeds after taking into consideration an Original Issue Discount ("OID") of $20,000. The maturity date is six months from the date of issuance.

In connection with the issuance of the promissory notes, the Company issued 800,000 shares of its common stock as an inducement and is obligated to issue an additional 250,000 shares should the Company’s common stock close below $0.025 per share prior to full pay off of the notes. The fair value of the issued shares was charged as a debt discount at the time of issuance.

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 25 trading days immediately prior the conversion date.

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The Company has identified the embedded derivatives related to the above described notes. 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 $215,152 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 168.199%, (3) weighted average risk-free interest rate of 0.48%, (4) expected life of 0.50 year, and (5) estimated fair value of the Company's common stock of $0.0375 per share.

The determined fair value of the debt derivatives of $215,152 was charged as a debt discount up to the net proceeds of the note with the remainder of $45,152 charged to current period operations as non-cash interest expense.

Summary:

At December 31, 2016, the Company marked to market the fair value of the debt derivatives and determined a fair value of $5,115,280. The Company recorded a loss from change in fair value of debt derivatives of $2,673,948 for the year ended December 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 166.36%, (3) weighted average risk-free interest rate of 0.51% to $1.47%, (4) expected life of 0.30 to 2.44 years, and (5) estimated fair value of the Company's common stock of $0.03 per share.

The charge of the amortization of debt discounts and costs for the year ended December 31, 2016 and 2015 was $686,560, and $109,165, respectively, which was accounted for as interest expense.

NOTE 10 – NOTES PAYABLE-RELATED PARTY

As of December 31, 2016 and 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 December 31, 2016 and 2015 were $47,980 and $106,025, 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 December 31, 2016 and 2015 was $163,610, with unamortized debt discount of $828 and $3,110, respectively.

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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 December 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 166.36%, (3) weighted average risk-free interest rate of 0.85%, (4) expected life of 1.27 years, and (5) estimated fair value of the Company's common stock of $0.03 per share.

The Company recorded a loss from change in fair value of warrant liability of debt derivatives of $4,157 for the year ended December 31, 2016.

At December 31, 2016, the warrant liability valued at $26,903, 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

On June 25, 2015, the Company entered into a common stock purchase agreement (the "Investment Agreement") with Northbridge Funding, Inc., a Delaware corporation (the "Investor"). The Investment Agreement provides that, upon the terms and subject to the conditions set forth therein, the Investor is committed to purchase up to $10,000,000 (the "Total Commitment") worth of the Company's common stock, $0.001 par value (the "Shares").

From time to time over the term of the Investment Agreement, commencing on the trading day immediately following the date on which an initial registration statement is declared effective by the Securities and Exchange Commission (the "Commission"), the Company may provide the Investor with a draw down notice to purchase a specified dollar amount of Shares, with each draw down subject to certain limitations.

The applicable purchase price is defined as a price equal to 80% of the three lowest closing prices traded twelve consecutive trading days prior to the drawdown notice inclusive to the drawdown notice date.

In connection with the Investment Agreement, the Company was obligated to issue 200,000 shares of its common stock as a commitment fee.

As of December 31, 2016, the Company has not been funded by the purchaser and the transaction has been canceled.

Effective July 5, 2016, the Company amended its articles of incorporation to increase the authorized shares of capital stock of the Company from two hundred million (200,000,000) shares of common stock, and eighty thousand (80,000) shares of preferred stock, both $.001 par value respectively, to five hundred twenty five million (525,000,000) shares common stock ($0.001 par value), and six hundred thousand (600,000) shares of preferred stock (no par value), respectively.

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Preferred stock

The Company is authorized to issue 600,000 shares of preferred stock with no par value.

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.

On November 16, 2016, the Company's Board of Directors designated 160,000 preferred shares as Series B Preferred stock, no par value. Each share of Series B Preferred shall entitle the holder to one thousand (2,000) 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 but is not entitled to any dividends declared.

On November 16, 2016, the Company issued an aggregate of 160,000 shares of preferred stock to officers and directors for services rendered.

Common stock

In March 2015, the Company issued an aggregate of 425,000 shares of its common stock for services rendered valued at $36,885 based on the underlying market value of the common stock at the date of issuance.

In April 2015, the Company issued an aggregate of 3,175,000 shares of its common stock for future services valued at $159,800 based on the underlying market value of the common stock at the date of issuance.

