

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



FORM 10-Q

(MARK ONE)

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

For the Quarterly period ended June 30, 2015

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 000-55470

**VapAria Corporation**

( Exact name of registrant as specified in its charter )

**Delaware**

( State or other jurisdiction of incorporation or organization )

**27-1521364**

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

**5550 Nicollet Avenue, Minneapolis, MN**

(Address of principal executive offices)

**55419**

(Zip Code)

**(612) 812-2037**

(Registrant's telephone number, including area code)

**not applicable**

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.4.05 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company:

Large accelerated filer

Accelerated filer

Non-accelerated filer

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

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. 50,160,000 shares of common stock are issued and outstanding as of August 12, 2015.

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## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This report includes forward-looking statements that relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Words such as, but not limited to, “believe,” “expect,” “anticipate,” “estimate,” “intend,” “plan,” “targets,” “likely,” “aim,” “will,” “would,” “could,” and similar expressions or phrases identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and future events and financial trends that we believe may affect our financial condition, results of operation, business strategy and financial needs. Forward-looking statements include, but are not limited to, statements about:

- our lack of products or revenues and the substantial risks inherent in the establishment of a new business venture
- our very limited operating history and our unproven business plan;
- our history of losses;
- our ability to continue as a going concern;
- our ability to raise capital to fund our business plan, pay our operating expense and satisfy our obligations;
- our ability to achieve certain milestones under our agreement with Chong Corporation;
- conflicts of interest facing certain of our officers and directors;
- future reliance on third party manufacturers;
- our future ability to comply with government regulations;
- our lack of experience in selling, marketing or distributing products;
- our future ability to establish and maintain strategic partnerships;
- our possible future dependence on licensing or collaboration agreements;
- the inability of Chong Corporation to protect the intellectual property which is licensed to us, and risks of possible third-party infringement of intellectual property rights;
- anti-takeover provisions of Delaware law;
- the dilution impact of the issuance of shares of our common stock upon a conversion of shares of our Series A 10% convertible preferred stock and as payment for dividends; and
- the impact of penny stock rules on the future trading in our common stock.

You should read thoroughly this report and the documents that we refer to herein with the understanding that our actual future results may be materially different from and/or worse than what we expect. We qualify all of our forward-looking statements by these cautionary statements, Part 1. Item 1A. Risk Factors appearing in our Annual Report on Form 10-K for the year ended December 31, 2014 and our other filings with the Securities and Exchange Commission. New risk factors emerge from time to time and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Except for our ongoing obligations to disclose material information under the Federal securities laws, we undertake no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events. These forward-looking statements speak only as of the date of this report, and you should not rely on these statements without also considering the risks and uncertainties associated with these statements and our business.

## OTHER PERTINENT INFORMATION

Unless specifically set forth to the contrary, when used in this report the terms “VapAria,” “we,” “our,” “us,” and similar terms refers to VapAria Corporation, a Delaware corporation formerly known as OICco Acquisition IV, Inc., and our wholly-owned subsidiary VapAria Solutions Inc., a Minnesota corporation (“VapAria Solutions”). In addition, “second quarter 2015” refers to the three months ended June 30, 2015, “second quarter 2014” refers to the three months ended June 30, 2014 and “2015” refers to the year ending December 31, 2015.

Unless specifically set forth to the contrary, the information which appears on our web site at [www.vaparia.com](http://www.vaparia.com) is not part of this report.

**PART 1 – FINANCIAL INFORMATION**

**Item 1 Financial Statements**

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**VapAria Corporation**  
**Consolidated Balance Sheets**

