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

FORM 10-Q/A
Amendment No. 1

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

For the Quarterly Period Ended September 30, 2018

or

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

For the Transition Period from _________ to _________

Commission file number: 333-184487

CONVERSION LABS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**76-0238453**
(State or other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
1460 Broadway New York, NY	**10036**
(Address of Principal Executive Offices)	(Zip Code)

(866) 351-5907
(Registrant's telephone number, including area code)

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes ☑ No ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☑
		Emerging growth company	☐

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 7(a)(2)(B) of the Securities Act: ☐

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

As of November 14, 2018, there were 45,482,305 shares of the registrant's common stock outstanding.

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-Q/A (the "Amendment") amends Conversion Labs, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2018 (the "Form 10-Q"), as filed with the Securities and Exchange Commission on November 14, 2018, and is being filed solely to (i) correct a scrivener's error in Part I, Item 1. Financial Statements, which inadvertently referenced the period ended June 30, 2018 and the six months ended June 30, 2018, and (ii) to include reference in Part I, Item 1, to an additional issuance of common stock which resulted in immaterial revisions to the consolidated balance sheets, statement of operations and cash flows. None of the other information previously disclosed in the Form 10-Q is modified by this amendment. This Amendment includes new certifications by our Principal Executive Officer and Principal Financial Officer pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 attached as Exhibits 31.1, 31.2, 32.1 and 32.2 hereto.

Except as expressly set forth above, this Amendment does not, and does not purport to, amend, update or restate the information in any other item of the Form 10-Q or reflect any events that have occurred after the filing of the Form 10-Q.

CONVERSION LABS, INC.
FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2018

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONVERSION LABS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2018 (unaudited)	December 31, 2017
ASSETS		
Current Assets		
Cash	$ 407,272	$ 141,379
Trade accounts receivable, net	175,631	128,190
Other receivables	-	-
Product deposit	106,700	16,500
Inventory, net	623,446	681,258
Other current assets	251,184	-
Assets held for sale	-	296,483
Total Current Assets	$ 1,564,233	$ 1,263,810
Non-current assets		
Intangible assets, net	$ 335,131	$ -
Total non-current assets	335,131	-
Total Assets	$ 1,899,364	$ 1,263,810
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable and accrued expenses	$ 684,274	$ 391,759
Notes payable	-	167,479
Convertible notes payable, net	-	-
Deferred revenue	15,608	-
Liabilities held for sale	-	81,733
Total Current Liabilities	699,882	640,971
Stockholders' Equity (Deficit)		
Common stock, $0.01 par value; 100,000,000 shares authorized, 45,334,957 and 44,493,063 shares issued, 44,819,757 and 43,977,863 outstanding as of September 30, 2018 and December 31, 2017, respectively	453,349	444,930
Additional paid-in capital	12,339,491	11,500,537
Accumulated deficit	(11,375,579)	(10,899,843)
	1,417,261	1,045,624
Treasury stock, 515,200 and 515,200 shares, at cost	(163,701)	(163,701)
Total Conversion Labs, Inc. Stockholders' Equity (Deficit)	1,253,560	881,923
Non-controlling interest	(54,078)	(259,084)
Total Stockholders' Equity (Deficit)	1,199,482	622,839
Total Liabilities and Stockholders' Equity (Deficit)	$ 1,899,364	$ 1,263,810

The accompanying footnotes are in integral part of these unaudited condensed consolidated financial statements.

CONVERSION LABS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	**2017**	**2018**	**2017**
Net Sales	$ 2,495,424	$ 2,051,734	$ 6,139,551	$ 3,583,614
Cost of Sales	439,701	535,572	1,329,881	1,068,174
Gross Profit	2,055,723	1,516,162	4,809,670	2,515,440
Operating expenses				
Compensation and related expenses	321,933	529,361	787,898	1,131,805
Professional fees	410,340	99,964	852,498	321,548
Marketing expenses	1,407,911	882,845	3,576,096	1,182,715
General and administrative expenses	301,174	277,559	855,620	753,402
Total operating expenses	2,441,358	1,789,729	6,072,112	3,389,470
Operating Loss	(385,635)	(273,567)	(1,262,442)	(874,030)
Change in fair value of derivative liability	-	(377,213)	-	496,617
Interest (expense)	(147,664)	(1,111)	(205,192)	(650,718)
Income (Loss) from continuing operations	(533,299)	(651,891)	(1,467,634)	(1,028,131)
Income from discontinued operations, including gain on sale, net of income taxes	-	-	925,738	-
Net income (loss)	(533,299)	(651,891)	(541,896)	(1,028,131)
Net income (loss) attributable to noncontrolling interests	(37,318)	27,172	(66,160)	(41,752)
Net income (loss) attributable to Conversion Labs, Inc.	$ (495,981)	$ (679,063)	$ (475,736)	$ (986,379)
Basic income (loss) per share attributable to Conversion Labs, Inc. from continuing operation	$ (0.01)	$ (0.02)	$ (0.03)	$ (0.02)
Basic income per share attributable to Conversion Labs, Inc. from discontinued operation	-	-	-	-
Diluted income (loss) per share attributable to Conversion Labs, Inc. from continuing operation	(0.01)	(0.01)	(0.03)	(0.02)
Diluted income per share attributable to Conversion Labs , Inc. from discontinued operation	$ -	$ -	$ -	$ -
Average number of common shares outstanding				
Basic	44,436,030	40,849,638	43,708,092	44,160,477
Diluted	44,436,030	47,254,218	43,708,092	44,160,477

The accompanying footnotes are in integral part of these unaudited condensed consolidated financial statements.

CONVERSION LABS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30, 2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (Loss)	$ (541,896)	$ (1,028,131)
Adjustments to reconcile net (loss) to net cash (used) by operating activities		
Change in fair value of derivative liability	-	(496,617)
Amortization of debt discount	181,309	81,558
Amortization and depreciation	41,891	
Bad debt recovery	-	(49,119)
(Gain) loss on discontinued operations and disposal	(918,537)	-
Loss on settlement of notes and other payables	-	634,325
Stock compensation expense	458,850	162,741
Issuance of warrants for services	-	-
Common stock issued for services		498,930
Changes in Assets and Liabilities		
Trade accounts receivable	(47,441)	216,870
Other receivables	-	2,250
Product deposit	(90,200)	(119,899)
Inventory	57,812	(217,530)
Other current assets	(138,050)	-
Deferred revenue	15,348	-
Accounts payable and accrued expenses	208,426	(1,067)
Net cash (used) by operating activities of continuing operations	(772,488)	(315,689)
Net cash used in operating activities of discontinued operations	283,287	-
Net cash (used in) provided by operating activities	(489,201)	(315,689)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of subsidiary, net of cash received	(148,555)	-
Proceeds from sale of legacy business	390,000	-
Net cash provided by (used in) investing activities	241,445	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Investment in subsidiary by noncontrolling interest, net	127,048	63,378
Proceeds from notes payable	-	386,376
Proceeds from convertible note payable	550,000	
Repayment of convertible note payable	-	(100,000)
Repayment of notes payable	(167,479)	(250,463)
Proceeds from options exercise	4,080	
Sale of common stock and warrants	-	673,245
Purchase of treasury stock	-	(76,648)
Net cash provided by financing activities	$ 513,649	695,888
Net increase in cash	265,893	380,199
Cash at beginning of the period	141,379	182,561
Cash at end of the period	$ 407,272	$ 562,760
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period for interest	$ 4,383	$ -
Issuance of company stock for notes and other payables	$ -	$ 242,192
Retirement of stock	$ 460,000	$ -
Stock repurchase from shareholder	$ 460,000	$ -
Conversion of liability as consideration on sale of legacy business	$ 150,000	-
Conversion of equity invested in subsidiary to common stock and warrants	$ -	$ 272,203
Reclassification of options, warrants and other contracts to derivative liabilities upon issuance	$ -	$ 1,636,590
Warrants issued in relation to debt	$ 533,691	-
Conversion of notes payable	$ 310,752	-

The accompanying footnotes are in integral part of these unaudited condensed consolidated financial statements.

