
**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 March 31, 2018

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 May 10, 2018 was 155,463,198 shares.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

eWELLNESS HEALTHCARE CORPORATION
CONDENSED BALANCE SHEETS

	<u>March 31, 2018</u> (unaudited)	<u>December 31, 2017</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 125,098	\$ 6,882
Prepaid expenses	178,147	179,827
Total current assets	303,245	186,709
Property & equipment, net	9,237	5,021
Intangible assets, net	13,216	13,954
TOTAL ASSETS	\$ 325,698	\$ 205,684
<u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 384,587	\$ 345,956
Accounts payable - related party	442,691	351,511
Accrued expenses - related party	215,388	210,828
Accrued compensation	1,107,005	1,071,369
Contingent liability	90,000	90,000
Convertible debt, net of discount	667,143	444,680
Derivative liability	502,584	1,140,578
Short term note and liabilities	180,051	180,051
Total current liabilities	3,589,449	3,834,973
Total Liabilities	3,589,449	3,834,973
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, 148,447,813 and 142,352,406 issued and outstanding, respectively	148,447	142,352
Additional paid in capital	14,011,547	13,178,131
Accumulated deficit	(17,423,745)	(16,949,772)
Total Stockholders' Deficit	(3,263,751)	(3,629,289)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 325,698	\$ 205,684

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

eWELLNESS HEALTHCARE CORPORATION
CONDENSED STATEMENTS OF OPERATIONS
(unaudited)

	For The Three Months Ended	
	March 31, 2018	March 31, 2017
OPERATING EXPENSES		
Executive compensation	\$ 102,000	\$ 102,000
General and administrative	196,690	183,337
Professional fees	512,525	704,011
Total Operating Expenses	811,215	989,348
Loss from Operations	(811,215)	(989,348)
OTHER INCOME (EXPENSE)		
Gain on derivative liability	509,752	5,242,634
Foreign exchange rate	7,399	12,712
Interest expense	(179,909)	(103,353)
Net Income (Loss) before Income Taxes	(473,973)	4,162,645
Income tax expense	-	(800)
Net Income (Loss)	\$ (473,973)	\$ 4,161,845
Basic earnings (loss) per share	\$ (0.00)	\$ 0.07
Diluted earnings (loss) per share	\$ (0.00)	\$ 0.05
Weighted average shares outstanding	145,882,450	60,043,059
Diluted average shares outstanding	145,882,450	89,107,951

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

eWELLNESS HEALTHCARE CORPORATION
CONDENSED STATEMENTS OF CASH FLOWS
(unaudited)

	For The Three Months Ended	
	March 31, 2018	March 31, 2017
Cash flows from operating activities		
Net income (loss)	\$ (473,973)	\$ 4,161,845
Adjustments to reconcile net (loss) to net cash used in operating activities:		
Depreciation and amortization	1,459	1,207
Contributed services	55,500	55,500
Shares issued for consulting services	138,600	25,750
Options expense	108,594	108,594
Amortization of debt discount	155,033	82,443
Foreign currency exchange	7,399	-
Gain on derivative liability	(509,752)	(5,242,634)
Amortization of prepaids	126,992	462,439
Changes in operating assets and liabilities		
Prepaid expense	(21,312)	(27,562)
Accounts payable and accrued expenses	36,242	55,991
Accounts payable - related party	91,180	(90,761)
Accrued expenses - related party	4,560	73,713
Accrued compensation	35,636	24,000
Net cash used in operating activities	(243,842)	(309,475)
Cash flows from investing activities		
Purchase of equipment	(4,937)	(2,910)
Net cash used in investing activities	(4,937)	(2,910)
Cash flows from financing activities		
Proceeds from issuance of convertible debt	414,550	350,000
Original issue discount and debt issuance costs	(46,550)	(29,525)
Payments on debt	(1,005)	-
Net cash provided by financing activities	366,995	320,475
Net increase in cash	118,216	8,090
Cash, beginning of period	6,882	13,995
Cash, end of period	\$ 125,098	\$ 22,085
Supplemental Information:		
Cash paid for:		
Taxes	\$ -	\$ 800
Non cash items:		
Derivative liability and debt discount issued with new notes	\$ 219,526	\$ -
Shares issued for debt conversion	\$ 213,292	\$ -
Shares issued for prepaids	\$ 104,000	\$ -

