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

Form 10-Q

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

For the quarterly period ended September 30, 2017

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

Commission file number 000-55203



eWELLNESS HEALTHCARE CORPORATION

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

45-1560906

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

11825 Major Street, Culver City, California

(Address of principal executive offices)

90230

(Zip Code)

(310) 915-9700

(Registrant's telephone number, including area code)

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

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See 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 number of shares of Common Stock, \$0.001 per share par value, outstanding on November 13, 2017 was 139,640,506 shares.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

eWELLNESS HEALTHCARE CORPORATION
CONDENSED BALANCE SHEETS

	<u>September 30, 2017</u> (unaudited)	<u>December 31, 2016</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 14,436	\$ 13,995
Prepaid expenses	261,716	723,046
Total current assets	276,152	737,041
Property & equipment, net	5,587	4,279
Intangible assets, net	14,693	16,908
TOTAL ASSETS	\$ 296,432	\$ 758,228
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 348,903	\$ 340,793
Accounts payable - related party	262,030	379,481
Accrued expenses - related party	202,139	104,429
Accrued compensation	1,010,666	940,000
Contingent liability	90,000	90,000
Convertible debt, net of discount	517,906	247,710
Derivative liability	721,396	8,473,265
Short term note and liabilities	180,051	180,051
Total current liabilities	3,333,091	10,755,729
Total Liabilities	3,333,091	10,755,729
Commitments and contingencies	-	-
STOCKHOLDERS' DEFICIT		
Preferred stock, authorized, 20,000,000 shares, \$.001 par value, 0 shares issued and outstanding	-	-
Common stock, authorized 400,000,000 shares, \$.001 par value, 136,477,700 and 51,435,307 issued and outstanding, respectively	136,478	51,435
Shares to be issued	11,428	110,740
Additional paid in capital	12,238,750	5,757,205
Accumulated deficit	(15,423,315)	(15,916,881)
Total Stockholders' Deficit	(3,036,659)	(9,997,501)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 296,432	\$ 758,228

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

eWELLNESS HEALTHCARE CORPORATION
CONDENSED STATEMENTS OF OPERATIONS
(unaudited)

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30, 2017</u>	<u>September 30, 2016</u>	<u>September 30, 2017</u>	<u>September 30, 2016</u>
OPERATING EXPENSES				
Executive compensation	102,000	186,000	306,000	558,000
General and administrative	163,527	38,324	581,705	153,493
Professional fees	374,253	839,486	1,690,985	1,678,318
Total Operating Expenses	639,780	1,063,810	2,578,690	2,389,811
Loss from Operations	(639,780)	(1,063,810)	(2,578,690)	(2,389,811)
OTHER INCOME (EXPENSE)				
Gain on foreign exchange rate	11,523	-	48,927	-
Gain on extinguishment of debt	-	68,264	-	68,264
Gain (loss) on derivative liability	(973,207)	705,861	3,426,389	200,719
Interest expense, related parties	-	(1,069)	-	(2,998)
Interest expense	(178,340)	(479,255)	(402,260)	(999,215)
Net Income (Loss) before Income Taxes	(1,779,804)	(770,009)	494,366	(3,123,041)
Income tax expense	-	(800)	(800)	(800)
Net Income (Loss)	\$ (1,779,804)	\$ (770,809)	\$ 493,566	\$ (3,123,841)
Earnings (loss) per common share				
Basic	\$ (0.01)	\$ (0.04)	\$ 0.01	\$ (0.16)
Diluted	\$ (0.01)	\$ (0.04)	\$ 0.00	\$ (0.16)
Weighted average shares outstanding				
Basic	128,985,784	19,821,147	98,415,360	19,058,020
Diluted	128,985,784	19,821,147	101,707,186	19,058,020

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

e WELLNESS HEALTHCARE CORPORATION
CONDENSED STATEMENTS OF CASH FLOWS
(unaudited)

	For Nine Months Ended	
	September 30, 2017	September 30, 2016
Cash flows from operating activities		
Net income (loss)	\$ 493,566	\$ (3,123,841)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	3,817	3,479
Contributed services	163,500	292,500
Shares issued for consulting services	201,130	42,500
Imputed interest - related party	-	2,998
Options expense	325,782	508,395
Interest on debt extension	-	123,198
Amortization of debt discount to interest expense	325,666	817,632
Amortization of prepaids	873,582	-
Gain on derivative liability	(3,426,389)	(200,719)
Gain on extinguishment of debt	-	(68,264)
Changes in operating assets and liabilities		
Prepaid expense	(49,752)	676,949
Accounts payable and accrued expenses	35,099	408,443
Accounts payable - related party	107,549	12,484
Accrued expenses - related party	97,710	79,945
Accrued compensation	70,666	263,408
Net cash used in operating activities	(778,074)	(160,893)
Cash flows from investing activities		
Purchase of equipment	(2,910)	-
Net cash used in investing activities	(2,910)	-
Cash flows from financing activities		
Proceeds from issuance of common stock	-	120,000
Issuance of convertible debt	915,000	-
Debt issuance costs	(133,575)	-
Net cash provided by financing activities	781,425	120,000
Net increase (decrease) in cash	441	(40,893)
Cash, beginning of period	13,995	41,951
Cash, end of period	\$ 14,436	\$ 1,058
Supplemental Information:		
Cash paid for:		
Taxes	\$ 800	\$ -
Interest Expense	\$ -	\$ -
Non cash items:		
Warrants issued with debt	\$ 86,730	\$ 241,097
Derivative liability and debt discount issued with new notes	\$ 260,818	\$ -
Shares issued for debt conversion	\$ 5,057,014	\$ 87,804
Exercise of warrants	\$ 109,978	\$ 173
Shares issued for extinguishment of accounts payable	\$ 309,000	\$ -
Shares issued for prepaids	\$ 381,000	\$ 1,958,350

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

eWellness Healthcare Corporation
Notes to Condensed Financial Statements
September 30, 2017
(unaudited)

Note 1. The Company

The Company and Nature of Business

eWellness Healthcare Corporation (f/k/a Dignyte, Inc.), (the “eWellness”, “Company”, “we”, “us”, “our”) was incorporated in the State of Nevada on April 7, 2011. The Company has generated no revenues to date.

eWellness is the first physical therapy telehealth company to offer insurance reimbursable real-time distance monitored treatments. Our business model is to license our PHZIO (“PHZIO”) platform to any physical therapy (“PT”) clinic in the U.S. and or have large-scale employers use our PHZIO platform as a fully PT monitored corporate wellness program. The Company’s PHZIO home physical therapy exercise platform has been designed to disrupt the \$30 billion physical therapy and the \$8 billion corporate wellness industries. PHZIO re-defines the way physical therapy can be delivered. PHZIO is the first real-time remote monitored 1-to-many physical therapy platform for home use. Due to the real-time patient monitoring feature, the PHZIO platform is insurance reimbursable by payers such as: Anthem Blue Cross and Blue Shield.

Concierge PT Medical Services: EWLL provides a new and highly unique patient treatment protocol, that includes “white glove” concierge in-home or in-office physical therapy assessments and digital care treatments, in order to enhance medical treatments and help improve patient treatment outcomes.

PreHabPT: Any patient can now receive a (non-emergency) orthopedic surgery consultation, in-home or in-office physical therapy evaluation and may be prescribed a 4-8 week prehabpt.com exercise program prior to any surgery. Another in-home or in-office physical therapy evaluation will be made following surgery and a treatment plan will be initiated. PreHabPT is up to an 8-week physician to patient pre-surgical (Prehab) digital therapeutic exercise treatment system for patients that anticipate having total joint replacement (knee, hip and or shoulder) or back surgeries. Patients may complete these digital therapeutic exercises either monitored or unmonitored.

PurePT: PurePT is a patient & independent PT digital treatment platform for connecting new patients to PT’s that are seeking to be treated with our PHZIO treatment system. Patient program assessments can be made in the privacy of a patient home or office. PurePT connects new patients to PT’s, particularly in states that have direct access rules where patient’s insurance will reimburse for treatment without requiring a physician’s prescription.

Our PHZIO Solution: A New Physical Therapy Delivery System:

- SaaS technology platform solution for providers bundling rehabilitation services and employer wellness programs
- First real-time remote monitored 1-to-many physical therapy treatment platform for home use
- Ability for physical therapists to observe multiple patients simultaneously in real-time
- Solves what has been a structural problem and limitation in post-acute care practice growth
- Allows PT practices to generate increased revenues due to higher adherence and compliance rates

For more information on eWellness go to:

<http://www.ewellnesshealth.com/>

<http://phzio.com/>

<http://prehabpt.com/>

<http://Purept.com/>

eWellness Healthcare Corporation
Notes to Condensed Financial Statements
September 30, 2017
(unaudited)

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed financial statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial statements. Accordingly, they omit or condense notes and certain other information normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles. The accounting policies followed for quarterly financial reporting conform with the accounting policies disclosed in Note 2 to the Notes to Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2016. In the opinion of management, all adjustments necessary for a fair presentation of the financial information for the interim periods reported have been made. All such adjustments are of a normal recurring nature. The results of operations for the nine months ended September 30, 2017 are not necessarily indicative of the results that can be expected for the fiscal year ending December 31, 2017. The unaudited condensed financial statements should be read in conjunction with the financial statements and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2016.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ materially from these good faith estimates and judgments.

Going Concern

For the nine months ended September 30, 2017, the Company had no revenues. The Company has an accumulated loss of \$15,423,315. In view of these matters, there is substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue operations is dependent upon the Company's ability to raise additional capital and to ultimately achieve sustainable revenues and profitable operations, of which there can be no guarantee. The Company intends to finance its future development activities and its working capital needs largely from the sale of public equity securities with some additional funding from other traditional financing sources, including term notes, until such time that funds provided by operations are sufficient to fund working capital requirements. The financial statements of the Company do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

Fair Value of Financial Instruments

As of September 30, 2017, the Company had the following assets and liabilities measured at fair value on a recurring basis.