CONVERSION LABS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018
(Unaudited)

NOTE 1 – NATURE OF THE ORGANIZATION AND BUSINESS

Nature of Business

Conversion Labs, Inc. ("Conversion Labs," "we," "us," "our," the "Company") is an internet-based direct response marketing company that in-licenses, acquires and creates innovative and proprietary products that are sold to consumers around the world via our technology infrastructure and relationships with agencies, third party marketers, and online advertising platforms such as Facebook, Google and Amazon. We currently have three commercial stage products including Shapiro MD, a patented shampoo, conditioner, and leave-in foamer for thicker, fuller hair, iNR Wellness MD, a nutritional supplement for immune support, and PDF Simpli, a PDF conversion software, which was acquired through the purchase of 51% of the membership interests of LegalSimpli Software, LLC, a Puerto Rico limited liability company, which operates a marketing-driven software solutions business.

We launched our online direct marketing business in the fourth quarter of 2015 with the establishment of a partnership with Inate Skincare, LLC ("Inate"). Our initial intention was to launch a skin care line containing our proprietary ingredients and to market such products directly to consumers. We entered into a limited liability company operating agreement with our joint venture partners with respect to Inate under the legal name Immudyne PR LLC ("Immudyne PR"). On April 1, 2016, the original operating agreement of Immudyne PR was amended and restated and we increased our ownership and voting interest in Immudyne PR to 78.2%.

During 2016, we utilized third party entities to provide and increase credit card processing capacity and optimize corresponding rates and fees through one or more merchant bank accounts held by such entities. Some of the entities contracted to provide these services had been determined to be variable interest entities ("VIEs") and were consolidated in the Company's financial statements. The one (1%) percent fee received by these VIEs was eliminated in consolidation of the net revenues processed and collected by such contractors from sales initiated by the Company. The remaining entities provided such services as independent contractors, the majority of which were considered related parties and no fee was paid. Upon receipt of funds by such contractors from their respective merchant banks, the Company required the prompt transfer of funds to Company controlled accounts. The Company reimbursed and/or advanced funds to such contractors for any deficit or charge related to returns, chargeback and other fees charged by such merchant bank. By our year ended December 31, 2017, we ceased processing credit card charges through all VIE merchant accounts. At December 31, 2017, we recorded the merchant reserves from these VIE merchant accounts on our balance sheet as accounts receivable.

As used in these financial statements and unless otherwise indicated, the terms "Company," "we," "us," and "our" refer to Conversion Labs, Inc. (formerly known as Immudyne, Inc.) and our majority-owned subsidiaries LegalSimpli Software, LLC, a Puerto Rico limited liability company ("LegalSimpli"), Conversion Labs PR, LLC (formerly Immudyne PR LLC), a Puerto Rico limited liability company ("Conversion Labs PR"), and Conversion Labs Asia Limited, a Hong Kong company ("Conversion Labs Asia"). Unless otherwise specified, all dollar amounts are expressed in United States dollars.

Acquisition of Membership Interest Purchase Agreement

On May 29, 2018, Immudyne PR acquired 51% of the membership interests (the "Membership Interests") of LegalSimpli Software, LLC, a Puerto Rico limited liability company ("LegalSimpli"), which operates a marketing-driven software solutions business. In consideration for Immudyne PR's purchase of the Membership Interests, Immudyne PR paid $150,000 (the "Initial Payment") to the sellers upon execution of the purchase agreement. Additionally, Immudyne PR agreed to pay up to an additional $200,000 for such Membership Interests.

Going Concern

The Company has funded operations in the past through the sales of its products, issuance of common stock and through loans and advances from officers and directors. The Company's continued operations are dependent upon obtaining an increase in its sales volume and the continued financial support from officers and directors or the sale of additional shares of common stock or debt securities. The accompanying financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes the realization of assets and the satisfaction of liabilities in the normal course of business. At September 30, 2018, the Company had an accumulated deficit of approximating $11.1 million and has incurred negative cash flows from operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Based on the Company's cash balance at September 30, 2018, and projected cash needs for 2018, management estimates that it will need to increase sales revenue and/or raise additional capital to cover operating and capital requirements for the 2018 fiscal year. Management will need to raise the additional needed funds through increased sales volume, issuing additional shares of common stock or other equity securities, or obtaining debt financing. Although management has been successful to date in raising necessary funding, there can be no assurance that sales revenue will substantially increase or that any required future financing can be successfully completed on a timely basis, or on terms acceptable to the Company.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The Company evaluates the need to consolidate affiliates based on standards set forth in ASC 810 Consolidation ("ASC 810"). The consolidated financial statements include the accounts of the Company and its majority owned subsidiary, Conversion Labs PR, its 51% owned LegalSimpli and variable interest entities (VIE's) in which the Company has been determined to be the primary beneficiary. The non-controlling interest in Conversion Labs PR represents the 21.833% equity interest held by other members of the joint venture. All significant consolidated transactions and balances have been eliminated in consolidation.

Management's Representation of Interim Financial Statements

The accompanying unaudited consolidated financial statements have been prepared by the Company without audit pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("GAAP") have been condensed or omitted as allowed by such rules and regulations, and management believes that the disclosures are adequate to make the information presented not misleading. These consolidated financial statements include all of the adjustments, which in the opinion of management are necessary to a fair presentation of financial position and results of operations. All such adjustments are of a normal and recurring nature. Interim results are not necessarily indicative of results for a full year. These consolidated financial statements should be read in conjunction with the audited consolidated financial statements at December 31, 2017 and 2016 filed in the Company's Annual Report on Form 10-K with the SEC on April 2, 2018.

Variable Interest Entities

The Company follows ASC 810-10-15 guidance with respect to accounting for variable interest entities (each, a "VIE"). These entities do not have sufficient equity at risk to finance their activities without additional subordinated financial support from other parties or whose equity investors lack any of the characteristics of a controlling financial interest. A variable interest is an investment or other interest that will absorb portions of a VIE's expected losses or receive portions of its expected residual returns and are contractual, ownership, or pecuniary in nature and that change with changes in the fair value of the entity's net assets. A reporting entity is the primary beneficiary of a VIE and must consolidate it when that party has a variable interest, or combination of variable interests, that provides it with a controlling financial interest. A party is deemed to have a controlling financial interest if it meets both of the power and losses/benefits criteria. The power criterion is the ability to direct the activities of the VIE that most significantly impact its economic performance. The losses/benefits criterion is the obligation to absorb losses from, or right to receive benefits from, the VIE that could potentially be significant to the VIE. The VIE model requires an ongoing reconsideration of whether a reporting entity is the primary beneficiary of a VIE due to changes in facts and circumstances.