|   | June 30, 2015<br>(unaudited) | December 31, 2014 |
|---|------------------------------|-------------------|
| <b>ASSETS</b>   |                              |                   |
| Current Assets  |                              |                   |
| Cash and cash equivalents   | 12,894                       | 497               |
| Prepaid expenses  | 3,524                        | —                 |
| Total Current Assets  | 16,418                       | 497               |
| Intellectual property, net  | 179,067                      | 184,845           |
| <b>TOTAL ASSETS</b>   | 195,485                      | 185,342           |
| <b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>   |                              |                   |
| <b>LIABILITIES</b>  |                              |                   |
| Current Liabilities   |                              |                   |
| Accounts payable  | 28,054                       | 36,436            |
| Interest payable  | 12,177                       | 8,210             |
| Notes payable   | 50,000                       | 50,000            |
| Convertible note payable  | 40,000                       | 40,000            |
| Loan from related party   | 49,544                       | 36,544            |
| Total Current Liabilities   | 179,775                      | 171,190           |
| <b>TOTAL LIABILITIES</b>  | 179,775                      | 171,190           |
| <b>STOCKHOLDERS' EQUITY</b>   |                              |                   |
| Preferred Stock: \$0.0001 par value; 1,000,000 shares authorized; 500,000 shares issued and outstanding at June 30, 2015 and December 31, 2014 respectively.                  | 50                           | 50                |
| Common Stock: \$0.0001 par value; 100,000,000 shares authorized; 50,160,000 and 50,000,000 shares issued and outstanding at June 30, 2015 and December 31, 2014 respectively. | 5,016                        | 5,000             |
| Additional paid-in capital  | 319,490                      | 130,156           |
| Accumulated deficit   | (308,846)                    | (121,054)         |
| <b>TOTAL STOCKHOLDERS' EQUITY</b>   | 15,710                       | 14,152            |
| <b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>   | 195,485                      | 185,342           |

See accompanying notes to unaudited consolidated financial statements

**VapAria Corporation**  
**Consolidated Statement of Expenses**  
**(Unaudited)**

|   | Three Months Ended June 30,<br>2015 | 2014              | Six Months Ended June 30,<br>2015 | 2014              |
|---|-------------------------------------|-------------------|-----------------------------------|-------------------|
| <b>Operating Expenses</b>                             |                                     |                   |                                   |                   |
| General and Administrative                            | 34,490                              | 5,603             | 39,677                            | 10,742            |
| Research and Development                              | 2,115                               | —                 | 27,115                            | —                 |
| Professional Fees                                     | 59,481                              | 16,000            | 66,584                            | 16,425            |
| <b>Total Operating Expenses</b>                       | <u>96,086</u>                       | <u>21,603</u>     | <u>133,376</u>                    | <u>27,167</u>     |
| <b>Other (Expense)</b>                                |                                     |                   |                                   |                   |
| Other (Expense)                                       | (1,994)                             | (997)             | (4,416)                           | (1,984)           |
| <b>Total Other (Expense)</b>                          | <u>(1,994)</u>                      | <u>(997)</u>      | <u>(4,416)</u>                    | <u>(1,984)</u>    |
| <b>Net Loss</b>                                       | <u>98,080</u>                       | <u>22,600</u>     | <u>137,792</u>                    | <u>29,151</u>     |
| Stock dividend  | 50,000                              |                   | 50,000                            |                   |
| <b>Net Loss available to common stockholders</b>      | 148,080                             | —                 | 187,792                           | —                 |
| Basic and diluted loss per common share               | (0.00)                              | (0.00)            | (0.00)                            | (0.00)            |
| Basic and diluted weighted average shares outstanding | <u>50,155,604</u>                   | <u>36,000,000</u> | <u>50,125,249</u>                 | <u>36,000,000</u> |

See accompanying notes to unaudited consolidated financial statements

**VapAria Corporation**  
**Consolidated Statement of Changes in Stockholders' Equity**  
**For the six months ended June 30, 2015**  
**(Unaudited)**

|  | Series A        |           |                   |              |                |                  |               |
|--|-----------------|-----------|-------------------|--------------|----------------|------------------|---------------|
|  | Preferred Stock |           | Common Stock      |              | Additional     | Accumulated      | Total         |
|  | Number          | \$0.0001  | Number of         | \$0.0001     | Paid in        | Deficit          |               |
|  | of shares       | Par       | Shares            | Par          | Capital        |                  |               |
|  | <u>500,000</u>  | <u>50</u> | <u>50,000,000</u> | <u>5,000</u> | <u>130,156</u> | <u>(121,054)</u> | <u>14,152</u> |
| Balance, December 31, 2014                 |                 |           |                   |              |                |                  |               |
| Common stock issued for cash               |                 |           | 110,000           | 11           | 109,989        |                  | 110,000       |
| Common stock issued for dividend           |                 |           | 50,000            | 5            | 49,995         | (50,000)         | —             |
| Forgiven of related party accounts payable |                 |           |                   |              | 29,350         |                  | 29,350        |
| Net Loss                                   |                 |           |                   |              |                | (137,792)        | (137,792)     |
| Balance, June 30, 2015 (unaudited)         | <u>500,000</u>  | <u>50</u> | <u>50,160,000</u> | <u>5,016</u> | <u>319,490</u> | <u>(308,846)</u> | <u>15,710</u> |

