

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended: **December 31, 2014**

or

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

Commission file number: **000-33383**

WIZARD WORLD, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

98-0357690
(I.R.S. Employer
Identification No.)

2201 Park Place, Suite 101
El Segundo, CA 90245
(Address of principal executive offices)

(310) 648-8410
(Registrant's telephone number, including area code)

Securities registered under Section 12(b) of the Exchange Act: **None**

Securities registered under Section 12(g) of the Exchange Act: **Common Stock, par value \$0.0001 per share**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer	<input type="checkbox"/>	Non-accelerated filer	<input type="checkbox"/>
Accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant on June 30, 2014, based on a closing price of \$0.60 was \$13,077,362. As of March 13, 2015, the registrant had 51,358,386 shares of its common stock, par value \$0.0001 per share, outstanding.

Documents Incorporated By Reference: **None**.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Included in this Annual Report on Form 10-K are “forward-looking” statements, as well as historical information. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that the expectations reflected in these forward-looking statements will prove to be correct. Our actual results could differ materially from those anticipated in forward-looking statements as a result of certain factors, including matters described in the section titled “Risk Factors.” Forward-looking statements include those that use forward-looking terminology, such as the words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “project,” “plan,” “will,” “shall,” “should,” and similar expressions, including when used in the negative. Although we believe that the expectations reflected in these forward-looking statements are reasonable and achievable, these statements involve risks and uncertainties and we cannot assure you that actual results will be consistent with these forward-looking statements. Important factors that could cause our actual results, performance or achievements to differ from these forward-looking statements include the following:

- the availability and adequacy of our cash flow to meet our requirements;
- economic, competitive, demographic, business and other conditions in our local and regional markets;
- changes in our business and growth strategy;
- changes or developments in laws, regulations or taxes in the entertainment industry;
- actions taken or not taken by third-parties, including our contractors and competitors;
- the availability of additional capital; and
- other factors discussed under the section entitled “Risk Factors” or elsewhere in this Annual Report.

All forward-looking statements attributable to us are expressly qualified in their entirety by these and other factors. We undertake no obligation to update or revise these forward-looking statements, whether to reflect events or circumstances after the date initially filed or published, to reflect the occurrence of unanticipated events or otherwise unless required by applicable law.

PART I

Item 1. Business.

As used in this Annual Report, “we,” “us,” “our,” “Wizard,” “Company” or “our Company” refers to Wizard World, Inc. and references to “Conventions” refer collectively to Kick the Can Corp. and its predecessors, Wizard Conventions, Inc. and Kicking the Can, L.L.C.

Our Company

We, through our operating subsidiary Conventions, are a producer of pop culture and live multimedia conventions across North America. These live multimedia conventions market and provide a social networking and entertainment venue for popular fiction enthusiasts of movies, TV shows, video games, technology, toys, social networking/gaming platforms, comic books and graphic novels.

Company History

Wizard World, Inc. (f/k/a GoEnergy, Inc.) was incorporated in Delaware on May 2, 2001. The Company was initially involved in oil and gas exploration but ceased operations and abandoned any interests it had in such properties.

On December 7, 2010 (the “Closing Date”), the Company acquired Conventions pursuant to a Share Purchase and Share Exchange Agreement (the “Exchange Agreement”), by and among the Company, Strato Malamas, an individual and former majority stockholder of the Company, Conventions, and shareholders of Conventions (the “Conventions Shareholders”), that are signatories thereto. On the Closing Date, pursuant to the terms of the Exchange Agreement, the Conventions Shareholders transferred and contributed all of their shares (the “Conventions Shares”) to the Company, resulting in our acquisition of all of the outstanding Conventions Shares. In return, we issued to the Conventions Shareholders, their designees or assigns (the “Share Exchange”), an aggregate of 32,927,576 shares of the Company’s common stock (the “Exchange Shares”), which constituted approximately 94.9% (on a fully diluted basis) of the shares of the Company’s common stock, par value \$0.0001 per share (the “Common Stock”), issued and outstanding immediately after the consummation of the Share Exchange (the “Closing”). As the result of the Share Exchange, Conventions became a wholly owned subsidiary of the Company.

Kick The Can Corp. was incorporated in Nevada on September 20, 2010. Kicking The Can, L.L.C. was formed in Delaware on April 17, 2009. It also has not undergone any bankruptcy, receivership or similar proceeding, or any material reclassification, merger, consolidation, or purchase of a significant amount of assets. It sold a significant amount of its assets, namely the production rights to certain comic cons in certain cities pursuant to an asset purchase agreement, to Kick The Can Corp. on September 29, 2010. Wizard Conventions, Inc. was originally incorporated under the name Entertainment Conventions, Inc. in New York on February 27, 1997. Entertainment Conventions, Inc. changed its name to Wizard Conventions, Inc. on October 1, 2001.

On January 31, 2011, management of Wizard Conventions, Inc. ceased operations under such entity and continued the convention operation under the Kick The Can Corp. entity. Kicking The Can L.L.C. never officially commenced operations, never had employees and never produced a comic con event. Due to these circumstances, management concluded that Wizard Conventions, Inc. recapitalized into Kick The Can Corp despite no formal legal agreement between the parties.

On March 18, 2011, we formed a wholly-owned subsidiary called Wizard World Digital, Inc., a Nevada corporation (“Digital”). Digital never officially commenced operations or had employees, and is currently dormant, pending execution of a digital strategy.

On August 27, 2014, the Company entered into a Joint Venture and Operating Agreement for a 47.5% interest in CON TV LLC, a newly formed entity, with Cinedigm Entertainment Corp. (“Cinedigm”), ROAR, LLC and Bristol Capital, LLC.

On December 29, 2014, the Company and a member of the Board of Directors (the “Board”) of the Company formed Wiz Wizard, LLC in the State of Delaware. The Company owns fifty percent (50%) of the membership interests.

Our executive offices are located at 2201 Park Place, Suite 101, El Segundo, CA 90245 and our telephone number is (310) 648-8428.

Business Overview

Our Company produces pop culture and live multimedia conventions (“Comic Cons”) across North America that provide a social networking and entertainment venue for popular fiction enthusiasts of movies, TV shows, video games, technology, toys, social networking/gaming platforms, comic books, and graphic novels. These Comic Cons provide venues to entertainment companies, toy companies, gaming companies, publishing companies, and retailers for their sales, marketing, promotions, public relations, advertising and sponsorships efforts.

Conventions

Conventions has been producing comic conventions since July 1997.

In 2012, Conventions produced seven Comic Cons in the following six North American cities: (i) New Orleans, LA (2); (ii) Toronto, Ontario; (iii) Philadelphia, PA; (iv) Chicago, IL; (v) Columbus, OH; and (vi) Austin, TX.

In 2013, Conventions produced eight Comic Cons in the following North American cities: (i) Portland, OR; (ii) Nashville, TN; (iii) St. Louis, MO; (iv) New York NY; (v) Philadelphia, PA; (vi) Rosemont, IL; (vii) Columbus, OH; and (viii) Austin, TX.

In 2014, Conventions produced 16 Comic Cons in the following North American Cities: (i) Portland, OR; (ii) New Orleans, LA; (iii) Louisville, KY; (iv) Nashville, TN; (v) St. Louis, MO; (vi) Minneapolis, MN; (vii) Atlanta, GA; (viii) Philadelphia, PA; (ix) San Antonio, TX; (x) Richmond, VA; (xi) Chicago, IL; (xii) Columbus, OH; (xiii) Austin, TX; (xiv) Tulsa, OK; (xv) Reno, NV and (xvi) Sacramento, CA. In addition, Conventions produced 1 Social Convention in Chicago, IL, for a total of 17 events.

Conventions currently holds the production rights to the following 13 conventions: (i) Atlanta Comic Con (Atlanta, GA); (ii) Big Apple Comic Con (New York, NY); (iii) Cincinnati Comic Con (Cincinnati, OH); (iv) Connecticut Comic Con (Hartford, CT); (v) Nashville Comic Con (Nashville, TN); (vi) New England Comic Con (Boston, MA); (vii) North Coast Comic Con (Akron, OH); (viii) Toronto Comic Con (Toronto, Ontario); (ix) Nola Comic Con (New Orleans, LA); (x) Central Canada Comic Con (Winnipeg, Manitoba); (xi) San Antonio Comic Con (San Antonio, TX); (xii) Houston Comic Con (Houston, TX); and (xiii) Mid-Ohio Comic Con (Columbus, OH). We organically developed the Comic Cons in Miami, FL; Anaheim, CA; Austin, TX; Philadelphia, PA; Chicago, IL; Portland OR; and St Louis, MO.

We receive revenue from our Comic Cons in three (3) ways, namely from (i) consumer admissions; (ii) exhibitor booth sales; and (iii) national and/or regional sponsorships. Each Comic Con varies in cost to produce. Production costs vary based on the size and scope of the production. Generally, our production costs range from approximately \$450,000 for a smaller scale production to over \$2,500,000 for a larger production.

The Company’s plan for 2015 is to focus the Wizard World tour on the following shows: (i) Portland, OR; (ii) New Orleans, LA; (iii) Madison, WI; (iv) Indianapolis, IN; (v) Cleveland, OH; (vi) Chicago, IL (3 events); (vii) Raleigh, NC; (viii) Las Vegas, NV; (ix) Minneapolis, MN; (x) Philadelphia, PA; (xi) St Louis, MO; (xii) Greenville, SC; (xiii) Des Moines, IA; (xiv) Sacramento, CA; (xv) Richmond, VA; (xvi) San Jose; (xvii) Columbus, OH; (xviii) Pittsburgh, PA; (xix) Nashville, TN; (xx) Ft Lauderdale, FL; (xxi) Tulsa, OK; (xxii) Austin, TX; (xxiii) Louisville, KY; (xiv) Reno, NV and (xv) China.

Our target audience includes both men and women aged 18-44, and families of all ages who are active consumers of many types of entertainment and media, such as movies, music, toys, video games, apps, consumer electronics, computers, and lifestyle products (e.g. clothes, footwear, digital devices, and mobile phones).

CONtv

CONtv is a new digital network devoted to passionate fans of pop culture entertainment as it will provide consumers access to thousands of hours of exclusive content showcasing an original slate of programming as well as a vast digital catalog of over 1,200 must-watch titles, including, but not limited to, original series, cult television shows and genre movies encompassing sci-fi, horror, fantasy, anime, grindhouse, martial arts action, and more, to live coverage of events at the cons— all available on-demand either in a free, ad-supported format or a low cost, subscription-based model of \$6.99/month for premium content. CONtv is a partnership with Cinedigm, one the nation’s largest independent distributor of digital entertainment.

CONtv, is a multi-platform OTT service geared toward the Comic Con community, and is available to consumers as of March 2015. The digital service will bring fans their favorite films, television series, comics, behind the scenes access to the Conventions and more. CONtv will be offered as a free ad-supported platform as well as a subscription which will include content exclusives, audience rewards, a dynamic social viewing experiences, and ticketing bundle opportunities for fans planning to attend the Conventions. CONtv will be providing over 1600 hours of programming available across a wide spectrum of devices including Roku, Apple iOS, Android, Xbox, Samsung, Smart TV, mobile, and tablet devices.

Digital Media

We produce a number of digital media properties, including our website www.wizardworld.com, emails, newsletters, Facebook, YouTube, Twitter, Instagram, Flickr and Tumblr to create awareness of our Comic Cons and provide updates to our fans and consumers. We also use our website www.wizardworld.com to a large extent to provide a source for the latest Wizard World news and information. While there is little or no direct revenue derived from these properties, the indirect benefit supports sales functions of all the events (dealer and exhibitor booths, admissions, sponsorships), as well as helping us secure additional, more sought after, and higher profile talent. This in turn, helps additional admissions, booth sales and sponsorships.

Our email list consists of over 510,000 current and active users. This is a primary driver of information dissemination, along with Facebook, Instagram and Twitter. YouTube is mainly used as brand awareness, as information is posted after an event, which helps to generate excitement at future events. Because we are a tour, this is essential to creating excitement for all our cities, not just a single event.

With Facebook, all of our attending artists and celebrities are given unique links announcing their involvement in our events. This helps generate excitement among their existing fan base (and ours) and can create a sense of community and groundswell of support for the show. Once we establish a critical mass of people, the shows can become part of the fabric of the community where people anticipate the event months and sometimes even a full year in advance. This retention is essential to our sales process. Procuring new and timely talent helps generate new customers, as well as the word of mouth of previous attendees. Much of this is achieved via email, Facebook, Twitter, and www.wizardworld.com.

Unlike many live events (sports, concerts, etc.), where attendees are spectators (even if they are a part of a community at large), at our events the attendees are participants in the events. This atmosphere creates a greater amount of user generated content for Facebook, Twitter, Instagram and YouTube. For instance, we always notice an uptick among Facebook "Likes" in profile pic changes on Facebook the days during and after our events featuring the celebrities and Photo Ops from our events. This is a non-paid form of free advertising. Social networks such as Facebook & Twitter are a perfect marriage for these types of event photos.

Strategy

Our objective is to use our Comic Cons and Digital to become the voice for pop culture enthusiasts across multiple media platforms. Key elements of our strategy include:

- producing high quality live multimedia events across North America for promotion of consumer products and entertainment;
- leveraging the content created and generated at the live multimedia events to enter the media market and distribute the content in digital media such as websites, apps, emails, newsletters, Facebook, Twitter, Flickr, Tumblr, Instagram and YouTube, among others; and
- obtaining sponsorships and promotions from media and entertainment companies for the Comic Cons, including:
 - expanding our relationships with entertainment and media companies; and
 - forming strategic relationships with new media and entertainment companies to promote their products.

We receive revenue from our Comic Cons in three (3) ways, namely from (i) consumer admissions; (ii) exhibitor booth sales; and (iii) national and/or regional sponsorships. Our business plan is to generate additional revenues from advertising sales on all of Wizard World Digital's media properties. We began realizing revenue from our digital properties during the fourth quarter 2011. We expect that digital media revenues will primarily be earned through offering advertisers the ability to place banner ads on our digital media properties, priced on a standard cost-per-thousand ("CPM") basis.

Sponsorships and Advertising

We sell sponsorship and advertising opportunities to businesses seeking to reach our core target audience of active entertainment consumers, with a particular focus on men and women aged 18 to 44 and young families.

Sponsorships

We provide sponsorship opportunities that allow advertisers a wide range of promotional vehicles on-site and through our public relations efforts. For example, we offer advertisers the ability to (i) display signage at the Comic Cons, (ii) include their desired logos on all direct mail that is sent in connection with one or more Comic Cons, (iii) be included in press releases to the media, (iv) obtain sponsor tags on the radio spots or in the print or online ads where we advertise, and (v) obtain advertising space in our digital media. We also provide the opportunity for advertisers to sponsor events at the Comic Cons like costume contests or gaming tournaments and the ability to have “step-and-repeats” for photo opportunities, meet and greets with celebrities, VIP packages, and “goody” bag giveaways. Sponsors pay a fee based upon the position of their advertising media and the exposure it will receive. Specifically, the closer a sponsor is to the entrance of the Comic Con, the more exposure such sponsor will receive as a greater number of Comic Con attendees will view the sponsor’s product and/or services. Therefore, the rental fee for space at our Comic Cons is more expensive if the space is closer to the entrance.

Promotions

Promotional opportunities include product placement and brand associations on-site at the Comic Cons. As our brand grows, we hope to earn revenues by co-promoting, for example, a movie at one of our Comic Cons, with entertainment and media companies and brands seeking to benefit from the popularity of the Comic Cons and the exposure received from appearing at them. We have not and do not enter into formal agreements with respect to co-promotion with other parties.

Digital Media

We produce a number of digital media properties, including our website www.wizardworld.com, emails, newsletters, Facebook, YouTube, Twitter, Flickr, Instagram, and Tumblr to create awareness of our Comic Cons and provide updates to our fans and consumers. We also use our website www.wizardworld.com to a large extent to provide a source for the latest Comic Con news and information. Display advertising is offered to brand advertisers across all our digital media properties, priced on a traditional CPM basis.

Marketing

Our Comic Cons are marketed through a variety of media outlets, including social media, websites, public relations, television, radio, direct mail, email, flyers, and postcards. Our Comic Cons usually obtain publicity through coverage of the events at our Comic Cons from local TV stations, radio stations, newspapers, national press such as the Associated Press and Reuters, fan websites, blogs, and social network channels such as Twitter, Facebook, Flickr, and Tumblr. In certain instances, we do not pay for advertising because we can provide desirable content to media outlets. For example, we typically invite the local TV stations to our Comic Cons so that they can interview the celebrities featured at our Comic Cons. As a result, we receive free TV coverage and the TV stations obtain content for their shows. In addition, we arrange for celebrities to call into local radio stations. As a result, we receive on-air promotion of our events and the radio station reaches a larger audience who want to tune in to hear our celebrities. We also receive on-air promotion by exchanging air time for admission giveaways to our Comic Cons. With respect to the internet and online advertising, we advertise throughout our website www.wizardworld.com about the upcoming Comic Cons. We also send out emails to our fans on a regular basis. In addition, we send out direct mail postcards, print flyers and postcards in each city where we hold a Comic Con, which are handed out at local events, retailers and public gatherings. As a result, we believe that we are cost effective when it comes to how we spend our advertising dollars.

We are consistently creating and developing new content to distribute to our fans via all of the digital outlets we have developed.

Trademarks and Copyrights

We have a portfolio of trademarks and service marks and maintain a catalog of copyrighted works. Such marks include Wizard World, Pop FI, Where Pop FI Comes to Life and Wizard World Girls. We do not consider our service marks and trademarks to be significant to our business.

Regulation

Typically, we do not have to obtain permits to operate the Comic Cons. The convention centers at which such events occur obtain any required permits and cover fire safety and occupancy matters as part of the rental agreement. Crowd control varies by location and is either provided by the convention center's personnel or by a third party security service recommended by the convention center. The convention centers do, however, require liability insurance, which Conventions has obtained and maintained.

Customers

Our client base is diverse. We have access to some of what we consider to be the leading movie studios, video game producers, comic book publishers, television broadcasters, and toy manufacturers. These customers are potential exhibitors and sponsors of our Comic Cons. In addition, our digital media business will provide sales opportunities across the Fortune 1000 corporate sector, as these brand advertisers look to leverage our media properties to target our age 18-44 and all families target audience.

No single advertiser, promoter or sponsor comprises a significant portion of our revenues.

Competition; Competitive Strengths

In the live, regionally-based consumer conventions market, the strength of a competitor is measured by the location and size of the region or city, the frequency of live events per year, the guest and VIP list (e.g. celebrities and artists), the number of paying attendees, the physical size of the convention, the extent of the public relations outreach (through traditional media, digital media and social media), and the quantity and quality of exhibitors and dealers. We believe that we have a strong competitive position because our Comic Cons take place in well-known major cities in North America throughout the year. Our multiple conventions per year enable us to market our events year round, create a large amount of content that can be distributed through our digital media outlets, and market in not only the regional consumer areas, but nationally as well. The multiple locations also allow us to work with more celebrities, artists and writers and host them in multiple cities.

There are a number of Comic Con providers that produce events across the country. We are unique in that we produce more events annually than any other organization. We reach coast-to-coast, north-to-south markets in the United States. We believe that creates an advantage over other event producers because our Comic Cons are not limited to one city, but rather to several well-known cities across North America.

We also believe that we have an edge over competitors because our Comic Cons are well known and well respected in the Comic Con and pop culture world. We have a reputation among fans, exhibitors, and celebrities for producing high-quality and well attended events.

Sales Channels and Pricing Policies

We have outsourced our admission sales to an online admission service, thereby eliminating the need to mail physical badges. Consumers can order online, print out their barcoded receipt, come to the show, have the receipt scanned and receive a wristband for entry. In addition, we sell wristbands on-site at the live events themselves. We offer a five dollar discount on the purchase price of our admission to those who pre-purchase online as compared to those who purchase on-site at the Comic Con. Admission typically ranges from \$35 for a single day pass to \$95 for a general weekend pass. Entry of children ten years old and under is free at all Comic Cons.

Across all our digital media properties, display advertising is offered to brand advertisers, priced on a traditional CPM basis.

Sales and Marketing Strategy

We promote our Comic Cons through a wide variety of media outlets, such as local radio and TV stations, newspapers, fan websites, and blogs. We also use online social networks such as Facebook, Twitter, Instagram, YouTube, Flickr, and Tumblr, to reach our fans and provide updates. Further, we promote our Comic Cons on our website www.wizardworld.com and through our email database. We currently sell to prospective corporate sponsors and advertisers through our direct sales force. In 2013, we augmented our direct sales force through the utilization of third party representation firms and digital ad networks to help sell display advertising on our digital properties. We plan to continue to do so.

Growth Strategy

We plan to organically develop new Comic Cons and increase the revenues of our existing Comic Cons by adding more dealers, exhibitors, celebrities, panels, gaming tournaments, and VIPs to our Comic Cons. Additionally, we are focused on increasing revenues through increasing corporate sponsorships with national Fortune 500 marketers by allowing these advertisers a wide range of promotional vehicles, both on-site and through our digital media and online offerings. We believe that we will be able to further maximize our relationships with our existing dealers, exhibitors, celebrities, and VIPs while, at the same time, developing new relationships with national brand marketers looking to connect with our growing audiences.

The Wizard World Comic Con digital marketing platform extends across online and social media outlets with a growth strategy that is fueled by continually producing content for and harnessing content from the growing Comic Con consumers. For example, the platform includes: (i) the websites www.wizardworld.com and www.wizardworlddigital.com, (ii) over 16 Facebook pages, including www.facebook.com/wizardworld, (iii) Twitter at www.twitter.com/wizardworld, (iv) video social websites such as www.youtube.com/wizardworld, and (v) Instagram at www.instagram.com/wizardworld. Across the various outlets, the Company covers new and upcoming products and talents in the pop culture world, in order to distribute the large amount of content we create from our live events. Through the distribution of our content via digital media, we offer advertisers the ability to display their sponsorship messages in immersive and integrated ways, including, but not limited to, our large e-mail database of fans. Through sales of everything from digital display advertising space on our digital media properties, to title sponsorship positioning on key aspects for the live events, we plan to generate new forms of sponsorship revenues and thus strengthen our financial condition.

Employees

We currently have forty-nine full-time equivalent employees. Additionally, we engage three freelance consultants to operate our Comic Con business.

Where You Can Find More Information

Our website address is www.wizardworld.com. We do not intend our website address to be an active link or to otherwise incorporate by reference the contents of the website into this Report. The public may read and copy any materials the Company files with the U.S. Securities and Exchange Commission (the "SEC") at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0030. The SEC maintains an Internet website (<http://www.sec.gov>) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

Item 1A. Risk Factors.

Risks Relating to our Company

We have a limited operating history from which you can evaluate our performance.

Since we have a limited operating history, it will be difficult for investors and securities analysts to evaluate our business and prospects and predict future revenue. Because we have a limited operating history, we will encounter risks, expenses and difficulties of which we are unaware, and may be challenging to overcome. There can be no assurance that our efforts will be successful or that we will reach profitability.