On June 30, 2015, the Company entered into a separation agreement and agreed to issue 2,000,000 of the Company's common stock which was valued at $88,000, of which were issued July 2015. As described in Note 6, in connection to an amendment to the agreement, the licensee is required to return the previously issued shares.

On July 1, 2015, the Company issued 1,000,000 shares of its common stock to acquire intellectual property (Note 5) valued at $44,000 as part of an obligation to issue an aggregate of 3,000,000 shares. The Common stock was valued based on the underlying market value of the common stock at the date of obligation.

In July 2015, the Company issued 200,000 shares of its common stock for commitment fees valued at $9,800 based on the underlying market value of the common stock at the date of issuance.

In July 2015, the Company issued 1,800,000 shares of its common stock for commitment fees valued at $86,400 based on the underlying market value of the common stock at the date of issuance.

In July and August 2015, the Company issued 510,000 shares of its common stock for services valued at $20,067 based on the underlying market value of the common stock at the date of issuance.

In October 2015, the Company issued 500,000 shares of its common stock for future services valued at $19,000 based on the underlying market value of the common stock at the date of issuance.

In November 2015, the Company issued an aggregate of 1,300,000 shares of its common stock for future services valued at $43,458 based on the underlying market value of the common stock at the date of issuance.

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In November 2015, the Company issued an aggregate of 4,000,000 shares of its common stock for services rendered valued at $138,400 based on the underlying market value of the common stock at the date of issuance.

In December 2015, the Company issued 100,000 shares of its common stock for future services valued at $3,500 based on the underlying market value of the common stock at the date of issuance.

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.

In July 2016, the Company issued an aggregate of 3,700,000 shares of its common stock for services rendered valued at $101,090 based on the underlying market value of the common stock at the date of issuance.

In July 2016, the Company issued 3,000,000 shares of its common stock as conversion for outstanding accounts payable to related party valued at $80,433 based on the underlying market value of the common stock at the date of issuance.

In August 2016, the Company issued 300,000 shares of its common stock for as loan extension valued at $17,970 based on the underlying market value of the common stock at the date of issuance.

In August 2016, the Company issued an aggregate of 3,150,000 shares of its common stock for services rendered valued at $182,725 based on the underlying market value of the common stock at the date of issuance.

In October 2016, the Company issued an aggregate of 800,000 shares of its common stock for in connection with the issuance of convertible debt valued at $30,000 based on the underlying market value of the common stock at the date of issuance.

In October 2016, the Company issued 60,000 shares of its common stock for services rendered valued at $2,346 based on the underlying market value of the common stock at the date of issuance.

In December 2016, the Company issued an aggregate of 400,000 shares of its common stock for services rendered valued at $11,900 based on the underlying market value of the common stock at the date of issuance.

In December 2016, the Company issued 5,000,000 shares of its common stock in exchange for proceeds of $100,000.

The Company issued shares of common stock for future services. The Company amortizes the fair value of the shares issued as stock based compensation during the requisite service period to operations. During the year ended December 31, 2016 and 2015, the Company recorded $70,422 and $454,226 as stock based compensation, respectively. The unamortized balance of $-0- and $70,422 as of December 31, 2016 and 2015, respectively, is classified as part of prepaid expenses in the accompanying balance sheet.

NOTE 13 – STOCK OPTIONS AND WARRANTS

Options

Option valuation models require the input of highly subjective assumptions. The fair value of stock-based payment awards was estimated using the Black-Scholes option model with a volatility figure derived from using the Company's historical stock prices. The Company accounts for the expected life of options based on the contractual life of options for non-employees. For employees, the Company accounts for the expected life of options in accordance with the "simplified" method, which is used for "plain-vanilla" options, as defined in the accounting standards codification.

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The risk-free interest rate was determined from the implied yields of U.S. Treasury zero-coupon bonds with a remaining life consistent with the expected term of the options.

The Company estimated forfeitures related to option grants at a weighted average annual rate of 0% per year, as the Company does not yet have adequate historical data, for options granted during the year ended December 31, 2016 and 2015.

The following assumptions were used in determining the fair value of employee and vesting non-employee options during the year ended December 31, 2016 and 2015:

	2016	2015
Risk-free interest rate	1.13%	0.089% to 1.73%
Dividend yield	0%	0%
Stock price volatility	163.82%	145.90% to 226.04%
Expected life	5.75 years	3.95 to 5.00 years
Weighted average grant date fair value	$ 0.019	.040

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.