By our fiscal year ending December 31, 2017, we ceased processing credit card charges through all VIE merchant accounts. At September 30, 2018 and December 31, 2017, we recorded the merchant reserves from these VIE merchant accounts on our balance sheet as accounts receivable.

Conversion Labs PR is the primary beneficiary of Innerwell Skincare LLC, Spurs 5, LLC, and Salus LLC, which are qualified as VIEs. The assets and liabilities and revenues and expenses of these VIEs included in the financial statements of Conversion Labs PR and further included in the consolidated financial statements. The assets and liabilities include balances due from and due to the subsidiaries of Conversion Labs PR. These inter-company receivables and payables are eliminated upon consolidation of the VIE with Conversion Labs PR and the Company. No assets were pledged or given as collateral against any borrowings.

The Company utilizes third party entities to provide and increase credit card processing capacity and optimize corresponding rates and fees. A majority of these entities provide this service as independent contractors in exchange for a one (1%) percent fee of the net revenues processed and collected by such contractors from sales initiated by the Company. The VIEs consolidated in the Company's financial statements are primarily contracted to credit card processing through one or more merchant banks contracted by each VIE. Upon receipt of funds by each VIE, the collection of receipts less any returns, chargeback and other fees charged by such merchant bank is transferred to Conversion Labs PR.

Use of Estimates

The Company prepares its consolidated financial statements in conformity with accounting principles generally accepted in the United States of America which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Some of the more significant estimates required to be made by management include the determination of reserves for accounts receivable, returns and allowances, the accounting for derivatives, the valuation of inventory and stockholders' equity based transactions. Actual results could differ from those estimates.

Derivative Liabilities

Under ASC 815-40-05, Accounting for Derivative Financial Instruments Indexed to and Potentially Settled in a Company's Own Stock, in the event the Company does not have a sufficient number of authorized and unissued shares of common stock to satisfy obligations for stock options, warrants and other instruments potentially convertible into common stock, the fair value of these instruments should be reported as a derivative liability. Pursuant to the outstanding option, warrant and convertible debt agreements, there is currently no effective registration statement covering the shares of common stock underlying these agreements, which are currently subject to a cashless exercise whereby the holders, at their option, may surrender their options and warrants to the company in exchange for shares of common stock. The number of shares of common stock into which an option or a warrant would be exchangeable in such a cashless exercise depends on both the exercise price of the options or warrant and the market price of the common stock, each at or near the time of exercise. Because the market price is variable, it is possible that the Company could have insufficient authorized shares to satisfy a cashless exercise. In this scenario, if the Company were unable to obtain shareholder approval to increase the number of authorized shares, the Company could be obligated to settle such a cashless exercise with cash rather than by issuing shares of common stock. Further, ASC 815-40-05 requires that the Company record the potential settlement obligation at each reporting date using the current estimated fair value of these contracts, with any changes in fair value being recorded through our statement of operations. The Company had reported the potential settlement obligation as a derivative liability. In the third quarter of 2017, the Company obtained a majority of shareholders' approval and amended its Articles of Incorporation to increase the number of shares of its authorized common stock, therefore the derivative liability is no longer applicable.

Inventory

At September 30, 2018 and December 31, 2017, inventory consisted primarily of finished cosmetic products. Inventory is maintained in a third-party warehouse in Pennsylvania.

Inventory is valued at the lower of cost or net realizable value with cost determined on a first-in, first-out ("FIFO") basis. Management compares the cost of inventory with the net realizable value and an allowance is made for writing down inventory to net realizable, if lower. At September 30, 2018 and December 31, 2017, the Company recorded an inventory reserve in the amount of $12,500 and $12,500, respectively. As of September 30, 2018 and December 31, 2017, the inventory balances were $507,211 and 681,258, respectively.

Revenue Recognition

The Company records revenue under the adoption of ASC 606 by analyzing exchanges with its customers using a five-step analysis such as identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. The Company's policy is to record revenue as earned when a firm commitment, indicating sales quantity and price exists, delivery has taken place and collectability is reasonably assured. The Company generally records sales of finished cosmetic products once the customer places the order and the product is simultaneously shipped, but in limited cases if title does not pass until the product reaches the customer's delivery site, then recognition of revenue should be deferred until that time, however the Company does not have a process to properly record the recognition of revenue if orders are not immediately shipped. Delivery is considered to have occurred when title and risk of loss have transferred to the customer. Provisions for discounts, returns, allowances, customer rebates and other adjustments are netted with gross sales. The Company accounts for such provisions during the same period in which the related revenues are earned. Customer discounts, returns and rebates for the three and nine months ended September 30, 2018, was approximately $133,000 and $353,000, respectively. Customer discounts, returns and rebates for the three and nine months ended September 30, 2017, was approximately $99,000 and $149,000, respectively.

There are no formal sales incentives offered to any of the Company's customers. Volume discounts may be offered from time to time to customers purchasing large quantities on a per transaction basis.

Accounts receivable

Accounts receivable are carried at original invoice amount less an estimate made for holdbacks and doubtful receivables based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition, credit history and current economic conditions and sets up an allowance for doubtful accounts when collection is uncertain. Customers' accounts are written off when all attempts to collect have been exhausted. Recoveries of accounts receivable previously written off are recorded as income when received. At September 30, 2018 and December 31, 2017, the accounts receivable reserve was approximately $0 and $0, respectively. At September 30, 2018 and December 31, 2017, the reserve for sales returns and allowances was approximately $33,754 and $23,200, respectively.

Income Taxes

The Company files Corporate Federal and State tax returns, while Conversion Labs PR and LegalSimpli, which were formed as limited liability companies, file separate tax returns with any tax liabilities or benefits passing through to its members.

The Company records current and deferred taxes in accordance with Accounting Standards Codification (ASC) 740, "Accounting for Income Taxes." This ASC requires recognition of deferred tax assets and liabilities for temporary differences between tax basis of assets and liabilities and the amounts at which they are carried in the financial statements, based upon the enacted rates in effect for the year in which the differences are expected to reverse. The Company establishes a valuation allowance when necessary to reduce deferred tax assets to the amount expected to be realized. The Company periodically assesses the value of its deferred tax asset, a majority of which has been generated by a history of net operating losses and determines the necessity for a valuation allowance. ASC 740 also provides a recognition threshold and measurement attribute for the financial statement recognition of a tax position taken or expected to be taken in a tax return. Using this guidance, a company may recognize the tax benefit from an uncertain tax position in its financial statements only if it is more likely-than-not (i.e., a likelihood of more than 50%) that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position.

The Company's tax returns for all years since December 31, 2014, remain open to federal and state taxing authorities.