If we need additional capital to fund our growing operations, we may not be able to obtain sufficient capital and may be forced to limit the scope of our operations.

As we implement our growth strategies, we may experience increased capital needs. We may not, however, have sufficient capital to fund our future operations without additional capital investments. If adequate additional financing is not available on reasonable terms or at all, we may not be able to carry out our corporate strategy and we would be forced to modify our business plans (e.g., limit our expansion, limit our marketing efforts and/or decrease or eliminate capital expenditures), any of which may adversely affect our financial condition, results of operations and cash flow. Such reduction could materially adversely affect our business and our ability to compete.

Our capital needs will depend on numerous factors, including, without limitation, (i) our profitability, (ii) our ability to respond to a release of competitive products by our competitors, and (iii) the amount of our capital expenditures, including acquisitions. Moreover, the costs involved may exceed those originally contemplated. Cost savings and other economic benefits expected may not materialize as a result of any cost overruns or changes in market circumstances. Failure to obtain intended economic benefits could adversely affect our business, financial condition and operating performances.

We need to manage growth in operations to maximize our potential growth and achieve our expected revenues. Our failure to manage growth can cause a disruption of our operations that may result in the failure to generate revenues at levels we expect.

In order to maximize potential growth in our current markets, we may have to expand our operations. Such expansion will place a significant strain on our management and our operational, accounting, and information systems. We expect that we will need to continue to improve our financial controls, operating procedures and management information systems. We will also need to effectively train, motivate, and manage our employees. Our failure to manage our growth could disrupt our operations and ultimately prevent us from generating the revenues we expect.

Insiders have substantial control over us, and they could delay or prevent a change in our corporate control even if our other stockholders want it to occur.

As of the date of this filing, our executive officers, directors, and principal stockholders who beneficially own 5% or more of our outstanding common stock, own in the aggregate, approximately 60.45% of our outstanding common stock. These stockholders are able to exercise significant control over all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions. This could delay or prevent an outside party from acquiring or merging with our Company even if our other stockholders want it to occur.

Our Certificate of Incorporation provides for indemnification of officers and directors at our expense and limits their liability, which may result in a major cost to us and hurt the interests of our stockholders because corporate resources may be expended for the benefit of officers and/or directors.

Our Certificate of Incorporation and applicable Delaware law provide for the indemnification of our directors and officers against attorney's fees and other expenses incurred by them in any action to which they become a party arising from their association with or activities on our behalf. This indemnification policy could result in substantial expenditures by us that we will be unable to recoup.

We have been advised that, in the opinion of the SEC, indemnification for liabilities arising under federal securities laws is against public policy as expressed in the Securities Act of 1933, as amended (the "Securities Act"), and is, therefore, unenforceable. In the event that a claim for indemnification for liabilities arising under federal securities laws, other than the payment by us of expenses incurred or paid by a director, officer or controlling person in the successful defense of any action, suit or proceeding, is asserted by a director, officer or controlling person in connection with the securities being registered, we will (unless in the opinion of our counsel, the matter has been settled by controlling precedent) submit to a court of appropriate jurisdiction, the question whether indemnification by us is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue. The legal process relating to this matter, if it were to occur, is likely to be very costly and may result in us receiving negative publicity, either of which factors is likely to materially reduce the market and price for our shares if such a market ever develops.

Risks Related to our Business and Industry

General

We may not be able to prevent others from using our intellectual property, and may be subject to claims by third parties that we infringe on their intellectual property.

We regard the content that we plan to distribute via digital media to be important to our success. We plan to rely on non-disclosure and other contractual provisions to protect our proprietary rights. We may also try to protect our intellectual property rights by, among other things, searching the Internet to detect unauthorized use of our intellectual property.

However, policing the unauthorized use of our intellectual property is often difficult and any steps we take may not, in every case, prevent the infringement by unauthorized third parties. Further, there can be no assurance that our efforts to enforce our rights and protect our intellectual property will be successful. We may need to resort to litigation to enforce our intellectual property rights, which may result in substantial costs and diversion of resources and management attention.

Further, although management does not believe that our products and services infringe on the intellectual rights of others, there is no assurance that we will not be the target of infringement or other claims. Such claims, even if not true, could result in significant legal and other costs and may be a distraction to our management or interrupt our business.

We encounter competition in our business, and any failure to compete effectively could adversely affect our results of operations.

We anticipate that our competitors will continue to expand and seek to obtain additional market share with competitive price and performance characteristics. Aggressive expansion of our competitors or the entrance of new competitors into our markets could have a material adverse effect on our business, results of operations and financial condition.

If we do not compete successfully against new and existing competitors, we may lose our market share, and our operating results may be adversely affected.

We compete with other advertising service providers that may reach our target audience by means that are more effective than our Comic Cons and digital media. Further, if such other providers of advertising have a long operating history, large product and service suites, more capital resources and broad international or local recognition, our operating results may be adversely affected if we cannot successfully compete.

The loss of the services of our key employees and directors, particularly the services rendered by John M. Macaluso, our Chief Executive Officer, could harm our business.

Our success depends to a significant degree on the services rendered to us by our key employees and directors. In particular, we are heavily dependent on the continued services of John M. Macaluso, our Chief Executive Officer. The loss of Mr. Macaluso and our inability to attract highly skilled personnel with sufficient experience in our industry could hamper our business.

Our future success depends upon, in large part, our continuing ability to attract and retain qualified personnel.

Expansion of our business and operation may require additional managers and employees with industry experience, in which case our success will be dependent on our ability to attract and retain experienced management personnel and other employees. There can be no assurance that we will be able to attract or retain qualified personnel. Competition may also make it more difficult and expensive to attract, hire and retain qualified managers and employees. If we fail to attract, train and retain sufficient numbers of the qualified personnel, our prospects, business, financial condition and results of operations will be materially and adversely affected.

Comic Con Business

If we do not maintain and develop our Wizard World Comic Con brand and those of our strategic partners, we will not be able to attract an audience to the Comic Cons.

We attract audiences and advertisers partly through brand name recognition. We believe that establishing, maintaining and enhancing our portfolio of Comic Cons and the brands of our strategic partners will enhance our growth prospects. The promotion of our Wizard World Comic Con brand and those of our strategic partners will depend largely on our success in maintaining a sizable and loyal audience, providing high-quality content and organizing effective marketing programs. If we fail to meet the standards to which our consumers are accustomed, our reputation will be harmed and we may lose market share.

Our future success depends on attracting sponsors and pop culture advertisers who will advertise at our Comic Cons. If we fail to attract a sufficient number of sponsors and pop culture advertisers, our operating results and revenues may not meet expectations.

One of our important strategies is to create an integrated platform of tours on which sponsors and pop-culture advertisers wishing to reach our young male target audience may advertise. However, advertisers may find that our targeted demographic does not consist of their desired consumers or a critical mass of consumers, decide to use a competitor's services or decide not to use our services for other reasons. If the sponsors and pop-culture advertisers decide against advertising with us, we may not realize our growth potential or meet investor expectations. Our future operating results and business prospects could be adversely affected.

We may not be able to respond to changing consumer preferences and our sales may decline.

We operate in markets that are subject to change, including changes in customer preferences. New fads, trends and shifts in pop culture could affect the type of live events customers will attend or the products consumers will purchase. Content in which we have invested significant resources may fail to meet consumer demand at the time. A decrease in the level of media exposure or popularity of the pop culture market or a loss in sales could have a material adverse effect on our business, prospects and financial condition.

We rely on key contracts and business relationships, and if our current or future business partners or contracting counterparties fail to perform or terminate any of their contractual arrangements with us for any reason or cease operations, or should we fail to adequately identify key business relationships, our business could be disrupted and our reputation may be harmed.

If any of our business partners or contracting counterparties fails to perform or terminates their agreement(s) with us for any reason, or if our business partners or contracting counterparties with which we have short-term agreements refuse to extend or renew the agreement or enter into a similar agreement, our ability to carry on operations and cross-sell sales and marketing services among different platforms may be impaired. In addition, we depend on the continued operation of our long-term business partners and contracting counterparties and on maintaining good relations with them. If one of our long-term partners or counterparties is unable (including as a result of bankruptcy or a liquidation proceeding) or unwilling to continue operating in the line of business that is the subject of our contract, we may not be able to obtain similar relationships and agreements on terms acceptable to us or at all. If a partner or counterparty fails to perform or terminates any of the agreements with us or discontinues operations, and we are unable to obtain similar relationships or agreements, such events could have an adverse effect on our operating results and financial condition. Further, if we are unable to timely produce our Comic Cons or produce the same quality of Comic Cons to which our target demographic has been accustomed, the consequences could be far-reaching and harmful to our reputation, existing business relationships and future growth potential.

We may also need to form new strategic partnerships or joint ventures to access appropriate assets and industry know-how. Failing to identify, execute and integrate such future partnerships or joint ventures may have an adverse effect on our business, growth, financial condition, and cash flow from operations.

The Company has spent, and will likely continue to spend, significant amounts to obtain and provide content and infrastructure for distribution of content on CONtv which launched in March 2015. If the Company fails to monetize its efforts, such costs could have a material adverse effect on our operating results.

The Company has spent a significant amount to develop and launch CONtv and will be required to pay significant amounts going forward in order to provide high-quality content and service to our subscribers. Any and all such costs, if not more than offset by revenues from CONtv, could have a material adverse effect on our business and operating results.

If our efforts to attract and retain members are not successful, our business will be adversely affected.

We believe that Wizard World has a passionate fan base. However, the markets for entertainment video are intensely competitive and include many subscription, transactional and ad-supported models and vast amounts of pirated materials, all of which capture segments of the entertainment video market. This competition has increased significantly in the recent past, and the Company expects this competition to continue to grow. Many players that have entered this space have vastly greater financial and marketing resources than the Company as well as longer operating histories, large customer bases and strong brand recognition. These competitors may secure better terms from suppliers, aggressively price their offerings and devote more technology and marketing resources. Our ability to attract and retain subscribers to CONtv will depend in part on our ability to provide a consistent high quality service that is perceived to constitute good value for the consumer's entertainment dollars. We face competition with respect to service levels, content offerings, pricing and related features, which may adversely impact our ability to attract and retain these subscribers. We will need to add new subscribers to replace subscribers who cancel in order to grow our business. If we do not attract subscribers, if too many of our subscribers cancel our service, or if we are unable to attract new subscribers in sufficient numbers, our financial outlook, liquidity, business and operating results would be adversely affected.

We are subject to payment processing risk.

Our members pay for our service using a variety of different payment methods, including credit and debit cards. We rely on internal systems as well as those of third parties to process payment. Acceptance and processing of these payment methods are subject to certain rules and regulations and require payment of interchange and other fees. To the extent there are disruptions in our payment processing systems, increases in payment processing fees and/or changes to rules or regulations concerning payment processing, our revenue, operating expenses and results of operation could be adversely impacted. In addition, from time to time, we encounter fraudulent use of payment methods, which could impact our results of operation and if not adequately controlled and managed could create negative consumer perceptions of our service.

We face risks, such as unforeseen costs and potential liability in connection with content we develop, produce, license and/or distribute through our service.

As a distributor of content, we face potential liability for negligence, copyright and trademark infringement, or other claims based on the nature and content of materials that we produce, license and/or distribute. We also may face potential liability for content used in promoting our service, including marketing materials and features on our website such as member reviews. As we expand our original programming, we will become responsible for production costs and other expenses. To the extent we do not accurately anticipate costs or mitigate risks, including for content that we obtain but ultimately does not appear on our service, or if we become liable for content we develop, produce, license and/or distribute, our business may suffer. Litigation to defend these claims could be costly and the expenses and damages arising from any liability or unforeseen production risks could hamper results of operations. We may not be indemnified against claims or costs of these types and we may not have insurance coverage for these types of claims.

If studios, content providers or other rights holders refuse to license streaming content or other rights upon terms acceptable to us, our business could be adversely affected.

Our ability to provide our members with content they can watch depends on studios, content providers and other rights holders licensing rights to distribute such content. The license periods and the terms and conditions of such licenses vary. If the studios, content providers and other rights holders are not or are no longer willing or able to license us content upon terms acceptable to us, our ability to stream content to our members will be adversely affected and/or our costs could increase. As competition increases, we may see the cost of programming increase. As we seek to differentiate our service, we are increasingly focused on securing certain exclusive rights when obtaining content, including original content. We are also focused on programming an overall mix of content that delights our members in a cost efficient manner. Within this context, we are selective about the titles we add and renew to our service. If we do not maintain a compelling mix of content, our member acquisition and retention may be adversely affected.

We rely upon a number of partners to make our service available on their devices.

We currently offer members the ability to receive streaming content across a wide spectrum of devices including Roku, Apple iOS, Android, Xbox, Samsung, Smart TV, mobile, and tablet devices. We intend to continue to broaden our capability to instantly stream our content to other platforms and partners over time. If we are not successful in maintaining existing and creating new relationships, or if we encounter technological, content licensing or other impediments to delivering our streaming content to our members via these devices, our ability to grow our business could be adversely impacted. Furthermore, devices are manufactured and sold by third parties and while such parties should be responsible for the devices' performance, the connection between these devices and CONtv may nonetheless result in consumer dissatisfaction toward CONtv and such dissatisfaction could result in claims against us or otherwise adversely impact our business. In addition, technology changes to our streaming functionality may require that partners update their devices. If partners do not update or otherwise modify their devices, our service and our members' use and enjoyment could be negatively impacted.

Digital Media

We could face a variety of risks of expanding into a new business.

Risks of our entry into the new business line of digital media, include, without limitation: (i) potential diversion of management's attention and other resources, including available cash, from our existing businesses; (ii) unanticipated liabilities or contingencies; (iii) the need for additional capital and other resources to expand into this new line of business; and (iv) inefficient combination or integration of operational and management systems and controls. Entry into a new line of business may also subject us to new laws and regulations with which we are not familiar, and may lead to increased litigation and regulatory risk. Further, our business model and strategy are still evolving and are continually being reviewed and revised, and we may not be able to successfully implement our business model and strategy. We may not be able to attract a sufficiently large number of audience or customers, or recover costs incurred for developing and marketing these products or services. If we are unable to successfully implement our growth strategies, our revenue and profitability may not grow as we expect, our competitiveness may be materially and adversely affected, and our reputation and business may be harmed.

In developing and marketing the new business of digital media, we may invest significant time and resources. Initial timetables for the introduction and development of our digital media business may not be achieved and price and profitability targets may not prove feasible. Furthermore, any new line of business could have a significant impact on the effectiveness of our system of internal controls. Failure to successfully manage these risks in the development and implementation of our new digital media business could have a material adverse effect on our business, results of operations and financial condition.

We will face significant competition in the digital media business. If we fail to compete effectively, we may lose users to competitors, which could materially and adversely affect our ability to generate revenues from online advertising.

We will face significant competition for online advertising revenues with other websites that sell online advertising services. In addition, we indirectly compete for advertising budgets with traditional advertising media, such as television and radio stations, newspapers and magazines, and major out-of-home media. Some of our competitors may have longer operating histories and significantly greater financial, technical and marketing resources than we do, and in turn may have an advantage in attracting and retaining users and advertisers.

Risks Relating to Being a Public Company

We will incur significant costs to ensure compliance with United States corporate governance and accounting requirements.

We will incur significant costs associated with our public company reporting requirements and costs associated with corporate governance requirements, including requirements under the Sarbanes-Oxley Act of 2002 and other rules implemented by the SEC. We expect all of these applicable rules and regulations to significantly increase our legal and financial compliance costs and to make some activities more time consuming and costly. We also expect that these applicable rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on the Board or as executive officers. We may be wrong in our prediction or estimate of the amount of additional costs we may incur or the timing of such costs.

If we fail to maintain an effective system of internal control over financial reporting, our ability to accurately and timely report our financial results or prevent fraud may be adversely affected and investor confidence may be adversely impacted.

As directed by Section 404 of the Sarbanes-Oxley Act of 2002, or SOX 404, the SEC adopted rules requiring public companies to include a report of management on the Company's internal controls over financial reporting in their annual reports. Under current SEC rules, our management may conclude that our internal controls over our financial reporting are not effective. Even if our management concludes that our internal controls over financial reporting are effective, our independent registered public accounting firm may issue a report that is qualified if it is not satisfied with our controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us. In the event that we are unable to have effective internal controls, investors and others may lose confidence in the reliability of our financial statements and our ability to obtain equity or debt financing as needed could suffer.

Risks Related To Our Industry

A continued decline in general economic conditions and disruption of financial markets may, among other things, reduce the discretionary income of consumers or further erode advertising markets, which could adversely affect our business.

Our operations are affected by general economic conditions, which affect consumers' disposable income. The demand for entertainment and leisure activities tends to be highly sensitive to the level of consumers' disposable income. Declines in general economic conditions could reduce the level of discretionary income that our fans and potential fans have to spend on consumer products and entertainment, which could adversely affect our revenues. Volatility and disruption of financial markets could limit our advertisers', sponsors', and/or promoters' ability to obtain adequate financing to maintain operations, and result in a decrease in sales volume that could have a negative impact on our business, financial condition and results of operations. Continued softness in the market could adversely affect our revenues or the financial viability of our distributors.

The advertising market is particularly volatile and we may not be able to effectively adjust to such volatility.

Advertising spending is volatile and sensitive to changes in the economy. Our advertising customers may reduce the amount they spend on our media for a number of reasons, including, without limitation:

- a downturn in economic conditions;
- a deterioration of the ratings of their programs; or
- a decline in advertising spending in general.

We may be unable to maintain or increase our advertising fees and sales, which could negatively affect our ability to generate revenues in the future. A decrease in demand for advertising in general, and for our advertising services in particular, could materially and adversely affect our operating results.

Risks Related To Our Securities

Our common stock is quoted on the OTCBB and OTCQB, which may have an unfavorable impact on our stock price and liquidity.

Our common stock is quoted on the OTCBB and OTCQB. The quotation of our shares on the OTCBB and OTCQB may result in a less liquid market available for existing and potential stockholders to trade shares of our common stock, could depress the trading price of our common stock and could have a long-term adverse impact on our ability to raise capital in the future.

There is limited liquidity on the OTCBB and OTCQB, which enhances the volatile nature of our equity.

When fewer shares of a security are being traded on the OTCBB and OTCQB, volatility of prices may increase and price movement may outpace the ability to deliver accurate quote information. Due to lower trading volumes in shares of our common stock, there may be a lower likelihood that orders for shares of our common stock will be executed, and current prices may differ significantly from the price that was quoted at the time of entry of the order.

Our stock price is likely to be highly volatile because of our limited public float.

The market price of our common stock is likely to be highly volatile because there has been a relatively thin trading market for our stock, which causes trades of small blocks of stock to have a significant impact on our stock price. You may not be able to resell shares of our common stock following periods of volatility because of the market's adverse reaction to volatility. Other factors that could cause such volatility may include, among other things: actual or anticipated fluctuations in our operating results; the absence of securities analysts covering us and distributing research and recommendations about us; overall stock market fluctuations; economic conditions generally; announcements concerning our business or those of our competitors; our ability to raise capital when we require it, and to raise such capital on favorable terms; conditions or trends in the industry; litigation; changes in market valuations of other similar companies; announcements by us or our competitors of significant contracts, acquisitions, strategic partnerships or joint ventures; future sales of common stock; actions initiated by the SEC or other regulatory bodies; and general market conditions. Any of these factors could have a significant and adverse impact on the market price of our common stock. These broad market fluctuations may adversely affect the trading price of our common stock, regardless of our actual operating performance.

In order to raise sufficient funds to expand our operations, we may have to issue additional securities at prices which may result in substantial dilution to our shareholders.

If we raise additional funds through the sale of equity or convertible debt, our current stockholders' percentage ownership will be reduced. In addition, these transactions may dilute the value of our common shares outstanding. We may also have to issue securities that may have rights, preferences and privileges senior to our common stock.

Our stock is thinly traded, so you may be unable to sell at or near ask prices or at all.

The shares of our common stock are traded on the OTCBB and OTCQB and are thinly traded, meaning that the number of persons interested in purchasing our common stock at or near ask prices at any given time may be relatively small or non-existent. This situation is attributable to a number of factors, including the fact that we are a smaller reporting company that is relatively unknown to stock analysts, stock brokers, institutional investors and others in the investment community who generate or influence sales volume. Even in the event that we come to the attention of such persons, they would likely be reluctant to follow an unproven company such as ours or purchase or recommend the purchase of our shares until such time as we become more seasoned and viable. As a consequence, our stock price may not reflect an actual or perceived value. Also, there may be periods of several days or more when trading activity in our shares is minimal or non-existent, as is currently the case, as compared to a seasoned issuer that has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price. A broader or more active public trading market for our common shares may not develop or if developed, may not be sustained. Due to these conditions, you may not be able to sell your shares at or near ask prices or at all if you need money or otherwise desire to liquidate your shares.

Currently, there is a limited public market for our securities, and there can be no assurances that any public market will ever develop and, even if developed, it is likely to be subject to significant price fluctuations.

We have a trading symbol for our common stock, namely 'WIZD'. However, our stock has been thinly traded, if at all. Consequently, there can be no assurances as to whether:

- any market for our shares will develop;
- the prices at which our common stock will trade; or
- the extent to which investor interest in us will lead to the development of an active, liquid trading market. Active trading markets generally result in lower price volatility and more efficient execution of buy and sell orders for investors.

Until our common stock is fully distributed and an orderly market develops in our common stock, if ever, the price at which it trades is likely to fluctuate significantly. Prices for our common stock will be determined in the marketplace and may be influenced by many factors, including the depth and liquidity of the market for shares of our common stock, developments affecting our business, including the impact of the factors referred to elsewhere in these risk factors, investor perception of our Company and general economic and market conditions. No assurances can be given that an orderly or liquid market will ever develop for the shares of our common stock.

We are subject to the penny stock rules which will make our securities more difficult to sell.

We are subject to the SEC's "penny stock" rules because our securities sell below \$5.00 per share. The penny stock rules require broker-dealers to deliver a standardized risk disclosure document prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer must also provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson, and monthly account statements showing the market value of each penny stock held in the customer's account. In addition, the bid and offer quotations, and the broker-dealer and salesperson compensation information must be given to the customer orally or in writing prior to completing the transaction and must be given to the customer in writing before or with the customer's confirmation.

Furthermore, the penny stock rules require that prior to a transaction, the broker dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. The penny stock rules are burdensome and may reduce purchases of any offerings and reduce the trading activity for our securities. As long as our securities are subject to the penny stock rules, the holders of such securities will find it more difficult to sell their securities.

We are not likely to pay cash dividends in the foreseeable future.

We currently intend to retain any future earnings for use in the operation and expansion of our business. Accordingly, we do not expect to pay any cash dividends in the foreseeable future, but will review this policy as circumstances dictate.

Item 1B. Unresolved Staff Comments.

Not applicable.

Item 2. Properties.