On July 20, 2015, the Company granted 3,500,000 options to a consultant. The granted options are exercisable immediately at $0.045 per share for five years. The fair value of options was determined using the Black Scholes Option Pricing Model with the following assumptions: dividend yield $-0-, volatility of 151.39% and risk free rate of 1.72%. The determined fair value of $142,193 was charged to 2015 operations.

On October 12, 2015, the Company granted 1,000,000 options to a consultant. The granted options are exercisable immediately at $0.15 per share for five years. The fair value of options was determined using the Black Scholes Option Pricing Model with the following assumptions: dividend yield $-0-, volatility of 145.90% and risk free rate of 1.41%. The determined fair value of $37,088 was charged to 2015 operations.

On June 17, 2016, the Company awarded options to purchase an aggregate of 33,000,000 shares of common stock to key officers of the Company. These options vest monthly over 24 months and have a term of 10 years. The options have an exercise price of $0.0201 per share. The options had an aggregate grant date fair value of $628,283.

On June 17, 2016, the Company extended the term of previously granted options in aggregate of 13,500,000 initially expiring from November 2019 to July 2020 by five years to November 2024 to July 2025. The change in fair value of $53,858 was determined using the Black Scholes option model and charged to current to operations during the year ended December 31, 2016.

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The following table summarizes the stock option activity for the two years ended December 31, 2016:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at January 1, 2015	15,350,000	0.10	3.75	
Grants	4,500,000	0.07	10.0	
Exercised	-			
Canceled	(5,000,000)	(0.10)		
Outstanding at December 31, 2015	14,850,000	$ 0.09	4.4	$ -
Grants	33,000,000	0.02	10.0	-
Exercised	-			
Expired	-		-	-
Outstanding at December 31, 2016	47,850,000	$ 0.04	8.9	$ 326,700
Exercisable at December 31, 2016	23,100,000	$ 0.07	8.3	$ 81,675

The aggregate intrinsic value in the preceding tables represents the total pretax intrinsic value, based on options with an exercise price less than the Company's stock price of $0.03 as of December 31, 2016, which would have been received by the option holders had those option holders exercised their options as of that date.

The following table presents information related to stock options at December 31, 2016:

Options Outstanding			Options Exercisable
Exercise Price	Number of Options	Weighted Average Remaining Life In Years	Exercisable Number of Options
$ 0.01-0.025	33,000,000	9.46	8,250,000
0.0251-0.05	3,500,000	8.56	3,500,000
0.051 and up	11,350,000	7.34	11,350,000
	47,850,000	8.89	23,100,000

The stock-based compensation expense related to option grants was $183,249 and $180,536 during the year end December 31, 2016 and 2015, respectively.

As of December 31, 2016, stock-based compensation related to options of $445,034 remains unamortized and is expected to be amortized over the weighted average remaining period of 1.50 years.

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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)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Remaining Contractual Life (Years)
$ 0.25	1,475,000	1.90	$ 0.25	1,475,000	2.44
1.00	1,155,000	1.49	1.00	1,155,000	2.01
$ 0.58	2,630,000	1.75	$ 0.58	2,630,000	2.25

The following table summarizes the warrant activity for the two years ended December 31, 2016:

	Number of Shares	Weighted Average Exercise Price Per Share
Outstanding at January 1, 2015	2,630,000	$ 0.58
Issued	-	
Exercised	-	
Canceled	-	
Outstanding at December 31, 2015	2,630,000	$ 0.58
Issued	-	-
Exercised	-	-
Canceled	-	-
Outstanding at September 30, 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 was $14,583 per month. During the years ended December 31, 2016 and 2015, the Company incurred $-0- and $100,000, respectively, as consulting fees and expense reimbursements. As of December 31, 2016 and 2015, there was an unpaid balance of $64,638 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. Until June 17, 2016, there was no formal agreement between the parties and the amount of remuneration is $14,583 per month. During the year ended December 31, 2016 and 2015 incurred $166,756 and $191,183, respectively, as consulting fees. As of December 31, 2016 and 2015, there was an unpaid balance of $91,465 and $191,013, respectively.