	Total	Level 1	Level 2	Level 3
Derivative Liability	\$ 721,396	\$ -	\$ -	\$ 721,396
Total Liabilities measured at fair value	\$ 721,396	\$ -	\$ -	\$ 721,396

eWellness Healthcare Corporation
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September 30, 2017
(unaudited)

As of December 31, 2016, the Company had the following assets and liabilities measured at fair value on a recurring basis.

	Total	Level 1	Level 2	Level 3
Derivative Liability	\$ 8,473,265	\$ -	\$ -	\$ 8,473,265
Total Liabilities measured at fair value	\$ 8,473,265	\$ -	\$ -	\$ 8,473,265

Earnings per Common Share

The Company follows ASC Topic 260 to account for the earnings per share (“EPS”). Basic EPS calculations are determined by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted EPS calculations are determined by dividing net income (loss) by the weighted average number of common shares and dilutive common share equivalents outstanding. During periods when common stock equivalents, if any, are anti-dilutive they are not considered in the computation. As the Company has net income for the nine months ended September 30, 2017, dilutive shares are added into the per share calculation as noted below.

	Three Months Ended		Nine Months Ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Earnings (loss) per common share				
Basic	\$ (0.01)	\$ (0.04)	\$ 0.01	\$ (0.16)
Diluted	\$ (0.01)	\$ (0.04)	\$ 0.00	\$ (0.16)
Weighted average shares outstanding				
Basic	128,985,784	19,821,147	98,415,360	19,058,020
Diluted	128,985,784	19,821,147	101,707,186	19,058,020

For the nine months ended September 30, 2017, the diluted EPS calculation included common stock equivalents of 3,291,826 for warrants. For the nine months ending September 30, 2016, common stock equivalents of 3,100,000 options, 5,577,914 warrants and 430,989 convertible notes were not included due to the anti-dilutive effect. For the three months ended September 30, 2017, common stock equivalents of 3,291,826 for warrants were not included due to the anti-dilutive effect. For the three months ended September 30, 2016, common stock equivalents of 242,000 options, 844,296 warrants and 40,439 convertible notes were not included due to the anti-dilutive effect.

Note 3. Related Party Transactions

During the nine months ended September 30, 2017, a related party, a company for which the Company’s former Secretary-Treasurer and CFO is also serving as CFO, invoiced the Company \$19,300 for accounting services. The amount outstanding as of September 30, 2017 and December 31, 2016 was \$1,220 and \$10,481, respectively. The Company recorded \$0 and \$2,999 imputed interest on the amount owed to the related party based on an interest rate of 8% for the nine months ended September 30, 2017 and September 30, 2016, respectively. Because the amount due to the related party is now being paid on a regular basis, the Company is no longer accruing imputed interest.

eWellness Healthcare Corporation
Notes to Condensed Financial Statements
September 30, 2017
(unaudited)

On April 1, 2015, the Company entered into an operating agreement with a physical therapy company (“EPT”) which is owned by the Company’s President and Chief Executive Officer. Through the agreement, the Company agrees to provide operating capital advances for EPT to offer the Company’s PHIZIO platform to physical therapy patients. For accounting and tax purposes, the net profits or losses generated by EPT shall be allocated on a monthly basis. The Company will receive 75% of the net patient insurance reimbursements associated with the operation of the PHIZIO platform.

On November 11, 2016, the Company signed an agreement with a programming company (“PC”) within which one of the Company’s directors and Chief Technical Officer is the Chief Marketing Officer. The agreement is for additional features to be programmed for the launch of the PHIZIO platform. The contract specifies that the Company’s CEO and CTO will retain their officer and director positions and retain their past due accrued compensation through June 30, 2016. The Company is to pay a monthly base fee of \$100,000 for the development and compensation for the Company’s CEO and CTO. Following payment of the initial \$100,000, the Company is obligated to only pay \$50,000 monthly until the PC has successfully signed and collected the first monthly service fee for 100 physical therapy clinics to use the PHIZIO platform. The agreement establishes that the Company is indebted to the PC for \$225,000 for past programming services. For this amount, the Company issued 25,280,899 common shares at a value of \$0.0089 per share on April 1, 2017. The PC will also have the right to appoint 40% of the directors. At the end of September 30, 2017, the Company had a payable of \$260,810 due to this company.

For the first quarter of 2017 the Company rented its Culver City, CA office space from a company owned by our CEO. The imputed rent expense of \$500 per month was recorded in the Statement of Operations and Additional Paid in Capital in the Balance Sheet. Since the beginning of the second quarter of 2017, the Company is renting from a third party so no imputed rent was recorded.

Throughout the period ended September 30, 2017, the officers and directors of the Company incurred business expenses on behalf of the Company. The amounts payable to the officers as of September 30, 2017 and December 31, 2016 were \$9,139 and \$44,429, respectively. There were no expenses due to the board members, but the Company has accrued directors’ fees of \$193,000 and \$60,000 at September 30, 2017 and December 31, 2016, respectively. Because the Company is not yet profitable the officers have agreed to defer compensation. The Company had accrued executive compensation of \$1,010,666 and \$940,000 at September 30, 2017 and December 31, 2016 respectively.

Note 4. Non-Convertible Notes Payable

In February 2017, the Company was served by a complaint filed by the holder of a note payable. The lawsuit alleges that the Company is indebted to the note holder a promissory note stemming from four loans to the Company during the 20 months prior to February 2017 amounting to \$75,500 in total original principal bearing interest at 12% per annum, of which \$45,202 has been repaid. Further, the note holder claims that, because of alleged defaults and extensions of the notes, the Company is now indebted in the amount of \$253,877 inclusive of interest and penalties at an effective rate exceeding 70% per annum, far more than the maximum rate allowable in California or Louisiana. The Company and its counsel have determined that: (i) the note holder is not a licensed lender in the State of California, where the loan was made and the \$75,500 was deposited and therefore was not permitted under California law to make loans in the State; and (ii) the interest rate the note holder is seeking to collect is usurious and therefore interest claimed in the lawsuit is neither collectible nor enforceable. The Company and counsel believe the lawsuit is wholly without merit and the rules of diversity of jurisdiction apply. Furthermore, the Company believes that the action should be removed from Louisiana state court to the United States Federal District Court in Baton Rouge, LA, where California law should be applied.

eWellness Healthcare Corporation
Notes to Condensed Financial Statements
September 30, 2017
(unaudited)

At September 30, 2017, the Company had indebtedness to this holder of the note payable of \$180,051 plus \$33,465 of accrued interest. During the nine months ended September 30, 2017 and 2016, the Company accrued interest expense totaling \$24,240 and \$18,974, respectively. During the three months ended September 30, 2017 and 2016, the Company accrued interest expense totaling \$8,169 and \$13,824 respectively.

Note 5. Convertible Notes Payable

On January 11, January 23 and February 14, 2017, the Company authorized three convertible notes each \$55,000 for a total of \$165,000. These notes mature six months from the grant date. The convertible notes convert into common stock of the Company at conversion price into which any principal amount and interest (including any default interest) under the notes shall be convertible into shares of common stock shall be equal to the lesser of: (i) \$0.20 or (ii) 75% of the average of the volume-weighted average prices for the five (5) Trading Days immediately following the 180th calendar day after the Original Issue Date, whichever is lower. There is only one pricing lookback event. The notes have a 10% original issue discount and an interest rate of 8%. During the nine months ended September 30, 2017, the Company accrued interest expense totaling \$7,594. In April 2017, the Company and the note holder authorized amendments to these three notes in which the maturity dates of the notes were extended to February 6, 2018, February 22, 2018, and March 31, 2018, respectively. All three of these notes plus accrued interest were converted during the quarter ended September 30, 2017 and 2,436,381 shares of common stock were issued.

On February 9, 2017, the Company entered into a Securities Purchase Agreement with a third party which required the Company to issue two 5.5% convertible notes in the aggregate principal amount of \$165,000, each at \$82,500. Each of the notes contain a 10% Original Issue Discount and an interest rate of 8%. The due date of the notes is November 7, 2017. During the nine months ended September 30, 2017, only one of the notes has been funded. During the nine months ended September 30, 2017, the Company accrued interest expense of \$4,213.

On February 15, 2017, the Company and an institutional investor entered into an agreement in which: (a) the investor agreed to fund up to \$5,000,000 in reliance upon an exception provided under Rule 506 of Regulation D promulgated by the SEC under the Securities act of 1933, as amended; (b) the Company will file a registration statement on Form S-1 with the SEC within 15 days after the Company filed its annual 10K report for the year ended December 31, 2016 (The S-1 was filed on April 11, 2017); (c) the Company issued a convertible note in the principal amount of \$100,000, bearing interest at 8% (This note has not yet been funded); and (d) the Company issued a second convertible note in the principal amount of \$275,000 bearing interest at 8% of which \$137,500 has been funded. With the \$275,000 convertible note, the Company also issued 68,750 warrants exercisable at \$.25 per share on a cashless basis. During the nine months ended September 30, 2017, the Company accrued interest expense of \$12,130.

On April 11, 2017, the Company executed an 8% Fixed Convertible Promissory Note payable to an institutional investor in the principal amount of \$308,000. The note, which is due on November 6, 2018 was funded in the sum of \$280,000 with \$28,000 being retained by the investor through an original issue discount for due diligence and legal expense related to this transaction. The note is convertible into shares of common stock, par value \$0.001, at a conversion price of \$0.20 per Share. On April 11, 2017, the Company filed a registration statement on Form S-1 to provide for the resale of up to 9,519,229 shares of common stock issuable to the investor, as a selling stockholder, pursuant to a "put right" under an investment agreement dated February 10, 2017, that permits the Company to "put" up to five million dollars (\$5,000,000) in shares of common stock to the investor over a period of up to thirty-six (36) months or until \$5,000,000 of such shares have been "put." With issuance of this note, the Company also issued 1,232,000 warrants exercisable at \$.25 per share. During the nine months ended September 30, 2017, the Company accrued interest expense of \$11,476.