Effective April 22, 2013, the Company entered into that certain commercial real estate lease for new office space located in El Segundo, California. The initial term is for seven (7) years ending on March 31, 2020. The Company shall pay base rent of \$6,900 per month and an initial security deposit of \$13,800 was required. In September 2014, the Company terminated this lease without penalty and is no longer obligated for future payments.

Effective September 1, 2014, the Company entered into a standard sublease to occupy office space at 2201 Park Place, El Segundo, California 90245. The term of the lease expires on June 30, 2016. The Company shall pay a base rent of \$11,132 per month, with an increase by three percent (3%) starting in the thirteenth month of the lease, and a security deposit of \$11,466 was required. The Company must also pay \$2,796 per month (22.3%) for operating expenses.

In addition, the Company entered into a lease to occupy office space at 1440 Broadway, 23rd Floor, New York, New York 10018. The term of the lease agreement commenced on January 1, 2014 and is scheduled to expire on December 31, 2014, but shall be automatically extended for one (1) year unless either party provides written notice of termination ninety (90) days prior to the end of the term. The Company's monthly rent is \$4,000.

The Company does not own any real estate.

Item 3. Legal Proceedings.

We are not currently involved in any litigation that we believe could have a materially adverse effect on our financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our Company or any of our subsidiaries, threatened against or affecting our Company, our common stock, any of our subsidiaries or of our Company's or our Company's subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

(a) Market Information

Our shares of common stock are currently quoted on the OTCBB and OTCQB under the symbol "WIZD".

The following table sets forth the high and low bid price for our common stock for each quarter during the past two fiscal years. The prices reflect inter-dealer quotations, do not include retail mark-ups, markdowns or commissions and do not necessarily reflect actual transactions.

Quarter ended	Low Price	High Price
December 31, 2014	\$ 0.651	\$ 1.030
September 30, 2014	\$ 0.525	\$ 1.280
June 30, 2014	\$ 0.400	\$ 0.700
March 31, 2014	\$ 0.320	\$ 0.535
December 31, 2013	\$ 0.350	\$ 0.600
September 30, 2013	\$ 0.300	\$ 0.820
June 30, 2013	\$ 0.230	\$ 0.950
March 31, 2013	\$ 0.180	\$ 0.550

(b) Holders

As of March 13, 2015, a total of 51,358,386 shares of the Company's common stock are currently outstanding held by 58 shareholders of record. This figure does not take into account those shareholders whose certificates are held in the name of broker-dealers or other nominees.

(c) Dividends

We have not declared or paid any dividends on our common stock and intend to retain any future earnings to fund the development and growth of our business. Therefore, we do not anticipate paying dividends on our common stock for the foreseeable future. There are no restrictions on our present ability to pay dividends to stockholders of our common stock, other than those prescribed by Delaware law.

(d) Securities Authorized for Issuance under Equity Compensation Plans

Below is a description of the Company's compensation plan adopted in 2011.

2011 Incentive Stock Award Plan, as Amended

On May 9, 2011, the Board approved, authorized and adopted (subject to stockholder approval) the 2011 Incentive Stock and Award Plan (the "Plan"). The Plan was amended on September 14, 2011, April 11, 2012, July 9, 2012 and September 25, 2014. The Plan provides for the issuance of up to 15,000,000 shares of our common stock through the grant of non-qualified options, incentive options and restricted stock to our directors, officers, consultants, attorneys, advisors and employees. Until a committee consisting of two or more independent, non-employee and outside directors is constituted, our Board administers the Plan.

Under the Plan:

1. Each option will contain the following terms:

- (i) the exercise price, which shall be determined at the time of grant, shall not be less than 100% of the Fair Market Value (defined as the closing price on the final trading day immediately prior to the grant on the principal exchange or quotation system on which the common stock is listed or quoted, as applicable) of the common stock of the Company, *provided* that if the recipient of the option owns more than ten percent (10%) of the total combined voting power of the Company or of any subsidiary, the exercise price shall be at least 110% of the Fair Market Value;

- (ii) the term of each option shall be fixed by the Board, *provided* that such option shall not be exercisable more than five (5) years after the date such option is granted, and *provided further* that with respect to an incentive option, if the recipient owns more than ten percent (10%) of the total combined voting power of the Company or of any subsidiary, the incentive option shall not be exercisable more than five (5) years after the date such incentive option is granted;
- (iii) subject to acceleration in the event of a change of control of the Company (as further described in the Plan), the period during which the options vest shall be designated by the Board or, in the absence of any option vesting periods designated by the Board at the time of grant, shall vest and become exercisable in equal amounts on each fiscal quarter of the Company through the four (4) year anniversary of the date on which the option was granted;
- (iv) no option is transferable and each is exercisable only by the recipient of such option except in the event of the death of the recipient (if such recipient is a natural person); and
- (v) with respect to incentive options, the aggregate Fair Market Value of common stock exercisable for the first time during any calendar year shall not exceed \$100,000.

2. Each award of restricted stock will be subject to the following terms:

- (i) no rights to an award of restricted stock is granted to the intended recipient of restricted stock unless and until the grant of restricted stock is accepted within the period prescribed by the Board;
- (ii) a certificate or certificates issued evidencing shares of restricted stock shall not be delivered until they are free of any restrictions specified by the Board at the time of grant;
- (iii) upon the acceptance and issuance of a certificate or certificates, recipients of restricted stock have the rights of a stockholder of the Company as of the date of the grant of the restricted stock;
- (iv) shares of restricted stock are forfeitable until the terms of the restricted stock grant have been satisfied or the employment with the Company is terminated; and
- (v) the restricted stock is not transferable until the date on which the Board has specified such restrictions have lapsed.

As of December 31, 2014, the Company issued the following stock options and grants under the Plan:

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights and number of shares of restricted stock	Weighted average exercise price of outstanding options, warrants and rights (1)	Number of securities remaining available for future issuance
Equity compensation approved by security holders under the Plan	-	\$ -	-
Equity compensation plans not approved by security holders	11,975,000	\$ 0.647	3,025,000
Total	11,975,000	\$ 0.647	3,025,000

(1) Excludes shares of restricted stock issued under the Plan.

As of March 13, 2015, we have issued the following stock options and grants under the Plan:

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights and number of shares of restricted stock	Weighted average exercise price of outstanding options, warrants and rights (1)	Number of securities remaining available for future issuance
Equity compensation approved by security holders under the Plan	-	\$ -	-
Equity compensation plans not approved by security holders	11,975,000	\$ 0.647	3,025,000
Total	11,975,000	\$ 0.647	3,025,000

(1) Excludes shares of restricted stock issued under the Plan.

Rule 10B-18 Transactions

During the year ended December 31, 2014, there were no repurchases of the Company's common stock by the Company.

Recent Sales of Unregistered Securities

During the year ended December 31, 2014, we have issued the following securities which were not registered under the Securities Act and not previously disclosed in the Company's Quarterly Reports on Form 10-Q or Current Reports on Form 8-K. Unless otherwise indicated, all of the share issuances described below were made in reliance on the exemption from registration provided by Section 4(2) of the Securities Act for transactions not involving a public offering:

On October 6, 2014, the Company issued 15,000 stock options to a strategic partner of the Company. The options are exercisable at \$0.87 per share and expire five years from the date of issuance.

On November 1, 2014, the Company issued 15,000 stock options to a strategic partner of the Company. The options are exercisable at \$0.94 per share and shall expire five years from the date of issuance.

On November 10, 2014, the Company issued 15,000 stock options to a strategic partner of the Company. The options are exercisable at \$0.78 and shall expire five years from the date of issuance.

On November 22, 2014, the Company issued 15,000 stock options to a strategic partner of the Company. The options are exercisable at \$0.76 per share and shall expire five years from the date of issuance.

On December 4, 2014, the Board resolved to authorize the issuance of 16,862 shares of common stock to a strategic partner of the Company as compensation for attending a show of the Company. The shares were issued at a value of \$0.76 per share.

On December 24, 2014, pursuant to the Plan, the Company issued 882,500 options to thirty-four employees. The options shall vest over a five year period, are exercisable at \$0.87 per share and shall expire five years from the date of issuance.

Item 6. Selected Financial Data.

Not applicable.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

THE FOLLOWING DISCUSSION OF OUR PLAN OF OPERATION AND RESULTS OF OPERATIONS SHOULD BE READ IN CONJUNCTION WITH THE FINANCIAL STATEMENTS AND RELATED NOTES TO THE FINANCIAL STATEMENTS INCLUDED ELSEWHERE IN THIS REPORT. THIS DISCUSSION CONTAINS FORWARD-LOOKING STATEMENTS THAT RELATE TO FUTURE EVENTS OR OUR FUTURE FINANCIAL PERFORMANCE. THESE STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE OUR ACTUAL RESULTS, LEVELS OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, LEVELS OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY THESE FORWARD-LOOKING STATEMENTS. THESE RISKS AND OTHER FACTORS INCLUDE, AMONG OTHERS, THOSE LISTED UNDER "FORWARD-LOOKING STATEMENTS" AND "RISK FACTORS" AND THOSE INCLUDED ELSEWHERE IN THIS REPORT.

Overview

We intend for this discussion to provide information that will assist in understanding our financial statements, the changes in certain key items in those financial statements, and the primary factors that accounted for those changes, as well as how certain accounting principles affect our financial statements. This discussion should be read in conjunction with our financial statements and accompanying notes for the years ended December 31, 2014 and 2013, included elsewhere in this report.

We are a producer of pop culture and multimedia conventions ("Comic Cons") across North America that market movies, TV shows, video games, technology, toys, social networking/gaming platforms, comic books and graphic novels. These Comic Cons provide sales, marketing, promotions, public relations, advertising and sponsorship opportunities for entertainment companies, toy companies, gaming companies, publishing companies, marketers, corporate sponsors, and retailers.

Plan of Operation

Our Company has two lines of business: (i) live multimedia events, which involve admissions and exhibitor booth space, and (ii) sponsorships and advertising. Our current focus is two-fold and includes both growing our existing Comic Cons by obtaining new exhibitors and dealers and attracting more high profile celebrities and VIPs, and identifying new markets in which to produce additional Comic Cons. We also plan to expose our database of fans and our target market of young adults and families to our content through digital media such as Facebook, Twitter, YouTube, Flickr, and Tumblr, and draw higher traffic to our website www.wizardworld.com by creating content from our live multimedia events and promoting such events through emails and newsletters.

We expect to produce 27 live events during the year ending December 31, 2015. To date, we have operated profitable live events in Philadelphia, Chicago, New Orleans, Columbus, Portland, Nashville, Austin, Sacramento, Louisville, Minneapolis, San Antonio, Atlanta, Tulsa, Reno and St. Louis, but we have operated at a deficit in other events. In order for us to operate a successful event, we must produce an event that is relevant to the public in order to drive admissions, booth sales, sponsorship, and advertising. In order for the Company to grow the digital business, we must attract unique users and drive traffic to our online site. To date, we have exhausted considerable resources developing our media platform, but we have yet to earn a profit from the platform.

We continue to develop the Wizard World digital strategy and grow our existing database through social media, on-site activation, and the Company's digital presence on properties that include Facebook®, Twitter®, YouTube®, Flickr®, Instagram® and Tumblr®. Also, as additional events are added, more people join the Wizard World universe and become loyal to the brand and its affiliated properties.

Wizardworlddigital.com continues to be the hub for all Comic Con and related events news and content, and wizardworld.com continues to act as the e-commerce engine for all admissions, VIP experiences, one-of-a-kind packages, and more.

Results of Operations

For the Year Ended December 31, 2014 Compared to the Year Ended December 31, 2013

	Year Ended	
	December 31, 2014	December 31, 2013
Convention revenue	\$ 23,060,178	\$ 11,186,134
Gross profit	\$ 8,291,415	\$ 4,265,090
Operating expenses	\$ (6,823,253)	\$ (3,921,585)
Income from operations	\$ 1,468,162	\$ 343,506
Other income (expenses)	\$ (472,545)	\$ (3,981,240)
Income tax provision	\$ -	\$ -
Net income (loss) attributable to common shareholder	\$ 995,617	\$ (3,637,735)
Income (loss) per common share – basic	\$ 0.02	\$ (0.09)
Income (loss) per common share – diluted	\$ 0.02	\$ (0.09)

Convention Revenue

Convention revenue was \$23,060,178 for the year ended December 31, 2014, as compared to \$11,186,134 for the comparable year ended December 31, 2013, an increase of \$11,874,044. The increase in convention revenue is primarily attributable to running better advertised and marketed events. In addition, the Company increased admission prices and the overall size and scope of each event. The Company ran seventeen events during the year ended December 31, 2014, as compared to eight events during the comparable year ended December 31, 2013. Average revenue generated per event in 2014 was \$1,356,481 as compared to \$1,398,267 during 2013.

Gross Profit

Gross profit percentage decreased from 38% for the year ended December 31, 2013, to a gross profit of 36% during the year ended December 31, 2014. The decrease in margin is primarily attributable to increased costs for marketing and advertising with the corresponding increase in conventions during the period. The Company ran seventeen events during the year ended December 31, 2014, as compared to eight events during the comparable year ended December 31, 2013.

Operating Expenses

Operating expenses for the year ended December 31, 2014, were \$6,823,253, as compared to \$3,921,585 for the year ended December 31, 2013. The increase is primarily attributable to an increase of approximately \$2,559,567 in salaries and share based payments and an increase of approximately \$963,864 in general and administrative expenses. The Company's headcount increased period over period and the Company accrued approximately \$571,000 in executive bonus in accordance with the Chief Executive Officer's employment contract. The increase in general and administrative expenses is attributable to significant increases in professional fees, insurance, web development, and travel expenses.

Income from Operations

Income from operations for the year ended December 31, 2014, was \$1,468,162 as compared to income of \$343,506 for the year ended December 31, 2013. The increase is primarily attributable to running more events during the year ended December 31, 2014 as compared to the year ended December 31, 2013.

Other income (expenses)

Other income (expense) for the year ended December 31, 2014, was \$(472,545), as compared to \$(3,981,240) for the year ended December 31, 2013. The significant decrease is primarily attributable to the loss on the fair value of the Company's derivative liabilities for the year ended December 31, 2013; the Company's derivative liabilities ceased to exist upon the conversion of preferred stock and exchange of warrants to common stock which occurred during the year ended December 31, 2013. On August 27, 2014, the Company entered into a Joint Venture and Operating Agreement for a 47.5% interest in CON TV LLC, a newly formed entity. Based on this venture, the Company recognized \$460,747 in losses.

Income tax provision

During the year ended December 31, 2014, the Company utilized a portion of its NOL carryforwards. During the period, \$575,000 was paid for estimated payments for the current tax year.

Net Income (Loss) Attributable to Common Shareholder

Net income (loss) attributable to common shareholder for the year ended December 31, 2014, was \$995,617 or income per basic share of \$0.02, compared to \$(3,880,217) or loss per basic share of \$(0.09), for the year ended December 31, 2013. The per share amounts are calculated net of deemed dividends.

Inflation did not have a material impact on the Company's operations for the period. Other than the foregoing, management knows of no trends, demands, or uncertainties that are reasonably likely to have a material impact on the Company's results of operations.

Liquidity and Capital Resources

The following table summarizes total current assets, liabilities and working capital at December 31, 2014, compared to December 31, 2013:

	December 31, 2014		December 31, 2013		Increase/Decrease
Current Assets	\$ 7,768,084	\$	4,298,793	\$	3,469,291
Current Liabilities	\$ 3,929,988	\$	2,092,426	\$	1,837,562
Working Capital (Deficit)	\$ 3,838,096	\$	2,206,367	\$	1,631,729

At December 31, 2014, we had a working capital of \$3,838,096, as compared to a working capital of \$2,206,367 at December 31, 2013, an increase of \$1,631,729. The increase is primarily attributable to the Company running more events at a stronger profit margin.

Net Cash

Net cash provided by operating activities for the years ended December 31, 2014 and 2013, was \$2,245,245 and \$1,731,705, respectively. The net income (loss) attributable to common shareholder for the years ended December 31, 2014 and 2013, was \$995,617 and \$(3,637,735), respectively. The Company generated cash in operations primarily by running profitable events during the year ended December 31, 2014.

Off-Balance Sheet Arrangements

As of December 31, 2014, the Company had no off-balance sheet arrangements.

Critical Accounting Policies

We believe that the following accounting policies are the most critical to aid you in fully understanding and evaluating this “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The Company’s significant estimates and assumptions include the fair value of financial instruments; the carrying value, recoverability and impairment, if any, of long-lived assets, including the values assigned to deposits and construction in progress, income tax rate, income tax provision, allowance of deferred tax assets and the assumption that the Company will continue as a going concern. Those significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to those estimates or assumptions, and certain estimates or assumptions are difficult to measure or value.

Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Management regularly reviews its estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates.

Property and Equipment

Property and equipment is stated at historical cost less accumulated depreciation and amortization. Depreciation and amortization is computed on a straight-line basis over the estimated useful lives of the assets, varying from 3 to 5 years or, when applicable, the life of the lease, whichever is shorter.

Carrying Value, Recoverability and Impairment of long-lived assets

The Company has adopted paragraph 360-10-35-17 of the FASB Accounting Standards Codification for its long-lived assets. The Company’s long-lived assets, which include property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The Company assesses the recoverability of its long-lived assets by comparing the projected undiscounted net cash flows associated with the related long-lived asset or group of long-lived assets over their remaining estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. Fair value is generally determined using the asset’s expected future discounted cash flows or market value, if readily determinable. If long-lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long-lived assets are depreciated over the newly determined remaining estimated useful lives.

The Company considers the following to be some examples of important indicators that may trigger an impairment review: (i) significant under-performance or losses of assets relative to expected historical or projected future operating results; (ii) significant changes in the manner or use of assets or in the Company’s overall strategy with respect to the manner or use of the acquired assets or changes in the Company’s overall business strategy; (iii) significant negative industry or economic trends; (iv) increased competitive pressures; and (v) regulatory changes. The Company evaluates acquired assets for potential impairment indicators at least annually and more frequently upon the occurrence of such events.

The impairment charges, if any, are included in operating expenses in the accompanying statements of operations.

Derivative Instruments

The Company evaluates its convertible debt, warrants or other contracts to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for in accordance with Paragraph 815-10-05-4 of the FASB Accounting Standards Codification and Paragraph 815-40-25 of the FASB Accounting Standards Codification. The result of this accounting treatment is that the fair value of the embedded derivative is marked-to-market each balance sheet date and recorded as a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the consolidated statements of operations as other income or expense. Upon conversion or exercise of a derivative instrument, the instrument is marked to fair value at the conversion date and then that fair value is reclassified to equity.

In circumstances where the embedded conversion option in a convertible instrument is required to be bifurcated and there are also other embedded derivative instruments in the convertible instrument that are required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument.

The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period. Equity instruments that are initially classified as equity that become subject to reclassification are reclassified to liability at the fair value of the instrument on the reclassification date. Derivative instrument liabilities will be classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument is expected within 12 months of the balance sheet date.

Income Taxes

We comply with SFAS No. 109, *Accounting for Income Taxes*, which requires an asset and liability approach to financial reporting for income taxes. Deferred income tax assets and liabilities are computed for differences between the financial statement and tax bases of assets and liabilities that will result in future taxable or deductible amounts, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred income tax assets to the amount expected to be realized.

Revenue Recognition

In accordance with the provisions of Staff Accounting Bulletin (“SAB”) No. 101, *Revenue Recognition*, as amended by SAB 104, revenues are generally recognized when products are shipped or as services are performed. However, due to the nature of our business, there are additional steps in the revenue recognition process, as described below:

- Sponsorships: We follow the guidance of Emerging Issues Task Force (“EITF”) Issue 00-21 *Revenue Arrangements with Multiple Deliverables*, and assign the total of sponsorship revenues to the various elements contained within a sponsorship package based on their relative fair values.

Fair Value of Financial Instruments

We follow Paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of our financial instruments and paragraph 820-10-35-37 of the FASB Accounting Standards Codification (“Paragraph 820-10-35-37”) to measure the fair value of our financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (“U.S. GAAP”), and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three (3) levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

- Level 1 – Quoted market prices available in active markets for identical assets or liabilities as of the reporting date;
- Level 2 – Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date; and
- Level 3 – Pricing inputs that are generally observable inputs and not corroborated by market data.

The carrying amount of the Company's financial assets and liabilities, such as cash, prepaid expenses and accrued expenses approximate their fair value because of the short maturity of those instruments. The Company's convertible preferred stock and warrants approximate the fair value of such instruments based upon management's best estimate of interest rates that would be available to the Company for similar financial arrangements at December 31, 2014 and December 31, 2013.

The Company uses Level 3 of the fair value hierarchy to measure the fair value of the derivative liabilities and revalues its derivative warrant liability at every reporting period and recognizes gains or losses in the consolidated statements of operations and comprehensive income (loss) that are attributable to the change in the fair value of the derivative warrant liability.

Financial assets and liabilities measured at fair value on a recurring basis are summarized below and disclosed on the consolidated balance sheets:

	Carrying Value	Fair Value Measurement Using			Total
		Level 1	Level 2	Level 3	
Derivative conversion features and warrant liabilities	\$ -	\$ -	\$ -	\$ -	\$ -

The table below provides a summary of the changes in fair value, including net transfers in and/or out, of all financial assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the year ended December 31, 2014:

	Fair Value Measurement Using Level 3 Inputs	
	Derivative Liabilities	Total
Balance, December 31, 2013	\$ -	\$ -
Total gains or losses (realized/unrealized) included in net loss	-	-
Purchases, issuances and settlements	-	-
Transfers in and/or out of Level 3	-	-
Balance, December 31, 2014	\$ -	\$ -

Recent Accounting Pronouncements

In May 2014, the FASB issued the FASB Accounting Standards Update No. 2014-09 "Revenue from Contracts with Customers (Topic 606)" ("ASU 2014-09").

This guidance amends the existing FASB Accounting Standards Codification, creating a new Topic 606, *Revenue from Contracts with Customers*. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

To achieve that core principle, an entity should apply the following steps:

1. Identify the contract(s) with the customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when (or as) the entity satisfies a performance obligations.

The ASU also provides guidance on disclosures that should be provided to enable financial statement users to understand the nature, amount, timing, and uncertainty of revenue recognition and cash flows arising from contracts with customers. Qualitative and quantitative information is required about the following:

1. Contracts with customers – including revenue and impairments recognized, disaggregation of revenue, and information about contract balances and performance obligations (including the transaction price allocated to the remaining performance obligations);
2. Significant judgments and changes in judgments – determining the timing of satisfaction of performance obligations (over time or at a point in time), and determining the transaction price and amounts allocated to performance obligations; and
3. Assets recognized from the costs to obtain or fulfill a contract.

ASU 2014-09 is effective for periods beginning after December 15, 2016, including interim reporting periods within that reporting period for all public entities. Early application is not permitted.

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying consolidated financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

We do not hold any derivative instruments and do not engage in any hedging activities.

Item 8. Financial Statements.

Our consolidated financial statements are contained in pages F-1 through F-24 which appear at the end of this Annual Report.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

There are no reportable events under this item for the year ended December 31, 2014.