See accompanying notes to unaudited consolidated financial statements

**VapAria Corporation**  
**Consolidated Statement of Cash Flows**  
**(Unaudited)**

|   | Six Months Ended June 30, |                 |
|---|---------------------------|-----------------|
|   | 2015                      | 2014            |
| <b>Cash flows from operating activities</b>                           |                           |                 |
| Net loss  | \$ (137,792)              | \$ (29,151)     |
| Adjustments to reconcile net loss to net cash provided by operations: |                           |                 |
| Amortization Expense  | 5,778                     | 5,778           |
| (Increase) decrease in operation assets and liabilities:              |                           |                 |
| Prepaid Expenses  | (3,524)                   | 2,500           |
| Accounts Payable  | 20,968                    | 5,120           |
| Interest Payable  | 3,967                     | 1,984           |
| <b>Net cash used by operating activities</b>                          | <b>(110,603)</b>          | <b>(13,769)</b> |
| <b>Investing Activities</b>   |                           |                 |
| Principal proceeds from repayment of loan to related party            | —                         | 6,490           |
| <b>Net Cash provided by investing activities</b>                      | <b>—</b>                  | <b>6,490</b>    |
| <b>Cash flows from financing activities</b>                           |                           |                 |
| Proceeds from Issuance of common stock                                | 110,000                   | —               |
| Borrowing on debt with related party                                  | 23,000                    | 9,500           |
| Repayment to related party  | (10,000)                  | —               |
| <b>Net Cash provided by financing activities</b>                      | <b>123,000</b>            | <b>9,500</b>    |
| Net change in cash  | 12,397                    | 2,221           |
| Cash, beginning of period   | 497                       | 2,395           |
| Cash, end of period   | <b>\$ 12,894</b>          | <b>\$ 4,616</b> |
| Supplementary Information   |                           |                 |
| Interest  | \$ —                      | \$ —            |
| Income Taxes  | \$ —                      | \$ —            |
| <b>Non cash investing and financing activities</b>                    |                           |                 |
| Dividends on Preferred Series A Stock                                 | (50,000)                  | —               |
| Forgiven of related party accounts payable                            | 29,350                    | —               |

See accompanying notes to unaudited consolidated financial statements



**VapAria Corporation**  
**Notes to Consolidated Unaudited Financial Statements**  
**June 30, 2015**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF BASIS OF PRESENTATION**

Nature of Business

VapAria Corporation (the "Company") was incorporated under the laws of the State of Delaware on December 21, 2009 under the name OICco Acquisition IV, Inc.

On April 11, 2014 the Company entered into that certain Share Exchange Agreement and Plan of Reorganization (the "Agreement") with VapAria Solutions, Inc., a Minnesota corporation formerly known as VapAria Corporation ("VapAria Solutions") and the shareholders of VapAria Solutions (the "VapAria Solutions Shareholders") pursuant to which we agreed to acquire 100% of the outstanding capital stock of VapAria Solutions from the VapAria Solutions Shareholders in exchange for certain shares of our capital stock. On July 31, 2014 all conditions precedent to the closing were satisfied, including the reconfirmation by the investors of the prior purchase of 1,000,000 shares of our common stock pursuant to the requirements of Rule 419 of the Securities Act of 1933, as amended (the "Securities Act"), and the transaction closed.

At closing, we issued the VapAria Solutions Shareholders 36,000,000 shares of our common stock and 500,000 shares of our 10% Series A Convertible Preferred Stock in exchange for the common stock and preferred stock owned by the VapAria Solutions Shareholders.

As a result of the closing of this transaction, VapAria Solutions is now a wholly owned subsidiary of our company and its business and operations represent those of our company. Information regarding VapAria Solutions' business and operations, together with its financial statements, are included the Annual Report on Form 10-K for the year ended December 31, 2014 as filed with the Securities and Exchange Commission on April 14, 2014.

On August 19, 2014 the board of directors of the Company and the holders of a majority of its issued and outstanding common stock approved a Certificate of Amendment to our Amended and Restated Certificate of Incorporation changing the name of our company to VapAria Corporation. The name change was effective on August 19, 2014. Our Board determined it was in our best interests to change our corporate name to better reflect our business and operations following our recent acquisition of VapAria Solutions.