On April 24, 2017, the Company entered into a Securities Purchase Agreement with a third party which required the Company to issue two 5.5% convertible notes in the aggregate principal amount of \$167,000, each at \$83,500. One of the notes was funded in May 2017 for \$83,500. The other note was funded in July 2017 for \$83,500. Each of the notes contain an Original Issue Discount of \$8,500 and an interest rate of 5.5%. The due date of the notes is January 24, 2018. During the nine months ended September 30, 2017, the company accrued interest expense of \$2,768.

eWellness Healthcare Corporation
Notes to Condensed Financial Statements
September 30, 2017
(unaudited)

On July 24, 2017, the Company agreed to amend the two convertible notes dated April 24, 2017 and the convertible note dated February 9, 2017 relative to the conversion provision in Section 4(a) by inserting the following provision: "In addition to all the other Conversion Price formulas set forth in the Note, the Holder may choose to elect from the following two Conversion Price formulas, if they result in a lower Conversion Price: (i) 75% of the average of the 5 daily VWAPS of the Common Stock as reported on an Exchange for the 20 trading days immediately preceding the 180th daily anniversary of the Note or (ii) 75% of the average of the 5 VWAPS of the Common Stock as reported on an Exchange for the 20 trading days immediately preceding the delivery day of the first Notice of Conversion from the Holder".

On September 5, 2017, the Company executed an 8% Fixed Convertible Promissory Note payable to an institutional investor in the principal amount of \$55,000. The note, which is due on March 5, 2018 has an original issue discount of \$5,000. The convertible notes convert into common stock of the Company at conversion price into which any principal amount and interest (including any default interest) under the notes shall be convertible into shares of common stock shall be equal to the lesser of: (i) \$0.20 or (ii) 75% of the average of the VWAPs for the ten (10) Trading Days immediately following the 180th calendar. During the nine months ended September 30, 2017, the Company accrued interest expense of \$289.

Note 6. Equity Transactions

Preferred Stock

The total number of shares of preferred stock which the Company shall have authority to issue is 20,000,000 shares with a par value of \$0.001 per share. There have been no preferred shares issued as of September 30, 2017.

Common Stock

The total number of shares of common stock which the Company shall have authority to issue is 400,000,000 shares with a par value of \$0.001 per share.

During the nine months ended September 30, 2017, the Company issued a total of 49,292,169 shares of common stock per debt conversion of two convertible notes dated November 14, 2016 and three convertible notes dated January 11, January 23, and February 13, 2017. The total of the debt conversion was \$592,420 which includes \$26,220 of accrued interest.

In January 2017, 1,363,277 warrants were exercised under a cashless exercise and issued 1,336,075 shares of common stock.

During the nine months ended September 30, 2017, the Company issued 6,558,250 shares of common stock for marketing and consulting services valued at \$549,630. At September 30, 2017, 132,327 shares remain to be issued to a consultant. These shares were issued on October 6, 2017.

In January and March 2017, the Company issued 2,400,000 shares of common stock per the extinguishment of debt agreements dated December 1, 2016.

In January 2017, the Company entered into an agreement with a consultant for a six-month period to provide services which will include: (i) introductions to brokers; (ii) assist with research coverage; (iii) introductions to over 100 funds, investment banking firms and market makers; and (iv) a presentation speaking slot with a Gold sponsorship at the 2017 Wall Street Conference. In consideration for the services, the Company issued 75,000 shares of common stock for a value of \$6,000.

eWellness Healthcare Corporation
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On April 1, 2017, the Company issued 25,280,899 shares of common stock per the contract with a related party per the Definitive Services Agreement signed on January 24, 2017. This agreement is discussed in Note 3 above.

On June 6, 2017, the Board of Directors approved the issuance of 100,000 shares of common stock to the Company's attorneys for legal services. These shares were issued in August 2017 for a value of \$8,000.

Stock Options

The following is a summary of the status of all Company's stock options as of September 30, 2017 and changes during the nine months ended on that date:

	Number of Stock Options	Weighted Average Exercise Price	Remaining Life (yrs)	Intrinsic Value
Outstanding at December 31, 2016	20,250,000	\$ 0.27	2.3	\$ 0.011
Granted	-	-		
Exercised	-	-		
Cancelled	-	-		
Outstanding at September 30, 2017	<u>20,250,000</u>	<u>0.27</u>	<u>2.2</u>	<u>\$ 0</u>
Options exercisable at September 30, 2017	<u>10,245,833</u>	<u>\$ 0.37</u>	<u>2.8</u>	<u>\$ 0</u>

The Company recognized stock option expense of \$325,782 and \$4,633 for the nine months ended September 30, 2017 and 2016, respectively and \$108,594 and \$4,633 for the three months ended September 30, 2017 and 2016, respectively.

Warrants

In February 2017, the Company authorized the issuance of 68,750 warrants that were issued as part of a convertible note. At September 30, 2017 the fair value of the warrants is \$6,507.

In April 2017, the Company authorized the issuance of 1,232,000 warrants that were issued as part of a convertible note. At September 30, 2017 the fair value of the warrants is \$116,680.

The following is a summary of the status of the Company's warrants as of September 30, 2017 and changes during the nine months ended on that date:

	Number of Warrants	Weighted Average Exercise Price	Remaining Life (yrs.)	Intrinsic Value
Outstanding at December 31, 2016	9,116,190	\$ 0.21	2.9	\$ 0.103
Granted	1,300,750	0.25	5.0	0
Exercised	(1,363,277)	0.01		0.178
Cancelled	-	-		-
Outstanding at September 30, 2017	<u>9,053,663</u>	<u>\$ 0.20</u>	<u>2.4</u>	<u>\$ 0.038</u>
Warrants exercisable at September 30, 2017	<u>9,053,663</u>	<u>\$ 0.20</u>	<u>2.4</u>	<u>\$ 0.038</u>

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For purpose of determining the fair market value of the warrants and options issued during the nine months ended September 30, 2017, we used the Black Scholes option valuation model. These valuations were done throughout the period at the date of issuance and not necessarily as of the reporting date. The assumptions used in the Black Scholes valuation of the date of issuance are as follows:

Stock price on the valuation date	\$.095
Exercise price of warrants	\$.004 and .25
Dividend yield		0.00%
Years to maturity		3-5
Risk free rate		1.62% - 1.77%
Expected volatility		288.82%-290.44%

Note 7. Commitments, Contingencies

The Company may be subject to lawsuits, administrative proceedings, regulatory reviews or investigations associated with its business and other matters arising in the normal conduct of its business. The following is a description of an uncertainty that is considered other than ordinary, routine and incidental to the business.

The closing of the Initial Exchange Agreement with Private Co. was conditioned upon certain, limited customary representations and warranties, as well as, among other things, our compliance with Rule 419 (“Rule 419”) of Regulation C under the Securities Act of 1933, as amended (the “Securities Act”) and the consent of our shareholders as required under Rule 419. Accordingly, we conducted a “Blank Check” offering subject to Rule 419 (the “Rule 419 Offering”) and filed a Registration Statement on Form S-1 to register the shares of such offering; the Registration Statement was declared effective on September 14, 2012. We used 10% of the subscription proceeds as permitted under Rule 419 and the amount remaining in the escrow trust as of the date of the closing of the Share Exchange was \$90,000 (the “Trust Account Balance”).

Rule 419 required that the Share Exchange occur on or before March 18, 2014, but due to normal negotiations regarding the transactions and the parties’ efforts to satisfy all of the closing conditions, the Share Exchange did not close on such date. Accordingly, after numerous discussions with management of both parties, they entered into an Amended and Restated Share Exchange Agreement (the “Share Exchange Agreement”) to reflect a revised business combination structure, pursuant to which we would: (i) file a registration statement on Form 8-A (“Form 8A”) to register our common stock pursuant to Section 12(g) of the Exchange Act, which we did on May 1, 2014 and (ii) seek to convert the participants of the Rule 419 Offering into participants of a similarly termed private offering (the “Converted Offering”), to be conducted pursuant to Regulation D, as promulgated under the Securities Act.

Fifty-two persons participated in the Rule 419 Offering and each of them gave the Company his/her/its consent to use his/her/its escrowed funds to purchase shares of the Company’s restricted common stock in the Converted Offering (the “Consent”) rather than have their funds returned. To avoid further administrative work for the investors, we believe that we took reasonable steps to inform investors of the situation and provided them with an appropriate opportunity to maintain their investment in the Company, if they so choose, or have their funds physically returned. Management believed the steps it took constituted a constructive return of the funds and therefore met the requirements of Rule 419.

However, pursuant to Rule 419(e)(2)(iv), “funds held in the escrow or trust account shall be returned by first class mail or equally prompt means to the purchaser within five business days [if the related acquisition transaction does not occur by a date that is 18 months after the effective date of the related registration statement].” As set forth above, rather than physically return the funds, we sought consent from the investors of the Rule 419 Offering to direct their escrowed funds to the Company to instead purchase shares in the Converted Offering. The consent document (which was essentially a form of rescission) was given to the investors along with a private placement memorandum describing the Converted Offering and stated that any investor who elected not to participate in the Converted Offering would get 90% of their funds physically returned. Pursuant to Rule 419(b)(2)(vi), a blank check company is entitled to use 10% of the proceed/escrowed funds; therefore, if a return of funds is required, only 90% of the proceed/escrowed funds need be returned. The Company received \$100,000 proceeds and used \$10,000 as per Rule 419(b)(2)(vi); therefore, only \$90,000 was subject to possible return.