Item 9A. Controls and Procedures.

(a) EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Based on their evaluation as of the end of the period covered by this Annual Report on Form 10-K, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(c) and 15d-15(e) under the Exchange Act) are effective to ensure that information required to be disclosed by us in report that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms and to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act 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.

(b) MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

This Company's management is responsible for establishing and maintaining internal controls over financial reporting and disclosure controls. Internal Control Over Financial Reporting is a process designed by, or under the supervision of, the Company's principal executive and principal financial officers, or persons performing similar functions, and effected by the issuer's board of directors, management and other personnel, 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 and includes those policies and procedures that:

- (1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the issuer;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the issuer are being made only in accordance with authorizations of management and directors of the registrant; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the issuer's assets that could have a material effect on the financial statements.

Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended, is appropriately recorded, processed, summarized and reported within the specified time periods.

Management has conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2013, based on the framework established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Based on this assessment, management concluded as of December 31, 2014 that our internal control over financial reporting was effective.

This annual report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting because we are a "smaller reporting company." Our management's report was not subject to attestation by our independent registered public accounting firm pursuant to rules of the SEC that permit us to provide only management's report in this annual report.

(c) CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

During the fiscal year ended December 31, 2014, the Company continued to add and document internal controls over financial reporting. The Company established and added additional corporate governance measures, developed and documented a financial closing process and schedule, as well as a responsibility and review workflow.

Item 9B. Other Information.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Directors and Executive Officers

The following table discloses our directors and executive officers as of March 13, 2015. There are no familial relationships between or among the directors or executive officers of the Company.

<u>Name</u>	<u>Age</u>	<u>Title</u>
John M. Macaluso	58	Chief Executive Officer, Chairman
John Maatta	62	Director
Greg Suess	42	Director
Vadim Mats	30	Director
Paul L. Kessler	54	Director
Kenneth Shamus	44	Director

John M. Macaluso, age 58, Chief Executive Officer, Director

John M. Macaluso has served as a member of our Board since May 13, 2011. Mr. Macaluso is the founder, sole owner and Chief Executive Officer of California Concepts, a domestic manufacturer of domestic and imported women's and girls' clothing, which operated as such from 1987 through 2007. In 2007, Mr. Macaluso exited the clothing business and transitioned California Concepts into a real estate development business, managing projects in Los Angeles, Las Vegas and Big Sky, Montana at the Yellowstone Club, among others.

The Board believes that Mr. Macaluso's business experience with managing gross profit margins, markdown allowances, budgets and negotiating effective costs of goods purchased will be a significant asset to the Company with respect to, among other things, its operating budget as a growing public company.

Mr. John D. Maatta, age 62, Director

John D. Maatta has been a member of our Board since May 25, 2011. Mr. Maatta is currently practicing law at Greenberg, Traurig, LLP. Formerly, Mr. Maatta was EVP of The CW Television Network and prior to that he was the Chief Operating Officer of The CW Network, which is America's fifth broadcast network and a network that focuses substantially on targeting young adults between the ages of 18 and 34. From September 2005 through September 2006, Mr. Maatta served as the Chief Operating Officer of The WB, a Warner Bros. television network ("The WB"), where he had direct oversight of all business and operations departments, such as business affairs, finance, network distribution (which included The WB 100+ station group), technology, legal, research, network operations, broadcast standards and human resources. While Chief Operating Officer at The WB, Mr. Maatta also served as The WB's General Counsel. Mr. Maatta is currently a director of Trader Vic's, Inc., a Polynesian-style restaurant chain, a position he has held since 1998. Mr. Maatta received a Bachelor of Arts in Government from the University of San Francisco in 1974, and a Juris Doctorate from the University of California, Hastings College of the Law, in 1977.

The Board believes that Mr. Maatta's experience with operating companies in the entertainment industry and his contacts in the industry will be an important factor in the Company's growth as a digital entertainment and event company.

Greg Suess, age 42, Director

Greg Suess has been a director of our Company since May 9, 2011. In 2000, he founded ROAR, a Beverly Hills-based management and consulting company that focuses on media and entertainment and provides comprehensive management services for its clients, including talent and brand management, managing partnerships, strategic alliances and marketing strategies that engage consumers through entertainment, music and lifestyle experiences. Mr. Suess is, and has been since inception, a partner at ROAR. Since 1997, Mr. Suess has been with the law firm of Glaser, Weil, Fink, Howard, Avchen & Shapiro, LLP, where he is currently Partner and focuses on general corporate law and media and entertainment. Mr. Suess holds a Bachelor of Science from the University of Southern California (Lloyd Greif Center for Entrepreneurial Studies), and holds a JD/MBA from Pepperdine University. He is a member of the State Bar of California.

The Board believes that Mr. Suess' extensive experience and background in the media and entertainment industry complements the Company's events business and its new initiatives and will provide a significant contribution to the Company's growth.

Vadim Mats, age 30, Director

Vadim Mats has been a director of our Company since January 14, 2011. On January 28, 2013, Mr. Mats was appointed as Chief Financial Officer of Point Capital, Inc. Mr. Mats is also, and has been since June 28, 2010, the Chief Financial Officer of FWS Capital Ltd. Prior to joining FWS Capital Ltd., Mr. Mats served as an accounting consultant to various companies from December 2009 until June 2010. Mr. Mats was also previously the assistant controller at Eton Park Capital Management, a multi-strategy fund, from July 16, 2007 to December 1, 2009. From June 2006 to July 2007, Mr. Mats was a senior fund accountant at The Bank of New York Mellon, where he was responsible for over fifteen funds. Mr. Mats graduated *cum laude* from the Zicklin School of Business at Bernard Baruch College with a Bachelor's degree in Business Administration, specializing in finance and investments and holds a Master of Science in accounting and finance from the Zicklin School of Business at Bernard Baruch College. Further, Mr. Mats is a CAIA Charter Holder.

Mr. Mats' extensive experience and background in finance, accounting and investment funds will be a significant asset to the Company's operation as a public company.

Paul L. Kessler, age 54

Paul L. Kessler, age 54, combines over 25 years of experience as an investor, financier and venture capitalist. In 2000, Mr. Kessler founded Bristol Capital Advisors, LLC, a Los Angeles based investment advisor, and has served as the Principal and Portfolio Manager from 2000 through the present. Mr. Kessler has broad experience in operating, financing, capital formation, negotiating, structuring and re-structuring investment transactions. He is involved in all aspects of the investment process including identification and engagement of portfolio companies. His investment experience encompasses both public and private companies. Mr. Kessler works actively worked with executives and boards of companies on corporate governance and oversight, strategic repositioning and alignment of interests with shareholders.

The Board believes that Mr. Kessler's extensive experience in matters including capital formation, corporate finance, investment banking, founder, owner, operator of successful companies, corporate governance, as well as his understanding of capital markets, will provide a significant contribution to the growth of the Company.

Kenneth Shamus, age 44

Kenneth Shamus, age 44, combines over 25 years of experience in the Toys & Collectibles Industry. From 1990 through present, Mr. Shamus is the Chief Executive Officer of ToyWiz, Inc., an online toys, action figures and trading card games company.

The Board believes that combination of Mr. Shamus's extensive experience in the pop culture space, including toys, games, action figures and collectible trading cards, and his business acumen brings a unique blend of skills to the Company and will help steer the Company's growth and development.

Family Relationships

There are no family relationships among our directors, executive officers, or persons nominated or chosen by the Company to become directors or executive officers. Kenneth Shamus is part of the family that owns Kicking the Can LLC, 4 Brothers LLC, It's All Normal, LLC and Pivot Media LLC.

Committees of the Board of Directors

Our Board currently has an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee.

Audit Committee

On March 17, 2013, the Board authorized the creation of an Audit Committee. Messrs. Mats, Shamus and Kessler were appointed initial members of the Audit Committee, with Mr. Mats serving as chairman. The Audit Committee has not yet adopted a written charter but its functions shall include: selecting our independent registered public accountants; reviewing the results and scope of the audit and other services provided by our independent registered public accountants; reviewing our financial statements for each interim period and for our year end and our internal financial and accounting controls; and recommending, establishing and monitoring the Company's disclosure controls and procedures. The Audit Committee held six meetings in 2014.

Compensation Committee

On March 17, 2013, the Board authorized the creation of a Compensation Committee. The Board appointed Messrs. Suess, Mats and Maatta as initial members, with Mr. Suess serving as Chairman. While the committee has not yet adopted a written charter, the Compensation Committee shall be responsible for establishing and administering our policies involving the compensation of all of our executive officers and establishing and recommending to our Board the terms and conditions of all employee and consultant compensation and benefit plans. The Compensation Committee held four meetings in 2014.

Nominating and Corporate Governance Committee

On March 13, 2014, the Board authorized the creation of a Nominating and Corporate Governance Committee. The Board has appointed Messrs. Maatta, Suess and Kessler as initial members, with Mr. Maatta serving as Chairman of the Committee. The Nominating and Corporate Governance Committee reviews and provides oversight with regard to the Company's corporate governance related policies and procedures and also recommends nominees to the Board and committees of the Board, develops and recommends to the Board corporate governance principles, and oversees the evaluation of the Board and management. The Nominating and Corporate Governance Committee held four meetings in 2014.

Committee Charters

The Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee have not yet adopted written charters which govern their conduct. The committees anticipate adopting such charters by the end of the next fiscal quarter.

Board Oversight in Risk Management

Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. We face a number of risks, including liquidity risk, operational risk, strategic risk and reputation risk. Our Chief Executive Officer also serves as one of our directors. In the context of risk oversight, at the present stage of our operations we believe that our selection of one person to serve in both positions provides the Board with additional perspective which combines the operational experience of a member of management with the oversight focus of a member of the Board. The business and operations of the Company are managed by our Board as a whole, including oversight of various risks that the Company faces.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Exchange Act requires the Company's directors, executive officers and persons who beneficially own 10% or more of a class of securities registered under Section 12 of the Exchange Act to file reports of beneficial ownership and changes in beneficial ownership with the SEC. Directors, executive officers and greater than 10% stockholders are required by the rules and regulations of the SEC to furnish the Company with copies of all reports filed by them in compliance with Section 16(a).

Based solely on our review of certain reports filed with the Securities and Exchange Commission pursuant to Section 16(a) of the Securities Exchange Act of 1934, as amended, the reports required to be filed with respect to transactions in our common stock during the fiscal year ended December 31, 2014, were timely, except for the failure of the non-employee directors to each file a Form 4 to report stock options granted to each non-employee director by the Company on May 9, 2014, and the failure of Kenneth Shamus to file a Form 4 for a transaction that occurred on September 23, 2014. The May 9, 2014 transactions were disclosed on a Form 5 for each non-employee director as filed with the SEC on February 17, 2015.

Code of Ethics

We have not yet adopted a code of ethics because we wanted to complete our constitution of the Board prior to adopting such code of ethics to allow the entire Board to review and approve a code of ethics.

Legal Proceedings

There are no material proceedings to which any director or officer, or any associate of any such director or officer, is a party that is adverse to our Company or any of our subsidiaries or has a material interest adverse to our Company or any of our subsidiaries. No director or executive officer has been a director or executive officer of any business which has filed a bankruptcy petition or had a bankruptcy petition filed against it during the past ten years. No director or executive officer has been convicted of a criminal offense or is the subject of a pending criminal proceeding during the past ten years. No director or executive officer has been the subject of any order, judgment or decree of any court permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities during the past ten years. No director or officer has been found by a court to have violated a federal or state securities or commodities law during the past ten years.

Item 11. Executive Compensation.

2014 SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
John M. Macaluso (1) Chief Executive Officer Chairman	2014	\$ 326,667	\$ 466,988	\$ 0	\$ 541,505	\$ 0	\$ 0	\$ 10,400	\$ 1,345,560
	2013	\$ 240,000	\$ 0	\$ 0	\$ 380,330	\$ 0	\$ 404,000	\$ 8,400	\$ 1,032,730
	2012	\$ 180,000	\$ 0	\$ 0	\$ 264,359	\$ 0	\$ 50,000	\$ 15,780	\$ 510,139

- (1) Mr. Macaluso was appointed as the Company's Chief Executive Officer on March 19, 2012. On October 10, 2012, Mr. Macaluso was appointed as the Company's Chairman of the Board.

Employment Agreement with John M. Macaluso

On September 16, 2014, the Company entered into an amended and restated employment agreement (the "Employment Agreement") with John Macaluso ("Macaluso") pursuant to which Macaluso shall continue to serve as the Company's President and Chief Executive Officer. The initial term of the Employment Agreement commenced on September 16, 2014 (the "Commencement Date") and shall expire on March 18, 2018 (the "Initial Term"). The Initial Term will be automatically extended for additional terms of one (1) year each (each a "Renewal Term" and together with the Initial Term, the "Term"), unless either the Company or Macaluso gives prior written notice of non-renewal to the other party no later than sixty (60) days prior to the expiration of the then current Term.

During the Term, the Company will pay Macaluso a base salary of \$41,666.67 per month (the "Base Salary") and a car allowance of \$1,200 per month. In addition, subject to the terms and conditions of the Employment Agreement, Macaluso will receive an annual bonus of equal to the following, calculated cumulatively: (i) when the Company achieves annual Adjusted EBITDA (as defined in the Employment Agreement) of between \$1.00 and \$1,000,000, Macaluso shall receive a cash bonus of 30% of such annual Adjusted EBITDA; (ii) when the Company achieves annual Adjusted EBITDA of between \$1,000,001 and \$2,000,000, the Executive shall receive an additional cash bonus of 20% of such annual Adjusted EBITDA which exceeds \$1,000,000; and (iii) when the Company achieves annual Adjusted EBITDA greater than \$2,000,000, the Executive shall receive an additional cash bonus of 10% of such annual Adjusted EBITDA which exceeds \$2,000,000.

Further, the Company granted to Macaluso options (the "Options") to purchase shares of the Company's common stock, par value \$0.0001 per share, which shall vest as follows: (i) 763,888 Options, which have already been issued to Macaluso pursuant to Macaluso's original employment agreement with the Company, dated March 19, 2012, and shall vest quarterly over the period ending March 18, 2015, at an exercise price of \$0.44 per share; (ii) 900,000 of the Options shall vest quarterly over the period beginning on March 19, 2015 and ending March 18, 2016, at an exercise price of \$1.00 per share; (iii) 900,000 of the Options shall vest quarterly over the period beginning on March 19, 2016 and ending March 18, 2017, at an exercise price of \$1.25 per share; and (iv) 900,000 of the Options which shall vest quarterly over the period beginning on March 18, 2017 and ending March 18, 2018, at an exercise price of \$1.50 per share.

Consulting Agreements

Michael Mathews

On March 23, 2011, the Company entered into a consulting agreement (the "Mathews Consulting Agreement") with Mr. Mathews, the Company's former Chairman, pursuant to which Mr. Mathews agreed to develop a digital platform for the Company and establish digital planning systems. The term of the Mathews Consulting Agreement was for a four (4) year period. As compensation for his services, Mr. Mathews was to receive a total of 1,000,000 shares of the Company's common stock. On February 27, 2014, the Company and Mr. Mathews executed a letter agreement memorializing the termination of the Mathews Consulting Agreement effective as of October 10, 2012. The Company and Mr. Mathews agreed to waive all compensation, fees, and penalties except for the 250,000 shares of the Company's common stock that was due to Mr. Mathews. On March 12, 2014, the Company issued Mr. Mathews 250,000 shares of the Company's common stock.

CA Concepts

On September 1, 2011, the Company entered into a verbal agreement with California Concepts, Inc. ("Concepts"), to provide consulting services to the Company. John M. Macaluso, the Company's Chief Executive Officer, was the Chief Executive Officer of Concepts. Pursuant to the terms of the consulting agreement, Concepts was to receive \$10,000 per month for the consulting services. On February 7, 2012, the Company entered into a formal written agreement, documenting the terms of the previous verbal agreement. On March 19, 2012, in conjunction with Mr. Macaluso's appointment as the Company's Chief Executive Officer, the consulting agreement with Concepts was terminated. Concepts received \$40,000 for services rendered during the fiscal year ended December 31, 2011. For the period from January 1, 2012, until March 19, 2012, Concepts received a total of \$25,384.79 for services rendered.

Outstanding Equity Awards

2014 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

Name (a)	OPTION AWARDS					STOCK AWARDS				
	Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number of Securities Underlying Unexercised Options (#) Unexercisable (c)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#) (d)	Option Exercise Price (\$) (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (#) (g)	Market Value of Shares or Units of Stock That Have Not Vested (\$) (h)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (i)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (#) (j)	
John M. Macaluso Chief Executive Office and Chairman	150,000	-	-	\$ 0.44	May 12, 2016	-	-	-	-	
John M. Macaluso Chief Executive Office and Chairman	2,554,110	195,890	195,890	\$ 0.44	March 19, 2017	-	-	-	-	
John M. Macaluso Chief Executive Office and Chairman	120,000	-	-	\$ 0.44	October 17, 2018	-	-	-	-	
John M. Macaluso Chief Executive Office and Chairman	173,455	726,545	726,545	\$ 1.00	March 18, 2016					
John M. Macaluso Chief Executive Office and Chairman	104,262	795,738	795,738	\$ 1.25	March 18, 2017					
John M. Macaluso Chief Executive Office and Chairman	74,531	825,469	825,469	\$ 1.50	March 18, 2018					

Director Compensation

The following summary compensation table sets forth all compensation awarded to, earned by, or paid to the named directors by us during the year ended December 31, 2014.

Name And Principal Position (a)	Year (b)	Salary (\$) (c)	Bonus (\$) (d)	Stock Awards (\$) (e)	Option Awards (\$) (f)	Non-Equity Incentive Plan Compensation (\$) (g)	All Other Compensation (\$) (h)	Total (\$) (i)
John M. Macaluso <i>Chairman</i>	2014	\$ -	\$ -	\$ -	\$ 4,816	\$ -	\$ 10,400	\$ 15,216
Greg Suess <i>Director</i>	2014	\$ 8,250	\$ -	\$ -	\$ 4,674	\$ -	\$ -	\$ 12,924
John Maatta <i>Director</i>	2014	\$ 9,500	\$ -	\$ -	\$ 5,170	\$ -	\$ -	\$ 14,670
Vadim Mats <i>Director</i>	2014	\$ 9,750	\$ -	\$ -	\$ 5,170	\$ -	\$ -	\$ 14,670
Paul L. Kessler <i>Director</i>	2014	\$ 9,000	\$ -	\$ -	\$ 14,551	\$ -	\$ -	\$ 23,551
Kenneth Shamus <i>Director</i>	2014	\$ 8,750	\$ -	\$ -	\$ 14,451	\$ -	\$ -	\$ 23,201

Director Agreements

The Company has entered into director agreements with each of its directors. Each director agreement commences on the date that the respective director was appointed a member of the Board and continues through the Company's next annual stockholders' meeting, unless automatically renewed at the option of the Board on such date that such director is re-elected to the Board. Pursuant to the director agreements entered into with our directors, each director is granted a non-qualified option to purchase up to 150,000 shares of the Company's common stock. Mr. Mats' director agreement provided for a quarterly issuance of 10,000 shares of restricted common stock. On April 11, 2012, Mr. Mats waived his right to receive the stock award granted to him under his director agreement going forward. On May 9, 2011, Mr. Mats was granted a non-qualified option to purchase 150,000 shares of the Company's common stock.

In conjunction with the director agreements, we entered into an indemnification agreement with each director that is effective during the term that such director serves as a member of the Board until six years thereafter. The indemnification agreement indemnifies the director to the fullest extent permitted under Delaware law for any claims arising out of, or resulting from, among other things, (i) any actual, alleged or suspected act or failure to act as a director or agent of the Company and (ii) any actual, alleged or suspected act or failure to act in respect of any business, transaction, communication, filing, disclosure or other activity of the Company. Further, the director is indemnified for any losses pertaining to such claims, provided, however, that the losses not include expenses incurred by the director in respect of any claim as which such director shall have been adjudged liable to the Company, unless the Delaware Chancery Court rules otherwise.

On May 5, 2014, the Board approved the granting to each of the five non-employee members of the Board on May 9, 2014, a non-qualified stock option to purchase up to three hundred thousand (300,000) shares of the Company's common stock at an exercise price of \$0.64 per share. Such options expire five years from the date of issuance and shall vest in equal amounts over a period of three (3) years at the rate of twenty-five thousand (25,000) shares per fiscal quarter at the end of such quarter, commencing in the quarter ended June 30, 2014, and pro-rated for the number of days each non-employee member of the Board serves on the Board during such fiscal quarter.

In addition, effective as of May 1, 2014, the non-employee members of the Board (i) for their participation in meetings of the Board and its committees, will be compensated \$1,000 for in person meeting, and \$250 - \$500 per telephonic meeting, depending on the length of the telephonic meeting, and (ii) will be provided a monthly retainer of \$750 per month.

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

Our authorized capital stock consists of 100,000,000 shares, of which 80,000,000 are for shares of common stock, par value \$0.0001 per share, and 20,000,000 are for shares of preferred stock, par value \$0.0001 per share, of which 50,000 have been designated as Series A Cumulative Convertible Preferred Stock. As of March 13, 2015, there were 51,358,386 shares of our common stock issued and outstanding, all of which were fully paid, non-assessable and entitled to vote. Each share of our common stock entitles its holder to one vote on each matter submitted to the stockholders.

The following table sets forth information as of March 13, 2015, with respect to the beneficial ownership of our common stock by (i) each of our officers and directors, (ii) our officers and directors as a group and (iii) each person known by us to beneficially own five percent (5%) or more of our outstanding common stock. Unless otherwise specified, the address of each of the persons set forth below is in care of Wizard World, Inc., 2201 Park Place, Suite 101, El Segundo, CA 90245.