The Company is engaged in the research, development, manufacturing and commercialization of novel, in-demand, proprietary products designed to deliver fast-acting, convenient solutions for contemporary lives and lifestyles. The basis of the Company's product development is proprietary, patented and patent-pending technologies and formulas focused on three specific markets: the smoke-free tobacco alternative market (e-cigarettes); the over-the-counter (OTC) consumer market with products intended to increase energy and alertness, suppress appetite and aid in restful sleep; and, the pharmaceutical market - partnering with international pharmaceutical companies that desire to utilize our technologies to maximize and extend the value and the lives of their proprietary, patented product portfolios.

As of June 30, 2015, the Company had no full-time employees; however, the Company's officers and directors devote a substantial amount of their time to the Company's business without compensation.

The Company has a fiscal year end of December 31.

Basis of presentation

*Basis of Presentation* - The accompanying financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows as of June 30, 2015 have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's December 31, 2014 audited financial statements. The results of the operations for the period ended June 30, 2015 are not necessarily indicative of the operating results for the full year.

#### Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

#### **NOTE 2 – 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. Currently, the Company has limited cash and no source of revenue sufficient to cover its operations costs and allow it to continue as a going concern. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The Company will be dependent upon the raising of additional capital.

#### **NOTE 3 – STOCKHOLDER'S EQUITY**

In January 2015 we sold 100,000 shares of our common stock for \$100,000 to a non-U.S. Person in a private transaction. We did not pay a commission or finder's fee and are using the proceeds for working capital.

In January 2015 we also sold 10,000 shares of our common stock for \$10,000 to an investor in a private transaction. We did not pay a commission or finder's fee and are using the proceeds for working capital.

In April 2015 we declared and issued 50,000 shares of our common stock to Chong Corporation as a dividend on our 10% Series A convertible preferred stock. The stock was valued at \$1.00 per share.

On June 30, 2015, the Company had 50,160,000 shares of common stock issued and outstanding.

#### **NOTE 4 – RELATED PARTY TRANSACTIONS**

In February 2015 the Company repaid \$10,000 previously borrowed from Chong Corporation, a related entity. In May and June of 2015 the Company borrowed \$10,000 and \$13,000, respectively, from Chong Corporation. The balance outstanding at June 30, 2015 is \$49,544. The loan is unsecured, noninterest bearing and due on demand.

We maintain our corporate offices at 5550 Nicollet Avenue, Minneapolis, MN 55419. We lease these premises from 5550 Nicollet LLC, an affiliate of Mr. Chong, under the terms of a three year lease expiring in December 2016 at an annual rent of \$9,000. We have the right to renew the lease for an additional 12 month term at an annual rental of \$9,180 upon 60 days notice prior to the expiration of the initial term. Rent was \$4,500 for this six month period in both 2015 and 2014. As of June 30, 2015 \$9,000 is due to 5550 Nicollet LLC.

See other related party transactions in note 7 – commitment and contingencies.

#### **NOTE 5 – NOTE PAYABLE**

As of June 30, 2015, the Company has a note payable in the amount of \$50,000 due to an individual. The note was issued on May 30, 2013 and bears eight per cent (8%) annual interest. The note was originally due June 30, 2015 but the due date has been amended and, all principal and accrued interest is due and payable December 31, 2015.

The Company analyzed the modification of the term under ASC 470-60 "Trouble Debt Restructurings" and ASC 470-50 "Extinguishment of Debt". The Company determined the modification is not substantial and the transaction should not be accounted for as an extinguishment with the old debt written off and the new debt initially recorded at fair value with a new effective interest rate.

## **NOTE 6 – CONVERTIBLE NOTE**

The Company assumed an unsecured convertible note for \$40,000 that was issued on July 14, 2014 as part of the merger. The note matures on December 31, 2015 and bears interest at 10% per annum. The note is convertible into shares of our common stock at \$0.08 per share. The Company analyzed the conversion option in the notes for derivative accounting treatment under ASC Topic 815, “Derivatives and Hedging,” and determined that the instrument does not qualify for derivative accounting. The Company therefore performed an analysis to determine if the conversion option was subject to a beneficial conversion feature and determined that the instrument does not have a beneficial conversion feature.