Stock-Based Compensation

The Company follows the provisions of ASC 718, "Share-Based Payment". Under this guidance compensation cost generally is recognized at fair value on the date of the grant and amortized over the respective vesting periods. The fair value of options at the date of grant is estimated using the Black-Scholes option pricing model. The expected option life is derived from assumed exercise rates based upon historical exercise patterns and represents the period of time that options granted are expected to be outstanding. The expected volatility is based upon historical volatility of the Company's shares using weekly price observations over an observation period that approximates the expected life of the options. The risk-free rate approximates the U.S. Treasury yield curve rate in effect at the time of grant for periods similar to the expected option life. Due to limited history of forfeitures, the estimated forfeiture rate included in the option valuation was zero.

Many of the assumptions require significant judgment and any changes could have a material impact in the determination of stock-based compensation expense.

Earnings (Loss) Per Share

Basic earnings (loss) per common share is based on the weighted average number of shares outstanding during each period presented. Warrants and options to purchase common stock are included as common stock equivalents only when dilutive. Potential common stock equivalents are excluded from dilutive earnings per share when the effects would be antidilutive.

Common stock equivalents comprising shares underlying 1,886,454 options and warrants for the three and nine months ended September 30, 2018, respectively, have not been included in the income per share calculations as the effects are anti-dilutive.

Common stock equivalents comprising shares underlying 9,335,800 options and warrants for the three and nine months ended September 30, 2017, have not been included in the loss per share calculation as the effects are anti-dilutive.

Recent Accounting Pronouncements

In May 2017, the FASB issued ASU 2017-09, Compensation - Stock Compensation (Topic 718): Scope of Modification Accounting. The new standard 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 pronouncement is effective for annual reporting periods beginning after December 15, 2017 but early adoption is permitted. The Company is currently evaluating the impact of adopting this guidance.

In August 2016, the FASB issued ASU No. 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments ("ASU 2016-15"). ASU 2016-15 addresses eight specific cash flow issues with the objective of reducing diversity in practice regarding how certain cash receipts and cash payments are presented in the statement of cash flows. The standard provides guidance on the classification of the following items: (1) debt prepayment or debt extinguishment costs, (2) settlement of zero-coupon debt instruments, (3) contingent consideration payments made after a business combination, (4) proceeds from the settlement of insurance claims, (5) proceeds from the settlement of corporate-owned life insurance policies, (6) distributions received from equity method investments, (7) beneficial interests in securitization transactions, and (8) separately identifiable cash flows. The Company is required to adopt ASU 2016-15 for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2017 on a retrospective basis. Early adoption is permitted, including adoption in an interim period. We have reviewed ASU 2016-15 and have determined that it will not have any material effect on our financial statements and related disclosures.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which supersedes all existing guidance on accounting for leases in ASC Topic 840. ASU 2016-02 is intended to provide enhanced transparency and comparability by requiring lessees to record right-of-use assets and corresponding lease liabilities on the balance sheet. ASU 2016-02 will continue to classify leases as either finance or operating, with classification affecting the pattern of expense recognition in the statement of income. ASU 2016-02 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption is permitted. ASU 2016-02 is required to be applied with a modified retrospective approach to each prior reporting period presented with various optional practical expedients. We have reviewed ASC 842 and have determined that it will not have any material effect on our financial statements and related disclosures.

Recent Accounting Pronouncements (continued)

All other accounting standards that have been issued or proposed by the FASB that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption.

Fair Value of Financial Instruments

The carrying value of the Company's financial instruments, including cash, trade accounts receivable, accounts payable and accrued expenses and the face amount of notes payable approximate fair value for all periods.

Noncontrolling Interests

The Company accounts for its less than 100% interests in Conversion Labs PR and LegalSimpli in accordance with ASC Topic 810, Consolidation, and accordingly the Company presents noncontrolling interests as a component of equity on its consolidated balance sheet and reports the noncontrolling interest's share of the Conversion Labs PR, and LegalSimpli's net loss attributable to noncontrolling interests in the consolidated statement of operations.

Consolidation of Variable Interest Entities

In accordance with ASC 810-10-25-37 and as amended by ASU 2009-17, the Company determines whether any legal entity in which the Company becomes involved is a VIE and subject to consolidation. The Company conducts an assessment on an ongoing basis for each VIE including (1) the power to direct activities of the VIE that most significantly impact the VIE's economic performance, and (2) the obligation to absorb losses or right to receive benefits from the VIE that could potentially be significant to the VIE. As a result, the Company determined that six entities were VIEs and subject to consolidation.

Concentration of Credit Risk

The Company grants credit in the normal course of business to its customers. The Company periodically performs credit analysis and monitors the financial condition of its customers to reduce credit risk.

The Company monitors its positions with, and the credit quality of, the financial institutions with which it invests. The Company, at times, maintains balances in various operating accounts in excess of federally insured limits.

Although the Company does have some wholesale customers, over 90% of the Company's sales are to unique customers. Since the Company sells its products to thousands of customers, there is no accounts receivable concentration from customers. However, the Company uses merchant processors to charge customer credit cards and does contain concentration risk between credit card processors.

As of September 30, 2018, the Company's accounts receivable had no significant concentration from any one customer.

As of September 30, 2018, three credit card processors accounted for 56%, 22% and 20% of accounts receivable.

NOTE 3 – DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES HELD FOR SALE

On January 29, 2018, the Company entered into a Legacy Asset Sale Agreement (the "Asset Sale Agreement") with Mark McLaughlin (the Company's former President and Chief Executive Officer) whereby the Company sold the assets of the legacy beta glucan business for $850,000. On February 7, 2018, the Company and Mr. McLaughlin entered into an amendment to the Asset Sale Agreement (the "Asset Sale Agreement Amendment") to amend the purchase price of the assets, whereby Mr. McLaughlin agreed, through a newly formed entity, to purchase the assets and liabilities of the yeast beta glucan manufacturing business, for the following: (i) 2,000,000 shares of the Company's common stock (valued at $0.23 per share or $460,000), payable on February 12, 2018, (the "Closing Date"), (ii) $190,000 payable on the Closing Date, (iii) $200,000 payable within 120 days following the Closing Date, and (iv) the waiver of all rights to any severance payment in the amount of $150,000. The total purchase price per the Asset Sale Agreement Amendment was $1,000,000. The total assets and liabilities transferred in the sale was $255,248, resulting in a gain on sale of $744,752.

Operating results for the three months and nine months ended September 30, 2018, and 2017 for the yeast beta glucan manufacturing business are presented as discontinued operations and the assets and liabilities classified as held for sale are presented separately in the balance sheet.