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

eWellness Healthcare Corporation
Notes to Condensed Financial Statements
March 31, 2018
(unaudited)

Note 1. The Company

The Company and Nature of Business

eWellness Healthcare Corporation (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.

eWellness Healthcare Corporation
Notes to Condensed Financial Statements
March 31, 2018
(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, 2017. 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 three months ended March 31, 2018 are not necessarily indicative of the results that can be expected for the fiscal year ending December 31, 2018. 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, 2017.

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 three months ended March 31, 2018, the Company had no revenues. The Company has an accumulated loss of \$17,423,745. 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 March 31, 2018, 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	\$ 502,584	\$ -	\$ -	\$ 502,584
Total Liabilities measured at fair value	\$ 502,584	\$ -	\$ -	\$ 502,584

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

As of December 31, 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	\$ 1,140,578	\$ -	\$ -	\$ 1,140,578
Total Liabilities measured at fair value	<u>\$ 1,140,578</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,140,578</u>

Note 3. Related Party Transactions

During the three months ended March 31, 2018, a company for which the Company's former Secretary-Treasurer and CFO is also serving as CFO, invoiced the Company \$5,800 for accounting services. The amount outstanding as of March 31, 2018 and December 31, 2017 was \$1,880 and \$700, respectively.

In April 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 monthly. The Company will receive 75% of the net patient insurance reimbursements associated with the operation of the PHIZIO platform.

In November 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 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 March 31, 2018, the Company had a payable of \$440,810 due to this company.

The Company rents its Culver City, CA office space from a company owned by our CEO. The imputed rent expense of \$500 per month is recorded in the Statement of Operations and Additional Paid in Capital in the Balance Sheet.

Throughout the period ended March 31, 2018, the officers and directors of the Company incurred business expenses on behalf of the Company. The amounts payable to the officers as of March 31, 2018 and December 31, 2017 were \$3,388 and \$5,828, respectively. There were no expenses due to the board members, but the Company has accrued directors' fees of \$212,000 and \$205,000 at March 31, 2018 and December 31, 2017, respectively. Because the Company is not yet profitable the officers have agreed to defer compensation. The Company had accrued executive compensation of \$1,107,005 and \$1,071,369 at March 31, 2018 and December 31, 2017 respectively.

eWellness Healthcare Corporation
Notes to Condensed Financial Statements
March 31, 2018
(unaudited)

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 action was removed from Louisiana state court to the United States Federal District Court in Baton Rouge, LA. 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. In October 2017 the complainant and his counsel motioned to dismiss the unlicensed lender assertion. In January 2018 the U.S. District Court, Louisiana ruled that the unlicensed lender assertion was to proceed. The Company and counsel believe that the suit is wholly without merit and the company will prevail.

At March 31, 2018, the Company had indebtedness to this holder of the note payable of \$180,051 plus \$49,625 of accrued interest. During the three months ended March 31, 2018 and 2017, the Company accrued interest expense totaling \$7,991 and \$7,991, respectively.

Note 5. Convertible Notes Payable

In January 2018, 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 October 12, 2018 has an original issue discount of \$10,000. 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) 65% of the lowest per share trading price for the fifteen (15) trading days immediately following the 180th calendar day after the Original Issue Date. During the three months ended March 31, 2018, the Company recognized interest expense of \$1,905.

In January 2018, the Company executed an 12% Fixed Convertible Promissory Note payable to an institutional investor in the principal amount of \$91,300. The note, which is due on October 30, 2018 has an original issue discount of \$8,300. 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) the fixed conversion price of \$0.20 or (ii) 75% of the VWAP for the trading price for the ten (10) trading days immediately following the 180th calendar day after the Original Issue Date. During the three months ended March 31, 2018, the Company recognized interest expense of \$2,341.