The note was originally due on September 1, 2014. The Company entered into a note amendment on September 1, 2014 and the due date was extended to December 1, 2014. On December 1, 2014, the Company extended the note again to December 31, 2015. The Company analyzed the modification of the term under ASC 470-60 “Trouble Debt Restructurings” and ASC 470-50 “Extinguishment of Debt”. The Company determined the modification is not substantial and the transaction should not be accounted for as an extinguishment with the old debt written off and the new debt initially recorded at fair value with a new effective interest rate.

## **NOTE 7 – COMMITMENT AND CONTINGENCIES**

Relating to the December 2013 Agreement with Chong Corporation, beginning in the calendar year in which the first licensed products or licensed services takes place, but not prior to January 1, 2015, the Company is required to pay to Chong Corporation, a related entity, a 3% royalty for revenues with a \$50,000 annual minimum royalty commitment.

The December 31, 2013 agreement with Chong Corporation also requires us to pay for the costs associated with maintaining the patent applications and patents licensed to us. For the six months ended June 30, 2015, the amount of reimbursable costs was \$29,350. In June 2015 Chong Corporation agreed to waive all reimbursements through June 30, 2015. Therefore the reimbursements costs are recognized as additional contribution to paid in capital at June 30, 2015.

During April, 2015, the Company declared a dividend in the form of common shares for its Preferred Shareholder pursuant to the designations, rights and preferences of the preferred stock. This 50,000 common share dividend with a fair value of \$1 per share was issued on April 9, 2015.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

The following discussion of our financial condition and results of operations for the three month and six month periods ended June 30, 2015 and 2014 should be read in conjunction with the unaudited consolidated financial statements and the notes to those statements that are included elsewhere in this report. Our discussion includes forwardlooking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, expectations and intentions. Actual results and the timing of events could differ materially from those anticipated in these forwardlooking statements as a result of a number of factors, including those set forth under "Cautionary Statements Regarding Forward-Looking Information" appearing earlier in this report, Part I. Item 1A. Risk Factors appearing in our Annual Report on Form 10-K for the year ended December 31, 2014, and our other filings with the Securities and Exchange Commission. We use words such as "anticipate," "estimate," "plan," "project," "continuing," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could," and similar expressions to identify forwardlooking statements. In addition, any statements that refer to projections of our future financial performance, our anticipated growth and trends in our businesses, and other characterizations of future events or circumstances are forwardlooking statements. Such statements are based on our current expectations and could be affected by the uncertainties and risk factors described throughout this report.

### **Overview and plan of operations**

On July 31, 2014 we closed the acquisition of VapAria Solutions which is now our wholly-owned subsidiary. The transaction was accounted for as a reverse merger and recapitalization of VapAria Solutions whereby VapAria Solutions was considered the acquirer for accounting purposes. As a result, all historical financial information contained in this report is that of VapAria Solutions.

We are a consumer products and wellness company focusing on the research, development, manufacturing and commercialization of novel, in-demand, proprietary products designed to deliver fast-acting, convenient solutions for contemporary lives and lifestyles. Prior to forming VapAria Solutions in 2010, our management had 28 years collective experience in vaporization and e-cigarette technology, having been partners in a joint venture with pioneers in the industry and having had undertaken significant work internationally researching and developing products, shepherding them through the patent process and introducing them into the U.S. wholesale and retail supply chain.

Our goal is to leverage rights we acquired in December 2013 from an affiliate to develop and successfully launch a product in partnership with well-capitalized and experienced industry participants based on our exclusive license and exclusive options to license patented and patent-pending technologies and formulations designed to significantly improve on current e-cigarette technology and other consumer products in the marketplace today. During 2015, in addition to discussions with third party financing sources, we have been engaged in substantive discussions with several international companies which have expressed interest in our licensed technology in pursuit of this strategy.

Historically we have relied upon on a loan of \$73,000, and the \$110,000 from the sale of our securities in private transactions that occurred in the first quarter of 2015. Our management has worked without compensation. For the balance of 2015, our foreseeable cash requirements will include payment of expenses associated with research and development, protection prosecution activities and ordinary business expenses associated with identifying, meeting with and negotiating with potential business partners and our general operating expenses, including the payment of our obligations. Such expenses could include the establishment of salaries and benefits for the key members of our management and administrative team. We estimate that we will need to raise between \$1 million and \$2 million over the next 12 months to continue to implement our business plan.

