

**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, 2017**

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.)

**662 N. Sepulveda Blvd., Suite 300  
Los Angeles, CA 90049**  
(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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant on June 30, 2017, based on a closing price of \$0.20 was \$3,981,938. As of April 2, 2018, the registrant had 68,535,036 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” refer 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**

Through our operating subsidiary Conventions, the Company is a producer of “pop culture” live multimedia conventions across the United States. These live multimedia conventions provide a social networking and entertainment venue for enthusiasts of movies, TV shows, video games, technology, toys, social networking/gaming, comic books, anime, and graphic novels. The Company is also moving forward with initiatives that will enhance the Company’s current operations.

## **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 Company entered into a Share Purchase and Share Exchange Agreement (the “Exchange Agreement”) among the Company, the former majority stockholder of the Company, Conventions, and shareholders of Conventions, under which Conventions became a wholly owned subsidiary of the Company.

On August 27, 2014, the Company entered into a Joint Venture and Operating Agreement for a forty-seven and one half percent (47.5%) interest in CON TV, LLC (“CONtv”), with Cinedigm Entertainment Corp. (“Cinedigm”), ROAR, LLC (“ROAR”) and Bristol Capital, LLC (“Bristol”). On November 16, 2015, the parties entered into an Amended and Restated Operating Agreement, effective as of July 1, 2015, which, among other things, restructured the business relationship between the Company and Cinedigm with respect to the ownership and operation of CONtv. Under that agreement, the Company greatly reduced and limited its obligations to the venture, while retaining a ten percent (10%) membership interest in CONtv.

On December 29, 2014, the Company and a member of the Board of Directors (the “Board”) of the Company formed Wiz Wizard, LLC (“Wiz Wizard”) in the State of Delaware. On February 4, 2016, the member of the Board assigned his fifty percent (50%) membership interest to the Company. Consequently, Wiz Wizard is a wholly-owned subsidiary of the Company. Wiz Wizard is not currently active.

On April 10, 2015, the Company and a third-party formed ButtaFyngas, LLC in the State of Delaware. The Company owns fifty percent (50%) of the membership interests. ButtaFyngas, LLC is not currently active.

Our executive offices are located at 662 N. Sepulveda Blvd., Suite 300, Los Angeles California 90049, and our telephone number is (310) 648-8410.

## **Business Overview**

The Company produces live pop culture conventions (“Comic Conventions”) across the United States that provide a social networking and entertainment venue for enthusiasts of movies, TV shows, video games, technology, toys, social networking, gaming, comic books, and graphic novels. Our Comic Conventions provide an opportunity for companies in the entertainment, toy, gaming, publishing and retail business to carry out sales, marketing, product promotion, public relations, advertising, and sponsorship efforts.

During 2016, the Company underwent a significant senior management restructuring. The restructuring included the appointment of a new Chief Executive Officer and new Chief Operating Officer, both entering their roles with experience at major movie studios and television networks. The Company also appointed an Executive Chairman. Focused on reforming the Company’s operations and key operating controls, the new management has worked extensively to position the Company to successfully grow by, among other things, implementing newly constituted internal accounting, marketing, and talent departments. A further description of management’s work to create a foundation for the Company to grow can be found below in *Growth Strategy*.

## **Conventions**

Conventions has been producing Comic Conventions since July 1997.

In 2017, Conventions produced 14 Comic Conventions in the following cities: (i) Portland, OR; (ii) New Orleans, LA; (iii) Madison, WI; (iv) Cleveland, OH; (v) Chicago, IL; (vi) Minneapolis, MN; (vii) Philadelphia, PA; (viii) St Louis, MO; (ix) Des Moines, IA; (x) Sacramento, CA; (xi) Columbus, OH; (xii) Oklahoma City, OK (xiii) Austin, TX; (xiv) Nashville, TN.

The Company receives revenue from its Comic Conventions primarily from three sources: (i) consumer admissions; (ii) exhibitor booth sales; and (iii) national and/or regional sponsorships. Comic Conventions vary in cost to produce. Production costs vary based on the size and scope of the production. Generally, our production costs range from approximately \$1,000,000 for a smaller scale production to over \$2,000,000 for a larger production.

The Company's plan for 2018 is to produce Comic Convention in the following cities: (i) New Orleans, LA; (ii) St. Louis, MO; (iii) Cleveland, OH; (iv) Portland, OR; (v) Philadelphia, PA; (vi) Des Moines, IA; (vii) (viii) Columbus, OH ; (ix) Boise ID; (x) Winston Salem, NC; (xi) Chicago, IL; (xii) Tulsa, OK; (xiii) Austin, TX; (xiv) Sacramento, CA; (xv) Springfield, MO; (xvi) Montgomery, AL; (xvii) Madison WI.

Our target audience includes men and women in the 18 to 34 year old demographic, together with families of all ages who are fans of various types of entertainment and media, including movies, music, toys, video games, consumer electronics, computers, and lifestyle products (e.g. clothes, footwear, digital devices, and mobile phones). We continuously review our existing operations and procedures relating to our Comic Conventions in order to ensure that we produce the best possible fan experience at our Comic Conventions, and maximize revenue while containing costs.

#### **CONtv**

The Company currently holds a limited and passive interest in CONtv, a digital network devoted to fans of pop culture entertainment.

#### **ConBox**

In April 2015, the Company through its subsidiary, Wiz Wizard, launched ComicConBox ("ConBox"). ConBox is a subscription-based premium monthly box service. The boxes provided by ConBox feature collectibles, exclusives, toys, tech and gaming, licensed artwork, superior comics and apparel, Comic Convention admissions, special VIP discounts and more, which are shipped on or around the end of every month. The Company is currently evaluating its ConBox strategy with the objective of providing more highly-curated goods to subscribers while reducing the cost of production. The Company believes that the profitability of ConBox is limited due to the high cost of goods and logistical complications. During the first month of 2017, the Company ceased its ConBox operations.

#### **Digital Media**

The Company produces a number of digital media properties, including, but not limited to, our recently updated website [www.wizardworld.com](http://www.wizardworld.com), emails, newsletters, Facebook, YouTube, Twitter and Instagram, to create awareness of our Comic Conventions and provide updates to our fans and consumers. To a large extent we also use our website [www.wizardworld.com](http://www.wizardworld.com) to provide the latest Wizard World news and information. While we derive little or no direct revenue from these properties, they have the indirect benefit of supporting sales relating to our Comic Conventions (dealer and exhibitor booths, admissions, sponsorships), as well as helping us secure additional sought after and high profile talent. This in turn helps us obtain additional admissions, booth sales and sponsorships for our Comic Conventions. The Company intends to increase its presence in the digital space, through the creation and distribution of high quality and compelling content. Plans are underway to launch an initiative that will greatly amplify the Company's digital presence and enhance the Company's current operations.

The Company maintains an email list consisting of all our 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, information is posted after a Comic Convention, which helps to generate excitement at future events. Because our Comic Conventions visit multiple cities, it is essential that we create excitement in multiple regions, not just focused on a single event.

Through Facebook, our attending artists and celebrities are able to help promote our Comic Conventions by announcing their involvement in our events. This helps generate excitement among both their existing fan base and ours while creating a sense of community and groundswell of support for the upcoming Comic Convention. Once we establish a critical mass of people, the Comic Convention can become part of the fabric of the community where people anticipate and look forward to the event months and sometimes even a full year in advance. Retention of Comic Convention attendees 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](http://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 Comic Conventions the attendees participate in events. This atmosphere creates a greater amount of user generated content on Facebook, Twitter, Instagram and YouTube. For instance, we generally observe an increase in Facebook "Likes" on profile picture changes on Facebook the days during and after our Comic Conventions featuring celebrity "Photo Ops." This is a non-paid form of free advertising. Social networks such as Facebook and Twitter are a perfect marriage for these types of event photos.

### **Strategy**

Our objective is to create an expanded and qualitatively enhanced digital initiative to leverage the Company's digital extensions to become a dominant voice for pop culture enthusiasts across multiple media platforms. Key elements of our strategy include:

- producing high quality Comic Conventions events across the United States to entertain fans and to allow for promotion of consumer products and entertainment;
- produce high quality content and leveraging the content created at the Comic Conventions through digital media outlets such as websites, apps, emails, newsletters, Facebook, Twitter, Flickr, Tumblr, Instagram and YouTube, among others;
- obtaining sponsorships and promotions from media and entertainment companies for our digital initiative Comic Conventions, including:
- expanding our relationships with entertainment and media companies; and
- utilizing the Company's digital assets to create and launch a revised and vibrant e-commerce venture.

### **Sponsorships and Advertising**

The Company sells 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 ages 18 to 34 and families.

#### *Sponsorships and Promotions*

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 our Comic Conventions, (ii) include their desired logos on all direct mail that is sent in connection with one or more Comic Conventions, (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 Conventions, such as costume contests or gaming tournaments and the ability to brand "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. We are able to increase our revenue by utilizing a strategic floor layout that maximizes the amount of highly profitable booth, advertising, and sponsorship opportunities. We are focused on increasing our sponsorship revenue and we are currently actively engaged in enhancing our capabilities in that regard.

## *Marketing*

Our Comic Conventions are marketed through a variety of media outlets, including social media, websites, public relations, television, radio, out-of-home (OOH), email, “street-teams”, and by flyers, and postcards. Our Comic Conventions usually obtain publicity through coverage of the events at our Comic Conventions by local TV stations, radio stations, newspapers, national press, 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 local TV stations to our Comic Conventions so that they can interview the celebrities featured at our Comic Conventions. 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 Conventions. With respect to the internet and online advertising, we advertise throughout our website [www.wizardworld.com](http://www.wizardworld.com) about upcoming Comic Conventions. We also send out emails to our fans on a regular basis.

## **Trademarks and Copyrights**

We have a portfolio of trademarks and service marks and maintain a catalog of copyrighted works. Such marks include “Wizard World”, “Where Pop FI Comes to Life” and “Wizard World Girls” and “WizPop”.

## **Regulation**

Typically, we do not have to obtain permits to operate the Comic Conventions. 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**

We derive revenue from both Comic Convention attendees and corporate clients that purchase sponsor opportunities and take part in our Comic Conventions as exhibitors.

### *Show Attendees*

Our Comic Conventions are attended primarily by men and women in the 18 to 34 year old demographic, together with families of all ages who are fans of various types of entertainment and media, including movies, music, toys, video games, consumer electronics, computers, and lifestyle products (e.g. clothes, footwear, digital devices, and mobile phones). We are seeking to develop a positive reputation for hosting quality events in order to build brand loyalty among our show attendees and ensure repeat attendance.

### *Corporate Sponsors and Exhibitors*

We continue to target some of the leading movie studios, video game producers, comic book publishers, television broadcasters, and toy manufacturers as future exhibitors and sponsors. 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 reach our 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 Conventions take place in well-known major cities across the United States throughout the year. Our strategy of providing multiple conventions per year enable us to market our events throughout the entire year, create a large amount of high-quality 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 Convention providers that produce events across the country. We are unique in that we produce more Comic Conventions in the United States annually than any other organization. We reach audiences coast-to-coast, north-to-south markets in the United States. We believe that creates an advantage over other event producers because our Comic Conventions are not limited to one city, but rather span well-known cities across the United States.

We also believe that we have an advantage over competitors because our Comic Conventions are well known and well respected in the Comic Convention and pop culture industry. We have a reputation among fans, exhibitors, and celebrities for producing high-quality and well attended Comic Conventions.

#### **Sales Channels and Pricing Policies**

We have outsourced our admission sales to a national ticketing service. Our intention is to move all ticketing to a bar-code system that will be consumer friendly by decreasing lines at the convention venues. Admission prices typically range from \$50 for a single day pass to \$95 for a general weekend pass. Entry for children ten years old and under is free at Wizard Comic Conventions.

#### **Sales and Marketing Strategy**

We promote our Comic Conventions 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 and YouTube, to reach our fans and provide updates. Further, we promote our Comic Conventions on our website [www.wizardworld.com](http://www.wizardworld.com) and through our email database. We currently sell to prospective corporate sponsors and advertisers through our direct sales force.

#### **Growth Strategy**

Aggressive steps taken by the Company's new management throughout 2017 including but not limited to cost containment and the reduction of corporate overhead, have now provided a stable and reliable base of operations from which the Company can grow. The Company plans to pursue expansion by carefully evaluating various strategies that are now under consideration and utilizing knowledge gained throughout the Company's history.

We plan to organically develop new Comic Conventions, including a focused initiative to develop new Comic Conventions in smaller markets; in a variety of alternative venues. We also seek to increase revenues of our existing Comic Conventions through improving the fan experience by adding more entertainment, exhibitors, celebrities, panels, gaming tournaments, genres of fandom and opportunities for VIP experiences. Internalizing various services provided at our Comic Conventions we believe we can also lead to increased revenues. For example, all photo-operations at our Conventions are now owned and controlled by the Company. To help us provide a better customer experience, and in order to address the logistics of hosting additional and more profitable Comic Conventions, the Company has entered into a relationship with a sophisticated ticket sales company. We have focused on the cost of production of each Convention and we have taken material strides to improve operating efficiencies.

The Company is also looking to leverage its existing resources and exposure, both online and at Comic Conventions, to generate revenue through new business opportunities. For example, the Company intends to move into the area of e-commerce and collectibles. The Company has embarked on a new digital initiative intended to promote its convention platform.

Additionally, we are attempting to increase revenue through increasing corporate sponsorships with national Fortune 1000 marketers by offering 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 enhance 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. Currently the Company has embarked on a major initiative to identify potential local, regional and national sponsors and to conclude sponsorship arrangements with them.



To help facilitate our growth, we have recently restructured our marketing department which now produces and utilizes enhanced sales collateral. We have also upgraded our internal accounting department which has adopted the use of sophisticated accounting software and PO systems in order to better handle the accounting matters associated with a larger company.

The Wizard World Comic Convention 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 Convention consumers. For example, the platform includes: (i) the website [www.wizardworld.com](http://www.wizardworld.com) (ii) our Facebook page, [www.facebook.com/wizardworld](http://www.facebook.com/wizardworld), (iii) Twitter at [www.twitter.com/wizardworld](http://www.twitter.com/wizardworld), (iv) video social websites such as [www.youtube.com/wizardworld](http://www.youtube.com/wizardworld), and (v) Instagram at [www.instagram.com/wizardworld](http://www.instagram.com/wizardworld). 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 varying 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. It is our further intention to expand the Company's digital offerings by curating and producing high quality content for digital distribution which will broaden the Company's position and reputation as an authentic voice of pop culture. The new digital initiatives will enhance the Company's live event activities and will become a major force in their own right. We will also greatly increase our presence as a disseminator of collectible products as a part of a greatly augmented and expanded e-commerce initiative.