In February 2018, the Company executed an 12% Fixed Convertible Promissory Note payable to an institutional investor in the principal amount of \$63,800. The note, which is due on November 30, 2018 has an original issue discount of \$5,800. 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) the fixed conversion price of \$0.20 or (ii) 75% of the VWAP for the trading price for the ten (10) trading days immediately following the 180th calendar day after the Original Issue Date. During the three months ended March 31, 2018, the Company recognized interest expense of \$944.

eWellness Healthcare Corporation
Notes to Condensed Financial Statements
March 31, 2018
(unaudited)

In March 2018, the Company executed an 8% Fixed Convertible Promissory Note payable to an institutional investor in the principal amount of \$77,000. The note, which is due on December 5, 2018 has an original issue discount of \$7,000. 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) the fixed conversion price of \$0.20 or (ii) 75% of the average of the three daily VWAPs for the trading price for the twenty (20) trading days before the 181st calendar date of the note or the ten (10) trading days if after the 181st calendar day of the note. During the three months ended March 31, 2018, the Company recognized interest expense of \$439.

In March 2018, the Company executed an 12% Fixed Convertible Promissory Note payable to an institutional investor in the principal amount of \$72,450. The note, which is due on December 30, 2018 has an original issue discount of \$9,450. 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) the fixed conversion price of \$0.20 or (ii) 75% of the VWAP for the trading price for the ten (10) trading days immediately following the 180th calendar day after the Original Issue Date. During the three months ended March 31, 2018, the Company recognized interest expense of \$286.

Note 6. Equity Transactions

Common Stock

In January 2018, the Board of Directors approved the extension of an Advisory Agreement dated February 15, 2015 for one year. The Company issued 800,000 shares of common stock as compensation with a value of \$104,000. This value is being amortized over the life of the contract.

During the three months ended March 31, 2018, the Company issued a total of 3,945,407 shares of common stock per debt conversion of convertible notes dated April, July and September 2017. The total of the debt conversion was \$213,292 which includes \$5,010 of accrued interest.

During the three months ended March 31, 2018, the Company issued 1,350,000 shares of common stock for marketing and consulting services valued at \$138,600.

In January 2018, the Board of Directors agreed to form an eWellness Healthcare Corporation 2018 Equity Incentive Plan (“Plan”). The Plan shall be for 20,000,000 shares of common stock that will be placed in a 10b5-1 Sales Plan that will be registered under an S-8 Registration Statement. Under the sales plan, each recipient will open an account with Garden State Securities (“GSS”) for management of all sales of shares issued under the Plan. Quarterly limitations are placed on the number of shares that can be sold. The Company initially allocated 17,400,000 shares to officers, directors and consultants. As of March 31, 2018, no shares have been issued.

Stock Options

The following is a summary of the status of all Company’s stock options as of March 31, 2018 and changes during the three months ended on that date:

eWellness Healthcare Corporation
Notes to Condensed Financial Statements
March 31, 2018
(unaudited)

	Number of Stock Options	Weighted Average Exercise Price	Remaining Life (yrs)	Intrinsic Value
Outstanding at December 31, 2017	20,000,000	\$ 0.26	1.9	\$ -
Granted	-	-		
Exercised	-	-		
Cancelled	-	-		
Outstanding at March 31, 2018	20,000,000	0.26	1.8	\$ -
Options exercisable at March 31, 2018	14,208,333	\$ 0.30	1.8	\$ -

The Company recognized stock option expense of \$108,594 and \$108,594 for the three months ended March 31, 2018 and 2017.

Warrants

In March 2018, the Board of Directors, at the request and with the approval of the investors, determined that it was in the best interests of the Company and the Investors, based upon market price and relatively limited liquidity of the shares of common stock that the Company revised the expiration date and exercise price for 417,429 unexercised warrants granted on April 9, 2015. The original expiration date of April 9, 2018 is extended to April 9, 2019. The original exercise price of \$.35 is reduced to \$.05.