We may seek to raise the necessary capital through future public or private debt or equity offerings of our securities, although we do not have any commitments from any third parties to provide any capital to us. While we believe that the exclusive rights to the proprietary technology on which our business plan is predicated could provide us with a significant competitive advantage if we are able to bring one or more products to market, our company remains in the development stage and we do not have any revenue generating operations. Given the current lack of a public market for our common stock, our status as a development stage company and the difficulties small companies experience in accessing the capital markets, we expect to encounter difficulties in pursuing public or private capital raises. We may also seek to minimize our capital needs by securing partnerships or joint ventures with well capitalized companies in the e-commerce or consumer products industries. Until such time as we are able to raise all or a portion of the necessary capital, our ability to continue to implement our business plan will be in jeopardy.

## Going Concern

We incurred net losses of \$98,080 for the second quarter ended June 30, 2015 resulting in a \$137,792 net loss for the first half of 2015. The report from our independent registered public accounting firm on our consolidated financial statements for the year ended December 31, 2014 contained an explanatory paragraph regarding our ability to continue as a going concern based on our minimal cash and no source of revenues which are sufficient to cover our operating costs. These factors, among others, raised substantial doubt about our ability to continue as a going concern. Our consolidated financial statements appearing elsewhere in this report do not include any adjustments that might result from the outcome of this uncertainty. There are no assurances we will be successful in our efforts to generate consistent revenues or report profitable operations or to continue as a going concern, in which event investors would lose their entire investment in our company.

## Results of operations

We did not generate any revenues from our operations for either of the second quarters of 2015 or 2014 or the six months then ended. Our total operating expenses increased 345% and 391%, respectively, for the second quarter of 2015 and the six months then ended from the comparable periods in 2014 which are primarily attributable to the increase in legal and professional fees and research and development expenses. General and administrative expenses, which include amortization, rent and IP related expenses, increased 516% in the second quarter of 2015 and 269% for the six months then ended from the comparable periods in 2014. Research and development expenses relating to the licensed IP were incurred in the 2015 periods, for which there were no comparable expenses in the 2014 periods. In the second quarter of 2015 and for the six months then ended, professional fees which include legal, accounting, and web design services, increased 272% and 305%, respectively, compared to the same periods in 2014. The increase is directly attributable to the additional legal fees in the 2015 periods over the 2014 periods. SEC related fees and fees associated with securing a freedom to operate opinion, which is generally requested by potential joint venture partners and large institutional investors, contributed substantially to this increase.

We expect that our operating expenses will increase as we continue to develop our business and we devote additional resources towards promoting that growth, most notably reflected in anticipated increases in general overhead, salaries for personnel and technical resources, as well as increased costs associated with our SEC reporting obligations. . and the royalty payments we are obligated to make to Chong Corporation, a related party, under the terms of the license agreement with that entity. However, as set forth elsewhere in this report, our ability to continue to develop our business and achieve our operational goals is dependent upon our ability to raise significant additional working capital. As the availability of this capital is unknown, we are unable to quantify at this time the expected increases in operating expenses in future periods.

## Liquidity and capital resources

Liquidity is the ability of a company to generate sufficient cash to satisfy its needs for cash. As of June 30, 2015 we had \$12,894 in cash and cash equivalents and a working capital deficit of \$163,357, as compared to cash and cash equivalents of \$497 and a working capital deficit of \$170,693 at December 31, 2014. Our current assets increased 3,203 % and our current liabilities increased 5% at June 30, 2015 from December 31, 2014. Our principal source of operating capital during the second quarter of 2015 has come from additional borrowing from a related party which advanced \$23,000 for use in operations.

We do not have any commitments for capital expenditures. Our working capital is not sufficient to fund our operations for at least the next 12 months and to satisfy our obligations as they become due. We have \$90,000 principal amount notes which are due December 31, 2015. During the second quarter of 2015, the holder of a \$50,000 principal amount note agreed to the extension of the due date of the note from June 30, 2015 to December 31, 2015. The remaining note in the principal amount of \$40,000 is convertible into 500,000 shares of our common stock. We also owe a related party \$49,544 which is due on demand. We do not have the funds necessary to repay these obligations. As described earlier in this report, we will need to raise at least \$1,000,000 in additional capital during the next 12 months. As we do not have any firm commitments for all or any portion of this necessary capital, there are no assurances we will have sufficient funds to fund our operating expenses and continued development of our products and to satisfy our obligations as they become due. In that event, our ability to continue as a going concern is in jeopardy.