A breakdown of the discontinued operations is presented as follows:

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Net Sales	$ -	$ 447,331	$ 363,613	$ 703,894
Cost of Sales	-	144,148	56,666	259,331
Gross Profit	-	303,183	306,947	444,563
Operating expenses	-	148,358	125,960	262,931
Income from discontinued operations	-	154,825	180,987	181,632
Gain on sale	-	-	744,752	-
Net income from discontinued operations	$ -	$ 154,825	$ 925,739	$ 181,632

Assets and liabilities of discontinued operations held for sale included the following:

	September 30, 2018	December 31, 2017
Current assets:		
Trade accounts receivable, net	$ -	$ 270,580
Inventory, net	-	25,903
	$ -	$ 296,483
Current liabilities:		
Accounts payable and accrued expenses	$ -	$ 81,733
	$ -	$ 81,733

NOTE 4 – BUSINESS COMBINATION

Acquisition of Membership Interest Purchase Agreement

On May 29, 2018 (the "Closing Date"), Immudyne, PR entered into a Membership Interest Purchase Agreement (the "Purchase Agreement") by and among nine individuals, as sellers and Conversion Labs PR, as buyer ("Buyer"), pursuant to which Buyer acquired from Sellers all of Sellers' right, title and interest in and to 51% of the membership interests (the "Membership Interests") of LegalSimpli Software, LLC, a Puerto Rico limited liability company ("LegalSimpli"), which operates a marketing-driven software solutions business.

In consideration for Buyer's purchase of the Membership Interests the Buyer paid $150,000 (the "Initial Payment") to the Sellers upon execution of the Purchase Agreement. Additionally, Buyer may be obligated to pay up to an additional $200,000 in accordance with the following milestones (the "Milestones"): (i) $100,000 to the Sellers on the 90-day anniversary of the Purchase Agreement, so long LegalSimpli's gross revenue for the preceding 30-day period is equal to or greater than $75,000; and (ii) $100,000 to the Sellers on the 180-day anniversary of the Purchase Agreement, so long as LegalSimpli's gross revenue for the preceding 30-day period is equal to or greater than $150,000, with a minimum net profit margin of 25% in each instance.

Regardless of whether LegalSimpli achieves either or both of the Milestones, Buyer will retain full ownership of the Membership Interests.

Fair Value of Consideration Transferred and Recording of Assets Acquired

The following table summarizes the acquisition date fair value of the consideration paid, identifiable assets acquired, and liabilities assumed including an amount for intangible assets:

Consideration Paid:		
Cash and cash equivalents	$	150,000
Fair value of total consideration	$	150,000
Recognized amount of identifiable assets acquired, and liabilities assumed:		
Financial assets:		
Cash and cash equivalents	$	1,445
Financial liabilities:		
Accounts payable and accrued liabilities		(84,349)
Non-controlling interest		(144,118)
Total identifiable net assets		(227,022
Intangible assets		377,022
	$	150,000

NOTE 5 – NOTES PAYABLE

In the third quarter of 2016 the Company commenced an offering pursuant to which it offered 11% subordinated promissory notes in fifty thousand ($50,000) dollar increments combined with 62,500 shares of the Company's Common Stock for a maximum offering amount of $200,000 (the "Offering"). In August and September 2016, the Company sold promissory notes totaling $150,000 to three unrelated individuals. Two of the promissory notes totaling $100,000 were payable in February 2017 and one promissory note for $50,000 was payable in March 2017. In October 2016, the Company sold promissory notes totaling $50,000 to two unrelated individuals. These promissory notes were payable in October 2017. In connection with these promissory notes sold, pursuant to the Offering, the Company issued 250,000 shares of common stock valued at $58,750 which was recorded as a debt discount and were amortized over the term of these notes. Amortization of the debt discounts for the year ended December 31, 2017 and 2016 was $25,035 and $33,715, respectively. During 2016, the Company repaid $68,600 of the principal balance; and as a result, the outstanding balances of these notes as of December 31, 2016, were $131,400. The balance of debt discount related to the subordinated promissory notes is $25,035 at December 31, 2016. During 2017, the Company repaid $81,420 of the principal balance and converted the remaining balance of $49,980 into 196,000 shares of common stock and 98,000 warrants, which satisfied the notes in full. The fair market value of the shares and warrants issued upon conversion was determined to be $179,384, of which $129,404 was included in loss on extinguishment of debt. Interest expense related to these notes for the nine months ended September 30, 2018 and 2017, amounted to $0 and $131,117, respectively.

In January 2017, the Company borrowed $200,000 and issued a promissory note with a 5% original issue discount for a total principal amount of $210,000. The loan incurred 11% interest per annum and matured in various tranches from February 2017 through April 2017. In addition, the Company issued 217,391 shares of common stock related to this note. In February 2017, the Company repaid $70,000 of the principal balance of this note. In March 2017, the Company converted the remaining $140,000 of the principal balance of this note and accrued interest of $2,212 in exchange for 559,179 shares of common stock and 304,348 warrants which satisfied the note in full. The fair market value of the shares and warrants issued upon conversion was determined to be $566,030, of which $423,818 was included in loss on extinguishment of debt.

In February 2017, the Company borrowed $25,000 from an American Express working capital line with 60 days maturity. The interest for this loan is a flat fee of $250. On April 17, 2017, the Company repaid this loan. In June 2017, the Company borrowed $74,043 from an American Express working capital line with 90 days maturity. The interest for this loan is a flat fee of $1,111. On August 30, 2017, the Company repaid this loan. In September 2017, the Company borrowed $77,333 from an American Express working capital line with 90 days maturity. The interest for this loan is a flat fee of $1,160. In November 2017, $42,479 was drawn from the line of credit and $78,493 was paid back in December 2017. In the first quarter of 2018 the Company repaid this loan. As of September 30, 2018 and December 31, 2017, there was $0 and $42,479 outstanding, respectively.

In December 2017, Conversion Labs PR received two working capital loans from related parties for in the amounts of $50,000 and $75,000, respectively. The loans accrue at 2% interest per month and mature in February 2018. In February 2018, the Company repaid these loans including all outstanding accrued interest.

In May 2018, the Company borrowed $550,000 and issued convertible notes in connection therewith. These notes have a maturity date of May 28, 2019 and accrue interest at a rate of 12% compounded annually. The conversion price for these notes is $0.23 per share of common stock, subject to adjustment. In the event the average VWAP (as defined) for the consecutive five trading days preceding but not including the six month anniversary of the original issue date of the note is less than the then conversion price in effect on such six month anniversary date, then the conversion price shall be reduced to 80% of the VWAP for the ten trading days following (but not including) such six month anniversary date, subject to further reduction. In addition, the Company issued warrants to purchase up to 2,391,305 shares of common stock with an exercise price of $0.28 per share. The fair value of the warrants was determined to be $533,691 and was recorded as a debt discount to be amortized over the life of the note. For the nine months ended September 30, 2018, amortization of debt discount was $181,309.

Interest expense related to loans from officers, directors and other related individuals amounted to $4,383 and $1,713 for the nine months ended September 30, 2018 and 2017, respectively. There was no interest expense for the three months ended September 30, 2017 and 2016 related to loans from officers, directors and other related individuals.

Total interest expense on notes payable, inclusive of amortization of debt discount of $181,309 and $81,558, amounted to $205,192 and $650,718 for the nine months ended September 30, 2018 and 2017, respectively.

Total interest expense on notes payable, inclusive of amortization of debt discount of $134,519 and $0, amounted to $147,664 and $1,111 for the three months ended September 30, 2018 and 2017, respectively.