In the Fall of 2017, we announced two agreements with the CN Live platform in China. Under these agreements will provide English language programs across mainland China on an ad-supported and SVOD basis. Plans also include the development of IP with a major motion picture studio, in addition to exploring immersive media opportunities.

## **Employees**

We currently have 18 full-time equivalent employees. Additionally, we engage 8 freelance consultants providing us with greater core competence in the disciplines of Marketing, Sponsorship Sales, Event Production and e-commerce.

## **Where You Can Find More Information**

Our website address is [www.wizardworld.com](http://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**

*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 move forward to 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 the Company, 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 a substantial amount 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. This may also limit your ability to influence the Company in other ways.

***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 Conventions 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.

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

Expansion of our business and operations 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 Convention Business**

***If we do not maintain and develop our Wizard World Comic Convention brand, we will not be able to attract an audience to the Comic Conventions.***

We attract audiences and advertisers partly through brand name recognition. We believe that establishing, maintaining and enhancing our portfolio of Comic Conventions and the brands of our strategic partners will enhance our growth prospects. The promotion of our Wizard World Comic Convention 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 Conventions. 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 Conventions or produce the same quality of Comic Conventions 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.

***Our future success depends on attracting high-profile celebrities and VIPs to our Comic Conventions. If we fail to attract such celebrities and VIPs, our attendance may suffer and our operating results and revenues may be adversely impacted.***

Our ability to maintain our competitive position will be dependent on attracting high profile celebrities and VIPs to attend our Comic Conventions. We attract our audience by providing opportunities to meet some of their favorite celebrities. The failure of the Company to attract such high-profile celebrities and VIPs may hurt the attendance at our Comic Conventions and as a result, our operations results and revenues may be adversely impacted.

#### **Digital Media**

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

The Company will expand into digital media and content creation. 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.

In addition, failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations. If we or our independent registered public accounting firm identify material weaknesses, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in our financial statements and harm our stock price. In addition, if we are unable to continue to comply with Section 404, our non-compliance could subject us to a variety of administrative sanctions, including the inability of registered broker-dealers to make a market in our common stock, which could reduce our stock price.

## **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.

***The ownership by our Executive Chairman of our common stock will likely limit your ability to influence corporate matters.***

Mr. Paul Kessler, our Executive Chairman, is the beneficial owner of a substantial amount of the issued and outstanding shares of the Company's common stock. As a result, our Mr. Kessler has significant influence over most matters that require approval by our stockholders, including the election of directors and approval of significant corporate transactions, even if other stockholders oppose them. This concentration of ownership might also have the effect of delaying or preventing a change of control of our Company that other stockholders may view as beneficial.

***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 an investor 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.**

On June 16, 2016, the Company entered into a Standard Multi-Tenant Sublease (“Sublease”) to occupy office space at 662 N. Sepulveda Blvd., Los Angeles, California 90049 with Bristol Capital Advisors, LLC, an entity controlled by the Company’s Executive Chairman. The term of the Sublease is 5 years and 3 months, beginning on July 1, 2016 with monthly payments of \$8,118. Upon execution of the sublease, the Company paid a security deposit of \$9,137 and \$199,238 for prepaid rent. The prepaid rent allowed the Company to obtain preferential lease terms and induced the landlord to make certain improvements to the property. Bristol Capital Advisors, LLC is not the owner of the subject premises (it is a tenant in the building) and Bristol Capital Advisors, LLC passes its actual and direct cost of the Company’s occupancy through to the Company without any fee, profit or markup. Bristol Capital Advisors, LLC in no manner profited from the pre-payment of rent. The Company bases its operations out of this location.

The Company does not own any real estate.

**Item 3. Legal Proceedings.**

On October 28, 2016, the Company filed a Complaint (the “SDNY Complaint”) and commenced a lawsuit in the United States District Court, Southern District of New York, against Stephen Shamus, the former Chief Marketing Officer of the Company whose employment was terminated on October 27, 2016 (the “SDNY Lawsuit”). In the SDNY Lawsuit, the Company alleges, among other things, breach of fiduciary duty, misappropriation of corporation assets, breach of contract, and conversion, against Mr. Shamus relating to the Company’s assertion that he used his position with the Company to improperly obtain memorabilia at the Company’s Comic Conventions which he would then sell and retain the profits from for his own benefit. On November 16, 2016, Mr. Shamus filed an Answer to the SDNY Complaint with counterclaims against the Company (the “SDNY Counterclaim”). The SDNY Counterclaim alleges breach of contract and unjust enrichment against the Company and seeks compensatory damages in the form of cash.



The SDNY Lawsuit was concluded on what management considers to be favorable terms on February 15, 2017.

On December 16, 2016, the Company filed a Complaint (the “DNJ Complaint”) and commenced a lawsuit in the United States District Court, District of New Jersey (the “DNJ Lawsuit”), against Gareb Shamus, the founder and former Chief Executive Officer of the Company; Pivot Media LLC and 4 Brothers LLC, entities owned and operated by Gareb Shamus; Stephen Shamus, the former Chief Marketing Officer of the Company whose employment was terminated on October 27, 2016; Kenneth Shamus, a former director of the Company; Eric Weisblum; GEM Funding LLC; It’s All Normal LLC; and various other defendants (collectively, the “DNJ Defendants”). In the DNJ Complaint, the Company alleged that the DNJ Defendants violated Section 13(d) of the Securities and Exchange Act of 1934 and SEC Rules 13d-1 and 13d-5. The Company sought an injunction to compel the DNJ Defendants to make complete disclosure under Section 13(d) of the Exchange Act and to cure their past violations.

The DNJ Lawsuit was concluded on what management considers to be favorable terms on February 15, 2017.

On January 11, 2017, Arden B. Silverman (“Silverman”), d/b/a Capital Asset Protection, filed a complaint (the “Silverman Complaint”) and commenced a lawsuit against the Company in the Superior Court of California, County of Los Angeles – Central District (the “Silverman Lawsuit”). Silverman brought the claim after being assigned the right title and interest in a claim against the Company by Rogers & Cowan, Inc., a California corporation (Rogers & Cowan). The Silverman Complaint alleges the Company owes \$42,600 plus attorney’s fees to Silverman for services provided by Rogers & Cowan to the Company. On April 10, 2017, the Company filed a cross Complaint in the Silverman Lawsuit against Rogers and Cowan, among others (the “Cross-Complaint”). The Cross-Complaint seeks in excess of \$90,000 from Rogers & Cowan, among others, and alleges, fraud, negligent misrepresentation, breach of written agreement; breach of covenant of good faith and fair dealings, and violations of Cal. Bus. & Prof. Code §§17200 et seq. The matters at issue in the Silverman lawsuit were resolved by way of a mutual settlement that, in the opinion of, was advantageous to the Company in June 2017.

A complaint for breach of contract and various disability discrimination claims was filed by former COO Randy Malinoff after the Company terminated him for cause. The Company believes that the matter, which is set for trial in 2019, is wrongful and is without merit. The Company currently intends to proceed to trial on this matter.

With the exception of the foregoing disputes, the Company is not involved in any disputes and does not have any litigation matters pending which the Company believes could have a materially adverse effect on the Company’s 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.

However, from time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business.

**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, 2017	\$ 0.110	\$ 0.300
September 30, 2017	\$ 0.090	\$ 0.350
June 30, 2017	\$ 0.135	\$ 0.230
March 31, 2017	\$ 0.155	\$ 0.260
December 31, 2016	\$ 0.156	\$ 0.338
September 30, 2016	\$ 0.310	\$ 0.470
June 30, 2016	\$ 0.330	\$ 0.530
March 31, 2016	\$ 0.302	\$ 0.500

**(b) Holders**

As of March 28, 2018, a total of 68,535,036 shares of the Company's common stock were outstanding and held by 30 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, and the Company's compensation plan adopted in 2016.

**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 "2011 Plan"). The 2011 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. The 2011 Plan has been administered by the Board since its adoption.

Under the 2011 Plan:

1. Each option contains 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 2011 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.

#### **2016 Incentive Stock Award Plan**

On August 12, 2016, Board unanimously approved, authorized and adopted (subject to stockholder approval) the 2016 Incentive Stock and Award Plan (the "2016 Plan") to replace the expired Third Amended and Restated 2011 Incentive Stock and Award Plan. The 2016 Plan provides for the issuance of up to 5,000,000 shares of the Company's common stock through the grant of nonqualified options, incentive options and restricted stock to the Company's directors, officers, consultants, attorneys, advisors and employees. Until a committee consisting of two or more independent, non-employee directors is appointed to administer the 2016 Plan, the Board shall administer the Plan.

Under the 2016 Plan:

1. Each option will contain the following terms:

(i) the exercise price for an Incentive Option (as defined in the Plan), 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, the exercise price shall be at least 110% of the Fair Market Value, and *provided further* that with respect to the Nonqualified Option (as defined in the Plan), the purchase price of each share of stock purchasable under a Nonqualified Option shall be at least 100% of the Fair Market Value of such share of stock on the date that Nonqualified option is granted, *unless* the Committee, in its sole and absolute discretion, determines to set the purchase price of such Nonqualified Option below 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, 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) certificate(s) evidencing the restricted stock shall not be delivered until they are free of any restrictions specified by the Board 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 prior to such restrictions being satisfied; 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, 2017, the Company issued the following stock options and grants under the 2011 Plan:

**Equity Compensation Plan Information Under The 2011 Plan**

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	3,319,000	\$ 0.59	-
<b>Total</b>	<b>3,319,000</b>	<b>\$ 0.59</b>	<b>-</b>

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

As of December 31, 2017, the Company issued the following stock options and grants under the 2016 Plan:

**Equity Compensation Plan Information Under The 2016 Plan**

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	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	2,000,000	\$ 0.55	3,000,000
<b>Total</b>	<b>2,000,000</b>	<b>\$ 0.55</b>	<b>3,000,000</b>

**Rule 10B-18 Transactions**

During the year ended December 31, 2017, there were no repurchases of the Company's common stock by the Company.

**Recent Sales of Unregistered Securities**

There were no unregistered sales of the Company's equity securities during the year ended December 31, 2017 that were not previously disclosed in a Current Report on Form 8-K or Quarterly Report on Form 10-Q.

**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, 2017 and 2016, included elsewhere in this report.

We are currently a producer of Comic Conventions across the United States that celebrate movies, television shows, video games, technology, toys, social networking/gaming platforms, comic books and graphic novels. Our Comic Conventions provide entertainment for fans of the pop culture genre, as well as sales, marketing, promotions, public relations, advertising and sponsorship opportunities for entertainment companies, toy companies, gaming companies, publishing companies, marketers, corporate sponsors, and retailers which wish to reach our audience.

## Plan of Operation

At present, the Company is engaged primarily in the live event business and derives income mainly from: (i) the production of Comic Conventions, which involves the sales of admissions and exhibitor booth space, and (ii) sale of sponsorships and advertising. The Company, while taking steps to enhance its live events operations, is steadily moving into the space of being a hyphenate live event media company.

We plan on continuing to enhance our Comic Conventions by featuring new and exciting exhibitors and high-profile celebrities. Further, we are carefully researching and identifying new geographic markets for our Comic Convention. During the second half of 2017 we embarked on an aggressive review of the costs expended at each of our Conventions. As the result of this review, we have identified many operating efficiencies which have enabled us to operate our Conventions at a production cost (aside from talent) that is approximately 33.3% lower than previous operations. The savings on logistics and production have enabled us to consistently produce shows that are favorably contributing to the net operating margin.

In December 2017 the Company embarked on a cost containment strategy. The implementation of that strategy, which has been in place since January 2018 will reduce corporate overhead from an approximate \$4.9 million in 2017 to approximately \$2.7 million in 2018. The efficiencies in Convention production in addition to the savings achieved in corporate overhead should have a materially positive impact on the going forward results.

Concurrently with the Company's efforts in the Comic Convention business, the Company is selectively producing and branding compelling content and reaching consumers via social media outlets such as Facebook, Twitter and YouTube, as well as the Company's website, [www.wizardworld.com](http://www.wizardworld.com). The Company hopes to utilize its digital offerings to bolster its Comic Convention business.

We currently expect to produce 16 live events during 2018, although that number of conventions may change as we evaluate locations and venues. Among the shows being produced in 2018 are shows in new markets, including Boise, Winston Salem, and Montgomery.

The Company has recently announced an alignment with Sony Pictures Entertainment. Pursuant to that alignment the Company is exploring a number of initiatives, which may include: (i) the development of intellectual property for the creation of motion picture and television content. The first session for the reception of such content will be in Portland in April 2018, (ii) the production of an exclusive event on the Sony Pictures lot in June of 2019 (iii) the entry into the immersive entertainment space, (iv) the launch of a touring event in Asia. These activities, in addition to others will broaden the scope of the Company's portfolio of revenue generating activities.

Additionally, the Company has entered into an agreement to program two channels in China on the CN Live platform. The Company has entered into a programming agreement with Associated Television International and is proceeding with its plans to launch the Chinese networks. In addition to the agreement with Associated Television International, the Company is discussing the acquisition of content with other third-party suppliers.

## Results of Operations

### Summary of Statements of Operations for the Year Ended December 31, 2017 and 2016:

	Year Ended	
	December 31, 2017	December 31, 2016
Convention revenue	\$ 14,983,033	\$ 21,994,433
ConBox revenue	\$ 84,580	\$ 707,101
Gross profit	\$ 9,316	\$ 6,534,543
Operating expenses	\$ (5,346,924)	\$ (7,716,789)
Loss from operations	\$ (5,337,608)	\$ (1,182,246)
Other expenses	\$ (395,887)	\$ (325,857)
Net loss attributable to common shareholder	\$ (5,732,814)	\$ (1,508,103)
Loss per common share – basic and diluted	\$ (0.08)	\$ (0.03)

#### *Convention Revenue*

Convention revenue was \$14,983,033 for the year ended December 31, 2017, as compared to \$21,994,433 for the comparable period ended December 31, 2016, a decrease of \$7,011,400. The decrease in convention revenue is primarily attributable to running less shows than the prior year. In addition, the Company increased admission prices and the overall size and scope of each event. The Company ran fourteen events during the year ended December 31, 2017, as compared to sixteen events during the comparable year ended December 31, 2016. Average revenue generated per event in 2017 was \$1,070,217 as compared to \$1,374,652 during 2016.

#### *ConBox Revenue*

ConBox revenue was \$84,580 for the year ended December 31, 2017, as compared to \$707,101 for the comparable year ended December 31, 2016, a decrease of \$622,521. The Company ceased ConBox operations in 2017 resulting in the decrease.