<u>Title of Class</u>	<u>Name of Beneficial Owner (1)</u>	<u>Number of Shares</u>	<u>Percent of Class (2)</u>
Common	Vadim Mats, Director	68,000(3)	*%
Common	Greg Suess, Director	146,553(4)	*%
Common	John M. Macaluso, Chief Executive Officer, Chairman	8,450,213(5)	16.45%
Common	John Maatta, Director	2,500(6)	*%
Common	Paul L. Kessler, Director	8,389,268(7)	16.33%
Common	Kenneth Shamus, Director	1,462,750(8)	2.85%
Common	All officers and directors as a group (6 persons)	18,519,284	36.06%
Common	Gareb Shamus	9,575,000(9)	18.64%
Common	Eric Weisblum	2,950,000(10)	5.74%
Common	All officers, directors and 5% holders as a group (8 persons)	31,044,284	60.45%

* denotes less than 1%

- (1) Beneficial ownership generally includes voting or investment power with respect to securities. Unless otherwise indicated, each of the beneficial owners listed above has direct ownership of and sole voting power and investment power with respect to the securities. Beneficial ownership is determined in accordance with Rule 13d-3(d)(1) under the Exchange Act and includes securities for which the beneficial owner has the right to acquire beneficial ownership within 60 days.
- (2) Based on 51,358,386 shares of common stock issued and outstanding as of March 13, 2015.
- (3) This total does not include shares issuable upon exercise of an option for 450,000 shares of common stock, of which approximately 214,658 have vested.
- (4) Does not include shares issuable upon exercise of an option for 450,000 shares of common stock, of which approximately 214,658 have vested.
- (5) This total does not include (i) shares issuable upon exercise of an option for 150,000 shares of common stock, of which approximately 150,000 have vested, (ii) shares issuable upon exercise of an option for 2,750,000 shares of common stock, of which 2,674,656 have vested, (iii) shares issuable upon exercise of an option for 120,000 shares of common stock, of which approximately 120,000 have vested, (iv) shares issuable upon exercise of an option for 900,000, which shall be exercisable at a price per share of \$1.00 and shall vest quarterly over the period beginning on March 19, 2015 and ending March 18, 2016; (v) shares issuable upon exercise of an option for 900,000, which shall be exercisable at a price per share of \$1.25 and shall vest quarterly over the period beginning on March 19, 2016 and ending March 18, 2017, and (vi) shares issuable upon exercise of an option for 900,000, which shall be exercisable at a price per share of \$1.50 and shall vest quarterly over the period beginning on March 19, 2017 and ending March 18, 2018.

- (6) Does not include shares issuable upon exercise of an option for 450,000 shares of common stock, of which approximately 214,658 have vested.
- (7) The total consists of: (i) 7,278,568 shares owned by Bristol Investment Fund, Ltd., a Cayman Islands exempted company managed by Bristol Capital Advisors LLC (“Bristol Capital”), a Delaware limited liability company, of which Mr. Kessler, as the manager of Bristol Capital, acting alone, has voting and dispositive power over the shares beneficially owned; (ii) 444,000 shares owned by Bristol Capital, LLC, of which Mr. Kessler has voting and dispositive power over the shares beneficially owned, (iii) 78,700 shares owned by Paul Kessler IRA Rollover, of which Mr. Kessler, acting alone, has voting and dispositive power over the shares beneficially owned, and (iv) 588,000 shares owned by Bristol Capital Pension and Profit Sharing, of which Mr. Kessler, acting alone, has voting and dispositive power over the shares beneficially owned. This total does not include shares issuable upon exercise of an option for 450,000 shares of common stock, of which approximately 134,700 have vested.
- (8) This total does not include shares issuable upon exercise of an option for 450,000 shares of common stock, of which approximately 134,700 have vested. Mr. Shamus is part of the family that owns Kicking the Can LLC, 4 Brothers LLC, It’s All Normal, LLC and Pivot Media LLC.
- (9) This total consists of: (i) 3,351,250 shares of common stock owned by 4 Brothers LLC, a Delaware limited liability company, (ii) 3,830,000 shares of common stock owned by Pivot Media LLC, a Delaware limited liability company, and (iii) 2,393,750 shares of common stock owned by It’s All Normal LLC, a Delaware limited liability company. Mr. Shamus is the managing member of 4 Brothers LLC, Pivot Media LLC, and It’s All Normal LLC, respectively, and, acting alone, has voting and dispositive power over the shares beneficially owned by 4 Brothers LLC, Pivot Media LLC, and It’s All Normal LLC, respectively.
- (10) This total consists of: (i) 1,950,000 shares of common stock directly owned by Eric Weisblum, and (ii) 1,000,000 shares of common stock owned by Gem Funding, LLC, a Delaware limited liability company (“GEM”). Corie Weisblum, the wife of Eric Weisblum, is the managing member of GEM.

Stock Option Issuances Under the 2011 Incentive Compensation and Award Plan

Option Grants

On May 9, 2011, as subsequently amended on September 14, 2011, April 11, 2012, July 9, 2012 and September 25, 2014, we adopted the 2011 Incentive Stock and Award Plan, which was authorized and approved by the Board, and have granted to all directors options to purchase our common stock pursuant to the terms of their employment, consulting and/or director agreements.

In conjunction with the director agreements and indemnification agreements described above, we entered into a Non-qualified Stock Option Agreement (“Stock Option Agreement”) with each director, pursuant to which the director was granted a non-qualified stock purchase option (the “Non-qualified Option”) to purchase up to an aggregate of one hundred fifty thousand (150,000) shares of our common stock, subject to the terms and conditions of the Plan. The exercise price for the Non-qualified Option is the closing price of the Company’s common stock on the execution date of the director agreement. The Non-qualified Option is exercisable for a period of five years and vests in equal amounts over a period of three (3) years at the rate of twelve thousand five hundred (12,500) shares per fiscal quarter at the end of such quarter, and pro-rated for the number of days the director served on the Board during such fiscal quarter. Notwithstanding the foregoing, if the director ceases to be a member of Board at any time during the three (3)-year vesting period for any reason (such as resignation, withdrawal, death, disability or any other reason), then any un-vested portion of the Non-qualified Option shall be irrefutably forfeited.

On May 5, 2014, the Board approved the granting to each of the five non-employee members of the Board on May 9, 2014, a Non-qualified Option to purchase up to three hundred thousand (300,000) shares of the Company's common stock subject to the terms and conditions of the Plan. The exercise price for the Non-qualified Options is \$0.64. The Non-qualified Option is exercisable for period of five (5) years from the date of issuance and such option shall vest in equal amounts over a period of three (3) years at the rate of twenty-five thousand (25,000) shares per fiscal quarter at the end of such quarter, commencing in the quarter ended June 30, 2014, and pro-rated for the number of days each non-employee member of the Board serves on the Board during such fiscal quarter.

In addition, in connection with Mr. Macaluso's Employment Agreement, the Company granted to Macaluso Options to purchase shares of the Company's common stock, par value \$0.0001 per share, which shall vest as follows: (i) 763,888 Options, which have already been issued to Macaluso pursuant to Macaluso's original employment agreement with the Company, dated March 19, 2012, and shall vest quarterly over the period ending March 18, 2015, at an exercise price of \$0.44 per share; (ii) 900,000 of the Options shall vest quarterly over the period beginning on March 19, 2015 and ending March 18, 2016, at an exercise price of \$1.00 per share; (iii) 900,000 of the Options shall vest quarterly over the period beginning on March 19, 2016 and ending March 18, 2017, at an exercise price of \$1.25 per share; and (iv) 900,000 of the Options which shall vest quarterly over the period beginning on March 18, 2017 and ending March 18, 2018, at an exercise price of \$1.50 per share.

Restricted Stock Awards

On March 23, 2011, the Company entered into a Consulting Agreement with the Company's former Chairman, Michael Mathews, pursuant to which Mr. Mathews agreed to, among other things, develop a digital platform for the Company and establish digital planning. The term of such agreement was for a four (4) year period. As compensation for his services, Mr. Mathews was to receive one million (1,000,000) restricted shares of the Company's common stock, issuable in four yearly installments. On February 27, 2014, the Company and Mr. Mathews executed a letter agreement memorializing the termination of the Consulting Agreement effective as of October 10, 2012. The Company and Mr. Mathews agreed to waive all compensation, fees, and penalties except for the 250,000 shares of the Company's common stock that was due to Mr. Mathews. On March 12, 2014, the Company issued Mr. Mathews 250,000 shares of the Company's common stock.

On January 14, 2011, the Company entered into a director agreement with Vadim Mats. The term of such agreement was for one year. As compensation for his services, Mr. Mats was to receive ten thousand (10,000) shares of the Company's restricted common stock, par value \$0.0001 per share at the end of every fiscal quarter during which he serves as a member of the Board. For any period during the term that Mr. Mats did not serve a full quarter, the amount of shares of common stock issued was to be pro-rated based on the number of days during such quarter that the Mr. Mats was a member of the Board. On April 11, 2012, Mr. Mats waived his right to receive the stock award granted to him under his director agreement going forward.

DESCRIPTION OF SECURITIES

General

Our authorized capital stock consists of 100,000,000 shares, of which 80,000,000 shares are common stock, par value \$0.0001 per share ("Common Stock") and 20,000,000 are for shares of preferred stock, par value \$0.0001 per share, of which 50,000 have been designated as Series A Cumulative Convertible Preferred Stock ("Series A Preferred Stock").

Common Stock

As of March 13, 2015, there were 51,358,386 shares of our common stock issued and outstanding held by 58 beneficial owners of record.

Voting Rights

Each share of stock entitles the holder to one vote for each share on all matters submitted to a stockholder vote. Directors are elected by a plurality of the votes of the shares present in person or represented by proxy at an annual shareholders' meeting and entitled to vote on the election of directors. Any other action shall be authorized by a majority of the votes cast, unless otherwise provided under the Delaware General Corporation Law. Holders of our stock representing a majority of the voting power of our capital stock issued, outstanding and entitled to vote, represented in person or by proxy, are necessary to constitute a quorum at any meeting of our stockholders.

Dividend Rights

Holders of our common stock are entitled to share in all dividends that our board of directors, in its discretion, declares from legally available funds, but only after we have satisfied our dividend obligations to the holders of our Series A Preferred Stock.

Liquidation Rights

In the event of a liquidation, dissolution or winding up, each outstanding share entitles its holder to participate pro rata in all assets that are legally available for distribution and remain after (i) payment of liabilities and (ii) payment in full of all amounts due to the holders of the Series A Preferred Stock (on an as converted basis).

Conversion and Redemption Rights

Holders of our common stock have no pre-emptive rights, no conversion rights and there are no redemption provisions applicable to our common stock.

Series A Cumulative Convertible Preferred Stock

Effective August 21, 2013, the Series A Preferred Shareholders (the "Series A Shareholders") of the Company converted all outstanding Series A Preferred Stock into approximately 9.5 million shares of Common Stock. In connection with the conversion of the Preferred Stock, the Company issued approximately 1.6 million shares of Common Stock as payment for accrued and unpaid dividends.

Common Stock Purchase Warrants

Effective August 21, 2013, the Series A Shareholders and certain other shareholders exchanged approximately 8.0 million outstanding Series A Common Stock Purchase Warrants for approximately 4.0 million shares of Common Stock. As of March 13, 2015, the Company has no warrants outstanding.

Non-Qualified Stock Options

Please refer to Item 5(d) of Part II above.

Anti-Takeover Provisions

Our charter and bylaws contain provisions that may make it more difficult for a third party to acquire or may discourage acquisition bids for us. Our Board may, without action of our stockholders, issue authorized but unissued shares of preferred stock. The existence of unissued preferred stock may enable the Board, without further action by the stockholders, to issue such stock to persons friendly to current management or to issue such stock with terms that could render more difficult or discourage an attempt to obtain control of us, thereby protecting the continuity of our management. Our shares of preferred stock could therefore be issued quickly with terms that could delay, defer, or prevent a change in control of us, or make removal of management more difficult.

Item 13. Certain Relationships and Related Transactions.

We present all possible transactions between us and our officers, directors and 5% stockholders, and our affiliates, to our Board for their consideration and approval. Any such transaction will require approval by a majority of the disinterested directors and such transactions will be on terms no less favorable than those available to disinterested third parties. During their years ended December 31, 2013 and 2014, the Company had the following transactions with related persons reportable under Item 404 of Regulation S-K:

On May 31, 2011, the Company entered into an agreement with ToyWiz, Inc. ("ToyWiz"), a company run by a director of the Company, to monetize the ToyWiz website. Under the terms of such agreement, ToyWiz is paid 50% of the advertising revenue attributable to the ToyWiz site, with a minimum guarantee of \$5,000 per month. This agreement is no longer in effect.

On September 1, 2012, the Company entered into an agreement with ROAR, LLC ("ROAR"), an entity which is partially owned by a director of the Company. ROAR agrees to provide the Company strategic management consulting services. The term is for three (3) months and following the initial three (3) months, month to month thereafter. The Company agrees to compensate ROAR with a \$7,500 per month payment (\$5,000 per month in 2013) and a 10% commission on any contractual introduction for business development introduced by ROAR.

Effective April 22, 2013, the Company entered into that certain commercial real estate lease, as lessee, with Bristol Capital, LLC, a Delaware limited liability company ("Bristol"), and 225 California Street, LLC, a California limited liability company ("225 California"), as lessors, for new office space located in El Segundo, California (the "Lease"), with each of Bristol and 225 California holding an undivided 50% tenant-in-common interest. Bristol and 225 California are managed by a member of the Board and the Company's Chief Executive Officer, respectively. Pursuant to the Lease, the Company shall pay base rent of \$6,900 per month and an initial security deposit of \$13,800 was required. The Company's entering into the Lease was approved by the disinterested members of the Board. In September 2014, the Company terminated the Lease without penalty and is no longer obligated for future payments.

Effective April 1, 2014, the Company entered into an agreement with Bristol pursuant to which Bristol agrees to provide the Company strategic management consulting services. The term of the agreement is month to month and Bristol shall receive a payment of \$5,000 per month.

Bristol and ROAR each received a 2.5% profits participation and ownership interest in CONtv.

Effective December 29, 2014, the Company and a member of the Board formed Wiz Wizard, LLC in the State of Delaware. The Company and the member of the Board each own 50% of the membership interest and shall allocate the profits and losses accordingly upon repayment of the initial capital contributions on a pro rata basis.

Director Independence

The common stock of the Company is currently quoted on the OTCBB and OTCQB, quotation systems which currently do not have director independence requirements. On an annual basis, each director and executive officer will be obligated to disclose any transactions with the Company in which a director or executive officer, or any member of his or her immediate family, have a direct or indirect material interest in accordance with Item 407(a) of Regulation S-K. Following completion of these disclosures, the Board will make an annual determination as to the independence of each director using the current standards for "independence" that satisfy the criteria for the Nasdaq.

As of March 13, 2015, the Board determined that the following directors are independent under these standards:

John Maatta, Greg Suess and Vadim Mats.

The Company has a standing Compensation Committee, a standing Audit Committee and a standing Nominating and Corporate Governance Committee. As of March 13, 2015, the Board has determined that all members of the Compensation Committee are independent, Mr. Mats is an independent member of the Audit Committee, and Messrs. Suess and Maatta are independent members of the Nominating and Corporate Governance Committee.

Item 14. Principal Accountant Fees and Services.

Audit Fees

(a) The aggregate fees billed by Li & Company, P.C. for the audit of the Company's financial statements for the fiscal years ended December 31, 2014 and 2013, were \$65,000 and \$63,000, respectively.

Audit Related Fees

(b) Li & Company, P.C. did not bill the Company any amounts for assurance and related services that were related to its audit or review of the Company's financial statements during the fiscal years ended December 31, 2014 and 2013, respectively.

Tax Fees

(c) The aggregate fees billed by Li & Company, P.C. for tax compliance, advice and planning were \$0 for the fiscal year ended December 31, 2014 and \$0 for the fiscal year ended December 31, 2013.

All Other Fees

(d) Li & Company, P.C. did not bill the Company for any products and services other than the foregoing during the fiscal years ended December 31, 2014 and 2013, respectively.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

Exhibit No.	Description
2.1	Share Purchase and Share Exchange Agreement, dated November 5, 2010, by and among GoEnergy, Inc., Strato Malamas, an individual and the majority stockholder of GoEnergy, Inc., Kick the Can Corp., a Nevada corporation, Kicking the Can, L.L.C., a Delaware limited liability company and the majority shareholder of Kick the Can Corp., and certain shareholders of Kick the Can Corp. that are signatories thereto (as filed as Exhibit 2.1 to the Company's Current Report on Form 8-K, filed with the SEC on November 16, 2010).
3.1	Certificate of Incorporation of GoEnergy, Inc. (as filed as Exhibit 1.1 to the Company's Registration Statement on Form SB-2, filed with the SEC on March 25, 2003).
3.2	Bylaws (as filed as Exhibit 2.1 to the Company's Registration Statement on Form SB-2, filed with the SEC on March 25, 2003).
3.3	Certificate of Amendment to the Certificate of Incorporation of GoEnergy, Inc., dated December 6, 2010 (as filed as Exhibit 3.3 to the Company's Current Report on Form 8-K, filed with the SEC on December 13, 2010).
3.4	Certificate of Correction, dated December 8, 2010 (as filed as Exhibit 3.4 to the Company's Current Report on Form 8-K, filed with the SEC on December 13, 2010).
3.5	Second Certificate of Correction filed January 20, 2011 (as filed as Exhibit 3.5 to the Company's Current Report on Form 8-K, filed with the SEC on January 25, 2011).
3.6	Certificate to set forth Designations, Voting Powers, Preferences, Limitations, Restrictions, and Relative Rights of Series A Cumulative Convertible Preferred Stock, \$0.0001 par value per share (as filed as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the SEC on December 13, 2010).
3.7	Certificate of Amendment to Certificate to set forth Designations, Voting Powers, Preferences, Limitations, Restrictions, and Relative Rights of Series A Cumulative Convertible Preferred Stock, \$.0001 par value per share (as filed as Exhibit 4.3 to the Company's Current Report on Form 8-K, filed with the SEC on April 25, 2011).
3.8	Certificate of Amendment to Certificate to set forth Designations, Voting Powers, Preferences, Limitations, Restrictions, and Relative Rights of Series A Cumulative Convertible Preferred Stock, \$.0001 par value per share (as filed as Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the SEC on March 30, 2012).
3.9	Amended and Restated Series A Certificate of Designations, dated March 29, 2012 (as filed as Exhibit 3.1 to the Company's Current Report on Form 8-K, filed on March 30, 2012).
4.1	Form of 2011 Series A Common Stock Purchase Warrant (as filed as Exhibit 4.2 to the Company's Current Report on Form 8-K, filed with the SEC on April 25, 2011).
4.2	Form of Convertible Promissory Note, dated August 19, 2011 (as filed as Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on August 30, 2011).
4.3	Form of Series A Common Stock Purchase Warrant (as filed as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the SEC on April 5, 2012).

- 4.4 Form of Senior Convertible Debenture (as filed as Exhibit 4.2 to the Company's Current Report on Form 8-K, filed with the SEC on April 5, 2012).
- 10.1 Director Agreement, dated January 18, 2011, by and between GoEnergy, Inc. and Vadim Mats (as filed as Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on January 18, 2011).
- 10.2 Director Agreement, dated March 23, 2011, by and between Wizard World, Inc. and Michael Mathews (as filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on March 25, 2011).
- 10.3 Consultant Agreement, dated March 23, 2011, by and between Wizard World, Inc. and Michael Mathews (as filed as Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on March 25, 2011).
- 10.4 Form of 2011 Series A Subscription Agreement (as filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on April 25, 2011).
- 10.5 Director Agreement, dated May 9, 2011, by between Wizard World, Inc. and Greg Suess (as filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on May 9, 2011).
- 10.6 2011 Stock Incentive and Award Plan (as filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on May 12, 2011)
- 10.7 Amendment to the 2011 Incentive Stock and Award Plan (as filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on September 15, 2011).
- 10.8 2011 Amended and Restated Stock Incentive and Award Plan. (as filed as Exhibit 10.8 to the Company's Annual Report on Form 10-K, filed with the SEC on April 16, 2012).
- 10.9 Form of Non-Qualified Stock Option Agreement (as filed as Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on May 12, 2011).
- 10.10 Director Agreement, dated May 13, 2011, by and between Wizard World, Inc. and John M. Macaluso (as filed as Exhibit 10.10 to the Company's Annual Report on Form 10-K, filed with the SEC on April 16, 2012).
- 10.11 Director Agreement, dated May 25, 2011, by and between Wizard World, Inc. and John Maatta (as filed as Exhibit 10.11 to the Company's Annual Report on Form 10-K, filed with the SEC on April 16, 2012).
- 10.12 Employment Agreement, dated May 25, 2011, by and between Wizard World, Inc. and Gareb Shamus (as filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on May 31, 2011).
- 10.13 Form of Subscription Agreement, dated August 19, 2011 (as filed as Exhibit 10.13 to the Company's Annual Report on Form 10-K, filed with the SEC on April 16, 2012).
- 10.14 Office Service Agreement, dated January 18, 2011, by and between Kick the Can Corp. and NYC Office Suites (as filed as Exhibit 10.11 to the Company's Current Report on Form 8-K, filed with the SEC on September 13, 2011).
- 10.15 Internet Domain Name Assignment Agreement, dated January 2011, by and between Gareb Shamus Enterprises, Inc. and Kick the Can Corp. (as filed as Exhibit 10.12 to the Company's Current Report on Form 8-K, filed with the SEC on September 13, 2011).

- 10.16 Mid-Ohio Acquisition Agreement, dated November 13, 2010, by and between Kicking the Can LLC and GCX Holdings LLC (as filed as Exhibit 10.15 to the Company's Current Report on Form 8-K/A, filed with the SEC on November 16, 2011).
- 10.17 Form of Senior Convertible Debenture, dated December 6, 2011 (as filed as Exhibit 10.17 to the Company's Annual Report on Form 10-K, filed with the SEC on April 16, 2012).
- 10.18 Subscription Agreement, dated December 21, 2011, by and between the Company and the Michael Mathews 2011 Children's GRAT (as filed as Exhibit 10.18 to the Company's Annual Report on Form 10-K, filed with the SEC on April 16, 2012).
- 10.19 Consultant Agreement, dated March 23, 2011, between Wizard World, Inc. and Michael Mathews (as filed as Exhibit 10.2 to the Company's Current Report on Form 8-K, filed on March 25, 2011).
- 10.20 Employment Agreement, dated March 19, 2012, by and between Wizard World, Inc. and John M. Macaluso, individually (as filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on March 19, 2012).
- 10.21 Option Agreement, dated March 19, 2012, by and between Wizard World, Inc. and John M. Macaluso, individually (as filed as Exhibit 10.2 to the Company's Current Report on Form 8-K, filed on March 19, 2012).
- 10.22 Indemnification Agreement, dated March 19, 2012, by and between Wizard World, Inc. and John M. Macaluso, individually (as filed as Exhibit 10.3 to the Company's Current Report on Form 8-K, filed on March 19, 2012).
- 10.23 Form of Subscription Agreement (as filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on April 5, 2012).
- 10.24 Second Amended and Restated 2011 Incentive Stock and Award Plan (as filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on July 13, 2012).
- 10.25 Director Agreement, dated March 17, 2013, by and between Wizard World, Inc. and Paul L. Kessler (as filed as Exhibit 10.25 to the Company's Annual Report on Form 10-K, filed with the SEC on April 1, 2013).
- 10.26 Director Agreement, dated March 17, 2013, by and between Wizard World, Inc. and Kenneth Shamus (as filed as Exhibit 10.26 to the Company's Annual Report on Form 10-K, filed with the SEC on April 1, 2013).
- 10.27 Director and Officer Indemnification, dated March 17, 2013, by and between Wizard World, Inc. and Paul L. Kessler (as filed as Exhibit 10.27 to the Company's Annual Report on Form 10-K, filed with the SEC on April 1, 2013).
- 10.28 Director and Officer Indemnification, dated March 17, 2013, by and between Wizard World, Inc. and Kenneth Shamus (as filed as Exhibit 10.28 to the Company's Annual Report on Form 10-K, filed with the SEC on April 1, 2013).
- 10.29 Non-Qualified Stock Option Agreement, dated March 17, 2013, by and between Wizard World, Inc. and Paul L. Kessler (as filed as Exhibit 10.29 to the Company's Annual Report on Form 10-K, filed with the SEC on April 1, 2013).
- 10.30 Non-Qualified Stock Option Agreement, dated March 17, 2013, by and between Wizard World, Inc. and Kenneth Shamus (as filed as Exhibit 10.30 to the Company's Annual Report on Form 10-K, filed with the SEC on April 1, 2013).