On June 17, 2016, the Company entered into an executive service contract with Felix Financial Enterprises LLC to provide consulting services. The agreement is an at will agreement and provides for a base salary of $160,000 per year, 11,200,000 stock options, extended previously issued options and an auto allowance.

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The Company has an arrangement with Brady Granier, an officer of the Company. Until June 17, 2016 there was no formal agreement between the parties and the amount of remuneration is $14,583 per month. For the year ended December 31, 2016 and 2015, the Company incurred $175,000 and $192,279, respectively, as consulting fees. As of December 31, 2016 and 2015, there was an unpaid balance of $64,481 and $137,045, respectively.

On June 17, 2016, the Company entered into an executive service contract with Brady Granier as the Company's President and Chief Executive Officer. The agreement is an at will agreement and provides for a base salary of $175,000 per year, 10,600,000 stock options, extended previously issued options and an auto allowance.

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 year ended December 31, 2016 and 2015 the Company incurred $33,558 and $25,000, respectively. As of December 31, 2016 and 2015, there was an unpaid balance of $-0- and $53,125, respectively. On July 5, 2016, the Company issued 3,000,000 in settlement of $80,433 outstanding payables.

On June 17, 2016, the Company entered into an executive service contract with Tom Welch as the Company's Vice President of Operations. The agreement is an at will agreement and provides for a base salary of $140,000 per year, 11,200,000 stock options, extended previously issued options and an auto allowance.

On July 28, 2016, the Company formed BioCorRx Pharmaceuticals, Inc. for the purpose of developing certain business lines. In connection with the formation, the, the newly formed sub issued 21.9% ownership to Brady Granier, Lourdes Felix and Kent Emry, officers of the Company, with the Company retaining 78.1%. As of December 31, 2016, there were no significant transactions, assets or liabilities in BioCorRx Pharmaceuticals, Inc., or operations since its formation.

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 year ended December 31, 2016 included 12% and 17% (aggregate of 29%) 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, 2015 included 11%, 19% and 13% (aggregate of 43%) from three customers of the Company's total revenues.

Three customers accounted for 27%, 11% and 18% (aggregate of 56%) of the Company's total accounts receivable at December 31, 2016 and four customers accounted for 12%, 48%, 20% and 15% 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.

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NOTE 16 – NON CONTROLLING INTEREST

On July 28, 2016, the Company formed BioCorRx Pharmaceuticals, Inc., a Nevada Corporation, for the purpose of developing certain business lines. In connection with the formation, the, the newly formed sub issued 21.9% ownership to officers of the Company with the Company retaining 78.1%. As of December 31, 2016, there were no significant transactions, assets or liabilities in BioCorRx Pharmaceuticals, Inc., or operations since its formation.

NOTE 17 – COMMITMENTS AND CONTINGENCIES

Operating leases

On March 9, 2016, the Company entered into a lease amendment and expansion agreement, whereby the Company agreed to lease office space in Anaheim, California, commencing July 1, 2016 and expiring on June 30, 2019.

Rent expense charged to operations, which differs from rent paid due to rent credits and to increasing amounts of base rent, is calculated by allocating total rental payments on a straight-line basis over the term of the lease. During the year ended December 31, 2016 and 2015, rent expense was $40,736 and $17,044.

As of December 31, 2016, future minimum lease payments for office space are as follows:

Year ended December 31, 2017	51,330
Year ended December 31, 2018	52,903
Year ended December 31, 2019	26,844
	$ 131,077

Royalty agreement

Alpine Creek Capital Partners LLC

On December 10, 2015. The Company entered into a royalty agreement with Alpine Creek Capital Partners LLC ("Alpine Creek"). The Company is in the business of selling a distinct implementation of the BioCorRx Recovery Program, a two-tiered comprehensive MAT program, which includes a counseling program, coupled with its proprietary Naltrexone Implant (the "Treatment").

In accordance with the terms and provisions of the agreement, Alpine Creek will pay the Company an aggregate of $405,000 , payable as follows: (a) a deposit in the amount of $55,000, which Alpine Creek paid to the Company on November 20, 2015, (b) cancellation of that certain secured promissory note, dated October 19, 2015, issued by the Company to Alpine Creek in the aggregate principal amount of $55,000 and (c) within two (2) business days from the effective date, Alpine Creek will pay $295,000 to the Company.