#### *Gross Profit*

Gross profit percentage for the convention segment decreased from a gross profit of 31% during the year ended December 31, 2016, to a gross profit of 0.1% during the year ended December 31, 2017. The Company produced fourteen events during the year ended December 31, 2017, as compared to sixteen events during the comparable year ended December 31, 2016. The gross profit percentage decrease was attributable to decreased revenue at each show and higher than acceptable production costs.

Gross profit percentage for the ConBox segment increased from a gross deficit of 46% during the year ended December 31, 2016, to a gross profit of 5% during the year ended December 31, 2017. The gross profit percentage increase was attributable to an overall decrease in fulfillment costs. The Company ceased ConBox operations in 2017.

### **Operating Expenses**

Operating expenses for the year ended December 31, 2017, was \$5,346,924, as compared to \$ 7,716,789 for the year ended December 31, 2016. The change is attributable to a decrease in employee compensation and general and administrative expenses offset by a slight increase in consulting expenses. The \$1,450,062 decrease in compensation is primarily attributable to a decline in both headcount and officer compensation. General and administrative expenses decreased by \$943,383 since the prior year comparative period due to a decrease in service fees, travel and web development.

### **Loss from Operations**

Loss from operations for the year ended December 31, 2017, was \$5,337,608 as compared to a loss from operations of \$1,182,246 for the year ended December 31, 2016. The loss was primarily attributable to issues related to production costs, which were excessive versus revenue and corporate overhead that could not be sustained. The Company has addressed both issues. Additionally, the Company has augmented its marketing and talent departments to increase attendance at its conventions. During the 4<sup>th</sup> Quarter of 2017 the Company dramatically reduced its corporate overhead expenses, reducing the projected Corporate Operating budget in 2018 to \$2,700,000 compared with \$4,900,000 in 2017. This reduction, combined with the operating efficiency in producing the shows should materially improve the operating results in 2018.

### **Other Expenses**

Other expenses for the year ended December 31, 2017, was \$395,887, as compared to \$325,857 for the year ended December 31, 2016. During the year ended December 31, 2017, the Company recorded interest of expense of \$395,102 related to the convertible note and corresponding debt discount compared to \$26,481 during the year ended December 31, 2016. The Company recorded a loss of \$262,500 during the year ended December 31, 2016 on the CONtv joint venture with Cinedigm compared to a loss of \$0 during the year ended December 31, 2017. For the year ended December 31, 2017 and 2016, the Company recorded a loss of \$785 and \$36,876, respectively, upon the disposal of equipment.

### **Net Loss Attributable to Common Stockholder**

Net loss attributable to common stockholder for the year ended December 31, 2017, was \$5,732,814 or loss per basic share of \$0.08, compared to a net loss of \$1,575,361 or loss per basic share of \$0.03, for the year ended December 31, 2016.

Inflation did not have a material impact on the Company's operations for the applicable 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, 2017 compared to December 31, 2016:

	<b>December 31, 2017</b>	<b>December 31, 2016</b>	<b>Increase/(Decrease)</b>
Current Assets	\$ 2,765,278	\$ 5,599,269	\$ (2,833,991)
Current Liabilities	\$ 6,306,310	\$ 2,736,953	\$ 3,569,357
Working Capital (Deficit)	\$ (3,541,032)	\$ 2,862,316	\$ 6,403,348

At December 31, 2017, we had a working capital deficit of \$3,541,032, as compared to working capital of \$2,862,317, at December 31, 2016, a decrease of \$6,403,348. The change in working capital is primarily attributable to a decrease in cash and cash equivalents, prepaid expenses and an increase in accounts payable and accrued expenses, unearned revenue and convertible promissory notes. These were offset by an increase in accounts receivable.

### **Net Cash**

Net used in operating activities for the year ended December 31, 2017 and 2016, was \$2,533,595 and \$2,488,009, respectively. The net loss for the years ended December 31, 2017 and 2016, was \$5,733,495 and \$1,508,103, respectively.



## *Going Concern Analysis*

The Company had a net loss of \$5,733,495 and \$1,508,103 for the years ended December 31, 2017 and 2016, respectively. As of December 31, 2017, we had cash and working capital deficit of \$1,769,550 and \$3,541,032, respectively. We have evaluated the significance of these conditions in relation to our ability to meet our obligations, which had previously raised doubts about the Company's ability to continue as a going concern through March 2019. However, the Company believes that the effects of its cost savings efforts with regard to corporate overhead and show production expenses commenced in 2017 are not reflected in the above results, but should be evident in 2018.

In addition to its cost containment strategies, the Company has announced three agreements intended to expand its future revenues: 1) an alignment with Sony Pictures Entertainment to explore a number of strategic initiatives; 2) an agreement to program a linear advertising Supported channel and an SVOD Channel in China on the CN Live platform; and, 3) a programming agreement with Associated Television International to launch the Chinese networks.

Additionally, if necessary, management believes that both related parties (management and members of the Board of Directors of the Company) and potential external sources of debt and/or equity financing may be obtained based on management's history of being able to raise capital from both internal and external sources coupled with current favorable market conditions. Therefore, the accompanying condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern.

The consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the matters discussed herein. While the Company believes in the viability of management's strategy to generate sufficient revenue, control costs and the ability to raise additional funds if necessary, there can be no assurances to that effect. The Company's ability to continue as a going concern is dependent upon the ability to further implement the business plan, generate sufficient revenues and to control operating expenses.

### **Off-Balance Sheet Arrangements**

As of December 31, 2017, 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 Operation."*

#### **Use of Estimates**

The preparation of financial statements in conformity with 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). 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.

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

## Income Taxes

The Company accounts for income taxes under Section 740-10-30 of the FASBASC. 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 FASBASC ("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 carryforwards. The Company periodically reviews the recoverability of deferred tax assets recorded on its consolidated balance sheets and provides valuation allowances as management deems necessary.

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.

## Revenue Recognition

The Company follows Paragraph 605-10-S99-1 of the FASB ASC 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.

Unearned ConBox revenue is non-refundable up-front payments for products. These payments are initially deferred and subsequently recognized over the subscription period, typically three months, and upon shipment of the product. The Company ceased ConBox operations in 2017.

The Company recognizes cost of revenues in the period in which the revenues was earned. In the event the Company incurs cost of revenues for conventions that are yet to occur, the Company records such amounts as prepaid expenses and such prepaid expenses are expensed during the period the convention takes place.

## Equity-based compensation

The Company recognizes compensation expense for all equity-based payments in accordance with ASC 718 "*Compensation – Stock Compensation*". Under fair value recognition provisions, the Company recognizes equity-based compensation net of an estimated forfeiture rate and recognizes compensation cost only for those shares expected to vest over the requisite service period of the award.

Restricted stock awards are granted at the discretion of the Company. These awards are restricted as to the transfer of ownership and generally vest over the requisite service periods, typically over a four-year period (vesting on a straight-line basis). The fair value of a stock award is equal to the fair market value of a share of Company stock on the grant date.

The fair value of option award is estimated on the date of grant using the Black-Scholes option valuation model. The Black-Scholes option valuation model requires the development of assumptions that are input into the model. These assumptions are the expected stock volatility, the risk-free interest rate, the expected life of the option, the dividend yield on the underlying stock and the expected forfeiture rate. Expected volatility is calculated based on the historical volatility of the Company's Common stock over the expected option life and other appropriate factors. Risk-free interest rates are calculated based on continuously compounded risk-free rates for the appropriate term. The dividend yield is assumed to be zero as the Company has never paid or declared any cash dividends on our Common stock and does not intend to pay dividends on our Common stock in the foreseeable future. The expected forfeiture rate is estimated based on historical experience.

Determining the appropriate fair value model and calculating the fair value of equity-based payment awards requires the input of the subjective assumptions described above. The assumptions used in calculating the fair value of equity-based payment awards represent management's best estimates, which involve inherent uncertainties and the application of management's judgment. As a result, if factors change and the Company uses different assumptions, our equity-based compensation could be materially different in the future. In addition, the Company is required to estimate the expected forfeiture rate and recognize expense only for those shares expected to vest. If our actual forfeiture rate is materially different from our estimate, the equity-based compensation could be significantly different from what the Company has recorded in the current period.

The Company accounts for share-based payments granted to non-employees in accordance with ASC 505-40, "*Equity Based Payments to Non-Employees*". The Company determines the fair value of the stock-based payment as either the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. If the fair value of the equity instruments issued is used, it is measured using the stock price and other measurement assumptions as of the earlier of either (1) the date at which a commitment for performance by the counterparty to earn the equity instruments is reached, or (2) the date at which the counterparty's performance is complete. The fair value of the equity instruments is re-measured each reporting period over the requisite service period.

## Fair Value of Financial Instruments

We follow Paragraph 825-10-50-10 of the FASB ASC for disclosures about fair value of our financial instruments and paragraph 820-10-35-37 of the FASB ASC (“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 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.

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 assets and liabilities, such as cash, accounts receivable, inventory, prepaid expenses, accounts payable and accrued liabilities, and unearned revenue approximate their fair value because of the short maturity of those instruments.

## Recent Accounting Pronouncements

In July 2015, the FASB issued the ASU No. 2015-11 “*Inventory (Topic 330): Simplifying the Measurement of Inventory*” (“ASU 2015-11”). The amendments in this ASU do not apply to inventory that is measured using last-in, first-out (LIFO) or the retail inventory method. The amendments apply to all other inventory, which includes inventory that is measured using first-in, first-out (FIFO) or average cost. An entity should measure inventory within the scope of this ASU at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Subsequent measurement is unchanged for inventory measured using LIFO or the retail inventory method. For public business entities, the amendments in this ASU are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. The Company adopted the standard during the year ended December 31, 2017 and the adoption did not have a material effect on its consolidated financial statements and disclosures.

In February 2016, the FASB issued ASU 2016-02, “*Leases (Topic 842)*.” Under ASU 2016-02, lessees will be required to recognize, for all leases of 12 months or more, a liability to make lease payments and a right-of-use asset representing the right to use the underlying asset for the lease term. Additionally, the guidance requires improved disclosures to help users of financial statements better understand the nature of an entity’s leasing activities. This ASU is effective for public reporting companies for interim and annual periods beginning after December 15, 2018, with early adoption permitted, and must be adopted using a modified retrospective approach. The Company is in the process of evaluating the effect of the new guidance on its consolidated financial statements and disclosures.

In April 2016, the FASB issued ASU No. 2016-10, “*Revenue from Contracts with Customers: Identifying Performance Obligations and Licensing (Topic 606)*”. In March 2016, the FASB issued ASU No. 2016-08, “*Revenue from Contracts with Customers: Principal versus Agent Considerations (Reporting Revenue Gross versus Net) (Topic 606)*”. These amendments provide additional clarification and implementation guidance on the previously issued ASU 2014-09, “*Revenue from Contracts with Customers*”. The amendments in ASU 2016-10 provide clarifying guidance on materiality of performance obligations; evaluating distinct performance obligations; treatment of shipping and handling costs; and determining whether an entity’s promise to grant a license provides a customer with either a right to use an entity’s intellectual property or a right to access an entity’s intellectual property. The amendments in ASU 2016-08 clarify how an entity should identify the specified good or service for the principal versus agent evaluation and how it should apply the control principle to certain types of arrangements. The adoption of ASU 2016-10 and ASU 2016-08 is to coincide with an entity’s adoption of ASU 2014-09, which the Company intends to adopt for interim and annual reporting periods beginning after December 15, 2017. The Company is in the process of evaluating the standard and does not expect the adoption will have a material effect on its consolidated financial statements and disclosures.

In April 2016, the FASB issued ASU No. 2016-09, “*Compensation – Stock Compensation (Topic 718)*”. The FASB issued this update to improve the accounting for employee share-based payments and affect all organizations that issue share-based payment awards to their employees. Several aspects of the accounting for share-based payment award transactions are simplified, including: (a) income tax consequences; (b) classification of awards as either equity or liabilities; and (c) classification on the statement of cash flows. The updated guidance is effective for annual periods beginning after December 15, 2016, including interim periods within those fiscal years. Early adoption of the update is permitted. The Company adopted the standard during the year ended December 31, 2017 and the adoption did not have a material effect on its consolidated financial statements and disclosures.

In May 2016, the FASB issued ASU No. 2016-12, “*Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients*”, which narrowly amended the revenue recognition guidance regarding collectability, noncash consideration, presentation of sales tax and transition and is effective during the same period as ASU 2014-09. The Company is currently evaluating the standard and does not expect the adoption will have a material effect on its consolidated financial statements and disclosures.

In August 2016, the FASB issued ASU 2016-15, “*Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*” (“ASU 2016-15”). ASU 2016-15 will make eight targeted changes to how cash receipts and cash payments are presented and classified in the statement of cash flows. ASU 2016-15 is effective for fiscal years beginning after December 15, 2017. The new standard will require adoption on a retrospective basis unless it is impracticable to apply, in which case it would be required to apply the amendments prospectively as of the earliest date practicable. The Company is currently in the process of evaluating the impact of ASU 2016-15 on its consolidated financial statements.

In October 2016, the FASB issued ASU 2016-16, “*Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other than Inventory*”, which eliminates the exception that prohibits the recognition of current and deferred income tax effects for intra-entity transfers of assets other than inventory until the asset has been sold to an outside party. The updated guidance is effective for annual periods beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption of the update is permitted. The Company is currently evaluating the impact of the new standard.

In November 2016, the FASB issued ASU 2016-18, “*Statement of Cash Flows (Topic 230)*”, requiring that the statement of cash flows explain the change in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. This guidance is effective for fiscal years, and interim reporting periods therein, beginning after December 15, 2017 with early adoption permitted. The provisions of this guidance are to be applied using a retrospective approach which requires application of the guidance for all periods presented. The Company is currently evaluating the impact of the new standard.

In May 2017, the FASB issued ASU 2017-09, “*Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting*,” which provides guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in Topic 718. This standard is required to be adopted in the first quarter of 2018. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements and related disclosures.