In February 2017, the Company authorized the issuance of 68,750 warrants that were issued as part of a convertible note. At March 31, 2018 the fair value of the warrants is \$4,529.

In April 2017, the Company authorized the issuance of 1,232,000 warrants that were issued as part of a convertible note. At March 31, 2018 the fair value of the warrants is \$81,417.

The following is a summary of the status of the Company's warrants as of March 31, 2018 and changes during the three months ended on that date:

	Number of Warrants	Weighted Average Exercise Price	Remaining Life (yrs.)	Intrinsic Value
Outstanding at December 31, 2017	8,753,179	\$ 0.21	2.4	\$ 0.038
Granted	417,429	\$ 0.05	1.0	-
Exercised	-	-	-	-
Cancelled	417,429	\$ 0.35	1.0	-
Outstanding at March 31, 2018	8,753,179	\$ 0.21	2.4	\$ 0.038
Warrants exercisable at March 31, 2018	8,753,179	\$ 0.21	2.4	\$ 0.038

For purpose of determining the fair market value of the warrants and options issued during the three months ended March 31, 2018, 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:

eWellness Healthcare Corporation
Notes to Condensed Financial Statements
March 31, 2018
(unaudited)

Stock price on the valuation date	\$.0673
Exercise price of warrants	\$.004 and .25
Dividend yield		0.00%
Years to maturity		3-4
Risk free rate		2.33% - 2.475%
Expected volatility		257.35%-257.75%

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 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.

eWellness Healthcare Corporation
Notes to Condensed Financial Statements
March 31, 2018
(unaudited)

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.

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 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 currently 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.

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.

eWellness Healthcare Corporation
Notes to Condensed Financial Statements
March 31, 2018
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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 three months ended March 31, 2018 and 2017, the Company amortized the debt discount of \$155,033 and \$82,443, respectively. The derivative liability is adjusted periodically according to stock price fluctuations and other inputs and was \$502,584 and \$1,140,578 at March 31, 2018 and December 31, 2017, respectively.

During the three months ended March 31, 2018, the Company had the following activity in the derivative liability account:

	Total
Derivative liability at December 31, 2017	\$ 1,140,578
Addition of new conversion option derivatives	91,284
Extinguishment due to note conversions	(219,526)
Changes in fair value	(509,752)
Derivative liability at March 31, 2018	<u>\$ 502,584</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:

Stock price at valuation date	\$.06-.135
Exercise price of warrants	\$.004 - .25
Conversion rate of convertible debt	\$.0495 – 0.2000
Risk free interest rate	%
Stock volatility factor	1.27%-2.62
Years to Maturity	61%-257.75%
Expected dividend yield	.01 – 4.0
	None

Note 9. Subsequent Events

During the month of April and to the date of the filing of this report, the Company has issued 400,000 shares of common stock for consulting services for a value of \$34,475.

During the month of April and to the date of the filing of this report, the Company has issued 6,615,385 shares of common stock for conversion of convertible debt totaling \$215,000.

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 months ended March 31, 2018 and 2017 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, 2017.

THE COMPANY

Overview

eWellness is the first physical therapy telehealth company to offer insurance reimbursable real-time distance monitored treatments. eWellness plans to generate revenue from Third Party Healthcare Administrators ("TPA") employees, PTs and corporate wellness licensees on a contractually recurring PHZIO session fee basis. Our PHZIO platform is anticipated to transform the access, cost and quality dynamics of physical therapy ("PT") delivery for the market participants. eWellness further believes any patient, employer, health plan or healthcare professional interested in a better approach to PT is a potential PHZIO platform user.

Our PHZIO platform completely disrupts the current in-clinic business model of the \$30 billion PT industry. 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 PT clinics. eWellness' underlying technology platform is complex, deeply integrated and purpose-built over the past four years for the evolving PT marketplace. eWellness' PHZIO platform is highly scalable and can support substantial growth of third party licensees. eWellness' PHZIO platform provides for broad interconnectivity between PT practitioners and their patients, uniquely positioning the Company 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.