In consideration for the payment, with the exception of treatments conducted in certain territories, the Company will pay Alpine Creek fifty percent (50%) of the Company's gross profit for each Treatment sold in the United States that includes procurement of the Company's implant product until the Company has paid Alpine Creek $1,215,000. In the event that the Company has not paid Alpine Creek $1,215,000 within 24 months of the Effective Date, then the Company shall continue to pay Alpine Creek fifty percent (50%) for each Treatment following the Effective Date until the Company has paid Alpine Creek an aggregate of $1,620,000, with the exception of treatments conducted in certain territories. Upon the Company's satisfaction of these obligations, the Company shall pay Alpine Creek $100 for each treatment sold in the United States that includes procurement of the Company's implant product, into perpetuity.

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Therakine, Ltd

On July 28, 2016, the Company and Therakine, Ltd. entered into a Development, Commercialization and License Agreement. Pursuant to the Agreement, Therakine granted the Company an exclusive license to treat patients suffering addiction to opioids, methamphetamines, cocaine, or alcohol. The Company is permitted to sell on a worldwide basis the products that utilize the Technology. The Agreement expires when the Company's last valid claim to Therakine's patents expires. Upon expiration of the Agreement, the licenses granted will become irrevocable and fully paid up.

The Company agreed to pay, in return for the license to the Technology, up to $2,750,000 in milestone payments and royalties ranging from 5% to 12% of net sales of products that use the Technology with an aggregate payments of not less than $250,000. The Company is also required to pay a percentage of any sublicense income it receives related to products that use the Technology. In the event Therakine enters into a license agreement with a third party for products unrelated to injectable naltrexone that use the Technology, Therakine will pay the Company a percentage of its income from these products. As of December 31, 2016, the Company has paid an aggregate of $250,000, of which $75,000 is held in escrow with certain drug levels are met. (See Note 5)

In 2016, the Company transferred the rights under the Therakine, Ltd contract to BioCorRx Pharmaceuticals, Inc., a majority owned subsidiary of the Company.

Employment and consulting agreements

On September 1, 2015, 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 $75,000 per annum (See Note 14). In 2016, Mr. Emry resigned as Chief Executive Officer.

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").

Neil Muller, Ex-President of the Company, entered into an Executive Service Agreement with the Company on February 28, 2013 for 12 months with automatic renewals. Effective September 1, 2015, Mr. Muller resigned from his post as President.

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, 2016 and 2015, $-0- and $81,189 was paid in connection with this agreement.

Litigation

On March 7, 2016, Jeffery D. Segal, A Professional Corporation ("Segal") filed a complaint against the Company alleging failure to pay for legal services rendered in aggregate of $59,174 with the Superior Court of the State of California, County of Los Angeles.

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In March 2017, the Company entered into a settlement agreement to pay the plaintiff and did pay $65,000 in full settlement. The Company has accrued the $65,000 for the year ended December 31, 2016.

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 other outstanding litigation as of December 31, 2016.

Uncertain Tax Positions

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, 2016 and 2015, the Company has reviewed the various independent contractor relationships and has determined to not accrue any additional liabilities related to the above contingency.

NOTE 18 – INCOME TAXES

The components of the income tax provisions for 2016 and 2015 are as follows:

	2016	2015
Current provision:		
Federal	$ -	$ -
State	-	-
Deferred benefit:		
Federal	(548,876)	(485,644)
State	(93,632)	(84,988)
	(642,508)	(570,632)
Change in valuation allowance	642,508	570,632
Total Provision	$ -	$ -

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:

	2016	2015
Provision at statutory rate	34.0%	34.0%
State taxes, net of federal benefit	5.8%	5.8%
Nondeductible and other items	(8.9%)	(8.9%)
Change in valuation allowance	(30.9%)	(30.9%)
Total	(0.0%)	(0.0%)

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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, 2016 and 2015 are as follows:

	2016	2015
Deferred tax assets:		
Net operating loss carry forwards	$ 548,876	$ 247,200
Share-based compensation	216,310	280,190
Accrual to cash	(158,698)	215,476
Other	1,396,446	1,280,651
Total deferred tax assets	2,002,934	2,023,517
Valuation allowance	(1,946,334)	(1,966,917)
	56,600	56,600
Deferred tax liabilities:		
Tax deductible licensing agreement	(56,600)	(56,600)
Accrual to cash	-	-
Other	-	-
Total deferred tax liabilities	(56,600)	56,600)
Net deferred tax assets (liabilities)	$ -	$ -

A full valuation allowance has been provided against the Company's deferred tax assets at December 31, 2016 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 $5.8 million which begin to expire in the years beginning in 2031. 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 2030 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, 2016. 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.