In July 2017, the FASB issued ASU 2017-11, “*Earnings Per Share (Topic 260), Distinguishing Liabilities from Equity (Topic 480) and Derivatives and Hedging (Topic 815): I. Accounting for Certain Financial Instruments with Down Round Features; II. Replacement of the Indefinite Deferral of Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with Scope Exception*”. Part I of this update addresses the complexity of accounting for certain financial instruments with down round features. Down round features are features of certain equity-linked instruments (or embedded features) that result in the strike price being reduced on the basis of the pricing of future equity offerings. Current accounting guidance creates cost and complexity for entities that issue financial instruments (such as warrants and convertible instruments) with down round features that require fair value measurement of the entire instrument or conversion option. Part II of this update addresses the difficulty of navigating Topic 480, *Distinguishing Liabilities from Equity*, because of the existence of extensive pending content in the FASB Accounting Standards Codification. This pending content is the result of the indefinite deferral of accounting requirements about mandatorily redeemable financial instruments of certain nonpublic entities and certain mandatorily redeemable noncontrolling interests. The amendments in Part II of this update do not have an accounting effect. This ASU is effective for fiscal years, and interim periods within those years, beginning after December 15, 2018. The Company early adopted the ASU 2017-11 in the three months ending December 31, 2017.

In September 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2017-13, *Revenue Recognition (Topic 605), Revenue from Contracts with Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842)*. The new standard, among other things, provides additional implementation guidance with respect to Accounting Standards Codification (ASC) Topic 606 and ASC Topic 842. ASU 2017-03 is effective for annual and interim fiscal reporting periods beginning after December 15, 2017. The Company is currently evaluating the impact of the new standard but does not expect it to have a material impact on its implementation strategies or its consolidated financial statements upon adoption.

Management made the decision to early adopt ASU 2017-11, which required retrospective adjustment causing the 2016 audited financial statements to be restated. See Footnote 3 to the Financial Statements. The comparative financial information disclosed in the Form 10-K including the audited 2016 financial statements represent the restated amounts.

Other than the early adoption of ASU 2017-11, Management does not believe that any recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying condensed consolidated financial statements.

#### **Quantitative and Qualitative Disclosure About Market Risk**

We have limited exposure to market risks from instruments that may impact the *Balance Sheets, Statements of Operations, and Statements of Cash Flows*. Such exposure is due primarily to changing interest rates.

The primary objective for our investment activities is to preserve principal while maximizing yields without significantly increasing risk. This is accomplished by investing excess cash in highly liquid debt and equity investments of highly rated entities which are classified as trading securities.

#### **Off-Balance Sheet Arrangements**

We have no significant known off balance sheet arrangements.

#### **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-28 which appear at the end of this Annual Report.

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

Effective on December 19, 2017, the Board dismissed Rosenberg Rich Baker Berman & Company (“RRBB”), as the Company’s independent registered public accounting firm.

RRBB’s report on the financial statements for the fiscal years ended December 31, 2016 and 2015, contained no adverse opinion or disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principle. During the fiscal years ended December 31, 2016 and 2015, and in the subsequent interim periods through December 19, 2017, the date of dismissal of RRBB, there were no disagreements with RRBB on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of RRBB, would have caused them to make reference to the subject matter of the disagreements in its reports on the financial statements for such year. During the fiscal years ended December 31, 2016 and 2015, and in the subsequent interim period through December 19, 2017, the date of dismissal of RRBB, there were no reportable events as defined in Item 304(a)(1)(v) of Regulation S-K.

Effective on December 26, 2017, the Board approved the engagement of Maughan Sullivan LLC (“Maughan”), as the Company’s new independent registered public accounting firm.

During the fiscal year ended December 31, 2016, and the subsequent interim period prior to the engagement of Maughan, the Company has not consulted Maughan regarding (i) the application of accounting principles to any specified transaction, either completed or proposed; (ii) the type of audit opinion that might be rendered on the Company’s financial statements, and either a written report was provided to the registrant or oral advice was provided that the new accountant concluded was an important factor considered by the registrant in reaching a decision as to the accounting, auditing or financial reporting issue; or (iii) any matter that was either the subject of a disagreement (as defined in Item 304(a)(1)(v)) or a reportable event (as defined in Item 304(a)(1)(v)).

## Item 9A. Controls and Procedures.

### (a) EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Pursuant to Rule 13a-15(b) under the Exchange Act, the Company carried out an evaluation, with the participation of the Company's management, including the Company's Principal Executive Officer ("PEO") and Principal Financial Officer ("PFO"), of the effectiveness of the Company's disclosure controls and procedures (as defined under Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, the Company's PEO and PFO concluded that the Company's disclosure controls and procedures were not effective to ensure that information required to be disclosed by the Company in the reports that the Company files or submits under the Exchange Act, is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including the Company's PEO and PFO, as appropriate, to allow timely decisions regarding required disclosure.

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

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as required under applicable United States securities regulatory requirements. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, the Company's chief executive and chief financial officers and effected by the Board, 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.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. A system of internal controls can provide only reasonable, not absolute, assurance that the objectives of the control system are met, no matter how well the system is conceived or operated. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2017. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in 2013 in Internal Control Integrated Framework. Based on that evaluation under this framework, our management concluded that our internal control over financial reporting was not effective because of the following material weaknesses in our internal control over financial reporting.

- (1) Due to our small number of accounting employees and resources, we have limited segregation of duties, as a result of which there is insufficient independent review of duties performed; and
- (2) In addition, management has not completed a full documentation of all processes and procedures as it relates to internal controls over financial reporting.

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**

The Company is committed to improving financial organization. As part of this commitment, management and the Board performed an extensive review of the Company’s policies and procedures as it relates to financial reporting and human resources in an effort to mitigate future risks of potential misstatements. The former Chairman of the Board, Chief Executive Officer and Chief Accounting Officer declined to participate in such review procedures. The Company will utilize the review findings to further develop, implement and document sound internal controls and procedures surrounding the financial reporting and human resource processes.

**Item 9B. Other Information.**

Not applicable.

**PART III**

**Item 10. Directors, Executive Officers and Corporate Governance.**

The information required by this Item is expected to be filed by amendment to this 10-K filing prior to April 30, 2018, which is 120 days after the close of our fiscal year ended December 31, 2017, and is incorporated herein by reference.

**Item 11. Executive Compensation.**

The information required by this Item is expected to be filed by amendment to this 10-K filing prior to April 30, 2018, which is 120 days after the close of our fiscal year ended December 31, 2017, and is incorporated herein by reference.

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

The information required by this Item is expected to be filed by amendment to this 10-K filing prior to April 30, 2018, which is 120 days after the close of our fiscal year ended December 31, 2017, and is incorporated herein by reference.

**Item 13. Certain Relationships and Related Transactions.**

The information required by this Item is expected to be filed by amendment to this 10-K filing prior to April 30, 2018, which is 120 days after the close of our fiscal year ended December 31, 2017, and is incorporated herein by reference.

**Item 14. Principal Accountant Fees and Services.**

The information required by this Item is expected to be filed by amendment to this 10-K filing prior to April 30, 2018, which is 120 days after the close of our fiscal year ended December 31, 2017, and is incorporated herein by reference.



PART IV

Item 15. Exhibits, Financial Statement Schedules.

<u>Exhibit No.</u>	<u>Description</u>
2.1	<a href="#"><u>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).</u></a>
3.1	<a href="#"><u>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).</u></a>
3.2	<a href="#"><u>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).</u></a>
3.3	<a href="#"><u>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).</u></a>
3.4	<a href="#"><u>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).</u></a>
3.5	<a href="#"><u>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).</u></a>
3.6	<a href="#"><u>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).</u></a>
3.7	<a href="#"><u>Certificate of Amendment to 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 4.3 to the Company's Current Report on Form 8-K, filed with the SEC on April 25, 2011).</u></a>
3.8	<a href="#"><u>Certificate of Amendment to 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 3.1 to the Company's Current Report on Form 8-K, filed with the SEC on March 30, 2012).</u></a>
3.9	<a href="#"><u>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).</u></a>
3.10	<a href="#"><u>First Amendment to the Bylaws of Wizard World, Inc. (as filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on November 21, 2016).</u></a>
4.1	<a href="#"><u>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).</u></a>
4.2	<a href="#"><u>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).</u></a>
4.3	<a href="#"><u>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).</u></a>
4.4	<a href="#"><u>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).</u></a>
10.1	<a href="#"><u>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).</u></a>
10.2	<a href="#"><u>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).</u></a>

- 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. \(as filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on September 29, 2014\).](#)

- 10.34 [Amended and Restated Operating Agreement of CON TV, LLC, by and among Wizard World, Inc., Cinedigm Entertainment Corp., ROAR, LLC and Bristol Capital, LLC \(as filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on November 20, 2015\)](#)
- 10.35 [Amended and Restated License Agreement by and between Wizard World, Inc. and CON TV, LLC \(as filed as Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on November 20, 2015\)](#)
- 10.36 [Amended and Restated Services Agreement by and between Wizard World, Inc. and CON TV, LLC \(as filed as Exhibit 10.3 to the Company's Current Report on Form 8-K, filed with the SEC on November 20, 2015\)](#)
- 10.37 [Employment Agreement by and between Wizard World, Inc. and Randy Malinoff, individually \(as filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on March 7, 2016\)](#)
- 10.38 [Employment Agreement, dated July 15, 2016, by and between Wizard World, Inc. and John D. Maatta \(as filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on July 20, 2016\)](#)
- 10.39 [Non-Compete, Non-Solicitation and Non-Disclosure Agreement, dated July 15, 2016, by and between Wizard World, Inc. and John D. Maatta \(as filed as Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on July 20, 2016\)](#)
- 10.40 [Indemnification Agreement, dated July 15, 2016, by and between Wizard World, Inc. and John D. Maatta \(as filed as Exhibit 10.3 to the Company's Current Report on Form 8-K, filed with the SEC on July 20, 2016\)](#)
- 10.41 [Option Agreement, dated July 15, 2016, by and between Wizard World, Inc. and John D. Maatta \(as filed as Exhibit 10.4 to the Company's Current Report on Form 8-K, filed with the SEC on July 20, 2016\)](#)
- 10.42 [Employment Agreement, dated November 8, 2016, by and between Wizard World, Inc. and Randall S. Malinoff \(as filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on November 14, 2016\)](#)
- 10.43 [Non-Compete, Non-Solicitation and Non-Disclosure Agreement, dated November 8, 2016, by and between Wizard World, Inc. and Randall S. Malinoff \(as filed as Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on November 14, 2016\)](#)
- 10.44 [Indemnification Agreement, dated November 8, 2016, by and between Wizard World, Inc. and Randall S. Malinoff \(as filed as Exhibit 10.3 to the Company's Current Report on Form 8-K, filed with the SEC on November 14, 2016\)](#)
- 10.45 [Non-Qualified Stock Option Agreement, dated November 8, 2016, by and between Wizard World, Inc. and Randall S. Malinoff \(as filed as Exhibit 10.4 to the Company's Current Report on Form 8-K, filed with the SEC on November 14, 2016\)](#)
- 10.45 [Form of Securities Purchase Agreement by and between Wizard World, Inc. and Bristol Investment Fund, Ltd. \(as filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on December 2, 2016\)](#)
- 10.46 [Form of 12% Senior Secured Convertible Debenture issued by Wizard World, Inc., in favor of Bristol Investment Fund, Ltd. \(as filed as Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on December 2, 2016\)](#)

10.47	<a href="#">Form of Warrant issued by Wizard World, Inc. to Bristol Investment Fund, Ltd. (as filed as Exhibit 10.3 to the Company's Current Report on Form 8-K, filed with the SEC on December 2, 2016)</a>
10.48	<a href="#">Security Agreement by and between Wizard World, Inc. (as filed as Exhibit 10.4 to the Company's Current Report on Form 8-K, filed with the SEC on December 2, 2016)</a>
10.49	<a href="#">Consulting Services Agreement by and between Wizard World, Inc. and Bristol Capital, LLC (as filed as Exhibit 10.4 to the Company's Current Report on Form 8-K, filed with the SEC on January 5, 2017)</a>
16.1	<a href="#">Letter of Rosenberg Rich Baker Berman &amp; Company, dated December 28, 2017 (incorporated herein by reference to Exhibit 16.1 to the Company's Current Report on Form 8-K filed with the SEC on December 28, 2018)</a>
21.1	Subsidiaries (incorporated herein by reference to Exhibit 21.1 to the Company's Annual Report on Form 10-K) filed with the SEC on April 17, 2017)
31.1	<a href="#">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))*</a>
31.2	<a href="#">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))*</a>
32.1	<a href="#">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*</a>
32.2	<a href="#">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 *</a>
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

**Item 16. Form 10-K Summary.**

None.

**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: April 2, 2018

By: /s/ John D. Maatta  
Name: John D. Maatta  
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 D. Maatta</u> John D. Maatta	Chief Executive Officer, President, Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer, Director	April 2, 2018
<u>/s/ Paul L. Kessler</u> Paul L. Kessler	Executive Chairman	April 2, 2018
<u>/s/ Greg Suess</u> Greg Suess	Director	April 2, 2018
<u>/s/ Jordan Schur</u> Jordan Schur	Director	April 2, 2018
<u>/s/ Michael Breen</u> Michael Breen	Director	April 2, 2018

Wizard World, Inc.

December 31, 2017

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**Report of Independent Registered Public Accounting Firm**

To the Stockholders and the Board of Directors of Wizard World, Inc.:

*Opinion on the Consolidated Financial Statements*

We have audited the accompanying consolidated balance sheets of Wizard World, Inc. (the “Company”) as of December 31, 2017 and 2016, the related consolidated statements of operations, changes in stockholders’ equity, and cash flows for each of the years in the two-year period ended December 31, 2017, and the related notes (collectively referred to as the “financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2017, in conformity with U.S. generally accepted accounting principles.

*Change in Accounting Principle*

As discussed in Note 3 to the financial statements, the Company has changed its method of accounting for Derivatives (Topic 815) in the fourth quarter of 2017 and the retrospective application resulting in a restatement of the 2016 audited financial statements due to the early adoption of ASU 2017-11, “*Earnings Per Share (Topic 260), Distinguishing Liabilities from Equity (Topic 480) and Derivatives and Hedging (Topic 815): I. Accounting for Certain Financial Instruments with Down Round Features; II. Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception*”.

*Basis for Opinion*

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

*/s/ MaughanSullivan LLC*

We have served as the Company’s auditor since 2017.

Manchester, VT  
April 2, 2018



To the Board of Directors and  
Stockholders of Wizard World, Inc.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**Opinion on the Consolidated Financial Statements**

We have audited, before the effects of the adjustments to retrospectively apply the change in accounting described in Note 3, the consolidated balance sheet of Wizard World, Inc. (the Company) as of December 31, 2016, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the year then ended, and the related notes (collectively referred to as the consolidated financial statements). In our opinion, the 2016 consolidated financial statements, before the effects of the adjustments to retrospectively apply the change in accounting described in Note 3, present fairly, in all material respects, the financial position of the Company as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We were not engaged to audit, review, or apply any procedures to the adjustments to retrospectively apply the change in accounting described in Note 3 and, accordingly, we do not express an opinion or any other form of assurance about whether such adjustments are appropriate and have been properly applied. Those adjustments were audited by Maughan Sullivan LLC. (The 2016 consolidated financial statements before the effects of the adjustments discussed in Note 3 are not presented herein.)