NOTE 6 – INCOME TAXES

At September 30, 2018, the Company has approximately $3,193,000 of operating loss carryforwards for federal that may be applied against future taxable income. The net operating loss carryforwards will begin to expire in the year 2021 if not utilized prior to that date, expiring during various years through 2037. There is no provision for income taxes because the Company has historically incurred operating losses and maintains a full valuation allowance against its net deferred tax assets.

The Tax Cuts and Jobs Act (the “Act”) was enacted on December 22, 2017. The Act reduces the US federal corporate tax rate from 34% to 21%. The most significant impact of the legislation for the Company was a $242,000 reduction of the value of net deferred tax assets (which represent future tax benefits) as a result of lowering the U.S. corporate income tax rate from statutory rate of 34% to 21%.

The valuation allowance overall decreased by approximately $419,209 during the nine months ended September 30, 2018. The Company has fully reserved the deferred tax asset resulting from available net operating loss carryforwards.

The tax effect of temporary differences that gave rise to significant portion of the deferred tax assets were as follows:

Net operating loss	$ 1,197,251
Accounts receivable reserves	-
Inventory reserves	-
Stock compensation	378,958
Net deferred tax asset	1,576,209
Valuation allowance	(1,576,209)
Total	$ -

The net operating loss carryforwards could be subject to limitation in any given year in the event of a change in ownership as defined by IRC Section 382.

NOTE 7 – STOCKHOLDERS' EQUITY

Common Stock

In January 2017, the Company issued 1,183,490 shares of common stock pursuant to a conversion of Conversion Labs PR equity contributions of $272,203 into equity of the Company by the noncontrolling interest.

In January 2017, the Company issued 217,391 shares of common stock in relation to issuance of a $210,000 note payable.

In the first quarter of 2017, the Company commenced an offering to sell up to 4,000,000 shares of common stock at a price of $0.23 per share and warrants to purchase up to 2,000,000 shares of common stock exercisable any time prior to the second anniversary of the issuance. The warrants are paired with the common stock on the basis of one warrant for every two shares of common stock purchased. During 2017, the Company received subscriptions for 2,927,156 shares and issued 1,463,578 warrants to purchase shares of common stock for an aggregate purchase price of $673,246.

In March 2017, the Company issued an aggregate of 755,179 shares of common stock for the conversion of the outstanding balance of three notes payable totaling $499,802 (see Note 4).

On April 24, 2017, the Company, issued 217,390 shares of common stock pursuant to a stock subscription agreement and the Company issued 108,696 warrants with an exercise price of $0.40 per share for the stated consideration and satisfaction of obligation to pay $50,000 on the 180-day anniversary of the execution of the Sole and Exclusive License, Royalty, and Advisory Agreement dated September 1, 2016 with Pilaris Laboratories, LLC.

During the second quarter of 2017 the Company received subscriptions for the purchase of 110,000 shares and issued 55,000 warrants in connection therewith for an aggregate purchase price of $25,300.

On June 1, 2017, the Company entered into an agreement with a consultant to provide services over the course of six months and issued 125,000 shares of common stock as compensation. The shares were valued at $45,000 and the Company is recognizing the expense over the term of the agreement. For the year ending December 31, 2017, $45,000 has been expensed and included in compensation and related expenses on the consolidated statement of operations.

In July 2017, the Company and JLS Ventures, an entity owned by the Company's current Chief Executive Officer, entered into a second amendment to a Service Agreement effective July 1, 2017. As compensation, the Company issued 900,000 shares of common stock valued at $432,000. The Company is recognizing the expense over the term of the agreement. For the nine months ending September 30, 2018 and 2017, $108,000 and $0, respectively, has been expensed and included in compensation and related expenses on the consolidated statement of operations.

In July 2017, Mark McLaughlin, the Company's former President and Chief Executive Officer, exercised 1,500,000 warrants, at an exercise price of $0.12 per share, on a cashless basis and was issued 1,140,000 shares of common stock.

In July 2017, Mark McLaughlin exercised 1,339,473 options, at an exercise price of $0.10 per share, on a cashless basis and was issued 800,000 shares of common stock.

In July 2017, Mark McLaughlin exercised 339,473 options on a cashless basis and was issued 271,579 shares of common stock.

In August 2017, the Company issued 100,000 shares of common stock valued at $40,000 to Acorn Management Partners L.L.C. ("Acorn") for financial advisory, strategic business planning and other investor relation services. The Company is recognizing the expense over the term of the agreement. For the year ending December 31, 2017, $40,000 has been expensed and included in compensation and related expenses on the consolidated statement of operations.

In August 2017, the Company issued 50,000 shares of common stock valued at $20,000 to BV Global Fulfillment, LLC ("BV Global") for fulfillment services.

In November 2017, the Company issued 100,000 shares of common stock valued at $44,000 to an employee as a bonus.

In November 2017, the Company issued 135,721 shares of common stock pursuant to a conversion of Conversion Labs PR equity contributions of $31,216 into equity of the Company by the noncontrolling interest.

In February 2018, pursuant to the sale of the Company's legacy yeast beta glucan assets to the Company's former CEO, Mr. McLaughlin, 2,000,000 shares of common stock of Mr. McLaughlin's shares were cancelled.

In March 2018, the Company issued 500,000 shares of common stock valued at $120,000 to a consultant. In May 2018, the Company amended the agreement with the consultant whereby the Company rescinded the 500,000 shares of common stock and reissued 250,000 shares of common stock. The 250,000 shares of common stock issued on May 14, 2018, were valued at $62,500. The Company is recognizing the expense at the time of issuance.

In May 2018, the Company issued 1,000,000 shares of common stock valued at $230,000 to JLS Ventures, LLC, a company controlled by our CEO, Justin Schreiber, for services. The Company also committed to issue an additional 1,000,000 shares of common stock on January 1, 2019 valued in the aggregate amount of $230,000 if JLS Ventures met the service requirement specified in the agreement. These 2,000,000 shares serve as the compensation for Mr. Schreiber for his services as CEO of the Company. The Company is recognizing the expense for the issuances over the twenty-four month term of the agreement. For the nine months ending September 30, 2018, $172,500 has been expensed and included in compensation and related expenses on the consolidated statement of operations.

In May 2018, the Company issued 200,000 shares of common stock valued at $56,000 to a consultant for services over a three month term. The Company is recognizing the expense at the time of issuance. For the nine months ending September 30, 2018, $56,000 has been expensed and included in compensation and related expenses on the consolidated statement of operations.

Noncontrolling Interest

During 2017, the Company issued a total of 1,319,211 shares of common stock and 659,606 warrants to purchase shares of common stock pursuant to a conversion of Conversion Labs PR equity contributions of $303,418 into equity of the Company by the noncontrolling interest.

For the nine months ended September 30, 2018 and 2017, the net loss of Conversion Labs PR attributed to the Company amounted to $23,145 and $68,924, respectively.

For the three months ended September 30, 2018 and 2017, the net loss of Conversion Labs PR attributed to the Company amounted to $35,842 and $41,194, respectively.