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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, 2016:

	Level 1	Level 2	Level 3	Total
Derivative liability	$ -	$ -	$ 5,115,280	$ 5,115,280
Warrant liability			26,903	26,903
Total	$ -	$ -	$ 5,142,183	$ 5,142,183

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, 2014 through December 31, 2016:

	Debt Derivative Liability	Warrant Liability
Balance, December 31, 2014	$ -	$ 98,702
Transfers in (out):		
Initial fair value of debt derivative at note issuance	350,542	
Fair value of debt derivative at note extinguishment transferred to equity	(158,959)	
Mark-to-market at December 31, 2015:		
Embedded derivative	(21,052)	(75,956)
Balance, December 31, 2015	170,531	22,746
Transfers in (out):		
Initial fair value of debt derivative at note issuance	2,537,229	
Fair value of debt derivative at note extinguishment transferred to equity	(262,271)	
Mark-to-market at December 31, 2016:		
Embedded derivative	2,669,791	4,157
Balance, December 31, 2016	$ 5,115,280	$ 26,903

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NOTE 20 – SUBSEQUENT EVENTS

Sale of common stock

Starting on February 13, 2017 and through and including March 6, 2017, the Company entered into subscription agreements with nine investors, pursuant to which the Investors purchased shares of the Company's common stock. Seven of the investors purchased a total of 27 million shares at a purchase price of $0.02 per share for a total of $540,000 invested. Two of the investors purchased a total of 16,666,667 shares at a purchase price of $0.024 per share for a total of $400,000 invested.

Amendment to Convertible Note Purchase Agreement Entered into with BICX Holding Company LLC

As Described in Note 9, on June 14, 2016, the Company sold to BICX Holding Company LLC ("BICX Holding") an 8% Senior Secured Convertible Promissory Note (the "Note") in the principal amount of $2,500,000. BICX Holding is an entity controlled by Alpine Creek Capital Partners.

BICX Holding had the right, until December 10, 2016, to purchase another convertible note from the Company in a principal amount of up to $2,500,000 for a total aggregate purchase price of $5,000,000 (the "Maximum Purchase Price"). The Company and BICX Holding agreed to extend this deadline and, on March 3, 2017, the parties entered into a First Amendment to the Note (the "First Amendment"). Pursuant to the First Amendment, BIXC Holding invested another $1,660,000 for a total aggregate purchase price of $4,160,000. Based on the amount invested, BICX Holding will return the Note and the Company will issue BICX Holding a new note for $4,160,000 convertible into 42.43% of the Company's total authorized common stock. The other terms of the new note will be identical to the Note. Pursuant to the First Amendment, the parties agreed that BICX Holding does not have the right to appoint a consultant or, if the Company's common stock is listed on a national securities exchange, an independent member of the Board. In addition, the Company is not entitled to a break-up fee.

The new note is a long-term debt obligation that is material to the Company. The new note contains certain events of default and, in the event of default, BICX Holding may, at its option, consider the new note immediately due and payable.

Issuance of common stock

In January 2017, the Company issued 134,000 shares of its common stock for services rendered.

In February 2017, the Company issued an aggregate of 444,118 shares of its common stock for services rendered.

In March 2017, the Company issued an aggregate of 13,662,000 shares of its common stock in settlement of Hoppel and Vista Capital Investment LLC notes in aggregate of $220,000 plus accrued interest.

EXHIBIT 31.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

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: April 13, 2017

By: *_/s/ Brady Granier_*
Brady Granier
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

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: April 13, 2017

By: */s/ Lourdes Felix*
Lourdes Felix
Chief Financial Officer and Chief Opertaing Officer (Principal Financial Officer)

EXHIBIT 32.1

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, 2016 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of BioCorRx Inc.

Date: April 13, 2017

By: */s/ Brady Granier*
Brady Granier
President, Chief Executive Officer and
Director (Principal Executive Officer)

EXHIBIT 32.2

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, 2016 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of BioCorRx Inc.

Date: April 13, 2017

By: */s/ Lourdes Felix*
Lourdes Felix
Chief Financial Officer, Chief Operating Officer and Director
(Principal Financial Officer)