**Basis for Opinion**

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

*/s/ Rosenberg Rich Baker Berman, P.A.*

We have served as the Company's auditor since 2015.

Somerset, New Jersey

April 17, 2017

**Wizard World, Inc.**  
**Consolidated Balance Sheets**

	<u>December 31,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
		<u>As Restated (Note 3)</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,769,550	\$ 4,401,217
Accounts receivable, net	336,030	187,819
Inventory	1,204	-
Prepaid convention expenses	461,986	704,711
Prepaid insurance	87,987	96,076
Prepaid rent – related party	76,006	181,796
Prepaid taxes	14,398	13,984
Other prepaid expenses	18,117	13,666
<b>Total Current Assets</b>	<u>2,765,278</u>	<u>5,599,279</u>
<b>Property and equipment, net</b>	165,403	215,948
<b>Security deposit</b>	9,408	19,912
<b>Total Assets</b>	<u>\$ 2,940,089</u>	<u>\$ 5,835,129</u>
<b>Liabilities and Stockholders' Equity (Deficit)</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 2,800,118	\$ 937,774
Unearned revenue	2,164,972	1,574,938
Convertible promissory note – related party, net	1,116,979	-
Due to CONtv joint venture	224,241	224,241
<b>Total Current Liabilities</b>	<u>6,306,310</u>	<u>2,736,953</u>
<b>Non-current Liabilities:</b>		
Convertible promissory note - related party, net	-	1,027,176
<b>Total Non-current Liabilities</b>	<u>-</u>	<u>1,027,176</u>
<b>Total Liabilities</b>	<u>6,306,310</u>	<u>3,764,129</u>
<b>Commitments and contingencies</b>		
<b>Stockholders' Equity (Deficit)</b>		
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; 68,535,036 and 68,535,036 shares issued and outstanding, respectively	6,855	6,855
Additional paid-in capital	19,960,893	19,664,619
Accumulated deficit	(23,321,471)	(17,588,657)
Non-controlling interest	(12,498)	(11,817)
<b>Total Stockholders' Equity (Deficit)</b>	<u>(3,366,221)</u>	<u>2,071,000</u>
<b>Total Liabilities and Stockholders' Equity (Deficit)</b>	<u>\$ 2,940,089</u>	<u>\$ 5,835,129</u>

*See accompanying notes to the consolidated financial statements*

**Wizard World, Inc.**  
**Consolidated Statements of Operations**

	For the Years Ended	
	December 31, 2017	December 31, 2016 As Restated (Note 3)
<b>Revenues</b>		
Convention	\$ 14,983,033	\$ 21,994,433
ConBox	84,580	707,101
<b>Total revenues</b>	<b>15,067,613</b>	<b>22,701,534</b>
<b>Cost of revenues</b>		
Cost of revenue	15,058,297	16,002,088
Write-off of obsolete inventory	-	164,903
<b>Total cost of revenues</b>	<b>15,058,297</b>	<b>16,166,991</b>
<b>Gross margin</b>	<b>9,316</b>	<b>6,534,543</b>
<b>Operating expenses</b>		
Compensation	3,018,087	4,468,149
Consulting fees	710,634	687,054
General and administrative	1,618,203	2,561,586
<b>Total operating expenses</b>	<b>5,346,924</b>	<b>7,716,789</b>
<b>Loss from operations</b>	<b>(5,337,608)</b>	<b>(1,182,246)</b>
<b>Other expenses</b>		
Interest expense	(395,102)	(26,481)
Loss on disposal of equipment	(785)	(36,876)
Loss on CONtv joint venture	-	(262,500)
<b>Total other expenses</b>	<b>(395,887)</b>	<b>(325,857)</b>
<b>Loss before income tax provision</b>	<b>(5,733,495)</b>	<b>(1,508,103)</b>
<b>Income tax provision</b>	<b>-</b>	<b>-</b>
<b>Net loss</b>	<b>(5,733,495)</b>	<b>(1,577,103)</b>
<b>Net income (loss) attributable to non-controlling interests</b>	<b>(681)</b>	<b>67,258</b>
<b>Net loss attributable to common stockholders</b>	<b>\$ (5,732,814)</b>	<b>\$ (1,575,361)</b>
<b>Loss per share - basic and diluted</b>	<b>\$ (0.08)</b>	<b>\$ (0.03)</b>
<b>Weighted average common shares outstanding – basic and diluted</b>	<b>68,535,036</b>	<b>52,775,488</b>

*See accompanying notes to the consolidated financial statements*

**Wizard World, Inc.**  
**Consolidated Statements of Stockholders' Equity (Deficit)**  
**For the Years Ended December 31, 2017 and 2016**

	Preferred Stock Par Value \$0.0001		Common Stock Par Value \$0.0001		Additional Paid-in Capital	Accumulated Deficit	Non-controlling Interest	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
<b>Balance - January 1, 2016</b>	-	\$ -	51,368,386	\$ 5,138	\$ 17,341,268	\$ (16,013,296)	\$ 17,706	\$ 1,350,816
Share-based compensation	-	-	-	-	777,536	-	-	777,536
Shares issued as debt discount	-	-	500,000	50	741	-	-	791
Exercise of warrants	-	-	16,666,650	1,667	-	-	-	1,667
Warrants issued as debt discount	-	-	-	-	1,448,293	-	-	1,448,293
Acquisition of controlling interest of ConBox	-	-	-	-	96,781	-	(96,781)	-
Net (loss) income	-	-	-	-	-	(1,575,361)	67,258	(1,508,103)
<b>Balance - December 31, 2016 (as Restated Note 3)</b>	-	-	68,535,036	6,855	19,664,619	(17,588,657)	(11,817)	2,071,000
Share-based compensation	-	-	-	-	296,274	-	-	296,274
Net income (loss)	-	-	-	-	-	(5,732,814)	(681)	(5,733,495)
<b>Balance - December 31, 2017</b>	-	\$ -	68,535,036	\$ 6,855	\$ 19,960,893	\$ (23,321,471)	\$ (12,498)	\$ (3,366,221)

*See accompanying notes to the consolidated financial statements*

**Wizard World, Inc.**  
**Consolidated Statements of Cash Flows**

	<b>For the Years Ended</b>	
	<b>December 31, 2017</b>	<b>December 31, 2016</b>
		As Restated (Note 3)
<b>Cash Flows From Operating Activities:</b>		
Net loss	\$ (5,773,495)	\$ (1,508,103)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation	147,832	159,101
Write-off of obsolete inventory	-	164,903
Loss on disposal of equipment	785	36,876
Accretion of debt discount	89,803	1,260
Loss on CONtv joint venture	-	262,500
Share-based compensation	296,274	777,536
Changes in operating assets and liabilities:		
Accounts receivable	(148,211)	219,323
Inventory	(1,204)	(125,351)
Prepaid convention expenses	242,725	285,689
Prepaid rent- related party	105,790	(181,796)
Prepaid insurance	8,089	(58,422)
Prepaid taxes	(414)	280,000
Other prepaid expenses	(4,451)	(6,455)
Security deposits	10,504	1,154
Accounts payable and accrued expenses	1,862,344	(639,665)
Unearned revenue	590,034	(2,156,559)
<b>Net Cash Used in Operating Activities</b>	<b>(2,533,595)</b>	<b>(2,488,009)</b>
<b>Cash Flows from Investing Activities:</b>		
Purchase of property and equipment	(98,072)	(169,802)
Proceeds received on disposal of equipment	-	8,662
Investment in CONtv joint venture - net	-	(150,000)
<b>Net Cash Used In Investing Activities</b>	<b>(98,072)</b>	<b>(311,140)</b>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from issuance of convertible promissory note and warrants	-	2,500,000
Payment of debt issuance costs	-	(25,000)
Proceeds from the exercise of warrants	-	1,667
<b>Net Cash Provided By Financing Activities</b>	<b>-</b>	<b>2,476,667</b>
<b>Net change in cash and cash equivalents</b>	<b>(2,631,667)</b>	<b>(322,482)</b>
<b>Cash and cash equivalents at beginning of reporting period</b>	<b>4,401,217</b>	<b>4,723,699</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>\$ 1,769,550</b>	<b>\$ 4,401,217</b>
<b>Supplemental disclosures of cash flow information:</b>		
Interest paid	\$ -	\$ 200
Income tax paid	\$ -	\$ -
<b>Supplemental disclosure of non-cash investing and financing activities:</b>		
Acquisition of controlling interest of ConBox	\$ -	\$ 96,781
Warrants issued for debt discount recorded on convertible debt	\$ -	\$ 1,448,293
Common stock issued for debt discount recorded on convertible note	\$ -	\$ 791

*See accompanying notes to the consolidated financial statements*

**Wizard World, Inc.**  
**December 31, 2017**  
**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. The Company, through its operating subsidiary, is a producer of pop culture and live multimedia conventions across North America.

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.

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 Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”). 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

On December 29, 2014, the Company and a member of the Board of Directors (the “Board”) of the Company formed Wiz Wizard, LLC (“Wiz Wizard”) under the law of the State of Delaware. The Company and the member of the Board each owned 50% of the membership interest and agreed to allocate the profits and losses accordingly upon repayment of the initial capital contributions on a pro rata basis. The Company consolidates its 50% equity interest and reports the remaining 50% equity interest owned by a member of the Board as the non-controlling interest in Wiz Wizard as the management of the Company believes that the Company has the control of Wiz Wizard. In addition, the Company and Wiz Wizard, launched ComicConBox (“ConBox”) in April 2015. ConBox is a subscription-based premium monthly box service featuring collectibles, exclusives, toys, tech and gaming, licensed artwork, superior comics and apparel, Comic Convention tickets, special VIP discounts and more, which will be shipped on or around the end of every month. On February 4, 2016, the member of the Board assigned his fifty percent (50%) membership interest to the Company. Consequently, Wiz Wizard is a wholly-owned subsidiary of the Company. The Company ceased Conbox operations in 2017.

### ButtaFyngas LLC

On April 10, 2015, the Company and an unrelated third party formed ButtaFyngas, LLC (“ButtaFyngas”) under the law of the State of Delaware. The Company and the unrelated party 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. The Company consolidates its 50% equity interest and reports the remaining 50% equity interest owned by the third party as the non-controlling interest in ButtaFyngas.

## **Note 2 – Going Concern Analysis**

### *Going Concern Analysis*

The Company had a loss from operations of \$5,337,608 and \$1,182,246 for the year ended December 31, 2017 and 2016, respectively. As of December 31, 2017, we had cash and working capital deficit \$1,769,550 and \$3,541,032, respectively. We have evaluated the significance of these conditions in relation to our ability to meet our obligations, which had previously raised doubts about the Company’s ability to continue as a going concern through March 2019. However, the Company believes that the effects of its cost savings efforts with regard to corporate overhead and show production expenses commenced in 2017 are not reflected in the above results, but should be evident in 2018.

In addition to its cost containment strategies, the Company has announced three agreements to expand its future revenues: 1) An alignment with Sony Pictures Entertainment to explore a number of strategic initiatives; 2) An agreement to program a linear advertising Supported channel and an SVOD Channel in China on the CN Live platform; and, 3) A programming agreement with Associated Television International to launch the Chinese networks.

Additionally, if necessary, management believes that both related parties (management and members of the Board of Directors of the Company) and potential external sources of debt and/or equity financing may be obtained based on management’s history of being able to raise capital from both internal and external sources coupled with current favorable market conditions. Therefore, the accompanying condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern.

The consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the matters discussed herein. While the Company believes in the viability of management’s strategy to generate sufficient revenue, control costs and the ability to raise additional funds if necessary, there can be no assurances to that effect. The Company’s ability to continue as a going concern is dependent upon the ability to further implement the business plan, generate sufficient revenues and to control operating expenses.

## **Note 3 – Significant and Critical Accounting Policies and Practices**

The management of the Company is responsible for the selection and use of appropriate 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 dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Principles of Consolidation

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 L.L.C.	The State of Delaware, U.S.A.	April 17, 2009	100%
Wizard World Digital, Inc.	The State of Nevada, U.S.A.	March 18, 2011	100%
Wiz Wizard, LLC	The State of Delaware, U.S.A.	December 29, 2014	100%
ButtaFyngas, LLC	The State of Delaware, U.S.A.	April 10, 2015	50%

All inter-company balances and transactions have been eliminated. Non-controlling interest represents the minority equity investment in the Company's subsidiaries, plus the minority investors' share of the net operating results and other components of equity relating to the non-controlling interest.

As of December 31, 2017, the aggregate non-controlling interest in ButtaFyngas was (\$12,498). As of December 31, 2016, the aggregate non-controlling interest in Wiz Wizard and ButtaFyngas was (\$11,817). The non-controlling interest is separately disclosed on the Consolidated Balance Sheet.

Cash and Cash Equivalents

The Company considers investments with original maturities of three months or less to be cash equivalents.

The Company minimizes its credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits.

Fair Value of Financial Instruments

For purpose of this disclosure, the fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. The carrying amount of the Company's short-term financial instruments approximates fair value due to the relatively short period to maturity for these instruments.



Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Company generally does not require collateral to support customer receivables. The Company provides an allowance for doubtful accounts based upon a review of the outstanding accounts receivable, historical collection information and existing economic conditions. The Company determines if receivables are past due based on days outstanding, and amounts are written off when determined to be uncollectible by management. The maximum accounting loss from the credit risk associated with accounts receivable is the amount of the receivable recorded, which is the face amount of the receivable net of the allowance for doubtful accounts. As of December 31, 2017 and 2016, the allowance for doubtful accounts was \$0 and \$0, respectively.

Inventories

Inventories are stated at average cost using the first-in, first-out (FIFO) valuation method. Inventory was comprised of the following:

	December 31, 2017	December 31, 2016
Finished goods	\$ 1,204	\$ -

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:

	Estimated Useful Life (Years)
Computer equipment	3
Equipment	2-5
Furniture and fixture	7
Leasehold improvements	*

(\*) Amortized on a straight-line basis over the term of the lease or the estimated useful lives, whichever period 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 - Cost Method, Equity Method and Joint Venture

In accordance with sub-topic 323-10 of the FASB ASC ("Sub-topic 323-10"), the Company accounts for investments in common stock of an investee for which the Company has significant influence in the operating or financial policies even though the Company holds 50% or less of the common stock or in-substance common stock.