## *Net Cash Used in Operating Activities*

We used \$110,603 of cash in our operating activities during the first six months of 2015 compared to \$13,769 used by our operating activities for the first six months of 2014. The increase in cash used in operating activities was primarily attributable to an increase in net loss (after adjusting for noncash expenses), partially offset by an increase in accounts payable

#### *Net Cash Provided by (Used in) Investing Activities*

There was no net cash provided by (used in) investing activities in the first six months of 2015 compared to net cash provided by investing activities in the first six months of 2014 of \$6,490 which reflects repayment from Chong Corporation of a prior period loan from the Company.

#### *Net Cash Provided by Financing Activities*

Net cash provided by financing consisted of \$123,000 in proceeds from the sale of our common stock and the net borrowing of \$13,000 from Chong Corporation, a related entity during the first six months of 2015 as compared to no raise of capital and the borrowing of \$9,500 from Chong Corporation in the comparable period of 2014.

#### *Non cash investing and financing activities*

Dividends of common stock issued to the Preferred stock holder resulted in \$50,000 in non cash financing. The company recognized the waiving of IP related expenses by Chong Corporation, a related entity, resulting in non cash investment of \$29,350.

#### **Critical accounting policies**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses during the reported periods. The more critical accounting estimates include estimates related to revenue recognition, accounts receivable allowances and impairment of long-lived assets. We also have other key accounting policies, which involve the use of estimates, judgments and assumptions that are significant to understanding our results, which are described in Note 2 to our audited consolidated financial statements for 2014 as contained in our Annual Report on Form 10-K for the year ended December 31, 2014.

#### **Recent accounting pronouncements**

During 2014, we elected to early adopt Accounting Standards Update No. 2014-10, *Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements*. The adoption of this ASU allowed our company to remove the inception to date information and all references to development stage. Additional recent accounting standards that have been issued or proposed by the FASB or other standards setting bodies that do not require adoption until a future date are not expected to have a material impact on our consolidated financial statements upon adoption.

#### **Off balance sheet arrangements**

As of the date of this report, we do not have any offbalance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors. The term "offbalance sheet arrangement" generally means any transaction, agreement or other contractual arrangement to which an entity unconsolidated with us is a party, under which we have any obligation arising under a guarantee contract, derivative instrument or variable interest or a retained or contingent interest in assets transferred to such entity or similar arrangement that serves as credit, liquidity or market risk support for such assets.

#### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

Not applicable for a smaller reporting company.

#### **Item 4. Controls and Procedures.**

*Evaluation of Disclosure Controls and Procedures*.

We maintain “disclosure controls and procedures” as such term is defined in Rules 13a15(e) under the Securities Exchange Act of 1934. In designing and evaluating our disclosure controls and procedures, our management recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of disclosure controls and procedures are met. Additionally, in designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the costbenefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Based on their evaluation as of the end of the period covered by this report, our Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures were not effective to ensure that the information relating to our company required to be disclosed in our Securities and Exchange Commission reports (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to our management, including our Chief Executive Officer, to allow timely decisions regarding required disclosure due to the presence of continuing material weakness in our internal control over financial reporting as reported in our Annual Report on Form 10-K for the year ended December 31, 2014. These material weaknesses in our internal control over financial reporting result from limited segregation of duties and limited multiple level of review in the financial close process.

The existence of the continuing material weaknesses in our internal control over financial reporting increases the risk that a future restatement of our financials is possible. In order to remediate these material weaknesses, we will need to expand our accounting resources. We will continue to monitor and evaluate the effectiveness of our disclosure controls and procedures and our internal control over financial reporting on an ongoing basis, however, we do not expect that the deficiencies in our disclosure controls will be remediated until such time as we have remediated the material weaknesses in our internal control over financial reporting. Subject to the availability of sufficient capital, we expect to expand our accounting resources during 2015 in an effort to remediate the material weaknesses in our internal control over financial reporting.