The Company's PHZIO home PT exercise platform has been designed to disrupt the \$30 billion PT and the \$8 billion corporate wellness industries. PHZIO re-defines the way PT can be delivered. PHZIO is the first real-time remote monitored one-to-many PT 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.

Los Angeles Sales & Marketing Office: The Company opened its first sales and marketing office in Playa Vista, California in May 2017 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 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.

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 5-Year Agreement with Endeavor Plus. In October 2017 eWellness executed a 5-year Comprehensive Physical Therapy Services Agreement with Endeavor Plus Services, Inc. ("EPS"), a fast-growing healthcare plan administrator. EPS projects having approximately 100,000 healthcare members in 2018. This level of sales will allow the Company to gain cash flow positive operations during the second half of 2018. Additionally, if EPS can continue their projected growth rate over the next 12-18 months an additional 500,000 new members would be added. Endeavor Plus, Inc. ("EPI"), the parent company of EPS, has taken the lead in a movement to assist small group employers to leave fully insured health plans and use partially self-funded ERISA qualified health insurance plans that are new and innovative and embrace a new era of Consumer-Driven Health Care Planning (CDHC). EPI's mission is to bring about innovative changes using existing law and regulations to change the traditional health insurance models to drive down healthcare costs while offering significantly better benefits to both small and midsize group employers and their employees. This is accomplished further by having these employers and their employees to participate in the Endeavor Plus Plan, a CDHC program with technology-driven health care programs that are affordable, manageable and responsive to the demand for higher quality care with cost transparency, integrated health information and better provider access and communication and better outcomes.

EPS/PHZIO Marketing Plans. eWellness and EPS intend to immediately commence system, sales and marketing integration, to position eWellness to begin onboarding and treating EPS members in the second quarter of 2018. EPS is a third-party administrator (TPA), which is an organization that processes insurance claims or certain aspects of employee benefit plans for small and medium sized companies. EPS is projecting to grow rapidly in the small group health insurance market which has annual premiums of over \$384 billion. Approximately 84% of this market is traditional full insurance. EPS is expected to grow rapidly by offering these small employers the ability to self-insure through excellent plan design and reinsurance. The Company is excited to be chosen as their PT gatekeeper as well as wellness program supplier. Our comprehensive PT & wellness programs and consulting services are anticipated to provide EPS with new products that will: (1) build new sales channels that increase their current health insurance business, and (2) create new revenue sources through the introduction of such products.

The Company Partnership with LifeWallet ("LW"). In February 2018 the Company signed a Partnership Agreement to co-market the Company's PHZIO platform with LW (<https://www.lifewallet.com>) which provides employers, communities and healthcare professionals with a simple, consumer centric, integrated platform to assess the health of their population and monitor their progress towards better health. LifeWallet™ is transforming the delivery of care and revolutionizing the health care to wellness process with a consumer centric health platform and modern digital assistants that promote better outcomes. LW's employees are dedicated to making the best products on earth. LW™ is creating a one of a kind technology region in the south and has brought in developers from leading technology companies including Apple.

Concierge PT Medical Service. The Company will be provisioning to EPS and/or LW insureds a new and highly unique patient treatment protocol that includes “white glove” concierge in-home or in-office PT assessments and digital care treatments to enhance the medical treatment and help improve patient treatment outcomes. The Company will become the exclusive provider of “white glove” concierge in-home or in-office PT assessments, digital physical therapy and a wellness program to the individuals covered by EPS and or LW. The Company has been selected to be the gatekeeper for all EPS and or LW PT treatments. As the PT treatment gatekeeper, the Company will conduct an online consultation with each patient to assess the complexity involved with the patient presentation. From the online consultation, an in-home or in-office evaluation of the patient may be prescribed. Through this initial evaluation, a plan of care will be designed for each patient that in most cases is anticipated to include digital therapy sessions.

PreHabPT. Any individuals covered by EPS and/or LW, who are seeking non-emergency orthopedic surgery shall first receive a concierge online consultation, in-home or in-office PT therapy evaluation and will be prescribed a four to eight-week prehabpt.com exercise program prior to any surgery. Another in-home or in-office PT evaluation will be made following surgery and a treatment plan will be initiated. PreHabPT is up to an eight-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.