Method of Accounting

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). Pursuant to Paragraph 323-10-05-5, the equity method tends to be most appropriate if an investment enables the investor to influence the operating or financial policies of the investee.

### Investment in CONtv

On August 27, 2014, the Company entered into a joint venture and executed an Operating Agreement for CON TV LLC (“CONtv”) with Cinedigm Entertainment Corp. (“Cinedigm”), ROAR, LLC (a related party partially owned by a member of the Board) (“ROAR”) and Bristol Capital, LLC (a related party controlled by a member of the Board) (“Bristol Capital”). The Company owned a 47.50% interest in the newly formed entity, CONtv. The Company was accounting for the interest in the joint venture utilizing the equity method of accounting.

On November 16, 2015, pursuant to that certain Amended and Restated Operating Agreement for CONtv by and among the aforementioned parties (the “A&R Operating Agreement”), the Company’s ownership interest in CONtv was reduced to 10%. Pursuant to the A&R Operating Agreement, the Company is only obligated to fund on-going costs in the amount of \$25,000 in cash on an on-going monthly basis for a period of 12 months following the effective date.

For the years ended December 31, 2017 and 2016, the Company recognized \$0 and \$262,500 in losses from this venture, respectively. As of December 31, 2017 and 2016, the investment in CONtv was \$0.

### Fair Value of Financial Instruments

The Company follows ASC 820-10 of the FASB Accounting Standards Codification to measure the fair value of its financial instruments and disclosures about fair value of its financial instruments. ASC 820-10 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, ASC 820-10 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The three (3) levels of fair value hierarchy defined by ASC 820-10 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 inputs 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 amounts of the Company’s financial assets and liabilities, such as cash, accounts receivable, inventory, prepaid expenses and other current assets, accounts payable and accrued expenses approximate their fair values because of the short maturity of these instruments.

In connection with the securities purchase agreement and debt transactions during the year ended December 31, 2016, the Company issued warrants, to purchase common stock with an exercise price of \$0.15 and a five-year term. Upon issuance of the warrants, the Company evaluated the note agreement to determine if the agreement contained any embedded components that would qualify the agreement as a derivative. The Company identified certain put features embedded in the warrants that potentially could result in a net cash settlement in the event of a fundamental transaction, requiring the Company to classify the warrants as a derivative liability. During the year ended December 31, 2017, the Company early adopted ASU 2017-11 on a retrospective basis (see below).

Transactions involving related parties typically 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. However, in the case of the convertible promissory note discussed in Note 6, the Company obtained a fairness opinion from an independent third party which supports that the transaction was carried out at an arm’s length basis.

### Revenue Recognition and Cost of Revenues

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.

Convention revenue is generally earned upon completion of the convention. 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.

Unearned ConBox revenue is non-refundable up-front payments for products. These payments are initially deferred and subsequently recognized over the subscription period, typically three months, and upon shipment of the product. The Company ceased ConBox operations during 2017.

The Company recognizes cost of revenues in the period in which the revenues was earned. In the event the Company incurs cost of revenues for conventions that are yet to occur, the Company records such amounts as prepaid expenses and such prepaid expenses are expensed during the period the convention takes place.

### Shipping and Handling Costs

The Company accounts for shipping and handling fees in accordance with paragraph 605-45-45-19 of the FASB Accounting Standards Codification. While amounts charged to customers for shipping products are included in revenues, the related costs are classified in cost of revenue as incurred.

Shipping and handling costs were \$21,479 and \$178,931 for the years ended December 31, 2017 and 2016, respectively.

### Equity-based compensation

The Company recognizes compensation expense for all equity-based payments in accordance with ASC 718 "Compensation – Stock Compensation". Under fair value recognition provisions, the Company recognizes equity-based compensation net of an estimated forfeiture rate and recognizes compensation cost only for those shares expected to vest over the requisite service period of the award.

Restricted stock awards are granted at the discretion of the Company. These awards are restricted as to the transfer of ownership and generally vest over the requisite service periods, typically over a four-year period (vesting on a straight-line basis). The fair value of a stock award is equal to the fair market value of a share of Company stock on the grant date.

The fair value of option award is estimated on the date of grant using the Black-Scholes option valuation model. The Black-Scholes option valuation model requires the development of assumptions that are input into the model. These assumptions are the expected stock volatility, the risk-free interest rate, the expected life of the option, the dividend yield on the underlying stock and the expected forfeiture rate. Expected volatility is calculated based on the historical volatility of the Company's Common stock over the expected option life and other appropriate factors. The expected option term is computed using the "simplified" method as permitted under the provisions of ASC 718-10-S99. 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. Risk-free interest rates are calculated based on continuously compounded risk-free rates for the appropriate term. The dividend yield is assumed to be zero as the Company has never paid or declared any cash dividends on the Common stock of the Company and does not intend to pay dividends on the Common stock in the foreseeable future. The expected forfeiture rate is estimated based on historical experience.

Determining the appropriate fair value model and calculating the fair value of equity-based payment awards requires the input of the subjective assumptions described above. The assumptions used in calculating the fair value of equity-based payment awards represent management's best estimates, which involve inherent uncertainties and the application of management's judgment. As a result, if factors change and the Company uses different assumptions, the equity-based compensation could be materially different in the future. In addition, the Company is required to estimate the expected forfeiture rate and recognize expense only for those shares expected to vest. If the actual forfeiture rate is materially different from the Company's estimate, the equity-based compensation could be significantly different from what the Company has recorded in the current period.

The Company accounts for share-based payments granted to non-employees in accordance with ASC 505-40, "*Equity Based Payments to Non-Employees*". The Company determines the fair value of the stock-based payment as either the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. If the fair value of the equity instruments issued is used, it is measured using the stock price and other measurement assumptions as of the earlier of either (1) the date at which a commitment for performance by the counterparty to earn the equity instruments is reached, or (2) the date at which the counterparty's performance is complete. The fair value of the equity instruments is re-measured each reporting period over the requisite service period.

#### Income Taxes

The Company follows the asset and liability method of accounting for income taxes under FASB ASC 740, "*Income Taxes*." Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income 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 income in the period that included the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

FASB ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. There were no unrecognized tax benefits as of December 31, 2017. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. No amounts were accrued for the payment of interest and penalties at December 31, 2017. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position. The Company is subject to income tax examinations by major taxing authorities since inception.

The Company may be subject to potential examination by federal, state, and city taxing authorities in the areas of income taxes. These potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions, and compliance with federal, state, and city tax laws. The Company's management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months.

The Company is no longer subject to tax examinations by tax authorities for years prior to 2014.

#### 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.

The following table shows the outstanding dilutive common shares excluded from the diluted net income (loss) per share calculation as they were anti-dilutive:

	Contingent shares issuance arrangement, stock options or warrants	
	For the Year Ended December 31, 2017	For the Year Ended December 31, 2016
	December 31, 2017	December 31, 2016
Convertible note	16,666,667	16,666,667
Common stock options	4,043,000	5,319,000
Common stock warrants	16,666,667	16,666,667
<b>Total contingent shares issuance arrangement, stock options or warrants</b>	<b>37,376,334</b>	<b>38,652,334</b>

#### Reclassification

Certain prior period amounts have been reclassified to conform to current period presentation.

#### Recently Issued Accounting Pronouncements

In July 2015, the FASB issued the ASU No. 2015-11 “*Inventory (Topic 330): Simplifying the Measurement of Inventory*” (“ASU 2015-11”). The amendments in this ASU do not apply to inventory that is measured using last-in, first-out (LIFO) or the retail inventory method. The amendments apply to all other inventory, which includes inventory that is measured using first-in, first-out (FIFO) or average cost. An entity should measure inventory within the scope of this ASU at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Subsequent measurement is unchanged for inventory measured using LIFO or the retail inventory method. For public business entities, the amendments in this ASU are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. The Company adopted the standard during the year ended December 31, 2017 and the adoption did not have a material effect on its consolidated financial statements and disclosures.

In February 2016, the FASB issued ASU 2016-02, “*Leases (Topic 842)*.” Under ASU 2016-02, lessees will be required to recognize, for all leases of 12 months or more, a liability to make lease payments and a right-of-use asset representing the right to use the underlying asset for the lease term. Additionally, the guidance requires improved disclosures to help users of financial statements better understand the nature of an entity’s leasing activities. This ASU is effective for public reporting companies for interim and annual periods beginning after December 15, 2018, with early adoption permitted, and must be adopted using a modified retrospective approach. The Company is in the process of evaluating the effect of the new guidance on its consolidated financial statements and disclosures.

In April 2016, the FASB issued ASU No. 2016-10, “*Revenue from Contracts with Customers: Identifying Performance Obligations and Licensing (Topic 606)*”. In March 2016, the FASB issued ASU No. 2016-08, “*Revenue from Contracts with Customers: Principal versus Agent Considerations (Reporting Revenue Gross versus Net) (Topic 606)*”. These amendments provide additional clarification and implementation guidance on the previously issued ASU 2014-09, “*Revenue from Contracts with Customers*”. The amendments in ASU 2016-10 provide clarifying guidance on materiality of performance obligations; evaluating distinct performance obligations; treatment of shipping and handling costs; and determining whether an entity’s promise to grant a license provides a customer with either a right to use an entity’s intellectual property or a right to access an entity’s intellectual property. The amendments in ASU 2016-08 clarify how an entity should identify the specified good or service for the principal versus agent evaluation and how it should apply the control principle to certain types of arrangements. The adoption of ASU 2016-10 and ASU 2016-08 is to coincide with an entity’s adoption of ASU 2014-09, which the Company intends to adopt for interim and annual reporting periods beginning after December 15, 2017. The Company is in the process of evaluating the standard and does not expect the adoption will have a material effect on its consolidated financial statements and disclosures.

In April 2016, the FASB issued ASU No. 2016-09, “*Compensation – Stock Compensation (Topic 718)*”. The FASB issued this update to improve the accounting for employee share-based payments and affect all organizations that issue share-based payment awards to their employees. Several aspects of the accounting for share-based payment award transactions are simplified, including: (a) income tax consequences; (b) classification of awards as either equity or liabilities; and (c) classification on the statement of cash flows. The updated guidance is effective for annual periods beginning after December 15, 2016, including interim periods within those fiscal years. Early adoption of the update is permitted. The Company adopted the standard during the year ended December 31, 2017 and the adoption did not have a material effect on its consolidated financial statements and disclosures.

In May 2016, the FASB issued ASU No. 2016-12, “*Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients*”, which narrowly amended the revenue recognition guidance regarding collectability, noncash consideration, presentation of sales tax and transition and is effective during the same period as ASU 2014-09. The Company is currently evaluating the standard and does not expect the adoption will have a material effect on its consolidated financial statements and disclosures.

In August 2016, the FASB issued ASU 2016-15, “*Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*” (“ASU 2016-15”). ASU 2016-15 will make eight targeted changes to how cash receipts and cash payments are presented and classified in the statement of cash flows. ASU 2016-15 is effective for fiscal years beginning after December 15, 2017. The new standard will require adoption on a retrospective basis unless it is impracticable to apply, in which case it would be required to apply the amendments prospectively as of the earliest date practicable. The Company is currently in the process of evaluating the impact of ASU 2016-15 on its consolidated financial statements.

In October 2016, the FASB issued ASU 2016-16, “*Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other than Inventory*”, which eliminates the exception that prohibits the recognition of current and deferred income tax effects for intra-entity transfers of assets other than inventory until the asset has been sold to an outside party. The updated guidance is effective for annual periods beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption of the update is permitted. The Company is currently evaluating the impact of the new standard.

In November 2016, the FASB issued ASU 2016-18, “*Statement of Cash Flows (Topic 230)*”, requiring that the statement of cash flows explain the change in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. This guidance is effective for fiscal years, and interim reporting periods therein, beginning after December 15, 2017 with early adoption permitted. The provisions of this guidance are to be applied using a retrospective approach which requires application of the guidance for all periods presented. The Company is currently evaluating the impact of the new standard.

In May 2017, the FASB issued ASU 2017-09, “*Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting*,” which provides guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in Topic 718. This standard is required to be adopted in the first quarter of 2018. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements and related disclosures.

In July 2017, the FASB issued ASU 2017-11, “*Earnings Per Share (Topic 260), Distinguishing Liabilities from Equity (Topic 480) and Derivatives and Hedging (Topic 815): I. Accounting for Certain Financial Instruments with Down Round Features; II. Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception*”. Part I of this update addresses the complexity of accounting for certain financial instruments with down round features. Down round features are features of certain equity-linked instruments (or embedded features) that result in the strike price being reduced on the basis of the pricing of future equity offerings. Current accounting guidance creates cost and complexity for entities that issue financial instruments (such as warrants and convertible instruments) with down round features that require fair value measurement of the entire instrument or conversion option. Part II of this update addresses the difficulty of navigating Topic 480, *Distinguishing Liabilities from Equity*, because of the existence of extensive pending content in the FASB Accounting Standards Codification. This pending content is the result of the indefinite deferral of accounting requirements about mandatorily redeemable financial instruments of certain nonpublic entities and certain mandatorily redeemable noncontrolling interests. The amendments in Part II of this update do not have an accounting effect. This ASU is effective for fiscal years, and interim periods within those years, beginning after December 15, 2018. The Company early adopted the ASU 2017-11 in the three months ending December 31, 2017. See below.

### Adoption of ASU 2017-11

As noted above, in connection with the securities purchase agreement and debt transactions during the year ended December 31, 2016, the Company issued warrants, to purchase common stock with an exercise price of \$0.15 and a five-year term. Upon issuance of the warrants, the Company evaluated the note agreement to determine if the agreement contained any embedded components that would qualify the agreement as a derivative. The Company identified certain put features embedded in the warrants that potentially could result in a net cash settlement in the event of a fundamental transaction, requiring the Company to classify the warrants as a derivative liability. The Company changed its method of accounting for the debt and warrants through the early adoption of ASU 2017-11 during the three months ended December 31, 2017 on a retrospective basis. Accordingly, the Company recorded the warrant derivative and conversion option derivative liabilities to additional paid in capital upon issuance. Comparative disclosures to 2016 audited numbers in the footnotes represent the restated amounts due to the early adoption.