On May 29, 2018, Conversion Labs PR acquired a 51% interest in LegalSimpli, which operates a marketing-driven software solutions business. For the month of June 2018, the net loss of LegalSimpli was $48,613, of which $5,200 was attributed to the Company. During June 2018, contributions by other members of LegalSimpli resulted an increase in noncontrolling interests of $154,000

During the quarter end September 30, 2018, the Company had convertible note holders convert 1,351,094 shares at a conversion price of $0.23 per share, resulting in a decrease to convertible notes of approximately $310,752 during the quarter.

Service-Based Stock Options

In January 2017, the Company issued 100,000 service-based options valued at $24,109 to Brunilda McLaughlin, the wife of our CEO during this period, as additional compensation pursuant to an employment agreement. These options have an exercise price of $0.40 per shares, are fully vested, and expire in 10 years from date of grant.

In February 2017, the Company issued 500,000 service-based options valued at $113,522 to a director with an exercise price of $0.20 per share. These options are fully vested and expire in 10 years from date of grant.

In July 2017, the Company issued 75,000 service-based options valued at $20,985 to Brunilda McLaughlin, the wife of our CEO during this period, as additional compensation in an employment agreement. These options have an exercise price of $0.35 per shares, are fully vested, and expire in 10 years from date of grant.

In July 2017, the Company issued a total of 300,000 service-based options valued at $83,939 to three directors at 100,000 shares each, with an exercise price of $0.35 per share. These options are fully vested and expire in 10 years from date of grant.

In July 2017, the Company issued 125,000 service-based options valued at $49,219 to a consultant with an exercise price of $0.40 per share. These options are fully vested and expire in 5 years from date of grant.

In July 2017, the Company issued Mark McLaughlin, the Company's CEO at the time, a ten year option to purchase 750,000 shares of common stock at a price of $0.35 per share, vesting one-third or 250,000 shares upon signing and 250,000 shares on July 1, 2018 and 250,000 shares on July 1, 2019. Once these options are fully vested, they expire in 10 years from date of grant. The options vested at December 31, 2017 are valued at $69,949. In February 2018, Mr. McLaughlin resigned as CEO, therefore no further options will be vested.

On October 1, 2017, Michael Borenstein was appointed to our Board of Directors. In connection with his appointment, Mr. Borenstein received a ten-year, fully-vested option to purchase 100,000 shares of our common stock at a price of $0.35 per share. In addition, Mr. Borenstein received four, ten-year options, each to purchase 75,000 shares of our common stock at prices of $0.25, $0.25, $0.35, and $0.35 per share, which vest upon the Company reaching $4,000,000, $5,000,000, $6,000,000 and $7,000,000 in earnings before income taxes, respectively.

In October 2017, the Company entered into a consulting agreement with Mr. Robert Kalkstein, the Company's Chief Financial Officer, and issued him a ten-year option to purchase 500,000 shares of common stock at a price of $0.40 per share, vesting 30% upon signing, 35% vesting on the two-year anniversary of the agreement and 35% vesting on the three year anniversary of the agreement. The fair value of the options upon issuance was $199,897 to be recognized as an expense over the three-year term of the agreement. For the nine months ended September 30, 2018 and 2017, $49,974 and $0, respectively, has been recognized as expense. For the three months ended September 30, 2018 and 2017, $16,658 and $0, respectively, has been recognized as expense.

Accordingly, stock-based compensation for the nine months ended September 30, 2018 and 2017 included $204,750 and $406,247, respectively, related to such service-based stock options.

Accordingly, stock-based compensation for the three months ended September 30, 2018 and 2017 included $0 and $292,725, respectively, related to such service-based stock options.

A Summary of the outstanding service-based options are as follows:

	Number of Options
Balance at December 31, 2016	10,700,273
Issued	1,600,000
Exercised	(1,339,473)
Balance at December 31, 2017	10,960,800
Issued	600,000
Expired	(500,000)
Exercised	(40,800)
Balance at September 30, 2018	11,020,000

All outstanding options are exercisable and have a cashless exercise provision, and certain options provide for accelerated vesting provisions and modifications, as defined therein. The intrinsic value of options outstanding and exercisable at September 30, 2018 and December 31, 2017 amounted to $160,796 and $1,210,342, respectively.

The significant assumptions used to determine the fair values of options issued, using a Black-Scholes option-pricing model are as follows:

Significant assumptions:	
Risk-free interest rate at grant date	0.65% - 2.84%
Expected stock price volatility	96.56% -180.45%
Expected dividend payout	-
Expected option life-years	3 years
Weighted average grant date fair value	$ 0.02 - 0.32
Forfeiture rate	0.01%

The following is a summary of outstanding service-based options at September 30, 2018:

Exercise Price		Number of Options	Weighted Average Remaining Contractual Life
$	0.20 - $0.25	8,720,000	4 years
$	0.35	725,000	9 years
$	0.40	1,575,000	4 years
Total		11,020,000	

Performance-Based Stock Options

Vested

In February 2017, the Company granted performance-based options to purchase 250,000 shares of common stock at an exercise price of $0.40 per share. These options expire in 2027 and are exercisable upon the Company achieving annual sales revenue of $5,000,000. These options are valued at $55,439. During 2017, the Company met the performance criteria.

Unvested

The Company granted performance-based options to purchase 900,000 shares of common stock at an exercise price of $0.80 per share. The options expire at various dates between 2021 and 2027 and are exercisable upon the Company achieving annual sales revenue of $10,000,000. During 2017, these unvested options were cancelled.

In July 2017, the Company granted performance-based options to purchase 6,000,000 shares of common stock with an exercise prices of $0.35 per share. These options expire in 10 years and are exercisable upon cash received by the Company from Conversion Labs PR between $4,000,000 and $7,000,000. The aggregate fair value of these performance-based options is $1,688,212.

In the third quarter of 2017, the Company granted performance-based options to purchase 1,575,000 shares of common stock with an exercise prices of $0.25 and an additional 1,575,000 shares of common stock with an exercise price of $0.35 per share. The options expire 10 years from date of grant and are exercisable upon the company achieving pre-tax earnings benchmarks between $4,000,000 and $7,000,000. The aggregate fair value of these performance-based options is $910,146.

In the fourth quarter of 2017, the Company granted performance-based options to purchase 300,000 shares of common stock with an exercise prices of $0.25 and an additional 300,000 shares of common stock with an exercise price of $0.35 per share. The options expire in 10 years and are exercisable upon the company achieving pre-tax earnings benchmarks between $4,000,000 and $7,000,000. The aggregate fair value of these performance-based options is $242,709.

Warrants

The following is a summary of outstanding and exercisable warrants:

	Number of Shares		Weighted Average Exercise Price	Year of Expiration
Balance at December 31, 2016	1,954,981	$	0.19	2017 - 2019
Issued	2,634,228		0.40	2018 - 2020
Exercised	(1,500,000)		0.12	2017
Balance at December 31, 2017	3,089,119		0.40	2018 - 2020
Issued	2,491,305		0.29	2023 - 2028
Exercised	-			
Balance at September 30, 2018	5,580,424	$	0.35	2018 - 2028

In January 2017, the Company issued 591,745 warrants to purchase shares of common stock with an exercise price of $0.40 per share, in relation to an issuance of common stock for the conversion of an equity contribution into Conversion Labs PR by the noncontrolling interest. These warrants are fully vested and expire in two years.