PurePT. PurePT is a patient and 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’s 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. PurePT puts the patient first.

PHZIO Comprehensive Wellness Program Any EPS and/or LW insureds may, after an in-home or in-office PT assessment, enroll in a 6-month comprehensive wellness program. The top line wellness goals of our PHZIO wellness exercise program is to graduate at least 60% of inducted patients through our 6-month program. Patients should expect to experience an average of a 20% reduction in BMI, a two-inch reduction in waist size, weight loss of at least 10 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.

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.

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.

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 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.

Investment Agreement with Tangiers Global, LLC

In February 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.

Advisory Agreement with Fintech Global Consultants

In March 2018, the Company signed an Advisory Agreement with Fintech Global Consultants ["FGC" <http://f-g-c.com>] to assist the Company in completing blockchain adaptation across the \$30 billion physical therapy and \$8 billion wellness markets with new advanced health tech tools. We believe that our implementation of the new blockchain technology for the Company's PHZIO digital treatment platform and our other new health tech tools may have a beneficial impact on patient care beginning in the third quarter of 2018. The Company has hired a leading international blockchain advisory firm to further our state of the art PHZIO digital telehealth platform. We believe that by being blockchain enabled, our patients will have more convenient access to wellness services, seamless storage and access to HIPPA compliant medical records and simplified insurance reimbursement. In addition, FGC will assist the Company in its planned Initial Coin Offering of up to a \$10 million non-dilutive funding that we believe will help in the implementation and acceleration of PHZIO's expansion on a national basis during the next twelve months.

Results of Operations for the three months ended March 31, 2018 and 2017

REVENUE: We had no revenues from operations during the three months ended March 31, 2018 and 2017. We expect to generate revenues during the third quarter of 2018.

OPERATING EXPENSES : Total operating expenses decreased to \$811,214 for the three months ended March 31, 2018 from \$989,348 for the three months ended March 31, 2017. The decrease resulted from a reduction in consultant expense.

NET LOSS: The Company incurred a net loss of \$473,973 for the three months ended March 31, 2018, compared with a net income of \$4,161,845 for the three months ended March 31, 2017. The significant decrease from income to loss was the result of the revaluation of the derivative liabilities for the convertible debt and warrants totaling \$4,732,882 offset by decreases in consulting expense as noted above.

Liquidity and Capital Resources

As of March 31, 2018, we had negative working capital of \$3,286,204 compared to negative working capital of \$3,648,264 as of December 31, 2017. The decrease resulted from a decrease in the derivative liability offset by increases in accounts payable and convertible debt. Cash used in operations was \$243,842 and \$309,475 for the three months ended March 31, 2018 and 2017, respectively. The decrease in cash used in operations was because of relative changes in the assets and liabilities. Cash used in investing activities was \$4,937 and \$2,910 for the three months ended March 31, 2018 and 2017, respectively. Cash flows provided by financing activities were \$366,995 and \$320,475 for the three months ended March 31, 2018 and March 31, 2017, respectively. The increase in cash flows from financing activities was the issuance of convertible debt for cash. The cash balance as of March 31, 2018 was \$125,098.

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 three months ended March 31, 2018, we raised \$414,550, less \$46,550 for debt issuance costs, in equity and debt capital and we may 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 PHZIO 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 March 31, 2018 and December 31, 2017, 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

In February 2017, the Company was served by a complaint filed by a holder of a note payable. The action was removed from Louisiana state court to the United States Federal District Court in Baton Rouge, LA. The lawsuit alleges that the Company is indebted to Schoemann under 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 \$253,677 inclusive of interest and penalties at an effective rate exceeding 70% per annum, far in excess of the maximum rate allowable in California or Louisiana. The Company and its counsel have determined that: (i) 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; (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. In October 2017 the complainant and his counsel motioned to dismiss the unlicensed lender assertion.