The following table provides a summary of the derivative liability activity as a result of the adoption of ASU 2017-11:

	Warrants	Convertible Note	Total
<b>Balance – December 31, 2015</b>	\$ -	\$ -	\$ -
Issuance of derivative liabilities	5,206,444	2,294,435	7,500,879
Extinguishment of derivative liability from exercise of warrants	(2,831,851)	-	(2,831,851)
Change in fair value of derivative liability	825,544	1,004,165	1,829,709
Reclassified derivative liabilities of adoption	(3,200,137)	(3,298,000)	(6,498,737)
<b>Balance – December 31, 2016</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Tabular summaries of the revisions and the corresponding effects on the consolidated balance sheet as of December 31, 2016 and consolidated statement of earnings for the year ended December 31, 2016 are presented below:

	Consolidated Balance Sheet December 31, 2016		
	Previously Reported	Revisions	Revised Reported
Convertible promissory note – related party, net	\$ 1,456	\$ 1,025,720	\$ 1,027,176
Derivative liabilities – related party	6,498,737	(6,498,737)	-
Additional paid in capital	21,132,386	(1,467,767)	19,664,619
Accumulated deficit	(24,529,440)	6,940,783	(17,588,657)

	Consolidated Statement of Operations Year ended December 31, 2016		
	Previously Reported	Revisions	Revised Reported
Interest expense	\$ (26,676)	\$ 195	\$ (26,481)
Change in fair value of derivative liabilities	(1,829,709)	1,829,709	-
Derivative expense	(5,110,879)	5,110,879	-
Net loss	\$ (8,448,886)	\$ 6,940,783	\$ (1,508,103)
Net loss per ordinary share:			
Basic	\$ (0.16)	\$ (0.13)	\$ (0.03)

In September 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2017-13, *Revenue Recognition (Topic 605), Revenue from Contracts with Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842)*. The new standard, among other things, provides additional implementation guidance with respect to Accounting Standards Codification (ASC) Topic 606 and ASC Topic 842. ASU 2017-03 is effective for annual and interim fiscal reporting periods beginning after December 15, 2017. The Company is currently evaluating the impact of the new standard, but does not expect it to have a material impact on its implementation strategies or its consolidated financial statements upon adoption.

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 4 – Property and Equipment**

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

	December 31, 2017	December 31, 2016
Computer Equipment	\$ 43,087	\$ 33,858
Equipment	460,927	390,656
Furniture and Fixtures	62,321	45,198
Leasehold Improvements	22,495	22,495
	<u>588,830</u>	<u>492,207</u>
Less: Accumulated depreciation	(423,427)	(276,259)
	<u>\$ 165,403</u>	<u>\$ 215,948</u>

Depreciation expense was \$147,832 and \$159,102 for the years ended December 31, 2017 and 2016, respectively.

**Note 5 – Investment in CONtv Joint Venture**

On August 27, 2014, the Company entered into a joint venture and executed an Operating Agreement with Cinedigm, ROAR (a related party co-founded by one of the Company's directors) and Bristol Capital (a related party founded by the Company's Chairman of the Board). The Company owned a 47.50% interest in the newly formed entity, CONtv. The Company was accounting for the interest in the joint venture utilizing the equity method of accounting.

On November 16, 2015, the Company entered that certain A&R Operating Agreement by and among, the Company, Cinedigm, ROAR and Bristol Capital, pursuant to which the Company's interest in CONtv was reduced to a non-dilutable 10% membership interest. Such agreement was deemed effective on the execution date; however, Cinedigm agreed to the Company recognizing only 10% of the losses from the period July 1, 2015 through December 31, 2015. Pursuant to the A&R Operating Agreement, the Company is only obligated to fund on-going costs in the amount of \$25,000 in cash on an on-going monthly basis for a period of 12 months following the effective date.

For the years ended December 31, 2017 and 2016, the Company recognized \$0 and \$262,500 in losses from this venture, respectively.



As of December 31, 2017 and 2016, the Company has a balance due to CONtv of \$224,241.

## **Note 6 – Related Party Transactions**

### Wiz Wizard

On December 29, 2014, the Company and a member of the Board formed Wiz Wizard (d/b/a ConBox) in the State of Delaware. The Company and the member of the Board each owned 50% of the membership interest and agreed to allocate the profits and losses accordingly upon repayment of the initial capital contributions on a pro rata basis. On February 4, 2016, the member of the Board assigned his fifty percent (50%) membership interest to the Company. The Company ceased ConBox operations in 2017.

### Consulting Agreement

On December 29, 2016, the Company entered into a Consulting Services Agreement (the “Consulting Agreement”) with Bristol Capital, LLC, a Delaware limited liability company (“Bristol”) managed by Paul L. Kessler, the Chairman of the Company. Pursuant to the Consulting Agreement, Mr. Kessler will serve as Executive Chairman of the Company. The initial term of the Agreement is from December 29, 2016 through March 28, 2017 (the “Initial Term”). The term of the Consulting Agreement will be automatically extended for additional terms of 90-day periods each (each a “Renewal Term” and together with the Initial Term, the “Term”), unless either the Company or Bristol gives prior written notice of non-renewal to the other party no later than thirty (30) days prior to the expiration of the then current Term.

During the Term, the Company will pay Bristol a monthly fee (the “Monthly Fee”) of Eighteen Thousand Seven Hundred Fifty and No/100 Dollars (\$18,750).

In addition, the Company will grant to Bristol options to purchase up to an aggregate of 600,000 shares of the Company’s common stock.

During the year ended December 31, 2017 and 2016, the Company incurred total expenses of \$208,106 and \$80,132, respectively, for services provided by Bristol. At December 31, 2017 and 2016, the Company accrued \$208,106 and \$75,000, respectively, of monthly fees due to Bristol.

### Operating Sublease

On June 16, 2016, the Company entered into a Standard Multi-Tenant Sublease (“Sublease”) with Bristol Capital Advisors, LLC (“Bristol Capital Advisors”), an entity controlled by the Company’s Chairman of the Board. The term of the Sublease is for 5 years and 3 months beginning on July 1, 2016 with monthly payments of \$8,118. Upon execution of the Sublease, the Company paid a security deposit of \$9,137 and \$199,238 for prepaid rent of which \$76,006 and \$181,796 remain at December 31, 2017 and 2016, respectively. During the year ended December 31, 2017 and 2016, the Company incurred total rent expense of \$98,877 and \$24,354, respectively, under the Sublease. See Note 7 for future minimum rent payments due.

### Outsourced Marketing

During the year ended December 31, 2017, the Company utilized outsourced marketing support from a company affiliated with ROAR, which is partially owned by a member of the Board. The Company had expenses of \$7,500 and \$5,809 during the years ended December 31, 2017 and 2016. As of December 31, 2017 and 2016, the outstanding liability due to ROAR was \$2,250 and \$0, respectively.

### Securities Purchase Agreement

Effective December 1, 2016, the Company entered into the Purchase Agreement with Bristol Investment Fund, Ltd. (the “Purchaser”), an entity controlled by the Chairman of the Company’s Board of Directors, pursuant to which the Company sold to the Purchaser, for a cash purchase price of \$2,500,000, securities comprising: (i) the Debenture, (ii) Series A Warrants, and (iii) Series B Warrants. Pursuant to the Purchase Agreement, the Company paid \$25,000 to the Purchaser and issued to the Purchaser 500,000 shares of Common Stock with a grant date fair value of \$85,000 to cover the Purchaser’s legal fees. The Company recorded as a debt discount of \$25,791 related to the cash paid and the relative fair value of the shares issued to Purchaser for legal fees.

*(i) Debenture*

The Debenture with an initial principal balance of \$2,500,000, due December 30, 2018 (the "Maturity Date"), will accrue interest on the aggregate unconverted and then outstanding principal amount of the Debenture at the rate of 12% per annum. Interest is payable quarterly on (i) January 1, April 1, July 1 and October 1, beginning on January 1, 2017, (ii) on each date the Purchaser converts, in whole or in part, the Debenture into Common Stock (as to that principal amount then being converted), and (iii) on the day that is 20 days following the Company's notice to redeem some or all of the of the outstanding principal of the Debenture (only as to that principal amount then being redeemed) and on the Maturity Date. The Debenture is convertible into shares of the Company's Common Stock at any time at the option of the holder, at an initial conversion price of \$0.15 per share, subject to adjustment. In the event of default occurs, the conversion price shall be the lesser of (i) the initial conversion price of \$0.15 and (ii) 50% of the average of the 3 lowest trading prices during the 20 trading days immediately prior to the applicable conversion date.

*(ii) Series A Warrants*

The Series A Warrants to acquire up to 16,666,667 shares of Common Stock at the Series A Initial Exercise Price of \$0.15 and expiring on December 1, 2021. The Warrants may be exercised immediately upon the issuance date, upon the option of the holder.

*(iii) Series B Warrants*

The Series B Warrants to acquire up to 16,666,650 shares of Common Stock at the Series B Initial Exercise Price of \$0.15 and expiring on December 1, 2021. The Series B Warrants were exercised immediately upon the issuance date. The Company received gross proceeds of \$1,667 upon exercise of the warrants.

Upon issuance of the note, the Company valued the warrants using the Black-Scholes Option Pricing model and accounted for it using the relative fair value of \$1,448,293 as debt discount on the consolidated balance sheet. The debt discount is amortized over the earlier of (i) the term of the debt or (ii) conversion of the debt, using the effective interest method which approximates the interest method. The amortization of debt discount is included as a component of interest expense in the consolidated statements of operations. There was unamortized debt discount of \$1,383,021 and \$1,472,824 as of December 31, 2017 and 2016, respectively, which includes the debt discount recorded upon execution of the Securities Purchase Agreement discussed above.

**Note 7 – Commitments and Contingencies**

Employment Agreements

*Appointment of Executive Vice President and Chief Operating Officer*

On November 8, 2016, the Company formally entered into an employment agreement (the "Malinoff Employment Agreement") with Randall S. Malinoff in connection with his appointment as the Company's Executive Vice President and Chief Operating Officer on July 14, 2016 (the "Effective Date") to serve for a period of two years from the Effective Date. In connection with such appointment, Mr. Malinoff will receive an annual base salary of \$225,000 and will be eligible for a performance-based bonus at the discretion of the Board.

On November 8, 2016, pursuant to the terms of the Malinoff Employment Agreement, the Company granted six hundred thousand (600,000) options to purchase shares of the Company's common stock.

On July 5, 2017, Mr. Malinoff departed from the Company. Mr. Malinoff is currently engaged in a dispute with the Company. The dispute pertains to his departure from the Company. Both Mr. Malinoff and the Company have retained counsel to engage on the issues in controversy. As of December 31, 2017, all of Mr. Malinoff's options have been cancelled.

### *Appointment of President and Chief Executive Officer*

On April 22, 2016, the Board approved the appointment of Mr. John D. Maatta as the Company's President and Chief Executive Officer, effective as of May 3, 2016. Mr. Maatta will continue to serve as a member of the Board. In addition, the Board granted Mr. Maatta options to purchase up to an aggregate of 1,100,000 shares of the Company's common stock, subject to the terms and conditions of the Third Amended and Restated 2011 Stock Incentive and Award Plan. Mr. Maatta formally entered into his Employment Agreement with the Company on July 17, 2016.

Mr. Maatta received the following, with effective dates as defined below:

- 1) upon the effectiveness of the Maatta Appointment on May 3, 2016, three hundred thousand (300,000) options to purchase shares of the Company's common stock at an exercise price of \$0.50 per share, such options to vest only upon a Change in Control (as defined in Mr. Maatta's Employment Agreement) during Mr. Maatta's tenure as President and Chief Executive Officer;
- 2) upon the effectiveness of the Maatta Appointment on May 3, 2016, eight hundred thousand (800,000) options to purchase shares of the Company's common stock, such options to vest, at the applicable exercise price, as follows:
  - a. one hundred thousand (100,000) options shall be exercisable at a price of \$0.50 per share and shall vest immediately;
  - b. one hundred thousand (100,000) options shall be exercisable at a price of \$0.50 per share and shall vest by September 30, 2016;
  - c. one hundred thousand (100,000) options shall be exercisable at a price of \$0.50 per share and shall vest by December 31, 2016;
  - d. one hundred thousand (100,000) options shall be exercisable at a price of \$0.55 per share and shall vest by March 31, 2017;
  - e. one hundred thousand (100,000) options shall be exercisable at a price of \$0.55 per share and shall vest by June 30, 2017;
  - f. one hundred thousand (100,000) options shall be exercisable at a price of \$0.55 per share and shall vest by September 30, 2017;
  - g. one hundred thousand (100,000) options shall be exercisable at a price of \$0.60 per share and shall vest by December 31, 2017; and
  - h. one hundred thousand (100,000) options shall be exercisable at a price of \$0.60 per share and shall vest by March 31, 2018.

### *Consulting Agreement*

As discussed in Note 6, on December 29, 2016, the Company entered into a Consulting Services Agreement (the "Consulting Agreement") with Bristol managed by Paul L. Kessler, the Chairman of the Company. Pursuant to the Consulting Agreement, Mr. Kessler will serve as Executive Chairman of the Company. The initial term of the Agreement is from December 29, 2016 through March 28, 2017 (the "Initial Term"). The term of the Consulting Agreement will be automatically extended for additional terms of 90-day periods each (each a "Renewal Term" and together with the Initial Term, the "Term"), unless either the Company or Bristol gives prior written notice of non-renewal to the other party no later than thirty (30) days prior to the expiration of the then current Term.

During the Term, the Company will pay Bristol a monthly fee (the "Monthly Fee") of Eighteen Thousand Seven Hundred Fifty and No/100 Dollars (\$18,750). For services rendered by Bristol prior to entering into the Consulting Agreement, the Company will pay Bristol the Monthly Fee, pro-rated, for the time between September 1, 2016 and December 29, 2016. Bristol may also receive an annual bonus as determined by the Compensation Committee of the Company's Board of Directors (the "Board") and approved by the Board. At December 31, 2017 and 2016, the Company accrued \$208,106 and \$75,000 of monthly fees due to Bristol, respectively.

In addition, the Company will grant to Bristol options to purchase up to an aggregate of 600,000 shares of the Company's common stock in accordance with the following vesting schedule and at the applicable exercise prices therein:

Bristol received the following, with effective dates as defined below:

- 1) upon the effectiveness of the Consulting Agreement on December 29, 2016, seventy-five thousand (75,000) options to purchase shares of the Company's common stock at an exercise price of \$0.50 per share, such options to vest upon execution of the agreement;
- 2) upon the effectiveness of the Consulting Agreement on December 29, 2016, five hundred twenty-five thousand (525,000) options to purchase shares of the Company's common stock, such options to vest, at the applicable exercise price, as follows:
  - a. Seventy-five thousand (75,000) options shall be exercisable at a price of \$0.50 per share and shall vest immediately;
  - b. Seventy-five thousand (75,000) options shall be exercisable at a price of \$0.55 per share and shall vest by March 31, 2017;
  - c. Seventy-five thousand (75,000) options shall be exercisable at a price of \$0.55 per share and shall vest by June 30, 2017;
  - d. Seventy-five thousand (75,000) options shall be exercisable at a price of \$0.55 per share and shall vest by September 30, 2017;
  - e. Seventy-five thousand (75,000) options shall be exercisable at a price of \$0.60 per share and shall vest by December 31, 2017;
  - f. Seventy-five thousand (75,000) options shall be exercisable at a price of \$0.60 per share and shall vest by March 31, 2018; and
  - g. Seventy-five thousand (75,000) options shall be exercisable at a price of \$0.60 per share and shall vest by June 30, 2018.