*Changes in Internal Control over Financial Reporting.*

There have been no changes in our internal control over financial reporting during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## **PART II OTHER INFORMATION**

### **Item 1. Legal Proceedings.**

We are not aware of any legal proceedings to which we are a party or of which our property is the subject. None of our directors, officers, affiliates, any owner of record or beneficially of more than 5% of our voting securities, or any associate of any such director, officer, affiliate or security holder are (i) a party adverse to us in any legal proceedings, or (ii) have a material interest adverse to us in any legal proceedings. We are not aware of any other legal proceedings that have been threatened against us.

### **Item 1A. Risk Factors.**

Not applicable to a smaller reporting company.

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

None except as previously reported.

### **Item 3. Defaults Upon Senior Securities.**

None.

### **Item 4. Mine Safety Disclosures.**

Not applicable to our company’s operations.

**Item 5. Other Information.**

In June 2015, the holder of a \$50,000 principal amount note which was due on June 30, 2015 agreed to the extension of the due date of this note to December 31, 2015.

**Item 6. Exhibits.****No. Description**

| <b>No.</b> | <b>Description</b>   |
|------------|--|
| 10.8       | NOTE EXTENSION AGREEMENT   |
| 31.1       | Rule 13a-14(a)/ 15d-14(a) Certification of Chief Executive Officer *               |
| 31.2       | Rule 13a-14(a)/ 15d-14(a) Certification of Chief Financial Officer*                |
| 32.1       | Section 1350 Certification of Chief Executive Officer and Chief Financial Officer* |
| 101.INS    | XBRL Instance Document *   |
| 101.SCH    | XBRL Taxonomy Extension Schema*  |
| 101.CAL    | XBRL Taxonomy Extension Calculation Linkbase*                                      |
| 101.DEF    | XBRL Taxonomy Extension Definition Linkbase*                                       |
| 101.LAB    | XBRL Taxonomy Extension Label Linkbase*  |
| 101.PRE    | XBRL Taxonomy Extension Presentation Linkbase*                                     |

\* filed herewith

**SIGNATURES**

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

VapAria Corporation

August 13, 2015

By: /s/ Alexander Chong  
Alexander Chong, Chief Executive Officer

August 13, 2015

By: /s/ Daniel Markes  
Daniel Markes, Chief Financial Officer



**Donald J. Bores (“Lender”)**  
1792 Cranberry Isles Way  
Apopka, FL 32712

**Promissory Note of May 30, 2013 –**

**Agreement to Extend the Due Date beyond the June 30, 2015 Extension to December 31, 2015**

On this date of June 30, 2015, I, Donald J. Bores, Sr., the “Lender”, agrees to extend the due date of the \$50,000 promissory note entered into on May 30, 2013, then extended to July 1, 2014, then to December 31, 2014 then to June 30, 2015 to December 31, 2015 under the same terms and conditions as originally drafted.

**Terms of Repayment:** This Note, all principal and accrued interest is now due and payable on or before December 31, 2015. In the event it is paid prior to the due date, the principal and all accrued interest to the date will constitute payment in full.

**Choice of Law:** All terms and conditions of this Note shall be interpreted under the laws of the state of Minnesota.

Signed and acknowledged by

/s/Donald J. Bores, Sr,

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Lender  
1792 Cranberry Isles Way  
Apopka, FL 32712

June 30, 2015

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**Rule 13a-14(a)/15d-14(a) Certification**

I, Alexander Chong, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2015 of VapAria Corporation.
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(s) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 13, 2015

/s/ Alexander Chong  
Alexander Chong, Chief Executive Officer,  
principal executive officer

**EXHIBIT 31.2**

**Rule 13a-14(a)/15d-14(a) Certification**

I, Daniel Markes, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2015 of VapAria Corporation.
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(s) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 13, 2015

/s/ Daniel Markes

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Daniel Markes, Chief Financial Officer,  
principal financial and accounting officer

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**EXHIBIT 32.1**

**Section 1350 Certification**

In connection with the Quarterly Report of VapAria Corporation (the "Company") on Form 10-Q for the period ended June 30, 2015 as filed with the Securities and Exchange Commission (the "Report"), I, Alexander Chong, Chief Executive Officer of the Company, and I, Daniel Markes, Chief Financial Officer of the Company, do hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

August 13, 2015

/s/ Alexander Chong  
Alexander Chong, Chief Executive Officer,  
principal executive officer

August 13, 2015

/s/ Daniel Markes  
Daniel Markes, Chief Financial Officer,  
principal financial and accounting officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signatures that appear in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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