In January 2018 the U.S. District Court, Louisiana ruled in favor of the Company that the unlicensed lender assertion made by the Company and counsel was to proceed in a matter brought before the court by note holder Rodney Schoeman on January 24, 2017. The Company and counsel believe that the Schoemann suit is wholly without merit and the Company will prevail.

In January 2018, 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 October 12, 2018 has an original issue discount of \$10,000. 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) 65% of the lowest per share trading price for the fifteen (15) trading days immediately following the 180th calendar day after the Original Issue Date. During the three months ended March 31, 2018, the Company recognized interest expense of \$1,905.

In January 2018, the Company executed an 12% Fixed Convertible Promissory Note payable to an institutional investor in the principal amount of \$91,300. The note, which is due on October 30, 2018 has an original issue discount of \$8,300. 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) the fixed conversion price of \$0.20 or (ii) 75% of the VWAP for the trading price for the ten (10) trading days immediately following the 180th calendar day after the Original Issue Date. During the three months ended March 31, 2018, the Company recognized interest expense of \$2,341.

In February 2018, the Company executed an 12% Fixed Convertible Promissory Note payable to an institutional investor in the principal amount of \$63,800. The note, which is due on November 30, 2018 has an original issue discount of \$5,800. 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) the fixed conversion price of \$0.20 or (ii) 75% of the VWAP for the trading price for the ten (10) trading days immediately following the 180th calendar day after the Original Issue Date. During the three months ended March 31, 2018, the Company recognized interest expense of \$944.

In March 2018, the Company executed an 8% Fixed Convertible Promissory Note payable to an institutional investor in the principal amount of \$77,000. The note, which is due on December 5, 2018 has an original issue discount of \$7,000. 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) the fixed conversion price of \$0.06 or (ii) 75% of the average of the three daily VWAPs for the trading price for the twenty (20) trading days before the 181st calendar date of the note or the ten (10) trading days if after the 181st calendar day of the note. During the three months ended March 31, 2018, the Company recognized interest expense of \$439.

In March 2018, the Company executed an 12% Fixed Convertible Promissory Note payable to an institutional investor in the principal amount of \$72,450. The note, which is due on December 30, 2018 has an original issue discount of \$9,450. 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) the fixed conversion price of \$0.20 or (ii) 75% of the VWAP for the trading price for the ten (10) trading days immediately following the 180th calendar day after the Original Issue Date. During the three months ended March 31, 2018, the Company recognized interest expense of \$286.

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, 2017, 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 March 31, 2018, 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.

On January 2, 2018, the Company issued 800,000 shares of common stock as compensation for the extension of an Advisory Agreement dated February 14, 2015. The value of the shares is \$104,000 and is being amortized over the life of the contract.

During the three months ended March 31, 2018, the Company issued a total of 3,945,407 shares of common stock per debt conversion of convertible notes dated April 13, April 24, July 31, and September 9, 2017. The total of the debt conversion was \$213,292 which includes \$5,010 of accrued interest.

During the three months ended March 31, 2018, the Company issued 1,350,000 shares of common stock for marketing and consulting services valued at \$138,600.

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: May 11, 2018

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> Darin Fogt	Chief Executive Officer and Director (principal executive officer)	May 11, 2018
<u>/s/ David Markowski</u> David Markowski	Chief Financial Officer (Principal Financial and Accounting Officer)	May 11, 2018
<u>/s/ Brandon Rowberry</u> Brandon Rowberry	Director	May 11, 2018
<u>/s/ Douglas Cole</u> Douglas Cole	Director	May 11, 2018
<u>/s/ Curtis Hollister</u> Curtis Hollister	Director	May 11, 2018
<u>/s/ Douglas MacLellan</u> Douglas MacLellan	Director	May 11, 2018
<u>/s/ Rochelle Pleskow</u> Rochelle Pleskow	Director	May 11, 2018

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 March 31, 2018 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, considering 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: May 11, 2018

/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 March 31, 2018 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, considering 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: May 11, 2018

/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 March 31, 2018 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: May 11, 2018

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 March 31, 2018 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: May 11, 2018

/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.