10.31	Form of Commercial Real Estate Lease by and between Bristol Capital, LLC and 225 California Street, LLC, as lessors, and Wizard World, Inc., as lessee (as filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on April 24, 2013).
10.32	Amended and Restated Employment Agreement, dated September 16, 2014, by and between Wizard World, Inc. and John Macaluso, individually (as filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on September 19, 2014)
10.33	2011 Third Amended and Restated Stock Incentive and Award Plan. (as filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on September 29, 2014)
17.1	Letter of Resignation from Michael Mathews, dated October 10, 2012 (as filed as Exhibit 99.1 to the Company's Current Report on Form 8-K, filed with the SEC on October 18, 2012).
21.1	Subsidiaries*
31.1	Certification by the Principal Executive Officer of Registrant pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rule 13a-14(a) or Rule 15d-14(a)) *
31.2	Certification by the Principal Financial Officer of Registrant pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rule 13a-14(a) or Rule 15d-14(a))*
32.1	Certification by the Principal Executive Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
32.2	Certification by the Principal Financial Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 *
101.INS	XBRL Instance Document *
101.SCH	XBRL Taxonomy Extension Schema *
101.CAL	XBRL Taxonomy Extension Calculation Linkbase *
101.DEF	XBRL Taxonomy Extension Definition Linkbase *
101.LAB	XBRL Taxonomy Extension Label Linkbase *
101.PRE	XBRL Taxonomy Extension Presentation Linkbase *

* filed herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WIZARD WORLD, INC.

Date: March 17, 2015

By: /s/ John M. Macaluso
Name: John M. Macaluso
Title: Chief Executive Officer
(Principal Executive Officer)
(Principal Financial Officer)
(Principal Accounting Officer)

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/ John M. Macaluso</u> John M. Macaluso	Chief Executive Officer, Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer, Chairman of the Board	March 17, 2015
<u>/s/ John Maatta</u> John Maatta	Director	March 17, 2015
<u>/s/ Vadim Mats</u> Vadim Mats	Director	March 17, 2015
<u>/s/ Greg Suess</u> Greg Suess	Director	March 17, 2015
<u>/s/ Paul L. Kessler</u> Paul L. Kessler	Director	March 17, 2015
<u>/s/ Kenneth Shamus</u> Kenneth Shamus	Director	March 17, 2015

Wizard World, Inc.

December 31, 2014 and 2013

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Wizard World, Inc.

We have audited the accompanying consolidated balance sheets of Wizard World, Inc. (the "Company") as of December 31, 2014 and 2013 and the related consolidated statements of operations, stockholders' equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2014 and 2013 and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ Li and Company, PC

Li and Company, PC

Skillman, New Jersey
March 17, 2015

Wizard World, Inc.
Consolidated Balance Sheets

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Assets		
Current Assets		
Cash	\$ 5,790,724	\$ 3,633,846
Accounts receivable, net	-	17,757
Inventory	-	27,002
Prepaid expenses	1,977,360	620,188
Total Current Assets	<u>7,768,084</u>	<u>4,298,793</u>
Property and equipment, net	264,742	50,960
Investment	24,997	-
Investment in CONtv joint venture	117,507	-
Security deposit	<u>20,066</u>	<u>34,800</u>
Total Assets	<u>\$ 8,195,396</u>	<u>\$ 4,384,553</u>
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 1,594,341	\$ 1,230,799
Unearned convention revenue	2,022,235	861,627
Due to CONtv joint venture	<u>313,412</u>	<u>-</u>
Total Current Liabilities	<u>3,929,988</u>	<u>2,092,426</u>
Total Liabilities	<u>3,929,988</u>	<u>2,092,426</u>
Commitments and contingencies		
Stockholders' Equity		
Preferred stock par value \$0.0001: 20,000,000 shares authorized; 50,000 shares designated		
Series A convertible preferred stock par value \$0.0001: 50,000 shares designated; 39,101 shares issued and converted	-	-
Common stock par value \$0.0001: 80,000,000 shares authorized; 51,358,386 and 51,104,024 shares issued and outstanding, respectively	5,137	5,111
Additional paid-in capital	16,021,400	15,043,762
Accumulated deficit	<u>(11,761,129)</u>	<u>(12,756,746)</u>
Total Stockholders' Equity	<u>4,265,408</u>	<u>2,292,127</u>
Total Liabilities and Stockholders' Equity	<u>\$ 8,195,396</u>	<u>\$ 4,384,553</u>

See accompanying notes to the consolidated financial statements

Wizard World, Inc.
Consolidated Statements of Operations

	For the Year Ended	
	December 31, 2014	December 31, 2013
Convention revenue	\$ 23,060,178	\$ 11,186,134
Cost of revenue	<u>14,768,763</u>	<u>6,921,044</u>
Gross margin	8,291,415	4,265,090
Operating expenses		
Compensation	4,452,461	1,892,894
Consulting fees	419,162	1,040,925
General and administrative	<u>1,951,630</u>	<u>987,766</u>
Total operating expenses	<u>6,823,253</u>	<u>3,921,585</u>
Income from operations	<u>1,468,162</u>	<u>343,506</u>
Other income (expenses)		
Interest expense	(11,798)	(10,288)
Change in the fair value of derivative liabilities	-	(3,970,952)
Loss on CONtv joint venture	<u>(460,747)</u>	<u>-</u>
Other income (expenses), net	<u>(472,545)</u>	<u>(3,981,240)</u>
Income (loss) before income tax provision	995,617	(3,637,735)
Income tax provision	<u>-</u>	<u>-</u>
Net income (loss)	995,617	(3,637,735)
Deemed dividend on Series A Convertible Preferred Stock	<u>-</u>	<u>(242,482)</u>
Net income (loss) attributable to common stockholders	<u>\$ 995,617</u>	<u>\$ (3,880,217)</u>
Earnings per share		
Basic	<u>\$ 0.02</u>	<u>\$ (0.09)</u>
Diluted	<u>\$ 0.02</u>	<u>\$ (0.09)</u>
Weighted average common shares outstanding - basic	<u>51,294,175</u>	<u>41,367,509</u>
Weighted average common shares outstanding - diluted	<u>55,584,150</u>	<u>41,367,509</u>

See accompanying notes to the consolidated financial statements

Wizard World, Inc.
Consolidated Statement of Stockholders' Equity (Deficit)
For the Year Ended December 31, 2014 and 2013

	Preferred Stock Par Value \$0.0001		Common Stock Par Value \$0.0001		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount			
Balance - December 31, 2012	39,101	\$ 4	35,794,878	\$ 3,580	\$ 5,119,726	\$ (8,876,529)	\$ (3,753,219)
Conversion of preferred shares, warrants and accrued dividends	(39,101)	(4)	15,309,146	1,531	627,997		629,524
Extinguishment of derivative liability associated with conversion of preferred shares, warrants and accrued dividends					8,754,987		8,754,987
Stock issuance costs					(120,750)		(120,750)
Share-based compensation					661,802		661,802
Deemed dividend						(242,482)	(242,482)
Net loss						(3,637,735)	(3,637,735)
Balance - December 31, 2013	-	\$ -	51,104,024	\$ 5,111	\$ 15,043,762	\$ (12,756,746)	\$ 2,292,127
Settlement of liability			250,000	25	103,725		103,750
Share-based compensation			16,862	2	873,912		873,914
Cancellation of shares erroneously issued			(12,500)	(1)	1		-
Net income						995,617	995,617
Balance - December 31, 2014	-	\$ -	51,358,386	\$ 5,137	\$ 16,021,400	\$ (11,761,129)	\$ 4,265,408

See accompanying notes to the consolidated financial statements

Wizard World, Inc.
Consolidated Statements of Cash Flows

	For the Year Ended	
	December 31, 2014	December 31, 2013
Cash Flows From Operating Activities:		
Net income (loss)	\$ 995,617	\$ (3,637,735)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	45,493	7,296
Change in fair value of derivative liabilities	-	3,970,952
Share based payments	873,914	661,802
Changes in operating assets and liabilities:		
Accounts receivable	17,757	22,788
Inventory	27,002	(27,002)
Prepaid expenses	(1,357,173)	(358,155)
Security deposit	14,734	(19,680)
Accounts payable and accrued liabilities	467,293	426,004
Unearned convention revenue	1,160,608	685,435
Net Cash Provided by Operating Activities	2,245,245	1,731,705
Cash Flows from Investing Activities:		
Purchase of property and equipment	(259,275)	(54,919)
Investment in CONtv joint venture - net	195,905	-
Investment	(24,997)	-
Net Cash Used In Investing Activities	(88,367)	(54,919)
Net change in cash	2,156,878	1,676,786
Cash at beginning of reporting period	3,633,846	1,957,060
Cash at end of reporting period	\$ 5,790,724	\$ 3,633,846
Supplemental disclosures of cash flow information:		
Interest paid	\$ -	\$ -
Income tax paid	\$ 575,000	\$ -
Supplemental disclosure of non-cash investing and financing activities:		
Conversion of accrued dividends to common stock	\$ -	\$ 629,524
Conversion of preferred stock to common stock	\$ -	\$ 100,000
Extinguishment of derivative liability	\$ -	\$ 8,754,987
Restructure costs billed but unpaid	\$ -	\$ 120,750
Issuance of common stock for settlement of accrued liabilities	\$ 103,750	\$ -
Deemed dividend	\$ -	\$ 242,482

See accompanying notes to the consolidated financial statements

Note 1 - Organization and Operations

Wizard World, Inc.

Wizard World, Inc., formerly GoEnergy, Inc. (“Wizard World” or the “Company”) was incorporated on May 2, 2001, under the laws of the State of Delaware.

Kick the Can Corp.

Kick The Can Corp. was incorporated on September 20, 2010, under the laws of the State of Nevada.

Kicking the Can, L.L.C.

Kicking The Can, L.L.C. was formed on April 17, 2009, under the laws of the State of Delaware.

Wizard Conventions, Inc.

Wizard Conventions, Inc. was incorporated on February 28, 1997, under the laws of the State of New York. The Company is a producer of pop culture and live multimedia conventions across North America that provides a social networking and entertainment venue for popular fiction enthusiasts of movies, TV shows, video games, technology, toys, social networking/gaming platforms, comic books and graphic novels.

Acquisition of Kick the Can Corp. / Wizard Conventions, Inc. Recognized as a Reverse Acquisition

On December 7, 2010, the Company entered into and consummated a share exchange agreement (“Share Exchange Agreement”) with successor, Kick the Can Corp. (“KTC Corp.”) and its predecessors Wizard Conventions, Inc. and Kicking The Can, L.L.C. (collectively, “Conventions”). Pursuant to the Exchange Agreement, the Company issued 32,927,596 shares of its common stock to the KTC Corp. shareholders in exchange for 100% of the issued and outstanding shares of KTC Corp. The shares issued represented approximately 94.9% of the issued and outstanding common stock immediately after the consummation of the Share Exchange Agreement.

As a result of the controlling financial interest of the former stockholder of Conventions, for financial statement reporting purposes, the merger between the Company and Conventions has been treated as a reverse acquisition with KTC Corp. deemed the accounting acquirer and the Company deemed the accounting acquiree under the acquisition method of accounting in accordance with section 805-10-55 of the FASB Accounting Standards Codification. The reverse merger is deemed a capital transaction and the net assets of KTC Corp. (the accounting acquirer) are carried forward to the Company (the legal acquirer and the reporting entity) at their carrying value before the combination. The acquisition process utilizes the capital structure of the Company and the assets and liabilities of KTC Corp. which are recorded at historical cost. The equity of the Company is the historical equity of KTC Corp. retroactively restated to reflect the number of shares issued by the Company in the transaction. Because of the predecessor/successor relationship between the Company and KTC Corp., Conventions ultimately became the accounting acquirer.

Wizard World Digital, Inc.

On March 18, 2011, the Company formed a wholly owned subsidiary called Wizard World Digital, Inc., a Nevada corporation (“Digital”). Digital never commenced operations or has employees, and Digital is currently dormant, pending execution of a digital strategy.

Wiz Wizard, LLC

Effective December 29, 2014, the Company and a member of the Board of Directors (the “Board”) of the Company formed Wiz Wizard, LLC in the State of Delaware. The Company and the member of the Board each own 50% of the membership interest and shall allocate the profits and losses accordingly upon repayment of the initial capital contributions on a pro rata basis.

Note 2 - Significant and Critical Accounting Policies and Practices

The management of the Company is responsible for the selection and use of appropriate accounting policies and the appropriateness of accounting policies and their application. Critical accounting policies and practices are those that are both most important to the portrayal of the Company’s financial condition and results and require management’s most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The Company’s significant and critical accounting policies and practices are disclosed below as required by generally accepted accounting principles.

Basis of Presentation

The Company's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Use of Estimates and Assumptions and Critical Accounting Estimates and Assumptions

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date(s) of the financial statements and the reported amounts of revenues and expenses during the reporting period(s).

Critical accounting estimates are estimates for which (a) the nature of the estimate is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change and (b) the impact of the estimate on financial condition or operating performance is material. The Company's critical accounting estimates and assumptions affecting the financial statements were:

- (i) *Allowance for doubtful accounts*: Management's estimate of the allowance for doubtful accounts is based on historical sales, historical loss levels, and an analysis of the collectability of individual accounts; and general economic conditions that may affect a client's ability to pay. The Company evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.
- (ii) *Inventory Obsolescence and Markdowns*: The Company's estimate of potentially excess and slow-moving inventories is based on evaluation of inventory levels and aging, review of inventory turns and historical sales experiences. The Company's estimate of reserve for inventory shrinkage is based on the historical results of physical inventory cycle counts.
- (iii) *Fair value of long-lived assets*: Fair value is generally determined using the asset's expected future discounted cash flows or market value, if readily determinable. If long-lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long-lived assets are depreciated over the newly determined remaining estimated useful lives. The Company considers the following to be some examples of important indicators that may trigger an impairment review: (i) significant under-performance or losses of assets relative to expected historical or projected future operating results; (ii) significant changes in the manner or use of assets or in the Company's overall strategy with respect to the manner or use of the acquired assets or changes in the Company's overall business strategy; (iii) significant negative industry or economic trends; (iv) increased competitive pressures; (v) a significant decline in the Company's stock price for a sustained period of time; and (vi) regulatory changes. The Company evaluates acquired assets for potential impairment indicators at least annually and more frequently upon the occurrence of such events.
- (iv) *Valuation allowance for deferred tax assets*: Management assumes that the realization of the Company's net deferred tax assets resulting from its net operating loss ("NOL") carry-forwards for Federal income tax purposes that may be offset against future taxable income was not considered more likely than not and accordingly, the potential tax benefits of the net loss carry-forwards are offset by a full valuation allowance. Management made this assumption based on (a) the Company has incurred recurring losses, (b) general economic conditions, and (c) its ability to raise additional funds to support its daily operations by way of a public or private offering, among other factors.
- (v) *Estimates and assumptions used in valuation of equity instruments*: Management estimates expected term of share options and similar instruments, expected volatility of the Company's common shares and the method used to estimate it, expected annual rate of quarterly dividends, and risk free rate(s) to value share options and similar instruments.

These significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to these estimates or assumptions, and certain estimates or assumptions are difficult to measure or value.

Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable in relation to the financial statements taken as a whole under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Management regularly evaluates the key factors and assumptions used to develop the estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such evaluations, if deemed appropriate, those estimates are adjusted accordingly.

Actual results could differ from those estimates.

Principles of Consolidation

The Company applies the guidance of Topic 810 "Consolidation" of the FASB Accounting Standards Codification to determine whether and how to consolidate another entity. Pursuant to ASC Paragraph 810-10-15-10, all majority-owned subsidiaries—all entities in which a parent has a controlling financial interest—shall be consolidated except (1) when control does not rest with the parent, the majority owner; (2) if the parent is a broker-dealer within the scope of Topic 940 and control is likely to be temporary; (3) consolidation by an investment company within the scope of Topic 946 of a non-investment-company investee. Pursuant to ASC Paragraph 810-10-15-8, the usual condition for a controlling financial interest is ownership of a majority voting interest, and, therefore, as a general rule ownership by one reporting entity, directly or indirectly, of more than 50 percent of the outstanding voting shares of another entity is a condition pointing toward consolidation. The power to control may also exist with a lesser percentage of ownership, for example, by contract, lease, agreement with other stockholders, or by court decree. The Company consolidates all less-than-majority-owned subsidiaries, if any, in which the parent's power to control exists.

The consolidated financial statements include all accounts of the entities as of the reporting period ending date(s) and for the reporting period(s) as follows:

<u>Name of consolidated subsidiary or entity</u>	<u>State or other jurisdiction of incorporation or organization</u>	<u>Date of incorporation or formation (date of acquisition, if applicable)</u>	<u>Attributable interest</u>
KTC Corp.	The State of Nevada, U.S.A.	September 20, 2010	100%
Kicking the Can LLC.	The State of Delaware, U.S.A.	April 17, 2009	100%
Wizard Conventions, Inc.	The State of New York, U.S.A.	February 28, 1997	100%
Wizard World Digital, Inc.	The State of Nevada, U.S.A.	March 18, 2011	100%
CON TV LLC	The State of Delaware, U.S.A.	August 27, 2014	47.5%
Wiz Wizard, LLC	The State of Delaware, U.S.A.	December 29, 2014	50%

All inter-company balances and transactions have been eliminated.

Fair Value of Financial Instruments

The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and paragraph 820-10-35-37 of the FASB Accounting Standards Codification ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in U.S. GAAP, and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three (3) levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

- Level 1 Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.
- Level 3 Pricing inputs that are generally unobservable and not corroborated by market data.

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

The carrying amount of the Company's financial assets and liabilities, such as cash, accounts receivable, prepaid expenses, accounts payable and accrued liabilities, and unearned convention revenue approximate their fair value because of the short maturity of those instruments.

Transactions involving related parties cannot be presumed to be carried out on an arm's-length basis, as the requisite conditions of competitive, free-market dealings may not exist. Representations about transactions with related parties, if made, shall not imply that the related party transactions were consummated on terms equivalent to those that prevail in arm's-length transactions unless such representations can be substantiated.

Fair Value of Non-Financial Assets or Liabilities Measured on a Recurring Basis

The Company's non-financial assets include inventory. The Company identifies potentially excess and slow-moving inventory by evaluating turn rates, inventory levels and other factors. Excess quantities are identified through evaluation of inventory aging, review of inventory turns and historical sales experiences. The Company provides lower of cost or market reserves for such identified excess and slow-moving inventories. The Company establishes a reserve for inventory shrinkage, if any, based on the historical results of physical inventory cycle counts.

Carrying Value, Recoverability and Impairment of Long-Lived Assets

The Company has adopted Section 360-10-35 of the FASB Accounting Standards Codification for its long-lived assets. Pursuant to ASC Paragraph 360-10-35-17, an impairment loss shall be recognized only if the carrying amount of a long-lived asset (asset group) is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset (asset group) is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset (asset group). That assessment shall be based on the carrying amount of the asset (asset group) at the date it is tested for recoverability. An impairment loss shall be measured as the amount by which the carrying amount of a long-lived asset (asset group) exceeds its fair value. Pursuant to ASC Paragraph 360-10-35-20, if an impairment loss is recognized, the adjusted carrying amount of a long-lived asset shall be its new cost basis. For a depreciable long-lived asset, the new cost basis shall be depreciated (amortized) over the remaining useful life of that asset. Restoration of a previously recognized impairment loss is prohibited.

Pursuant to ASC Paragraph 360-10-35-21, the Company's long-lived asset (asset group) is tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The Company considers the following to be some examples of such events or changes in circumstances that may trigger an impairment review: (a) significant decrease in the market price of a long-lived asset (asset group); (b) a significant adverse change in the extent or manner in which a long-lived asset (asset group) is being used or in its physical condition; (c) a significant adverse change in legal factors or in the business climate that could affect the value of a long-lived asset (asset group), including an adverse action or assessment by a regulator; (d) an accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of a long-lived asset (asset group); (e) a current-period operating or cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with the use of a long-lived asset (asset group); and (f) a current expectation that, more likely than not, a long-lived asset (asset group) will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. The Company tests its long-lived assets for potential impairment indicators at least annually and more frequently upon the occurrence of such events.

Pursuant to ASC Paragraphs 360-10-45-4 and 360-10-45-5, an impairment loss recognized for a long-lived asset (asset group) to be held and used shall be included in income from continuing operations before income taxes in the income statement of a business entity. If a subtotal such as income from operations is presented, it shall include the amount of that loss. A gain or loss recognized on the sale of a long-lived asset (disposal group) that is not a component of an entity shall be included in income from continuing operations before income taxes in the income statement of a business entity. If a subtotal such as income from operations is presented, it shall include the amounts of those gains or losses.

Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts

Pursuant to FASB ASC Paragraph 310-10-35-47, trade receivables that management has the intent and ability to hold for the foreseeable future shall be reported in the balance sheet at outstanding principal adjusted for any charge-offs and the allowance for doubtful accounts. The Company follows FASB ASC Paragraphs 310-10-35-7 through 310-10-35-10 to estimate the allowance for doubtful accounts. Pursuant to FASB ASC Paragraph 310-10-35-9, losses from uncollectible receivables shall be accrued when both of the following conditions are met: (a) information available before the financial statements are issued or are available to be issued (as discussed in Section 855-10-25) indicates that it is probable that an asset has been impaired at the date of the financial statements, and (b) the amount of the loss can be reasonably estimated. Those conditions may be considered in relation to individual receivables or in relation to groups of similar types of receivables. If the conditions are met, accrual shall be made even though the particular receivables that are uncollectible may not be identifiable. The Company reviews individually each trade receivable for collectability and performs on-going credit evaluations of its customers and adjusts credit limits based upon payment history and the customer's current credit worthiness, as determined by the review of their current credit information; and determines the allowance for doubtful accounts based on historical write-off experience, customer specific facts and general economic conditions that may affect a client's ability to pay. Bad debt expense is included in general and administrative expenses, if any.

Pursuant to FASBASC Paragraph 310-10-35-41, credit losses for trade receivables (uncollectible trade receivables), which may be for all or part of a particular trade receivable, shall be deducted from the allowance. The related trade receivable balance shall be charged off in the period in which the trade receivables are deemed uncollectible. Recoveries of trade receivables previously charged off shall be recorded when received. The Company charges off its trade account receivables against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

The Company had no bad debt expense for the reporting period ended December 31, 2014 or 2013.