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As disclosed therein, we filed the amendments to the initial Form 8-K in response to comments from the SEC regarding the Form 8-K and many of those comments pertain to an alleged violation of Rule 419. The Company continued to provide the SEC with information and analysis as to why it believes it did not violate Rule 419, but was unable to satisfy the SEC's concerns. Comments and communications indicate that Rule 419 requires a physical return of funds if a 419 offering cannot be completed because a business combination was not consummated within the required time frame; constructive return is not permitted.

As a result of these communications and past comments, we are disclosing that we did not comply with the requirements of Rule 419, which required us to physically return the funds previously submitted to escrow pursuant to the Rule 419 Offering. As a result of our failure to comply with Rule 419, the SEC may bring an enforcement action or commence litigation against us for failure to strictly comply with Rule 419. If any claims or actions were to be brought against us relating to our lack of compliance with Rule 419, we could be subject to penalties (including criminal penalties), required to pay fines, make damages payments or settlement payments. In addition, any claims or actions could force us to expend significant financial resources to defend ourselves, could divert the attention of our management from our core business and could harm our reputation.

Ultimately, the SEC determined to terminate its review of the Initial Form 8-K and related amendments, rather than provide us with additional opportunities to address their concerns and therefore, we did not clear their comments. It is not possible at this time to predict whether or when the SEC may initiate any proceedings, when this issue may be resolved or what, if any, penalties or other remedies may be imposed, and whether any such penalties or remedies would have a material adverse effect on our consolidated financial position, results of operations, or cash flows. Litigation and enforcement actions are inherently unpredictable, the outcome of any potential lawsuit or action is subject to significant uncertainties and, therefore, determining at this time the likelihood of a loss, any SEC enforcement action and/or the measurement of the amount of any loss is complex. Consequently, we are unable to estimate the range of reasonably possible loss. Our assessment is based on an estimate and assumption that has been deemed reasonable by management, but the assessment process relies heavily on an estimate and assumption that may prove to be incomplete or inaccurate, and unanticipated events and circumstances may occur that might cause us to change that estimate and assumption. In light of the uncertainty of this issue and while Management evaluates the best and most appropriate way to resolve same, management determined to create a reserve on the Company's Balance Sheet for the \$90,000 that was subject to the Consent.

On January 24, 2017, the Registrant entered into a Definitive Service Agreement ("DSA") with Bistromatics, a company for which the Company's officer serves as an officer, affirming that, at the time, the Company did not have enough authorized shares of common stock, based upon the number of issued and outstanding shares together with shares reserved for issuance, to issue Bistromatics 25,280,899 shares of common stock. In connection with the Company's obligations under the DSA, the Company filed a Certificate of Amendment to its Articles of Incorporation with the State of Nevada for the purposes of: (A) increasing its authorized capital stock from 110,000,000 shares of capital stock, par value \$0.001, consisting of: (i) 100,000,000 shares of common stock, par value \$0.001; and (ii) 10,000,000 shares of preferred stock, par value \$0.001, to 420,000,000 shares of capital stock, par value \$0.001, consisting of: (iii) 400,000,000 shares of common stock, par value \$0.001; and (iv) 20,000,000 shares of preferred stock, par value \$0.001. The Certificate of Amendment has been filed with the State of Nevada and the Company has filed an Information Statement on Schedule 14C, based upon the Joint Written Consent of the Company's Board of Directors and the Majority Consenting Stockholders and implementing a reverse split of the issued and outstanding shares of common stock, including shares of common stock reserved for issuance, in a ratio to be determined by the Company's Board of Directors, not to exceed a one-for-twenty (1:20) basis (the "Reverse Split"). After the Information Statement clears comments with the Securities and Exchange Commission, the Company must submit an application to and receive approval from FINRA for these corporate actions. On April 1, 2017, the Company issued 25,280,899 shares of common stock.

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From time to time the Company may become a party to litigation matters involving claims against the Company. Except as may be outlined above, the Company believes that there are no current matters that would have a material effect on the Company's financial position or results of operations.

Note 8. Derivative Valuation

The Company evaluated the convertible debentures and associated warrants in accordance with ASC Topic 815, "Derivatives and Hedging," and determined that the conversion feature of the convertible promissory notes was not afforded the exemption for conventional convertible instruments due to their variable conversion rates. The notes have no explicit limit on the number of shares issuable so they did not meet the conditions set forth in current accounting standards for equity classification. In addition, the warrants have a Most Favored Nations clause resulting in the exercise price of the warrants also not being fixed. Therefore, these have been characterized as derivative instruments. We elected to recognize the notes under ASU paragraph 815-15-25-4, whereby there would be a separation into a host contract and derivative instrument. We elected to initially and subsequently measure the notes and warrants in their entirety at fair value, with changes in fair value recognized in earnings.

The debt discount is amortized over the life of the note and recognized as interest expense. For the nine months ended September 30, 2017 and 2016, the Company amortized the debt discount of \$325,666 and \$820,911, respectively, to interest expense. For the three months ended September 30, 2017 and 2016, the Company amortized the debt discount of \$149,370 and \$394,981, respectively. The derivative liability is adjusted periodically according to stock price fluctuations and other inputs and was \$721,396 and \$8,473,265 at September 30, 2017 and December 31, 2016, respectively.

During the period ended September 30, 2017, the Company had the following activity in the derivative liability account:

	Total
Derivative liability at December 31, 2016	\$ 8,473,265
Addition of new conversion option derivatives	136,857
Addition of new warrant derivatives	123,961
Extinguishment due to note conversions	(4,476,351)
Extinguishment due to warrant conversions	(109,985)
Changes in fair value	(3,426,351)
Derivative liability at September 30, 2017	<u>\$ 721,396</u>

For purposes of determining the fair market value of the derivative liability, the Company used Black Scholes option valuation model. The significant assumptions used in the Black Scholes valuation of the derivative are as follows:

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Stock price at valuation date	\$.06-.175
Exercise price of warrants	\$.004 - 25
Conversion rate of convertible debt	\$.0167 – 0.2000
Risk free interest rate	.95%-1.77%
Stock volatility factor	124%-290.48%
Years to Maturity	.08 – 4.5
Expected dividend yield	None

Note 9. Subsequent Events

On November 10, 2017, the Company’s Board of Directors determined that it was in the best interests of the Company and its stockholders not to proceed with the implementation of its previously authorized reverse stock split of the outstanding shares of common stock on a one-for-twelve (1:12) basis (the “Reverse Split”).

On March 1, 2017, the Company had filed a Definitive Information Statement with the SEC (the “Information Statement”) pursuant to which the Company, based upon the Joint Written Consent of our Board of Directors and Majority Consenting Stockholders, authorized the Reverse Split on a ratio not to exceed a one-for-twenty (1:20) basis, which Reverse Split was to be initiated within 180 days from March 1, 2017. On August 8, 2017, our Board of Directors approved the one-for-twelve (1:12) Reverse Split and filed the requisite application with FINRA, which application is in the final approval stages.

The initial reason for ratifying and approving the Reverse Split was based upon the Company’s determination that it would best position the Company for possible up listing from the OTCQB to the NASDAQ. After due deliberation, the Company’s Board of Directors determined on November 10, 2017, not to proceed with the Reverse Split. Based upon recent and anticipated business developments, it is the Board of Directors belief that up listing to the NASDAQ may be achieved after the fiscal year ending December 31, 2017 without implementation of the Reverse Split. While there can be no assurance that up listing on the NASDAQ will be achieved, the Company has informed FINRA that it was withdrawing the application and are canceling the pending 1:12 Reverse Split.

On October 1, 2017, the Company entered into an agreement with a consulting firm for services related to business development; strategy setting; fundraising/financial introductions; analysis, structure and organization of commercial offerings and related services. The agreement is for six months and the Company issued 300,000 shares of common stock on October 1, 2017 for these services for a value of \$27,000.

On October 6, 2017, the Company issued 132,327 shares of common stock for consulting services during the quarter ended September 30, 2017. As of September 30, 2017, the value of these shares of \$11,428 was recorded in Shares to be Issued on the Balance Sheet.

On October 6 and November 6, 2017, the Company issued 125,000 shares of common stock representing the monthly issuance pursuant to an agreement signed June 6, 2017. The total shares issued was 250,000 shares for a value of \$27,500.

On October 12, 2017, the Company executed an 8% Fixed Convertible Promissory Note payable to an institutional investor in the principal amount of \$110,000. The note, which is due on April 12, 2018 has an original issue discount of \$10,000 and an 8% interest rate. The convertible notes convert into common stock of the Company at conversion price into which any principal amount and interest (including any default interest) under the notes shall be convertible into shares of common stock shall be equal to the lesser of: (i) \$0.20 or (ii) 65% of the lowest per share trading price for the fifteen (15) Trading Days immediately following the 180th calendar.

On October 20, 2017, the Company issued 125,000 shares of common stock representing the monthly issuance pursuant to an agreement signed on June 20, 2017 for a value of \$22,500.

From the quarter ended September 30, 2017 and the filing of this report, the Company has issued 2,205,379 shares of common stock for conversion of debt and accrued interest totaling \$169,885.

On October 31, 2017, the Company issued 150,000 shares of common stock representing the monthly issuance for consulting services for a value of \$21,000.

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

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 2 of Part I of this report include forward-looking statements. These forward-looking statements are based on our management's current expectations and beliefs and involve numerous risks and uncertainties that could cause actual results to differ materially from expectations. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "proposed," "intended," or "continue" or the negative of these terms or other comparable terminology. You should read statements that contain these words carefully, because they discuss our expectations about our future operating results or our future financial condition or state other "forward-looking" information. Many factors could cause our actual results to differ materially from those projected in these forward-looking statements, including but not limited to: variability of our future revenues and financial performance; risks associated with product development and technological changes; the acceptance of our products in the marketplace by potential future customers; general economic conditions. You should be aware that the occurrence of any of the events described in this Quarterly Report could substantially harm our business, results of operations and financial condition, and that upon the occurrence of any of these events, the trading price of our securities could decline. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, growth rates, levels of activity, performance or achievements. We are under no duty to update any of the forward-looking statements after the date of this Quarterly Report to conform these statements to actual results.