#### Operating Lease

On June 16, 2016, the Company entered into a Standard Multi-Tenant Sublease ("Sublease") with Bristol Capital Advisors, an entity controlled by the Company's Chairman of the Board. The term of the Sublease is for 5 years and 3 months beginning on July 1, 2016 with monthly payments of \$8,118. Upon execution of the Sublease, the Company paid a security deposit of \$9,137 and \$199,238 for prepaid rent of which \$76,006 and \$181,796 remain at December 31, 2017 and 2016, respectively. During the year ended December 31, 2017 and 2016, the Company incurred total rent expense of \$98,877 and \$24,354 under the Sublease, respectively. See below for future minimum rent payments due.

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

**Fiscal year ending December 31:**

2018	\$	101,844
2019		104,899
2020		108,046
2021		83,054
	\$	<u>397,843</u>

Obligation to Fund CONtv

As discussed in Note 3, on November 16, 2015, pursuant to that certain A&R Operating Agreement for CONtv, the Company's ownership interest in CONtv was reduced to 10%. In addition, the Company is only obligated to fund on-going costs in the amount of \$25,000 in cash on an on-going monthly basis for a period of 12 months following the effective date.

For the years ended December 31, 2017 and 2016, the Company recognized \$0 and \$262,500 in losses from this venture, respectively.

As of December 31, 2017 and 2016, the Company has a balance due to CONtv of \$224,241.

Stephen Shamus Lawsuit

On October 28, 2016, the Company filed a Complaint (the "SDNY Complaint") and commenced a lawsuit in the United States District Court, Southern District of New York, against Stephen Shamus, the former Chief Marketing Officer of the Company whose employment was terminated on October 27, 2016 (the "SDNY Lawsuit"). In the SDNY Lawsuit, the Company alleges, among other things, breach of fiduciary duty, misappropriation of corporation assets, breach of contract, and conversion, against Mr. Shamus relating to the Company's assertion that he used his position with the Company to improperly obtain memorabilia at the Company's Comic Conventions which he would then sell and retain the profits from for his own benefit. On November 16, 2016, Mr. Shamus filed an Answer to the SDNY Complaint with counterclaims against the Company (the "SDNY Counterclaim"). The SDNY Counterclaim alleges breach of contract and unjust enrichment against the Company and seeks compensatory damages in the form of cash.

The lawsuit was concluded on February 15, 2017 with no financial impact on the Company's financial statements.

Gareb Shamus Lawsuit

On December 16, 2016, the Company filed a Complaint (the "DNJ Complaint") and commenced a lawsuit in the United States District Court, District of New Jersey (the "DNJ Lawsuit"), against Gareb Shamus, the founder and former Chief Executive Officer of the Company; Pivot Media LLC and 4 Brothers LLC, entities owned and operated by Gareb Shamus; Stephen Shamus, the former Chief Marketing Officer of the Company whose employment was terminated on October 27, 2016; Kenneth Shamus, a former director of the Company; Eric Weisblum; GEM Funding LLC; It's All Normal LLC; and various other defendants (collectively, the "DNJ Defendants"). In the DNJ Complaint, the Company alleged that the DNJ Defendants violated Section 13(d) of the Securities and Exchange Act of 1934 and SEC Rules 13d-1 and 13d-5. The Company sought an injunction to compel the DNJ Defendants to make complete disclosure under Section 13(d) of the Exchange Act and to cure their past violations. The DNJ Lawsuit was concluded on February 15, 2017 with no financial impact on the Company's financial statements.

Silverman Lawsuit

On January 11, 2017, Arden B. Silverman ("Silverman"), d/b/a Capital Asset Protection, filed a complaint (the "Silverman Complaint") and commenced a lawsuit against the Company in the Superior Court of California, County of Los Angeles – Central District (the "Silverman Lawsuit"). Silverman brought the claim after being assigned the right title and interest in a claim against the Company by Rogers & Cowan, Inc., a California corporation (Rogers & Cowan). The Silverman Complaint alleges the Company owes \$42,600 plus attorney's fees to Silverman for services provided by Rogers & Cowan to the Company. On April 10, 2017, the Company filed a cross Complaint in the Silverman Lawsuit against Rogers and Cowan, among others (the "Cross-Complaint"). The Cross-Complaint seeks in excess of \$90,000 from Rogers & Cowan, among others, and alleges, fraud, negligent misrepresentation, breach of written agreement; breach of covenant of good faith and fair dealings, and violations of Cal. Bus. & Prof. Code §§17200 et seq. The matters at issue in the Silverman lawsuit were resolved by way of a mutual settlement with no financial impact on the Company's financial statements in June 2017.

### Malinoff Dispute

Randall Malinoff, the Company's former Chief Operating Officer, who departed from the Company as of July 5, 2017, is currently engaged in a dispute with the Company. A complaint for breach of contract and various disability discrimination claims was filed after the Company terminated him for cause. The Company believes that the matter, which is set for trial in 2019, is wrongful and is without merit. The Company currently intends to proceed to trial on this matter.

With the exception of the foregoing disputes, the Company is not involved in any disputes and does not have any litigation matters pending which the Company believes could have a materially adverse effect on the Company's financial condition or results of operations.

### **Note 8 – Stockholders' Equity (Deficit)**

The Company's 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 December 31, 2017 and 2016, there were 68,535,036 shares of common stock issued and outstanding. Each share of the common stock entitles its holder to one vote on each matter submitted to the shareholders.

### 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 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 common stock, par value \$.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.

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 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 Option 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, 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 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

The following is a summary of the Company's option activity:

	<u>Options</u>	<u>Weighted Average Exercise Price</u>
<b>Outstanding – January 1, 2016</b>	9,933,500	\$ 0.70
<b>Exercisable – January 1, 2016</b>	4,332,500	\$ 0.41
Granted	2,000,000	\$ 0.55
Exercised	-	\$ -
Forfeited/Cancelled	(6,614,500)	\$ -
<b>Outstanding – December 31, 2016</b>	5,319,000	\$ 0.57
<b>Exercisable – December 31, 2016</b>	1,640,500	\$ 0.47
Granted	-	\$ -
Exercised	-	\$ -
Forfeited/Cancelled	(1,276,000)	\$ -
<b>Outstanding – December 31, 2017</b>	4,043,000	\$ 0.58
<b>Exercisable – December 31, 2017</b>	3,328,000	\$ 0.57

Options Outstanding				Options Exercisable	
Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
\$ 0.40 - 1.50	4,043,000	2.10 years	\$ 0.58	3,328,000	\$ 0.57

At December 31, 2017, the total intrinsic value of options outstanding and exercisable was \$0 and \$0, respectively.

The Company recognized an aggregate of \$296,274 and \$777,536 in compensation expense during the years ended December 31, 2017 and 2016, respectively, related to option awards. At December 31, 2017, unrecognized stock-based compensation was \$310,519.

#### Stock Warrants

The following is a summary of the Company's warrant activity:

	Warrants	Weighted Average Exercise Price
<b>Outstanding – January 1, 2016</b>	-	\$ -
<b>Exercisable – January 1, 2016</b>	-	\$ -
Granted	33,333,317	\$ 0.08
Exercised	(16,666,650)	\$ 0.00
Forfeited/Cancelled	-	\$ -
<b>Outstanding – December 31, 2016</b>	16,666,667	\$ 0.15
<b>Exercisable – December 31, 2016</b>	16,666,667	\$ 0.15
Granted	-	-
Exercised	-	-
Forfeited/Cancelled	-	-
<b>Outstanding – December 31, 2017</b>	16,666,667	\$ 0.15
<b>Exercisable – December 31, 2017</b>	16,666,667	\$ 0.15

Warrants Outstanding				Warrants Exercisable	
Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
\$ 0.15	16,666,667	4.67 years	\$ 0.15	16,666,667	\$ 0.15

At December 31, 2017, the total intrinsic value of warrants outstanding and exercisable was \$0 and \$0, respectively.

There were no new options or warrants granted during the year ended December 31, 2017. The following table summarizes the range of assumptions the Company utilized to estimate the fair value of the options and warrants issued during the year ended December 31, 2016:

Assumptions	December 31, 2016
Expected term (years)	2.40-5.00
Expected volatility	90%-115%
Risk-free interest rate	0.87% - 1.96%
Dividend yield	0.00%



The expected warrant term is based on the contractual term. The expected option term is computed using the “simplified” method as permitted under the provisions of ASC 718-10-S99. 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. The expected volatility is based on historical-volatility of the Company when stock prices were publicly available. The risk-free interest rate is based on the U.S. Treasury yields with terms equivalent to the expected term of the related option at the valuation date. Dividend yield is based on historical trends.

#### Note 9 – 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, 2017, substantially all of the Company’s cash and cash equivalents were held by major financial institutions and the balance in 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 10 – Segment Information

The Company maintained operating segments; Conventions and Conbox. The Company ceased Conbox operations in 2017, which is the principal reason for the decrease in operating results compared to 2016. The Company evaluated performance of its operating segments based on revenue and operating profit (loss). Segment information for the years ended December 31, 2017 and 2016 and as of December 31, 2017 and 2016, are as follows:

	Conventions	ConBox	Total
<b>Year ended December 31, 2017</b>			
Revenue	\$ 14,983,033	\$ 84,580	\$ 15,067,613
Cost of revenue	(14,978,136)	(80,161)	(15,058,297)
Gross margin	4,897	4,419	10,371,076
Operating expenses	(5,314,391)	(32,533)	(5,346,924)
Operating loss	(5,309,494)	(28,114)	(5,337,608)
<b>Year ended December 31, 2016</b>			
Revenue	\$ 21,994,433	\$ 707,101	\$ 22,701,534
Cost of revenue	(14,972,190)	(1,029,898)	(16,002,088)
Gross margin	(164,903)	-	(164,903)
Operating expenses	(6,857,340)	(322,797)	6,534,543
Operating profit (loss)	(7,627,847)	(88,942)	(7,716,789)
<b>December 31, 2017</b>			
Accounts receivable, net	\$ 336,030	\$ -	\$ 336,030
Total assets	2,940,089	-	2,940,089
Unearned revenue	2,164,972	-	2,164,972
<b>December 31, 2016</b>			
Accounts receivable, net	\$ 128,561	\$ 59,258	\$ 187,819
Total assets	5,775,871	59,258	5,835,129
Unearned revenue	1,479,392	95,546	1,574,938

#### Note 11 – Income Tax Provision

##### Deferred Tax Assets

On December 22, 2017, the Tax Cuts and Jobs Act (the “Tax Reform Bill”) was signed into law. Prior to the enactment of the Tax Reform Bill, the Company measured its deferred tax assets at the federal rate of 34%. The Tax Reform Bill reduced the federal tax rate to 21% resulting in the re-measurement of the deferred tax asset as of December 31, 2017. Beginning January 1, 2018, the lower tax rate of 21% will be used to calculate the amount of any federal income tax due on taxable income earned during 2018.

At December 31, 2017, the Company has available for U.S. federal income tax purposes a net operating loss (“NOL”) carry-forwards of approximately \$9,919,000 that may be used to offset future taxable income through the fiscal year ending December 31, 2036. If not used, these NOLs may be subject to limitation under Internal Revenue Code Section 382 should there be a greater than 50% ownership change as determined under the regulations. The Company plans on undertaking a detailed analysis of any historical and/or current Section 382 ownership changes that may limit the utilization of the net operating loss carryovers. 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 \$2,083,000 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 \$2,083,000.

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. In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon future generation for taxable income during the periods in which temporary differences representing net future deductible amounts become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. After consideration of all the information available, Management believes that significant uncertainty exists with respect to future realization of the deferred tax assets and has therefore established a full valuation allowance. The valuation allowance increased by approximately \$590,000 and \$249,000 for the years ended December 31, 2017 and 2016, respectively.

The Company evaluated the provisions of ASC 740 related to the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements. ASC 740 prescribes a comprehensive model for how a company should recognize, present, and disclose uncertain positions that the Company has taken or expects to take in its tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. Differences between tax positions taken or expected to be taken in a tax return and the net benefit recognized and measured pursuant to the interpretation are referred to as “unrecognized benefits.” A liability is recognized (or amount of net operating loss carry forward or amount of tax refundable is reduced) for unrecognized tax benefit because it represents an enterprise’s potential future obligation to the taxing authority for a tax position that was not recognized as a result of applying the provisions of ASC 740.

If applicable, interest costs related to the unrecognized tax benefits are required to be calculated and would be classified as “Other expenses – Interest expense” in the statement of operations. Penalties would be recognized as a component of “General and administrative.”

No material interest or penalties on unpaid tax were recorded during the years ended December 31, 2017 and 2016, respectively. As of December 31, 2017 and 2016, no liability for unrecognized tax benefits was required to be reported. The Company does not expect any significant changes in its unrecognized tax benefits in the next year.

Components of deferred tax assets are as follows:

	December 31, 2017	December 31, 2016
Net deferred tax assets – Non-current:		
Expected income tax benefit from NOL carry-forwards	\$ 2,083,000	\$ 1,493,000
Less valuation allowance	(2,083,000)	(1,493,000)
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, 2017	For the Year Ended December 31, 2016
Federal statutory income tax rate	21.0%	34.0%
Change in valuation allowance on net operating loss carry-forwards	(21.0%)	(34.0%)
Effective income tax rate	0.0%	0.0%



**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 D. Maatta, 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: April 2, 2018

By: */s/ John D. Maatta*

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John D. Maatta  
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 D. Maatta, 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: April 2, 2018

By: */s/ John D. Maatta*

John D. Maatta  
Principal Financial Officer  
Wizard World, Inc.

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**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, 2017, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, John D. Maatta, 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, 2017, 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, 2017, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 2, 2018

By: /s/ John D. Maatta  
John D. Maatta  
Principal Executive Officer  
Wizard World, Inc.

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**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, 2017, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, John D. Maatta, 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, 2017, 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, 2017, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 2, 2018

By: /s/ John D. Maatta

John D. Maatta  
Principal Financial Officer  
Wizard World, Inc.

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