Inventory

Inventory Valuation

The Company values inventory, entirely consisting of finished goods, at the lower of cost or market. Cost is determined on the first-in and first-out (“FIFO”) method. The Company reduces inventory for the diminution of value, resulting from product obsolescence, damage or other issues affecting marketability, equal to the difference between the cost of the inventory and its estimated market value. Factors utilized in the determination of estimated market value include: (i) current sales data and historical return rates, (ii) estimates of future demand, and (iii) competitive pricing pressures.

Inventory Obsolescence and Markdowns

The Company evaluates its current level of inventory considering historical sales and other factors and, based on this evaluation, classify inventory markdowns in the income statement as a component of cost of goods sold pursuant to Paragraph 420-10-S99 of the FASB Accounting Standards Codification to adjust inventory to net realizable value. These markdowns are estimates, which could vary significantly from actual requirements if future economic conditions, customer demand or competition differ from expectations.

There was no inventory obsolescence at December 31, 2014 or 2013.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for major additions and betterments are capitalized. Maintenance and repairs are charged to operations as incurred. Depreciation is computed by the straight-line method (after taking into account their respective estimated residual values) over the estimated useful lives of the respective assets as follows:

	<u>Estimated Useful Life (Years)</u>
Computer equipment	3
Equipment	5
Furniture and fixture	7
Leasehold improvement	*

(*) Amortized on a straight-line basis over the term of the lease or the estimated useful lives, whichever is shorter.

Upon sale or retirement of property and equipment, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in the consolidated statements of operations.

Investments Using the Cost Method

Investments held in stock of entities other than subsidiaries, namely corporate joint ventures and other non-controlled entities usually are accounted for by one of three methods: (i) the fair value method (addressed in Topic 320), (ii) the equity method (addressed in Topic 323), or (iii) the cost method (addressed in Subtopic 325-20). While practice varies to some extent, the cost method is generally followed for most investments in non-controlled corporations, in some corporate joint ventures, and to a lesser extent in unconsolidated subsidiaries, particularly foreign.

In accordance with ASC subtopic 325-20 (“ASC 325-20”), Investments-Other: Cost Method Investments, the Company carries the cost method investments at cost and only adjusts for other-than-temporary declines in fair value and distributions of earnings. Management regularly evaluates the impairment of the cost method investments based on performance and financial position of the investee as well as other evidence of market value. Such evaluation includes, but is not limited to, reviewing the investee’s cash position, recent financing, projected and historical financial performance, cash flow forecasts and financing needs. An impairment loss is recognized in the consolidated statements of comprehensive income equal to the excess of the investment’s cost over its fair value at the balance sheet date of the reporting period for which the assessment is made. The fair value would then become the new cost basis of investment.

The Company’s equity investment is comprised of an investment in a privately-held company. The Company uses the cost method to account for investments in shares that are not common stock or in-substance common stock, or investments in shares that are common stock or in-substance common stock, but over which the Company does not have significant influence.

Investment in CONTV

On August 27, 2014, the Company entered into a Joint Venture and executed an Operating Agreement with Cinedigm Entertainment Corp., ROAR, LLC (a related party controlled by a member of the Board) and Bristol Capital, LLC (a related party controlled by a member of the Board). The Company owns a 47.50% interest in the newly formed entity, CON TV LLC. The Company is accounting for the interest in the joint venture utilizing the equity method of accounting. For the period from August 27, 2014 (the date of formation) to December 31, 2014, the Company recognized \$460,747 in losses from the venture.

Related Parties

The Company follows subtopic 850-10 of the FASB Accounting Standards Codification for the identification of related parties and disclosure of related party transactions.

Pursuant to Section 850-10-20, the related parties include: (a.) affiliates of the Company (“Affiliate” means, with respect to any specified Person, any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person, as such terms are used in and construed under Rule 405 under the Securities Act); (b.) entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825-10-15, to be accounted for by the equity method by the investing entity; (c.) trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; (d.) principal owners of the Company; (e.) management of the Company; (f.) other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and (g.) other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of consolidated or combined financial statements is not required in those statements. The disclosures shall include: (a.) the nature of the relationship(s) involved; (b.) a description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements; (c.) the dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period; and (d.) amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.

Commitments and Contingencies

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Certain conditions may exist as of the date the consolidated financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or un-asserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or un-asserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's consolidated financial statements. If the assessment indicates that a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed.

Revenue Recognition

The Company follows Paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company will recognize revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured.

Unearned convention revenue is deposits received for conventions that have not yet taken place, which are fully or partially refundable depending upon the terms and conditions of the agreements.

Stock-Based Compensation for Obtaining Employee Services

The Company accounts for share-based payment transactions issued to employees under the guidance of the Topic 718 Compensation—Stock Compensation of the FASB Accounting Standards Codification ("ASC Topic 718").

Pursuant to ASC Section 718-10-20, an employee is an individual over whom the grantor of a share-based compensation award exercises or has the right to exercise sufficient control to establish an employer-employee relationship based on common law as illustrated in case law and currently under U.S. Internal Revenue Service ("IRS") Revenue Ruling 87-41. A non-employee director does not satisfy this definition of employee. Nevertheless, non-employee directors acting in their role as members of a board of directors are treated as employees if those directors were elected by the employer's shareholders or appointed to a board position that will be filled by shareholder election when the existing term expires. However, that requirement applies only to awards granted to non-employee directors for their services as directors. Awards granted to non-employee directors for other services shall be accounted for as awards to non-employees.

Pursuant to ASC Paragraphs 718-10-30-2 and 718-10-30-3, a share-based payment transaction with employees shall be measured based on the fair value of the equity instruments issued and an entity shall account for the compensation cost from share-based payment transactions with employees in accordance with the fair value-based method, i.e., the cost of services received from employees in exchange for awards of share-based compensation generally shall be measured based on the grant-date fair value of the equity instruments issued or the fair value of the liabilities incurred/settled.

Pursuant to ASC Paragraphs 718-10-30-6 and 718-10-30-9, the measurement objective for equity instruments awarded to employees is to estimate the fair value at the grant date of the equity instruments that the entity is obligated to issue when employees have rendered the requisite service and satisfied any other conditions necessary to earn the right to benefit from the instruments (for example, to exercise share options). That estimate is based on the share price and other pertinent factors, such as expected volatility, at the grant date. As such, the fair value of an equity share option or similar instrument shall be estimated using a valuation technique such as an option pricing model. For this purpose, a similar instrument is one whose fair value differs from its intrinsic value, that is, an instrument that has time value.

If the Company's common shares are traded in one of the national exchanges the grant-date share price of the Company's common stock will be used to measure the fair value of the common shares issued, however, if the Company's common shares are thinly traded the use of share prices established in its most recent private placement memorandum ("PPM"), or weekly or monthly price observations would generally be more appropriate than the use of daily price observations as such shares could be artificially inflated due to a larger spread between the bid and asked quotes and lack of consistent trading in the market.

Pursuant to ASC Paragraph 718-10-55-21, if an observable market price is not available for a share option or similar instrument with the same or similar terms and conditions, an entity shall estimate the fair value of that instrument using a valuation technique or model that meets the requirements in Paragraph 718-10-55-11 and takes into account, at a minimum, all of the following factors:

- a. The exercise price of the option.
- b. The expected term of the option, taking into account both the contractual term of the option and the effects of employees' expected exercise and post-vesting employment termination behavior: The expected life of options and similar instruments represents the period of time the option and/or warrant are expected to be outstanding. Pursuant to paragraph 718-10-S99-1, it may be appropriate to use the *simplified method*, i.e., $expected\ term = ((vesting\ term + original\ contractual\ term) / 2)$, if (i) a company does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate expected term due to the limited period of time its equity shares have been publicly traded; (ii) a company significantly changes the terms of its share option grants or the types of employees that receive share option grants such that its historical exercise data may no longer provide a reasonable basis upon which to estimate expected term; or (iii) a company has or expects to have significant structural changes in its business such that its historical exercise data may no longer provide a reasonable basis upon which to estimate expected term. The Company uses the simplified method to calculate expected term of share options and similar instruments as the company does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate expected term.
- c. The current price of the underlying share.
- d. The expected volatility of the price of the underlying share for the expected term of the option. Pursuant to ASC Paragraph 718-10-55-25, a newly publicly traded entity might base expectations about future volatility on the average volatilities of similar entities for an appropriate period following their going public. A nonpublic entity might base its expected volatility on the average volatilities of otherwise similar public entities. For purposes of identifying otherwise similar entities, an entity would likely consider characteristics such as industry, stage of life cycle, size, and financial leverage. Because of the effects of diversification that are present in an industry sector index, the volatility of an index should not be substituted for the average of volatilities of otherwise similar entities in a fair value measurement. Pursuant to Paragraph 718-10-S99-1, if shares of a company are thinly traded the use of weekly or monthly price observations would generally be more appropriate than the use of daily price observations as the volatility calculation using daily observations for such shares could be artificially inflated due to a larger spread between the bid and asked quotes and lack of consistent trading in the market. The Company uses the average historical volatility of the comparable companies over the expected term of the share options or similar instruments as its expected volatility.
- e. The expected dividends on the underlying share for the expected term of the option. The expected dividend yield is based on the Company's current dividend yield as the best estimate of projected dividend yield for periods within the expected term of the share options and similar instruments.
- f. The risk-free interest rate(s) for the expected term of the option. Pursuant to ASC 718-10-55-28, a U.S. entity issuing an option on its own shares must use as the risk-free interest rates the implied yields currently available from the U.S. Treasury zero-coupon yield curve over the contractual term of the option if the entity is using a lattice model incorporating the option's contractual term. If the entity is using a closed-form model, the risk-free interest rate is the implied yield currently available on U.S. Treasury zero-coupon issues with a remaining term equal to the expected term used as the assumption in the model.

Pursuant to ASC Paragraphs 718-10-30-11 and 718-10-30-17, a restriction that stems from the forfeitability of instruments to which employees have not yet earned the right, such as the inability either to exercise a non-vested equity share option or to sell non-vested shares, is not reflected in estimating the fair value of the related instruments at the grant date. Instead, those restrictions are taken into account by recognizing compensation cost only for awards for which employees render the requisite service and a non-vested equity share or non-vested equity share unit awarded to an employee shall be measured at its fair value as if it were vested and issued on the grant date.

Pursuant to ASC Paragraphs 718-10-35-2 and 718-10-35-3, the compensation cost for an award of share-based employee compensation classified as equity shall be recognized over the requisite service period, with a corresponding credit to equity (generally, paid-in capital). The requisite service period is the period during which an employee is required to provide service in exchange for an award, which often is the vesting period. The total amount of compensation cost recognized at the end of the requisite service period for an award of share-based compensation shall be based on the number of instruments for which the requisite service has been rendered (that is, for which the requisite service period has been completed). An entity shall base initial accruals of compensation cost on the estimated number of instruments for which the requisite service is expected to be rendered. That estimate shall be revised if subsequent information indicates that the actual number of instruments is likely to differ from previous estimates. The cumulative effect on current and prior periods of a change in the estimated number of instruments for which the requisite service is expected to be or has been rendered shall be recognized in compensation cost in the period of the change. Previously recognized compensation cost shall not be reversed if an employee share option (or share unit) for which the requisite service has been rendered expires unexercised (or unconverted).

Under the requirement of ASC Paragraph 718-10-35-8, the Company made a policy decision to recognize compensation cost for an award with only service conditions that has a graded vesting schedule on a straight-line basis over the requisite service period for the entire award.

Equity Instruments Issued to Parties Other Than Employees for Acquiring Goods or Services

The Company accounts for equity instruments issued to parties other than employees for acquiring goods or services under the guidance of sub-topic 505-50 of the FASB Accounting Standards Codification ("Sub-topic 505-50").

Pursuant to ASC Paragraph 505-50-25-7, if fully vested, non-forfeitable equity instruments are issued at the date the grantor and grantee enter into an agreement for goods or services (no specific performance is required by the grantee to retain those equity instruments), then, because of the elimination of any obligation on the part of the counterparty to earn the equity instruments, a measurement date has been reached. A grantor shall recognize the equity instruments when they are issued (in most cases, when the agreement is entered into). Whether the corresponding cost is an immediate expense or a prepaid asset (or whether the debit should be characterized as contra-equity under the requirements of Paragraph 505-50-45-1) depends on the specific facts and circumstances. Pursuant to ASC Paragraph 505-50-45-1, a grantor may conclude that an asset (other than a note or a receivable) has been received in return for fully vested, non-forfeitable equity instruments that are issued at the date the grantor and grantee enter into an agreement for goods or services (and no specific performance is required by the grantee in order to retain those equity instruments). Such an asset shall not be displayed as contra-equity by the grantor of the equity instruments. The transferability (or lack thereof) of the equity instruments shall not affect the balance sheet display of the asset. This guidance is limited to transactions in which equity instruments are transferred to other than employees in exchange for goods or services.

Pursuant to Paragraphs 505-50-25-8 and 505-50-25-9, an entity may grant fully vested, non-forfeitable equity instruments that are exercisable by the grantee only after a specified period of time if the terms of the agreement provide for earlier exercisability if the grantee achieves specified performance conditions. Any measured cost of the transaction shall be recognized in the same period(s) and in the same manner as if the entity had paid cash for the goods or services or used cash rebates as a sales discount instead of paying with, or using, the equity instruments. A recognized asset, expense, or sales discount shall not be reversed if a stock option that the counterparty has the right to exercise expires unexercised.

Pursuant to ASC Paragraphs 505-50-30-2 and 505-50-30-11, share-based payment transactions with nonemployees shall be measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. The issuer shall measure the fair value of the equity instruments in these transactions using the stock price and other measurement assumptions as of the earlier of the following dates, referred to as the measurement date: (a) the date at which a commitment for performance by the counterparty to earn the equity instruments is reached (a performance commitment); or (b) the date at which the counterparty's performance is complete. If the Company's common shares are traded in one of the national exchanges the grant-date share price of the Company's common stock will be used to measure the fair value of the common shares issued, however, if the Company's common shares are thinly traded the use of share prices established in the Company's most recent PPM, or weekly or monthly price observations would generally be more appropriate than the use of daily price observations as such shares could be artificially inflated due to a larger spread between the bid and asked quotes and lack of consistent trading in the market.

Pursuant to ASC Paragraph 718-10-55-21, if an observable market price is not available for a share option or similar instrument with the same or similar terms and conditions, an entity shall estimate the fair value of that instrument using a valuation technique or model that meets the requirements in Paragraph 718-10-55-11 and takes into account, at a minimum, all of the following factors:

- a. The exercise price of the option.
- b. The expected term of the option, taking into account both the contractual term of the option and the effects of employees' expected exercise and post-vesting employment termination behavior: Pursuant to Paragraph 718-10-50-2(f)(2)(i) of the FASB Accounting Standards Codification, the expected term of share options and similar instruments represents the period of time the options and similar instruments are expected to be outstanding taking into consideration of the contractual term of the instruments and holder's expected exercise behavior into the fair value (or calculated value) of the instruments. The Company uses historical data to estimate holder's expected exercise behavior. If the Company is a newly formed corporation or shares of the Company are thinly traded the contractual term of the share options and similar instruments is used as the expected term of share options and similar instruments as the Company does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate expected term.

- c. The current price of the underlying share.
- d. The expected volatility of the price of the underlying share for the expected term of the option. Pursuant to ASC Paragraph 718-10-55-25, a newly publicly traded entity might base expectations about future volatility on the average volatilities of similar entities for an appropriate period following their going public. A nonpublic entity might base its expected volatility on the average volatilities of otherwise similar public entities. For purposes of identifying otherwise similar entities, an entity would likely consider characteristics such as industry, stage of life cycle, size, and financial leverage. Because of the effects of diversification that are present in an industry sector index, the volatility of an index should not be substituted for the average of volatilities of otherwise similar entities in a fair value measurement. Pursuant to Paragraph 718-10-S99-1, if shares of a company are thinly traded the use of weekly or monthly price observations would generally be more appropriate than the use of daily price observations as the volatility calculation using daily observations for such shares could be artificially inflated due to a larger spread between the bid and asked quotes and lack of consistent trading in the market. The Company uses the average historical volatility of the comparable companies over the expected term of the share options or similar instruments as its expected volatility.
- e. The expected dividends on the underlying share for the expected term of the option. The expected dividend yield is based on the Company's current dividend yield as the best estimate of projected dividend yield for periods within the expected term of the share options and similar instruments.
- f. The risk-free interest rate(s) for the expected term of the option. Pursuant to ASC 718-10-55-28, a U.S. entity issuing an option on its own shares must use as the risk-free interest rates the implied yields currently available from the U.S. Treasury zero-coupon yield curve over the contractual term of the option if the entity is using a lattice model incorporating the option's contractual term. If the entity is using a closed-form model, the risk-free interest rate is the implied yield currently available on U.S. Treasury zero-coupon issues with a remaining term equal to the expected term used as the assumption in the model.

Pursuant to ASC paragraph 505-50-S99-1, if the Company receives a right to receive future services in exchange for unvested, forfeitable equity instruments, those equity instruments are treated as unissued for accounting purposes until the future services are received (that is, the instruments are not considered issued until they vest). Consequently, there would be no recognition at the measurement date and no entry should be recorded.

Deferred Tax Assets and Income Taxes Provision

The Company accounts for income taxes under Section 740-10-30 of the FASB Accounting Standards Codification. Deferred income tax assets and liabilities are determined based upon differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statements of operations in the period that includes the enactment date.

The Company adopted Section 740-10-25 of the FASB Accounting Standards Codification ("Section 740-10-25"). Section 740-10-25 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures.

The estimated future tax effects of temporary differences between the tax basis of assets and liabilities are reported in the accompanying consolidated balance sheets, as well as tax credit carry-backs and carry-forwards. The Company periodically reviews the recoverability of deferred tax assets recorded on its consolidated balance sheets and provides valuation allowances as management deems necessary.

During the year ended December 31, 2014, the Company partially utilized all NOL carry-forwards and has prepaid \$575,000 in taxes payable.

Management makes judgments as to the interpretation of the tax laws that might be challenged upon an audit and cause changes to previous estimates of tax liability. In addition, the Company operates within multiple taxing jurisdictions and is subject to audit in these jurisdictions. In management's opinion, adequate provisions for income taxes have been made for all years. If actual taxable income by tax jurisdiction varies from estimates, additional allowances or reversals of reserves may be necessary.

Tax years that remain subject to examination by major tax jurisdictions

The Company discloses tax years that remain subject to examination by major tax jurisdictions pursuant to ASC Paragraph 740-10-50-15.

Earnings per Share

Earnings per share ("EPS") is the amount of earnings attributable to each share of common stock. For convenience, the term is used to refer to either earnings or loss per share. EPS is computed pursuant to Section 260-10-45 of the FASB Accounting Standards Codification. Pursuant to ASC Paragraphs 260-10-45-10 through 260-10-45-16, basic EPS shall be computed by dividing income available to common stockholders (the numerator) by the weighted-average number of common shares outstanding (the denominator) during the period. Income available to common stockholders shall be computed by deducting both the dividends declared in the period on preferred stock (whether or not paid) and the dividends accumulated for the period on cumulative preferred stock (whether or not earned) from income from continuing operations (if that amount appears in the income statement) and also from net income. The computation of diluted EPS is similar to the computation of basic EPS except that the denominator is increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares had been issued during the period to reflect the potential dilution that could occur from common shares issuable through contingent shares issuance arrangement, stock options or warrants.

Pursuant to ASC Paragraphs 260-10-45-21 through 260-10-45-23, diluted EPS shall be based on the most advantageous conversion rate or exercise price from the standpoint of the security holder. The dilutive effect of outstanding call options and warrants (and their equivalents) issued by the reporting entity shall be reflected in diluted EPS by application of the treasury stock method unless the provisions of Paragraphs 260-10-45-35 through 45-36 and 260-10-55-8 through 55-11 require that another method be applied. Equivalents of options and warrants include non-vested stock granted to employees, stock purchase contracts, and partially paid stock subscriptions (see paragraph 260-10-55-23). Anti-dilutive contracts, such as purchased put options and purchased call options, shall be excluded from diluted EPS. Under the treasury stock method: (a.) exercise of options and warrants shall be assumed at the beginning of the period (or at time of issuance, if later) and common shares shall be assumed to be issued, (b.) the proceeds from exercise shall be assumed to be used to purchase common stock at the average market price during the period. (See Paragraphs 260-10-45-29 and 260-10-55-4 through 55-5.), and (c.) the incremental shares (the difference between the number of shares assumed issued and the number of shares assumed purchased) shall be included in the denominator of the diluted EPS computation.

The Company's contingent shares issuance arrangement, stock options or warrants are as follows:

	Contingent shares issuance arrangement, stock options or warrants	
	For the Year Ended December 31, 2014	For the Year Ended December 31, 2013
Stock options	9,680,000	3,650,000
Total contingent shares issuance arrangement, stock options or warrants	9,680,000	3,650,000

There were approximately 55,584,150 and 41,367,509 potentially outstanding dilutive common shares under the Treasury Stock Method for the reporting period ended December, 2014 and 2013, respectively. The potentially outstanding dilutive common shares under the Treasury Stock Method for the reporting period ended December, 2013 were excluded from the diluted earnings per share calculation as they were anti-dilutive.

Cash Flows Reporting

The Company adopted Paragraph 230-10-45-24 of the FASB Accounting Standards Codification for cash flows reporting, classifies cash receipts and payments according to whether they stem from operating, investing, or financing activities and provides definitions of each category, and uses the indirect or reconciliation method (the "Indirect Method") as defined by Paragraph 230-10-45-25 of the FASB Accounting Standards Codification to report net cash flow from operating activities by adjusting net income to reconcile it to net cash flow from operating activities by removing the effects of (a) all deferrals of past operating cash receipts and payments and all accruals of expected future operating cash receipts and payments and (b) all items that are included in net income that do not affect operating cash receipts and payments

Subsequent Events

The Company follows the guidance in Section 855-10-50 of the FASB Accounting Standards Codification for the disclosure of subsequent events. The Company will evaluate subsequent events through the date when the financial statements were issued. Pursuant to ASU 2010-09 of the FASB Accounting Standards Codification, the Company as an SEC filer considers its financial statements issued when they are widely distributed to users, such as through filing them on EDGAR.

Recently Issued Accounting Pronouncements

In May 2014, the FASB issued the FASB Accounting Standards Update No. 2014-09 “*Revenue from Contracts with Customers (Topic 606)*” (“ASU 2014-09”).

This guidance amends the existing FASB Accounting Standards Codification, creating a new Topic 606, *Revenue from Contracts with Customer*. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

To achieve that core principle, an entity should apply the following steps:

1. Identify the contract(s) with the customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when (or as) the entity satisfies a performance obligations

The ASU also provides guidance on disclosures that should be provided to enable financial statement users to understand the nature, amount, timing, and uncertainty of revenue recognition and cash flows arising from contracts with customers. Qualitative and quantitative information is required about the following:

1. Contracts with customers – including revenue and impairments recognized, disaggregation of revenue, and information about contract balances and performance obligations (including the transaction price allocated to the remaining performance obligations).
2. Significant judgments and changes in judgments – determining the timing of satisfaction of performance obligations (over time or at a point in time), and determining the transaction price and amounts allocated to performance obligations.
3. Assets recognized from the costs to obtain or fulfill a contract.