The following discussion and analysis of financial condition and results of operations relates to the operations and financial condition reported in the financial statements of eWellness Healthcare Corporation for the three and nine months ended September 30, 2017 and 2016 and should be read in conjunction with such financial statements and related notes included in this report and the Company's Annual Report on Form 10-K for the year ended December 31, 2016.

THE COMPANY

Overview

eWellness is the first physical therapy telehealth company to offer insurance reimbursable real-time distance monitored treatments. Our business model is to license our PHZIO ("PHZIO") platform to any physical therapy ("PT") clinic in the U.S. and or have large-scale employers use our PHZIO platform as a fully PT monitored corporate wellness program. The Company's PHZIO home physical therapy exercise platform has been designed to disrupt the \$30 billion physical therapy and the \$8 billion corporate wellness industries. PHZIO re-defines the way physical therapy can be delivered. PHZIO is the first real-time remote monitored 1-to-many physical therapy platform for home use. Due to the real-time patient monitoring feature, the PHZIO platform is insurance reimbursable by payers such as: Anthem Blue Cross and Blue Shield

The PHZIO Solution: A New Physical Therapy Delivery System

- SaaS technology platform solution for providers bundling rehabilitation services and employer wellness programs
- First real-time remote monitored 1-to-many physical therapy treatment platform for home use
- Ability for physical therapists to observe multiple patients simultaneously in real-time
- Solves what has been a structural problem and limitation in post-acute care practice growth
- Allows PT practices to generate increased revenues due to higher adherence and compliance rates

Marketing & Sales Strategy Pivot

We are planning to pivot away from our marketing to large scale PT clinics for now. Since we launched our Phzio platform to the Physical Therapy (“PT”) industry last fall to significant industry appeal, clinical adoption for our digital platform has been limited. We now believe that this slower than anticipated adoption is primarily due to the current lack of universal reimbursement for our digital treatment platform by many insurers, including Medicare. We anticipate that new federal legislation may change this situation by early 2018, eliminating this barrier. In light of this situation we have just launched our PreHabPT.com platform that is a low-cost form of PT that is paid for by hospitals/clinics that are providing joint replacement and repairs under a bundled payment method or is being paid for by patients directly. We believe that this pivot is key to gaining traction with patient utilization of our digital therapy for both pre-and post-surgery injuries. Thus, our marketing & sales efforts are primarily focused on the Los Angeles market, for the near term in order to maximize our digital platforms exposure. We will be marketing directly to patients, doctors, insurance providers and hospital administrators.

Transformation of PT Patient Care Model

Utilizing Phzio.com, PreHabPT.com and PurePT.com (to be launched later this month), a patient can receive PT digitally or in their home or office for in-person consultations, without ever going to a PT clinic. Our disruptive technology solution eliminates the real estate and clinic location requirements where PT’s have historically practiced and it frees the patient from having to commute to a PT clinic, which is the biggest reason for missed appointments. Our digital treatment system also allows a PT to treat a much larger patient volumes with higher earnings on a daily basis.

We are Leading the Workplace Revolution in the PT Industry

The way we work is changing. Freelancing is on the rise, companies are expanding and technology is helping employees stay productive wherever they are. And there’s been an increase in flexible working hours and telecommuting like we’ve never seen before.

Digital Advertising Campaign

The Company will be rolling out geographically targeted, digital and social media advertising campaign initially within select Los Angeles metro areas. This approach will have a strong focus on mobile users seeking relevant physical therapy services. Further, the Company will seek to leverage existing in-house developed technologies, that allow patients to record video journals post their traditional or digital treatment sessions. This technology will be used to solicit patient testimonials post any service being provided and then post these testimonial to the patient’s own Facebook or Instagram account. We anticipate that this approach should create a multiplier effect for the Company’s outreach efforts. The Company is also expecting to experiment with this model using various patient incentives.

Our new platforms, App’s and initiatives include:

PurePT.com: a digital patient & independent PT platform for connecting new patients to PT’s that are seeking to be treated with our PHZIO treatment system. Patient program inductions can be made in the privacy of a patient’s home or office and can also be done in a PT clinic. The goal is to make it easy for a patient to be treated, particularly in states that have direct access rules where patient’s insurance will reimburse for approximately 12 visits before a physician’s prescription is required. PurePT puts the patient first, which we believe will allow our business model to scale and build an Uber-style growth curve.

PreHabPT.com: an 8-week physician to patient pre-surgical (Prehab) digital therapeutic exercise treatment system for patients that anticipate having total joint replacement (knee, hip and or shoulder) or back surgeries. Patients may complete these digital therapeutic exercises either monitored or unmonitored. Prehab.pt.com’s backbone is built off of our PHZIO platform.

DigitalMD.com: a feature rich telehealth platform for physician practices to digitally communicate with their patients pre and post-surgery. DigitalMD.com is anticipated to be very competitively priced when compared to other similar telehealth platforms such as: Chiron Health, SnapMD, AdvancedMD, VirtualMedix, ReachHealth, Carena, HealthLynked and eVisit.

Telehealth Educational Certification Program: Online Physical Therapy Telehealth Training and Certification Workshop. We plan to launch a comprehensive curriculum for PT's, Occupational Therapists (OT's), PTA's, PT students and athletic trainers to gain a complete understanding of providing digital PT therapeutic exercise treatments to patients via our PHZIO telemedicine platform, including the most current advances and research related to the core treatment principles, rationale and components of our PHZIO treatment system.

Huge Expansion of PHZIO Exercise Content: We are in the process to significantly expanding our existing library of exercise video content from approximately 250 3-4 minute videos to over 1,000 separate exercise video.

Los Angeles Sales & Marketing Office: The Company opened its first sales and marketing office in Playa Vista, California before May 1, 2017 in order to accelerate the adoption of PHZIO and the other new digital telehealth tools to patients, physicians and PT's in California. The company will also be hiring new sales and marketing professionals to manage the new silos of business.

eWellness will initially rollout these new telehealth solutions within California, New York and Virginia, with plans to expand nationally over the next 6 months. With these new telehealth tools, eWellness will engage with the "At-Home" Physical Therapy treatment market. This market involves physical therapy practitioners treating patients in their home instead of a clinic. The "At-Home" market model when combined with PHZIO offers patients and practitioners a means to receive and deliver PT services without having to leave work during normal business hours. Patients will be able to receive physical therapy services at almost any hour of the day. A model that is not currently employed within traditional clinical settings.

Recent Developments

On November 12, 2016, the Company entered into a Services Agreement with Bistromatics, Inc. (the "Bistromatics Agreement"), a Company incorporated under the laws of Canada ("Bistromatics"). Pursuant to the Bistromatics Agreement, Bistromatics will provide operational oversight of the Company's Phzio System including development, content editing, client on boarding, clinic training, support & maintenance, billing, hosting and oversight and support of CRM and helpdesk system. The Company has agreed to pay a monthly base fee of \$50,000 monthly until Bistromatics has successfully signed and collected the first monthly service fee for 100 Physical Therapy Clinics to start using our Platform. If and when Bistromatics provides the Company with evidence of the 100 Physical Therapy Clinics, the monthly service fee will extend to \$100,000. Bistromatics will have the ability to convert any outstanding amounts that fall in arrears for 60 days into common stock at the same terms as the next round of financing or the Company's common stock market price, whichever is higher.

Investment Agreement with Tangiers Global, LLC

On February 10, 2017, the Company entered into an Investment Agreement with Tangiers. Pursuant to the terms of the Investment Agreement, Tangiers committed to purchase up to \$5,000,000 of the Company's common stock over a period of up to 36 months. From time to time during the 36-month period commencing from the effectiveness of the registration statement, we may deliver a put notice to Tangiers which states the dollar amount that we intend to sell to Tangiers on a date specified in the put notice. The maximum investment amount per notice must be no more than 200% of the average daily trading dollar volume of our Common stock for the ten (10) consecutive trading days immediately prior to date of the applicable put notice and such amount must not exceed an accumulative amount of \$250,000. The minimum put amount is \$5,000. The purchase price per share to be paid by Tangiers will be the 80% of the of lowest trading prices of the Common stock during the 5 trading days including and immediately following the date on which put notice is delivered to Tangiers. In connection with the Investment Agreement with Tangiers, we also entered into a registration rights agreement with Tangiers.

Plan of Operations

Our business model is to license our PHZIO (“PHZIO”) platform to any physical therapy (“PT”) clinic in the U.S. and or have large-scale employers use our PHZIO platform as a fully PT monitored corporate wellness program.

The Company’s initial licensee is Evolution Physical Therapy (“EPT”), which is owned by our CEO, Darwin Fogt, MPT. The Company is in the process of developing marketing channel partnerships with industry association members, existing software-based telemedicine providers and physical therapy billing and practice management providers. These partnerships, if completed, are anticipated to begin adding third party PT licensee revenue during the first quarter of 2018.

The Company’s PHZIO home physical therapy exercise platform has been designed to disrupt the \$30 billion physical therapy and the \$8 billion corporate wellness industries. PHZIO re-defines the way physical therapy can be delivered. PHZIO is the first real-time remote monitored 1-to-many physical therapy platform for home use. Due to the real-time patient monitoring feature, the PHZIO platform is insurance reimbursable by payers such as: Anthem Blue Cross, AETNA and Blue Shield.

The PHZIO Solution: A New Physical Therapy Delivery System

- SaaS technology platform solution for providers bundling rehabilitation services and employer wellness programs;
- First real-time remote monitored 1-to-many physical therapy treatment platform for home use;
- Ability for physical therapists to observe multiple patients simultaneously in real-time;
- Solves what has been a structural problem and limitation in post-acute care practice growth.
- PT practices can experience 20% higher adherence & compliance rates versus industry standards; and
- Tracking to 30% increase in net income for a PT practice.

Patient program adherence in 2015 and 2016 was nearly 85 percent due the real-time patient monitoring and the at-home use of the platform. Now physical therapy practices have a way to scale profitably using a technology platform that can help them grow beyond the limits of the typical brick and mortar PT clinic.

Additional Treatment Protocols: Our current PHZIO platform includes a fully customizable treatment program for multiple physical therapy treatment plans including patient rehabilitations for total knee, hip and shoulder surgeries, lower and upper back ailments and other physical therapy treatments. We currently have a growing library of over 250 individual, 2-4 minute exercise videos within our PHZIO platform, with additional exercise content generated as needed. The Company’s initial PHZIO application is a 6-month exercise program for patients with back, knee or hip pain. Our hip and knee programs have been designed to be integrated into any hospital or medical group’s Medicare CMS bundled payment model for post-acute care physical therapy. These programs are anticipated to be followed by woman’s health and geriatric programs by the end of the first quarter of 2018.

Our initial PHZIO platform enables employees or patients to engage with live or on-demand video based physical therapy telemedicine treatments from their home or office. Following a physician’s exam and prescription for physical therapy to treat back, knee or hip pain, a patient can be examined by a physical therapist and if found appropriate inducted in the Company’s PHZIO program that includes a progressive 6-month telemedicine exercise program (including monthly in-clinic checkups). All PHZIO treatments are monitored by a licensed therapist that sees everything the patient is doing while providing their professional guidance and feedback in real-time. This ensures treatment compliance by the patient, maintains the safety and integrity of the prescribed exercises, tracks patient metrics and captures pre-and post-treatment evaluation data. PHZIO unlocks a host of potential for revolutionizing patient treatment models and directly links back to the established brick and mortar physical therapy clinic. This unique model enables any physical therapy practice to be able to execute more patient care while utilizing their same resources, and creates more value than was ever before possible.

On April 1, 2015, the Company entered into an Operating Agreement with Evolution Physical Therapy (“EPT”), a company owned by our CEO, pursuant to which EPT operate our Platform and offers it to selected physical therapy patients of EPT. The Company will advance capital requested by EPT for costs specifically associated with operating the www.phzio.com platform and associated physical therapy treatments. On May 7, 2015, EPT inducted the first patient using our platform. The total (insurance reimbursed) monitored PHZIO visits in 2015 and 2016 was 1928 total patient visits that include: 2015: 699 patient visits (239 insurance reimbursed patient visits generating approximately \$13,500 in gross revenue) and in 2016: 1,229 patient visits generating \$1,496 (approximately 26 insurance reimbursed visits). These gross revenue figures were not sufficient to generate any gross sales for the Company. The average insurance reimbursement per PHZIO session in 2015 and 2016 was \$56 (excluding co-payments). Respectively. The top line wellness goals of our program are to graduate at least 80% of inducted patients through our 6-month program. Patients should expect to experience an average of a 20% reduction in BMI, a 4-inch reduction in waist size, weight loss of at least 20 pounds, significant overall improvement in balance, coordination, flexibility, strength, and lumbopelvic stability. Patients also should score better on Functional Outcomes Scales (Oswestry and LEFS), which indicates improved functional activity levels due to reduced low back, knee and hip pain.

Our PHZIO platform, including: design, testing, exercise intervention, follow-up, and exercise demonstration, has been developed by accomplished Los Angeles based physical therapist Darwin Fogt. Mr. Fogt has extensive experience and education working with diverse populations from professional athletes to morbidly obese. He understands the most beneficial exercise prescription to achieve optimal results and has had enormous success in motivating all patient types to stay consistent in working toward their goals. Additionally, his methods have proven effective and safe as he demonstrates exercises with attention to proper form to avoid injury. Mr. Fogt has established himself as a national leader in his field and has successfully implemented progressive solutions to delivering physical therapy: he has consulted with and been published by numerous national publications including Runner’s World, Men’s Health, Men’s Journal, and various Physical Therapy specific magazines; his 13 plus years of experience include rehabilitating the general population, as well as professional athletes, Olympic gold medalists, and celebrities. He has bridged the gap between physical therapy and fitness by opening Evolution Fitness, which uses licensed physical therapists to teach high intensity circuit training fitness classes. He also founded one of the first exclusive prenatal and postnatal physical therapy clinic in the country. Mr. Fogt is a leader in advancing the profession to incorporate research-based methods and focus on, not only rehabilitation but also wellness, functional fitness, performance, and prevention. He can recognize that the national healthcare structure (federal and private insurance) is moving toward a model of prevention and that the physical therapy profession will take a larger role in providing wellness services to patients.

Innovators in other industries have solved access, cost and quality inefficiencies through the implementation of technology platforms and business models that deliver products and services on-demand and create new economies by connecting and empowering both consumers and businesses. We have taken the same approach to solving the pervasive access, cost and quality challenges facing the current access to physical therapy clinics.

Our underlying technology platform is complex, deeply integrated and purpose-built over the three years for the evolving physical therapy marketplace. Our PHZIO platform is highly scalable and can support substantial growth of third party licensees. Our PHZIO platform provides for broad interconnectivity between PT practitioners and their patients and, we believe, uniquely positions us as a focal point in the rapidly evolving PT industry to introduce innovative, technology-based solutions, such as remote patient monitoring, post-discharge treatment plan adherence and in-home care.

We plan to generate revenue from third-party PT and corporate wellness licensees on a contractually recurring per PHZIO session fee basis. Our PHZIO platform is anticipated to transform the access, cost and quality dynamics of physical therapy delivery for all of the market participants. We further believe any patient, employer, health plan or healthcare professional interested in a better approach to physical therapy is a potential PHZIO platform user.

Before even launching, we have received a high indication of interest in our service. We think the demand is warranted, but recognize that in the preliminary stages of our services, we may experience bottlenecks in our ability to meet the demand for same. Under this type of environment, it is critical to maintain awareness of the Company’s operational budget goals and how they are being met in our attempts to address demand. Regardless of our growth pace, it is critical to shareholder value that we are mindful of our operational spending.

Results of Operations for the three and nine months ended September 30, 2017 and 2016

We had no revenues from operations during the nine months ended September 30, 2017 and 2016. We expect to generate revenues during the first quarter of 2018.

Our operating expenses increased to \$2,578,690 for the nine months ended September 30, 2017 from \$2,389,811 for the nine months ended September 30, 2016. The increase is a result of legal, accounting services and stock option expense offset by a reduction in accrued executive compensation. Our operating expenses decreased to \$639,780 for the three months ended September 30, 2017 from \$1,063,810 for the three months ended September 30, 2016. This decrease was a result of decreases of executive compensation and professional fees.

The Company recognized net income of \$493,566 for the nine months ended September 30, 2017, compared with a net loss of \$3,123,841 for the nine months ended September 30, 2016. The significant increase from loss to income was the result of the revaluation of the derivative liabilities for the convertible debt and warrants totaling \$3,225,670 offset by increases in legal, accounting services and stock option expense as noted above. The Company had a net loss of \$1,779,804 for the three months ended September 30, 2017 compared with a net loss of \$770,809 for the three months ended September 30, 2016. The increase of net loss was a result of the Company recognizing a loss on derivatives for 2017 compared to a gain on derivatives for 2016 offset by decreases in professional fees, executive compensation and interest expense.

Liquidity and Capital Resources

As of September 30, 2017, we had negative working capital of \$3,056,939 compared to negative working capital of \$10,018,688 as of December 31, 2016. The majority of the decrease of negative working capital is because of the derivative liability. Cash used in operations was \$778,074 and \$160,893 for the nine months ended September 30, 2017 and 2016, respectively. The increase in cash used in operations was because of relative changes in the assets and liabilities including the payment of accounts payable-related parties. Cash used in investing activities was \$2,910 and \$0 for the nine months ended September 30, 2017 and 2016, respectively. Cash flows provided by financing activities were \$781,425 and \$120,000 for the nine months ended September 30, 2017 and September 30, 2016, respectively. The increase in cash flows from financing activities was the issuance of convertible debt for cash. The cash balance as of September 30, 2017 was \$14,436.

On November 10, 2017, the Company's Board of Directors determined that it was in the best interests of the Company and its stockholders not to proceed with the implementation of its previously authorized reverse stock split of the outstanding shares of common stock on a one-for-twelve (1:12) basis (the "Reverse Split").

On March 1, 2017, the Company had filed a Definitive Information Statement with the SEC (the "Information Statement") pursuant to which the Company, based upon the Joint Written Consent of our Board of Directors and Majority Consenting Stockholders, authorized the Reverse Split on a ratio not to exceed a one-for-twenty (1:20) basis, which Reverse Split was to be initiated within 180 days from March 1, 2017. On August 8, 2017, our Board of Directors approved the one-for-twelve (1:12) Reverse Split and filed the requisite application with FINRA, which application is in the final approval stages.

The initial reason for ratifying and approving the Reverse Split was based upon the Company's determination that it would best position the Company for possible up listing from the OTCQB to the NASDAQ. After due deliberation, the Company's Board of Directors determined on November 10, 2017, not to proceed with the Reverse Split. Based upon recent and anticipated business developments, it is the Board of Directors belief that up listing to the NASDAQ may be achieved after the fiscal year ending December 31, 2017 without implementation of the Reverse Split. While there can be no assurance that up listing on the NASDAQ will be achieved, the Company has informed FINRA that it was withdrawing the application and are canceling the pending 1:12 Reverse Split.

We believe that anticipated cash flows from operations will be insufficient to satisfy our ongoing capital requirements. We are seeking financing in the form of equity capital to provide the necessary working capital. Our ability to meet our obligations and continue to operate as a going concern is highly dependent on our ability to obtain additional financing. We cannot predict whether this additional financing will be in the form of equity or debt, or be in another form. We may not be able to obtain the necessary additional capital on a timely basis, on acceptable terms, or at all. In any of these events, we may be unable to implement our current plans which circumstances would have a material adverse effect on our business, prospects, financial conditions and results of operations.