ASU 2014-09 is effective for periods beginning after December 15, 2016, including interim reporting periods within that reporting period for all public entities. Early application is not permitted.

In June 2014, the FASB issued the FASB Accounting Standards Update No. 2014-12 “*Compensation—Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period*” (“ASU 2014-12”).

The amendments clarify the proper method of accounting for share-based payments when the terms of an award provide that a performance target could be achieved after the requisite service period. The update requires that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. The performance target should not be reflected in estimating the grant-date fair value of the award. Compensation cost should be recognized in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the period(s) for which the requisite service has already been rendered.

The amendments in this update are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted.

Management does not believe that any recently issued, but not yet effective accounting pronouncements, when adopted, will have a material effect on the accompanying consolidated financial statements.

Note 3 – Property and Equipment

Property and equipment stated at cost, less accumulated depreciation and amortization, consisted of the following:

	December 31, 2014	December 31, 2013	Estimated Useful Life
Computer Equipment	\$ 27,743	16,544	3 years
Equipment	244,150	7,175	5 years
Furniture & Fixtures	48,951	37,850	7 years
	320,844	61,569	
Less: Accumulated depreciation and amortization	(56,102)	(10,609)	
	\$ 264,742	\$ 50,960	

(i) Impairment

The Company completed its annual impairment test of property and equipment and determined that there was no impairment as the fair value of property and equipment, exceeded their carrying values at December 31, 2014.

(ii) Depreciation and Amortization Expense

Depreciation and amortization expense was \$45,493 and \$7,296 for the Year Ended December 31, 2014 and 2013, respectively.

Note 4 – Related Party Transactions

Related Parties

Related parties with whom the Company had transactions are:

Related Parties	Relationship
Bristol Capital, LLC	An entity owned and controlled by a member of the Board.
225 California Street, LLC	An entity owned and controlled by significant stockholder and Chief Executive Officer of the Company.

Operating Lease with Related Parties

Effective April 22, 2013, the Company entered into a commercial real estate lease, as lessee, with Bristol Capital, LLC, a Delaware limited liability company (“Bristol”), and 225 California Street, LLC, a California limited liability company (“225 California”), as lessors, for new office space located in El Segundo, California (the “Lease”), with each of Bristol and 225 California holding an undivided 50% tenant-in-common interest. The initial term of the Lease is for seven (7) years ending on March 31, 2020. Pursuant to the Lease, the Company shall pay base rent of \$6,900 per month and an initial security deposit of \$13,800 is required.

Future minimum lease payments inclusive of related tax required under the non-cancelable operating lease are as follows:

Fiscal year ending December 31:	
2015	\$ 82,800
2016	82,800
2017	82,800
2018	82,800
2019	82,800
2020	20,700
	<u>\$ 434,700</u>

In September 2014, the Company terminated the Lease and is no longer obligated for further payments under the Lease.

Note 5 – Commitments and Contingencies

Amended and Restated Employment Agreement

On September 16, 2014, the Company entered into an amended and restated employment agreement (the “Employment Agreement”) with Mr. John Macaluso (“Mr. Macaluso”) pursuant to which Mr. Macaluso shall continue to serve as the Company’s President and Chief Executive Officer. The initial term of the Employment Agreement commenced on September 16, 2014 (the “Commencement Date”) and shall expire on March 18, 2018 (the “Initial Term”). The Initial Term will be automatically extended for additional terms of one (1) year each (each a “Renewal Term” and together with the Initial Term, the “Term”), unless either the Company or Mr. Macaluso gives prior written notice of non-renewal to the other party no later than sixty (60) days prior to the expiration of the then current Term.

During the Term, the Company will pay Mr. Macaluso a base salary of \$41,666.67 per month (the “Base Salary”). In addition, subject to the terms and conditions of the Employment Agreement, Mr. Macaluso will receive an annual bonus equal to the following, calculated cumulatively: (i) when the Company achieves annual Adjusted EBITDA (as defined in the Employment Agreement) of between \$1.00 and \$1,000,000, Mr. Macaluso shall receive a cash bonus of 30% of such annual Adjusted EBITDA; (ii) when the Company achieves annual Adjusted EBITDA of between \$1,000,001 and \$2,000,000, Mr. Macaluso shall receive an additional cash bonus of 20% of such annual Adjusted EBITDA which exceeds \$1,000,000; and (iii) when the Company achieves annual Adjusted EBITDA greater than \$2,000,000, Mr. Macaluso shall receive an additional cash bonus of 10% of such annual Adjusted EBITDA which exceeds \$2,000,000. Mr. Macaluso shall also be entitled to a monthly car allowance of \$1,200. The above bonus calculation resulted in an expense of \$570,832 recorded on the consolidated statement of operations.

As discussed below in Note 6, the Company also granted to Mr. Macaluso 2,700,000 options to purchase shares of the Company’s common stock, par value \$0.0001 per share.

Non-Compete Agreement

In conjunction with the Employment Agreement, Mr. Macaluso entered into a non-compete, non-solicitation and non-disclosure agreement, dated September 16, 2014, with the Company (the “Non-Compete Agreement”). Under the Non-Compete Agreement, Mr. Macaluso must keep the Company’s confidential and proprietary information confidential and is prohibited from inducing or attempting to induce any employee of the Company from terminating his or her employment with the Company, and soliciting the business of any client or customer of the Company, during the period commencing on the Commencement Date and ending on the termination of Mr. Macaluso’s employment with the Company for any reason. Further, Mr. Macaluso is prohibited from engaging in a venture or business substantially similar to that of the Company or that is in direct or indirect competition with the Company in the United States during the period commencing on the Commencement Date and ending on the termination of Mr. Macaluso’s employment with the Company for any reason.

Operating Lease

Effective July 17, 2014, the Company entered into a sublease, as lessee, with Ironclad Performance Wear Corporation, for new space located in El Segundo, California (the “Sublease”). The term of the Lease is for one year and ten (10) months commencing on September 1, 2014. Pursuant to the Sublease, the Company shall pay base rent of \$11,132 per month and an initial security deposit of \$11,466 is required.

Future minimum lease payments inclusive of related tax required under the non-cancelable operating lease are as follows:

Fiscal year ending December 31:

2015	\$	133,584
2016		66,792
	\$	<u>200,376</u>

Note 6 – Stockholders’ Equity

Series A Cumulative Convertible Preferred Stock

On March 30, 2012, the Company closed on a first round of financing related to an offering of up to \$2,000,000 of the Company’s Series A Cumulative Convertible Preferred Stock (“Series A Preferred”), by entering into subscription agreements with ten (10) accredited investors for the issuance and sale of (i) an aggregate amount of \$825,000 (8,250 shares) in Series A Preferred and (ii) Common Stock Purchase Warrants (the “Warrants”), on the basis of one warrant for every \$2.00 of investment.

In connection with the closing, and pursuant to mandatory conversion features of those certain Senior Convertible Debentures in the aggregate amount of \$325,000, issued on December 6, 2011, such debentures were mandatorily converted into shares of Series A Preferred Stock and Warrants upon the same terms of the offering. A total of 3,250 shares of Series A Preferred and 162,500 Warrants were issued by the Company to the debenture investors pursuant to the mandatory conversion.

The Company paid \$142,250 in stock issuance costs to complete the convertible preferred stock and warrant raise. In addition, the Company issued 206,250 Warrants to the placement agent. The Warrants were recorded as stock issuance costs.

On April 27, 2012, the Company entered into Subscription Agreements with certain subscribers for the issuance and sale of (i) \$725,000 (7,250 shares) in shares of Series A Preferred with the rights and preferences set forth in the Amended and Restated Certificate to set forth Designations, Voting Powers, Preferences, Limitations, Restrictions, and Relative Rights of Series A Cumulative Convertible Preferred Stock, \$0.0001 par value per share, and (ii) 362,500 Warrants. The Series A Preferred is convertible into shares of the Company's common stock, par value \$0.0001 per share, at a per share conversion price of \$0.40, subject to adjustment, and the Warrants are exercisable to purchase shares of the Company's common stock at a per share exercise price of \$0.60, subject to adjustment.

The Company paid \$90,986 in stock issuance costs to complete the convertible preferred stock and warrant raise. In addition, the Company issued 181,250 Warrants to the placement agent. The Warrants were recorded as stock issuance costs.

On August 3, 2012, four (4) note-holders exchanged notes and accrued interest into the Company's Series A Preferred, by entering into Securities Exchange Agreements for the issuance and sale of (i) an aggregate of \$406,039 (4,060 shares) in Series A Preferred. The Series A Preferred is convertible into shares of the Company's common stock, par value \$0.0001 per share, at a conversion price of \$0.40 per share, subject to adjustment.

On May 3, 2013, a stockholder converted \$100,000 of the Company's Series A Preferred into 250,000 shares of the Company's common stock, par value \$0.0001 per share, at a conversion price of \$0.40 per share.

On August 21, 2013, the holders of the Series A Preferred converted all outstanding Series A Preferred into approximately 9.5 million shares of the Company's common stock, par value \$0.0001 per share. In addition, the holders of the Series A Preferred and certain other shareholders exchanged approximately 8.0 million outstanding Warrants for approximately 4.0 million shares of common stock. In connection with the conversion of the Series A Preferred, the Company issued approximately 1.6 million shares of common stock as payment for accrued and unpaid dividends.

Common Stock

On March 23, 2011, the Company entered into a Consulting Agreement with Mr. Mathews pursuant to which Mr. Mathews agreed to, among other things, develop a digital platform for the Company and establish digital planning systems. The term of such agreement was for a four (4) year period. As compensation for his services, Mr. Mathews was to receive one million (1,000,000) restricted shares of the Company's common stock, issuable in four yearly installments. On February 27, 2014, Mr. Mathews and the Company formally terminated the Consulting Agreement effective October 10, 2012. The Company and Mr. Mathews agreed to waive all compensation, fees, and penalties except for the 250,000 shares of the Company's common stock that was due to Mr. Mathews. As of December 31, 2013, the Company has an accrued liability in the amount of \$103,750 relating to this issuance. On March 12, 2014, the Company issued Mr. Mathews 250,000 shares of the Company's common stock to satisfy the accrued liability.

During the year ended December 31, 2014, the Company cancelled 12,500 shares of common stock that were issued in error during the year ended December 31, 2013.

On December 4, 2014, the Board resolved to authorize the issuance of 16,862 shares of common stock to a strategic partner of the Company. The shares are fully vested at issuance, valued at \$0.76 per share on the date of issuance and the Company recorded an expense of \$12,815 as a result of the fully vested issuance.

Equity Incentive Plan

On May 9, 2011, the Board approved, authorized and adopted (subject to stockholder approval) the 2011 Incentive Stock and Award Plan (the "Plan"). The Plan provides for the issuance of up to 3,000,000 shares of common stock, par value \$0.0001 per share, of the Company through the grant of non-qualified options (the "Non-qualified Options"), incentive options (the "Incentive Options" and together with the Non-qualified Options, the "Options") and restricted stock (the "Restricted Stock") to directors, officers, consultants, attorneys, advisors and employees.

On July 9, 2012, the Board approved by unanimous written consent an amendment to Section 4 of the Plan solely to increase the number of authorized shares subject to the Plan from 5,000,000 shares to 7,500,000 shares of common stock.

On September 25, 2014, the Board approved an amendment to the Plan to increase the number of authorized shares subject to the Plan from 7,500,000 to 15,000,000 shares of common stock.

The Plan shall be administered by a committee consisting of two or more independent, non-employee and outside directors (the "Committee"). In the absence of such a Committee, the Board of the Company shall administer the Plan.

Each Option shall contain the following material terms:

- (i) the exercise price, which shall be determined by the Committee at the time of grant, shall not be less than 100% of the Fair Market Value (defined as the closing price on the final trading day immediately prior to the grant on the principal exchange or quotation system on which the common stock is listed or quoted, as applicable) of the common stock of the Company, *provided* that if the recipient of the (as defined in the Plan) owns more than ten percent (10%) of the total combined voting power of the Company, the exercise price shall be at least 110% of the Fair Market Value;
- (ii) the term of each Option shall be fixed by the Committee, *provided* that such Option shall not be exercisable more than five (5) years after the date such Option is granted, and *provided further* that with respect to an Incentive Option (as defined in the Plan), if the recipient owns more than ten percent (10%) of the total combined voting power of the Company, the Incentive Option shall not be exercisable more than five (5) years after the date such Incentive Option is granted;
- (iii) subject to acceleration in the event of a Change of Control of the Company (as further described in the Plan), the period during which the Options vest shall be designated by the Committee or, in the absence of any Option vesting periods designated by the Committee at the time of grant, shall vest and become exercisable in equal amounts on each fiscal quarter of the Company through the four (4) year anniversary of the date on which the Option was granted;
- (iv) no Option is transferable and each is exercisable only by the recipient of such Option except in the event of the death of the recipient; and
- (v) with respect to Incentive Options, the aggregate Fair Market Value of common stock exercisable for the first time during any calendar year shall not exceed \$100,000.

Each award of Restricted Stock (as defined in the Plan) is subject to the following material terms:

- (i) no rights to an award of Restricted Stock is granted to the intended recipient of Restricted Stock unless and until the grant of Restricted Stock is accepted within the period prescribed by the Committee;
- (ii) Restricted Stock shall not be delivered until they are free of any restrictions specified by the Committee at the time of grant;
- (iii) recipients of Restricted Stock have the rights of a stockholder of the Company as of the date of the grant of the Restricted Stock;
- (iv) shares of Restricted Stock are forfeitable until the terms of the Restricted Stock grant have been satisfied or the employment with the Company is terminated; and
- (v) the Restricted Stock is not transferable until the date on which the Committee has specified such restrictions have lapsed.

Stock Options

On January 16, 2014, the Board resolved to authorize the issuance of 10,000 stock options to a strategic partner of the Company. The options are fully vested at issuance, exercisable at \$0.40 and expire five years from the date of issuance. The Company valued the issuance using a Black-Scholes option pricing model, and recorded an expense of \$3,324 as a result of the fully vested issuance.

On April 2, 2014, the Board resolved to authorize the issuance of 20,000 stock options to a strategic partner of the Company. The options are fully vested at issuance, exercisable at \$0.44 per share and expire five years from the date of issuance. The Company valued the issuance using a Black-Scholes option pricing model, and recorded an expense of \$9,207 as a result of the fully vested issuance.

On June 26, 2014, the Board resolved to authorize the issuance of 30,000 stock options to a strategic partner of the Company. The options are fully vested at issuance, exercisable at \$0.57 per share and expire five years from the date of issuance. The Company valued the issuance using a Black-Scholes option pricing model, and recorded an expense of \$15,866 as a result of the fully vested issuance.

On August 26, 2014, the Board resolved to authorize the issuance of 30,000 stock options to a strategic partner of the Company. The options vest over a two year period, are exercisable at \$0.83 per share and expire five years from the date of issuance. The Company valued the issuance using a Black-Scholes option pricing model, and recorded an expense of \$824 for the quarter ended December 31, 2014.

On August 26, 2014, the Board resolved to authorize the issuance of 30,000 stock options to a strategic partner of the Company. The options are fully vested at issuance, exercisable at \$0.83 per share and expire five years from the date of issuance. The Company valued the issuance using a Black-Scholes option pricing model, and recorded an expense of \$17,187 as a result of the fully vested issuance.

On April 29, 2014, the Board approved the granting to each of the five non-employee members of the Board on May 9, 2014, a non-qualified stock option to purchase up to three hundred thousand (300,000) shares of the Company's common stock. The exercise price for such options is \$0.64. Such options are exercisable for period of five (5) years from the date of issuance and such option shall vest in equal amounts over a period of three (3) years at the rate of twenty-five thousand (25,000) shares per fiscal quarter at the end of such quarter, commencing in the quarter ended June 30, 2014, and pro-rated for the number of days each non-employee member of the Board serves on the Board during such fiscal quarter. The amount of compensation to the Board recognized during the nine month reporting period was \$112,931.

Pursuant to an amended and restated employment agreement with Mr. John Macaluso as discussed above in Note 5, the Company granted Mr. Macaluso 2,700,000 options to purchase shares of the Company's common stock, par value \$0.0001 per share. The options shall vest as follows: (i) 900,000 of the options shall vest quarterly over the period beginning on March 19, 2015 and ending March 18, 2016, at an exercise price of \$1.00 per share; (ii) 900,000 of the options shall vest quarterly over the period beginning on March 19, 2016 and ending March 18, 2017, at an exercise price of \$1.25 per share; and (iii) 900,000 of the options which shall vest quarterly over the period beginning on March 18, 2017 and ending March 18, 2018, at an exercise price of \$1.50 per share. The amount of compensation to Mr. Macaluso recognized during the reporting period was \$242,186.

On October 6, 2014, the Company issued 15,000 stock options to a strategic partner of the Company. The options are fully vested at issuance, exercisable at \$0.87 per share and expire five years from the date of issuance. The Company valued the issuance using a Black-Scholes option pricing model, and recorded an expense of \$8,718 as a result of the fully vested issuance.

On November 1, 2014, the Company issued 15,000 stock options to a strategic partner of the Company. The options are fully vested at issuance, exercisable at \$0.94 per share and expire five years from the date of issuance. The Company valued the issuance using a Black-Scholes option pricing model, and recorded an expense of \$9,324 as a result of the fully vested issuance.

On November 10, 2014, the Company issued 15,000 stock options to a strategic partner of the Company. The options are fully vested at issuance, exercisable at \$0.78 and expire five years from the date of issuance. The Company valued the issuance using a Black-Scholes option pricing model, and recorded an expense of \$7,717 as a result of the fully vested issuance.

On November 22, 2014, the Company issued 15,000 stock options to a strategic partner of the Company. The options are fully vested at issuance, exercisable at \$0.76 per share and expire five years from the date of issuance. The Company valued the issuance using a Black-Scholes option pricing model, and recorded an expense of \$7,496 as a result of the fully vested issuance.

On December 24, 2014, pursuant to the Plan, the Company issued 882,500 options to thirty-four employees. The options shall vest over a period of five years, are exercisable at \$0.87 per share and expire five years from the date of issuance. The Company valued the issuance using a Black-Scholes option pricing model, and recorded an expense of \$9,899 as a result of the vested portion since issuance.

The following assumptions were utilized: vesting: immediate - five years; fair value of the common stock: \$0.35 - \$1.03; exercise price: \$0.40 - \$1.50; volatility: 136% - 176%; dividend rate: 0%; risk-free interest rate: 1.63% - 1.80%.

On September 25, 2014, the Board approved an amendment to the Plan to increase the number of authorized shares subject to the Plan from 7,500,000 to 15,000,000 shares of common stock.

Note 7 – Credit Risk

Financial instruments that potentially subject the Company to significant concentration of credit risk consist primarily of cash and cash equivalents. As of December 31, 2014, substantially all of the Company's cash and cash equivalents were held by major financial institutions and the balance at certain accounts exceeded the maximum amount insured by the Federal Deposits Insurance Corporation ("FDIC"). However, the Company has not experienced losses on these accounts and management believes that the Company is not exposed to significant risks on such accounts.

Note 8 – Income Tax Provision

Deferred Tax Assets

At December 31, 2014, the Company has available for federal income tax purposes a NOL carry-forwards of approximately \$742,000 that may be used to offset future taxable income through the fiscal year ending December 31, 2034. No tax benefit has been reported with respect to these net operating loss carry-forwards in the accompanying consolidated financial statements since the Company believes that the realization of its net deferred tax asset of approximately \$313,000 was not considered more likely than not and accordingly, the potential tax benefits of the net loss carry-forwards are fully offset by a valuation allowance of \$305,000.

Deferred tax assets consist primarily of the tax effect of NOL carry-forwards. The Company has provided a full valuation allowance on the deferred tax assets because of the uncertainty regarding its realizability. The valuation allowance decreased by approximately \$92,000 and increased by approximately \$82,000 for the year ended December 31, 2014 and 2013, respectively.

During the year ended December 31, 2014, the Company utilized approximately \$816,000 of its NOL carry-forwards and made \$575,000 in estimated payments.

Components of deferred tax assets are as follows:

	December 31, 2014	December 31, 2013
Net deferred tax assets – Non-current:		
Expected income tax benefit from NOL carry-forwards	\$ 252,000	\$ 405,000
Less valuation allowance	(252,000)	(405,000)
Deferred tax assets, net of valuation allowance	\$ -	\$ -

Income Tax Provision in the Consolidated Statements of Operations

A reconciliation of the federal statutory income tax rate and the effective income tax rate as a percentage of income before income taxes is as follows:

	For the Year Ended December 31, 2014	For the Year Ended December 31, 2013
Federal statutory income tax rate	34.0%	34.0%
Change in valuation allowance on net operating loss carry-forwards	(34.0)	(34.0)
Effective income tax rate	0.0%	0.0%

Note 9 – Subsequent Events

The Company has evaluated all events that occurred after the balance sheet date through the date when the financial statements were issued to determine if they must be reported. The Management of the Company determined that there were no reportable subsequent event(s) to be disclosed.

Exhibit 21.1

SUBSIDIARIES OF THE REGISTRANT

<u>Subsidiary Name</u>	<u>Jurisdiction</u>	<u>Percentage of Ownership</u>
KTC Corp.	Nevada	100%
Kicking the Can L.L.C.	Delaware	100%
Wizard Conventions, Inc.	New York	100%
Wizard World Digital, Inc.	Nevada	100%
Wiz Wizard, LLC	Delaware	50%
CON TV LLC	Delaware	47.5%

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, John Macaluso, certify that:

1. I have reviewed this Form 10-K of Wizard World, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 17, 2015

By: /s/ John Macaluso

John Macaluso
Principal Executive Officer
Wizard World, Inc.

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, John Macaluso, certify that:

1. I have reviewed this Form 10-K of Wizard World, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 17, 2015

By: */s/ John Macaluso*

John Macaluso
Principal Financial Officer
Wizard World, Inc.

**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 this Annual Report of Wizard World, Inc. (the "Company"), on Form 10-K for the fiscal year ended December 31, 2014, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, John Macaluso, Principal Executive Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) Such Annual Report on Form 10-K for the fiscal year ended December 31, 2014, 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 such Annual Report on Form 10-K for the fiscal year ended December 31, 2014, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 17, 2015

By: */s/ John Macaluso*

John Macaluso
Principal Executive Officer
Wizard World, Inc.

**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 this Annual Report of Wizard World, Inc. (the "Company"), on Form 10-K for the fiscal year ended December 31, 2014, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, John Macaluso, Principal Financial Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) Such Annual Report on Form 10-K for the fiscal year ended December 31, 2014, 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 such Annual Report on Form 10-K for the fiscal year ended December 31, 2014, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 17, 2015

By: /s/ John Macaluso

John Macaluso
Principal Financial Officer
Wizard World, Inc.