Contingencies

The Company may be subject to lawsuits, administrative proceedings, regulatory reviews or investigations associated with its business and other matters arising in the normal conduct of its business. The following is a description of an uncertainty that is considered other than ordinary, routine and incidental to the business.

The closing of the Initial Exchange Agreement with Private Co. was conditioned upon certain, limited customary representations and warranties, as well as, among other things, our compliance with Rule 419 (“Rule 419”) of Regulation C under the Securities Act of 1933, as amended (the “Securities Act”) and the consent of our shareholders as required under Rule 419. Accordingly, we conducted a “Blank Check” offering subject to Rule 419 (the “Rule 419 Offering”) and filed a Registration Statement on Form S-1 to register the shares of such offering; the Registration Statement was declared effective on September 14, 2012. We used 10% of the subscription proceeds as permitted under Rule 419 and the amount remaining in the escrow trust as of the date of the closing of the Share Exchange was \$90,000 (the “Trust Account Balance”).

Rule 419 required that the Share Exchange occur on or before March 18, 2014, but due to normal negotiations regarding the transactions and the parties’ efforts to satisfy all the closing conditions, the Share Exchange did not close on such date. Accordingly, after numerous discussions with management of both parties, they entered into an Amended and Restated Share Exchange Agreement (the “Share Exchange Agreement”) to reflect a revised business combination structure, pursuant to which we would: (i) file a registration statement on Form 8-A (“Form 8A”) to register our common stock pursuant to Section 12(g) of the Exchange Act, which we did on May 1, 2014 and (ii) seek to convert the participants of the Rule 419 Offering into participants of a similarly termed private offering (the “Converted Offering”), to be conducted pursuant to Regulation D, as promulgated under the Securities Act.

Fifty-two persons participated in the Rule 419 Offering and each of them gave the Company his/her/its consent to use his/her/its escrowed funds to purchase shares of the Company’s restricted common stock in the Converted Offering (the “Consent”) rather than have their funds returned. To avoid further administrative work for the investors, we believe that we took reasonable steps to inform investors of the situation and provided them with an appropriate opportunity to maintain their investment in the Company, if they so choose, or have their funds physically returned. Management believed the steps it took constituted a constructive return of the funds and therefore met the requirements of Rule 419.

However, pursuant to Rule 419(e)(2)(iv), “funds held in the escrow or trust account shall be returned by first class mail or equally prompt means to the purchaser within five business days [if the related acquisition transaction does not occur by a date that is 18 months after the effective date of the related registration statement].” As set forth above, rather than physically return the funds, we sought consent from the investors of the Rule 419 Offering to direct their escrowed funds to the Company to instead purchase shares in the Converted Offering. The consent document was given to the investors along with a private placement memorandum describing the Converted Offering and stated that any investor who elected not to participate in the Converted Offering would get 90% of their funds physically returned. Pursuant to Rule 419(b)(2)(vi), a blank check company is entitled to use 10% of the proceed/escrowed funds; therefore, if a return of funds is required, only 90% of the proceed/escrowed funds need be returned. The Company received \$100,000 proceeds and used \$10,000 as per Rule 419(b)(2)(vi); therefore, only \$90,000 was subject to possible return.

As disclosed in the prior amendments to the Initial Form 8-K, we have filed the prior amendments in response to comments from the SEC regarding the Form 8-K and many of those comments pertain to the Company’s potential violation of Rule 419. Although the Company has continued to provide the SEC with information and analysis as to why it believes it did not violate Rule 419, based upon latest communications with the persons reviewing the Form 8-K, they do not agree with the assessments the Company presented to them. Comments and communications indicate that Rule 419 requires a physical return of funds if a 419 offering cannot be completed because a business combination was not consummated within the required time frame; constructive return is not permitted.

Because of these communications and past comments, we are disclosing that we did not comply with the requirements of Rule 419, which required us to physically return the funds previously submitted to escrow pursuant to the Rule 419 Offering. Because of our failure to comply with Rule 419, the SEC may bring an enforcement action or commence litigation against us for failure to strictly comply with Rule 419. If any claims or actions were to be brought against us relating to our lack of compliance with Rule 419, we could be subject to penalties (including criminal penalties), required to pay fines, make damages payments or settlement payments. In addition, any claims or actions could force us to expend significant financial resources to defend ourselves, could divert the attention of our management from our core business and could harm our reputation.

Ultimately, the SEC determined to terminate its review of the Initial Form 8-K and related amendments, rather than provide us with additional opportunities to address their concerns and therefore, we did not clear their comments. It is not possible now to predict whether or when the SEC may initiate any proceedings, when this issue may be resolved or what, if any, penalties or other remedies may be imposed, and whether any such penalties or remedies would have a material adverse effect on our consolidated financial position, results of operations, or cash flows. Litigation and enforcement actions are inherently unpredictable, the outcome of any potential lawsuit or action is subject to significant uncertainties and, therefore, determining now the likelihood of a loss, any SEC enforcement action and/or the measurement of the amount of any loss is complex. Consequently, we are unable to estimate the range of reasonably possible loss. Our assessment is based on an estimate and assumption that has been deemed reasonable by management, but the assessment process relies heavily on an estimate and assumption that may prove to be incomplete or inaccurate, and unanticipated events and circumstances may occur that might cause us to change that estimate and assumption. Considering the uncertainty of this issue and while Management evaluates the best and most appropriate way to resolve same, management determined to create a reserve on the Company's Balance Sheet for the \$90,000 that was subject to the Consent.

Capital Expenditure Plan

During the nine months ended September 30, 2017, we raised \$915,000, less \$133,575 for debt issuance costs, in equity and debt capital and we may be expected to require up to an additional \$1.6 million in capital during the next 12 months to fully implement our business plan and fund our operations. Our plan is to utilize the equity capital that we raise, together with anticipated cash flow from operations, to fund a very significant investment in sales and marketing, concentration principally on advertising and incentivizing existing customers for the introduction of new customers, among other strategies. However, there can be no assurance that: (i) we will continue to be successful in raising equity capital in sufficient amounts and/or at terms and conditions satisfactory to the Company; or (ii) we will generate sufficient revenues from operations, to fulfill our plan of operations. Our revenues are expected to come from our PHIZIO platform services. As a result, we will continue to incur operating losses unless and until we are able to generate sufficient cash flow to meet our operating expenses and fund our planned sales and market efforts. There can be no assurance that the market will adopt our portal or that we will generate sufficient cash flow to fund our enhanced sales and marketing plan. In the event that we are not able to successfully: (i) raise equity capital and/or debt financing; or (ii) market and significantly increase the number of portal users and revenues from such users, our financial condition and results of operations will be materially and adversely affected and we will either have to delay or curtail our plan for funding our sales and marketing efforts.”

Off-Balance Sheet Arrangements

As of September 30, 2017 and December 31, 2016, respectively, we did not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K promulgated under the Securities Act of 1934.

Contractual Obligations and Commitments

On April 1, 2015, the Company entered into an operating agreement with a physical therapy company (“EPT”) which is owned by the Company's President and Chief Executive Officer. Through the agreement, the Company agrees to provide operating capital advances for EPT to offer the Company's PHIZIO platform to physical therapy patients. For accounting and tax purposes, the net profits or losses generated by EPT shall be allocated on a monthly basis. The Company will receive 75% of the net patient insurance reimbursements associated with the operation of the PHIZIO platform.

On January 17, 2017, the Company entered into an agreement with a consultant for a six-month period to provide services which will include: (i) introductions to brokers; (ii) assist with research coverage; (iii) introductions to over 100 funds, investment banking firms and market makers; and (iv) a presentation speaking slot with a Gold sponsorship at the 2017 Wall Street Conference. In consideration for the services, the Company agreed to issue 75,000 restricted shares of common stock. These shares were issued on January 20, 2017.

On January 24, 2017, the Registrant entered into a Definitive Service Agreement (“DSA”) with Bistromatics, a company for which the Company’s officer serves as an officer, affirming that, at the time, the Company did not have enough authorized shares of common stock, based upon the number of issued and outstanding shares together with shares reserved for issuance, to issue Bistromatics 25,280,899 shares of common stock. In connection with the Company’s obligations under the DSA, the Company filed a Certificate of Amendment to its Articles of Incorporation with the State of Nevada for the purposes of: (A) increasing its authorized capital stock from 110,000,000 shares of capital stock, par value \$0.001, consisting of: (i) 100,000,000 shares of common stock, par value \$0.001; and (ii) 10,000,000 shares of preferred stock, par value \$0.001, to 420,000,000 shares of capital stock, par value \$0.001, consisting of: (iii) 400,000,000 shares of common stock, par value \$0.001; and (iv) 20,000,000 shares of preferred stock, par value \$0.001. The Certificate of Amendment has been filed with the State of Nevada and the Company has filed an Information Statement on Schedule 14C, based upon the Joint Written Consent of the Company’s Board of Directors and the Majority Consenting Stockholders and implementing a reverse split of the issued and outstanding shares of common stock, including shares of common stock reserved for issuance, in a ratio to be determined by the Company’s Board of Directors, not to exceed a one-for-twenty (1:20) basis (the “Reverse Split”). After the Information Statement clears comments with the Securities and Exchange Commission, the Company must submit an application to and receive approval from FINRA for these corporate actions. The Company issued the 25,280,899 shares of common stock on April 1, 2017.

In February 2017, the Company entered into a Securities Purchase Agreement with a third party which required the issuance of a convertible note for \$55,000 plus a 10% Original Issue Discount. The terms of this note are the same as the notes dated January 11 and January 31, 2017, which are that the convertible notes convert into common stock of the Company at conversion price into which any principal amount and interest (including any default interest) under the notes shall be convertible into shares of common stock shall be equal to the lesser of: (i) \$0.20 or (ii) 75% of the average of the volume-weighted average prices for the five (5) trading days immediately following the 180th calendar day after the Original Issue Date, whichever is lower. There is only one pricing look back event. The notes have a 10% original issue discount and an interest rate of 8%. The due date of the notes is November 7, 2017.

In February 2017, the Company and an institutional investor entered into an agreement in which: (a) the investor agreed to fund up to \$5,000,000 in reliance upon an exception provided under Rule 506 of Regulation D promulgated by the SEC under the Securities act of 1933, as amended; (b) the Company will file a registration statement on Form S-1 with the SEC within 15 days after the Company files its annual 10K report for the year ended December 31, 2016 (The S-1 was filed on April 11, 2017); (c) the Company issued a convertible note in the principal amount of \$100,000, bearing interest at 8% (This note has not yet been funded); and (d) the Company issued a second convertible note in the principal amount of \$275,000 bearing interest at 8% of which \$105,000 was initially funded. With the \$275,000 convertible note, the Company also issued 68,750 cashless warrants exercisable at \$.25 per share.

In February 2017, the Company entered into a Securities Purchase Agreement with an institutional investor pursuant to which the investor was issued two 5.5% convertible notes in the aggregate principal amount of \$165,000.00, each in the amount of \$82,500. Each of the two notes has a 10% OID such that the purchase price of each note shall be \$75,000. The first note was funded and the second note shall initially be paid for by the issuance of an offsetting \$75,000 secured note issued to the Company by the investor provided that prior to conversion of the second note, the investor must have paid off the offsetting \$75,000 note in cash such that the second note may not be converted until it has been paid for by the investor.

In February 2017, the Company was served by a complaint filed by the holder of a note payable. The lawsuit alleges that the Company is indebted to the note holder a promissory note stemming from four loans to the Company during the last 20 months amounting to \$75,500 in total original principal bearing interest at 12% per annum, of which \$45,202 has been repaid. Further, the note holder claims that, because of alleged defaults and extensions of the notes, the Company is now indebted in the amount of \$253,677 inclusive of interest and penalties at an effective rate exceeding 70% per annum, far more than the maximum rate allowable in California or Louisiana. The Company and its counsel have determined that: (i) the note holder is not a licensed lender in the State of California, where the loan was made and the \$75,500 was deposited and therefore was not permitted under California law to make loans in the State; and (ii) the interest rate the note holder is seeking to collect is usurious and therefore interest claimed in the lawsuit is neither collectible nor enforceable. The Company and counsel believe the lawsuit is wholly without merit and the rules of diversity of jurisdiction apply. Furthermore, the Company believes that the action should be removed from Louisiana state court to the United States Federal District Court in Baton Rouge, LA, where California law should be applied.

In April 2017, the Company entered into a Securities Purchase Agreement with a third party which required the issuance of a convertible note for \$308,000 with an Original Issue Discount of \$28,000 and an interest rate of 8%. The terms of this note are that the convertible note convert into common stock of the Company at conversion price into which any principal amount and interest (including any default interest) under the notes shall be convertible into shares of common stock shall be equal to the lesser of: (i) the conversion price or (ii) 65% of the average of the volume-weighted average prices for the fifteen (15) trading days immediately preceding the date of conversion. The due date of the note is November 6, 2018. With the issuance of this note, the Company also issued 1,232,000 warrants exercisable at \$.25 per share.

In May 2017, the Company entered into a Securities Purchase Agreement with a third party which required the issuance of a convertible note for \$83,500 plus a 10% Original Issue Discount and an interest rate of 8%. The terms of this note are that the convertible note convert into common stock of the Company at conversion price into which any principal amount and interest (including any default interest) under the notes shall be convertible into shares of common stock shall be equal to the lesser of: (i) \$0.20 or (ii) 75% of the average of the volume-weighted average prices for the five (5) trading days immediately following the 180th calendar day of the note. The due date of the note is January 24, 2018.

On July 24, 2017, the Company agreed to amend the two convertible notes dated April 24, 2017 and the convertible note dated February 9, 2017 relative to the conversion provision in Section 4(a) by inserting the following provision: "In addition to all the other Conversion Price formulas set forth in the Note, the Holder may choose to elect from the following two Conversion Price formulas, if they result in a lower Conversion Price: (i) 75% of the average of the 5 daily volume-weighted average prices of the Common Stock as reported on an Exchange for the 20 trading days immediately preceding the 180th daily anniversary of the Note or (ii) 75% of the average of the 5 volume-weighted average price of the Common Stock as reported on an Exchange for the {trading days immediately preceding the delivery day of the first Notice of Conversion from the Holder".

On September 5, 2017, the Company executed an 8% Fixed Convertible Promissory Note payable to an institutional investor in the principal amount of \$55,000. The note, which is due on March 5, 2018 has an original issue discount of \$5,000. The convertible notes convert into common stock of the Company at conversion price into which any principal amount and interest (including any default interest) under the notes shall be convertible into shares of common stock shall be equal to the lesser of: (i) \$0.20 or (ii) 75% of the average of the volume-weighted average prices for the ten (10) Trading Days immediately following the 180th calendar. During the nine months ended September 30, 2017, the Company accrued interest expense of \$289.

From time to time the Company may become a party to litigation matters involving claims against the Company. Except as may be outlined above, the Company believes that there are no current matters that would have a material effect on the Company's financial position or results of operations.

Critical Accounting Policies

Please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our Annual Report on Form 10-K for the year ended December 31, 2016, for disclosures regarding the Company's critical accounting policies and estimates, as well as any updates further disclosed in our interim financial statements as described in this Form 10-Q.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

As a "smaller reporting company", we are not required to provide the information under Item 3.

ITEM 4. CONTROLS AND PROCEDURES.

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 as defined in Rule 13a-15(e) under the Exchange Act as of the end of the period covered by this Quarterly Report on Form 10-Q. In designing and evaluating the disclosure controls and procedures, our management recognized 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. 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 that evaluation, our chief executive officer and chief financial officer concluded that, as of June 30, 2017, our disclosure controls and procedures were not effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules, regulations and forms, and (ii) 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.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal controls over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

During the third quarter of 2017, the Company issued a total of 14,709,724 shares of common stock per debt conversion of the convertible notes dated November 14, 2016, January 11, 2017, January 23, 2017 and February 14, 2017. The total of the debt conversion was \$354,830 plus accrued interest of \$22,730.

On August 2, 2017 the Company issued 100,000 shares of common stock for legal services. The value of the shares was \$8,000.

During the third quarter of 2017, the Company issued a total of 1,900,000 shares of common stock per various consulting agreements. The value of the shares issued was \$191,750.

ITEM 2. EXHIBITS.

- (a) The following documents are filed as exhibits to this report on Form 10-Q or incorporated by reference herein. Any document incorporated by reference is identified by a parenthetical reference to the SEC filing that included such document.

Exhibit No.	Description
31.1	<u>Certification of CEO pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.2	<u>Certification of CFO pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
32.1	<u>Certification of CEO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2	<u>Certification of CFO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>

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, thereunto duly authorized.

eWellness Healthcare Corporation
(Registrant)

By: /s/ Darwin Fogt Date: November 13, 2017
Darwin Fogt
President, CEO

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Darwin Fogt</u> Darwin Fogt	Chief Executive Officer and Director (principal executive officer)	November 13, 2017
<u>/s/ David Markowski</u> David Markowski	Chief Financial Officer (Principal Financial and Accounting Officer)	November 13, 2017
<u>/s/ Brandon Rowberry</u> Brandon Rowberry	Director	November 13, 2017
<u>/s/ Douglas Cole</u> Douglas Cole	Director	November 13, 2017
<u>/s/ Curtis Hollister</u> Curtis Hollister	Director	November 13, 2017
<u>/s/ Douglas MacLellan</u> Douglas MacLellan	Director	November 13, 2017
<u>/s/ Rochelle Pleskow</u> Rochelle Pleskow	Director	November 13, 2017

Exhibit 31.1 Certification of the Chief Executive Officer of eWellness Healthcare Corporation., pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Darwin Fogt, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017 of eWellness Healthcare Corporation (the “registrant”);
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 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 15-d-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, 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 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.

Date: November 13, 2017

/s/ Darwin Fogt

Darwin Fogt,
Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2 Certification of the Chief Financial Officer of eWellness Healthcare Corporation, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, David Markowski, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017 of eWellness Healthcare Corporation (the “registrant”);

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 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 15-d-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, 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 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.

Date: November 13, 2017

/s/ David Markowski

David Markowski,
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1 Certification of the Chief Executive Officer of eWellness Healthcare Corporation pursuant to Section 906 of the Sarbanes Oxley Act of 2002

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

In connection with the Quarterly Report on Form 10-Q of eWellness Healthcare Corporation (the “Company”) for the quarterly period ended September 30, 2017 as filed with the Securities and Exchange Commission (the “Report”), the undersigned Darwin Fogt, Chief Executive Officer of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

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

eWellness Healthcare Corporation.

Date: November 13, 2017

By: /s/ Darwin Fogt

Darwin Fogt, Director and Chief Executive Officer
(Principal Executive Officer)

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

Exhibit 32.2 Certification of the Chief Financial Officer of eWellness Healthcare Corporation pursuant to Section 906 of the Sarbanes Oxley Act of 2002

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

In connection with the Quarterly Report on Form 10-Q of eWellness Healthcare Corporation (the “Company”) for the quarterly period ended September 30, 2017 as filed with the Securities and Exchange Commission (the “Report”), the undersigned David Markowski, Chief Financial Officer of the Company, certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

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

eWellness Healthcare Corporation

Date: November 13, 2017

/s/ David Markowski

David Markowski, Chief Financial Officer
(Principal Financial and Accounting Officer)

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.