In March 2017, the Company issued 402,348 warrants to purchase shares of common stock with an exercise price of $0.40 per share, in relation to an issuance of common stock for the conversion of debt. These warrants are fully vested and expire in two years.

In the first quarter of 2017, the Company issued 1,408,578 warrants to purchase shares of common stock with an exercise price of $0.40 per share, in relation to a sale of common stock. These warrants are fully vested and expire in two years.

In April 2017, the Company issued 55,000 warrants to purchase shares of common stock with an exercise price of $0.40 per share, in relation to a sale of common stock. These warrants are fully vested and expire in two years.

In April 2017, the Company issued 108,696 warrants to purchase shares of common stock with an exercise price of $0.40 per share, in relation to an issuance of common stock for conversion of a payable. These warrants are fully vested and expire in three years.

In November 2017, the Company issued 67,861 warrants to purchase shares of common stock with an exercise price of $0.40 per share, in relation to an issuance of common stock for conversion of an equity contribution into Conversion Labs PR by the noncontrolling interest. These warrants are fully vested and expire in three years.

In March 2018, the Company issued 100,000 warrants to purchase shares of common stock with an exercise price of $0.50 per share, in relation to royalty license agreement. These warrants are fully vested and expire in ten years.

In May 2018, the Company issued 2,391,305 warrants to purchase shares of common stock with an exercise price of $0.28 per share, in relation to an issuance of convertible notes payable. These warrants are fully vested and expire in five years.

Warrants outstanding and exercisable amounted to 5,580,424 and 3,089,119 at September 30, 2018 and December 31, 2017, respectively. The weighted average exercise price of warrants outstanding at September 30, 2018 and December 31, 2017 is $0.35 and $0.40, respectively. The warrants expire at various times between September 2018 and March 2028.

The fair value of options and warrants granted (or extended) during the nine months ended September 30, 2018 and 2017, was estimated on the date of grant (or extension) using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	2018	**2017**
Expected volatility	191% - 196%	125% - 214%
Risk free interest rate	2.44% - 2.58%	1.31% - 2.57%
Expected dividend yield	-	-
Expected option term (in years)	3-5	0.9 - 8.1
Weighted average grant date fair value	$0.21 – 0.22	$0.12 - 0.45

Under ASC 815-40-05, Accounting for Derivative Financial Instruments Indexed to and Potentially Settled in a Company's Own Stock, in the event the Company does not have a sufficient number of authorized and unissued shares of common stock to satisfy obligations for stock options, warrants and other instruments potentially convertible into common stock, the fair value of these instruments should be reported as a liability. Pursuant to the outstanding option, warrant and convertible debt agreements, there is currently no effective registration statement covering the shares of common stock underlying these agreements, which are currently subject to a cashless exercise whereby the holders, at their option, may surrender their options and warrants to the company in exchange for shares of common stock. The number of shares of common stock into which an option or a warrant would be exchangeable in such a cashless exercise depends on both the exercise price of the options or warrant and the market price of the common stock, each at or near the time of exercise. Because the market price is variable, it is possible that we could have insufficient authorized shares to satisfy a cashless exercise. In this scenario, if we were unable to obtain shareholder approval to increase the number of authorized shares, we could be obligated to settle such a cashless exercise with cash rather than by issuing shares of common stock. Further, ASC 815-40-05 requires that we record the potential settlement obligation at each reporting date using the current estimated fair value of these contracts, with any changes in fair value being recorded through our statement of operations. We reported the potential settlement obligation as a liability until such time as these contracts are exercised or expire or we are otherwise able to modify the agreements to remove the provisions which require this treatment. On September 21, 2017, the Company filed an amendment to its Certificate of Incorporation with the Delaware Secretary of State increasing the number of authorized shares of the Company's common stock from 50,000,000 to 100,000,000, which enabled the Company to reclassify the derivative liability.

Stock Based Compensation

The total stock-based compensation expense related to Service-Based Stock Options, Performance-Based Stock Options and Warrants issued for service amounted to $383,470 and $142,045 for the nine months ended September 30, 2018 and 2017, respectively. Performance-Based Stock Options and Warrants issued for service amounted to $127,388 and $28,523 for the three months ended September 30, 2018 and 2017, respectively. Such amounts are included in compensation and related expenses in the consolidated statement of operations.

NOTE 8 – ROYALTIES

The Company is subject to a royalty agreement based upon sales of certain hair care products. For the nine months ended September 30, 2018 and 2017, the Company recognized $12,036 and $65,318, respectively, in royalty expense related to this agreement. As of September 30, 2018, $26,357 was included in other current assets and as of December 31, 2017, $14,039 was included in accounts payable and accrued expenses in regard to this agreement. In addition, the Company shall pay a performance fee in relation to this agreement. In April 2017, the Company issued 217,390 shares of common stock and 108,696 warrants, pursuant to a subscription agreement, for the stated consideration and satisfaction of obligation to pay $50,000 of the performance fee (see Note 8).

On March 26, 2018, the Company entered into a license agreement (the “Agreement”) with M.ALPHABET, LLC (“Alphabet”), pursuant to which Alphabet agreed to license its PURPUREX business which consists of methods and compositions developed by Licensor for the treatment of purpura, bruising, post-procedural bruising and traumatic bruising (the “Product Line”). Pursuant to the license granted under the Agreement, Conversion Labs PR obtains an exclusive license to incorporate (i) any intellectual property rights related to the Product Line and (ii) all designs, drawings, formulas, chemical compositions and specifications used or useable in the Product Line into one or more products manufactured, sold, and/or distributed by Alphabet for the treatment of purpura, bruising, post-procedural bruising and traumatic bruising and for all other fields of use or purposes (the “Licensed Product(s)”), and to make, have made, advertise, promote, market, sell, import, export, use, offer to sell and distribute the Licensed Product(s) throughout the world with the exception of China, Hong Kong, Japan, and Australia (the “License”).

The Company shall pay Alphabet a royalty equal to 13% of Gross Receipts (as defined in the Agreement) realized from the sales of Licensed Products. Further, so long as the Agreement is not previously terminated, the Company, also agreed to pay Alphabet $50,000 on the 120-day anniversary of the Agreement and an additional $50,000 on the 360-day anniversary of the Agreement.

Upon execution of the Agreement, Alphabet will be granted a 10-year option to purchase 100,000 shares of the Company’s common stock at an exercise price of $0.50. Further, if Licensed Products have gross receipts of $7,500,000 in any calendar year, the Company will grant Alphabet an option to purchase 100,000 shares of the Company’s common stock at an exercise price of $0.50; (ii) if Licensed Products have gross receipts of $10,000,000 in any calendar year, the Company will grant Alphabet an additional option to purchase 100,000 shares of the Company’s common stock at an exercise price of $0.50 and (iii) If Licensed Products have gross receipts of $20,000,000 in any calendar year, the Company will grant Alphabet an option to purchase 200,000 shares of the Company’s common stock at an exercise price of $0.75.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Leases

Conversion Labs PR utilizes office space in Puerto Rico which is subleased from Mr. Schreiber (the Company’s President and CEO) and incurs expense of approximately $4,000 a month for this office space. Rent expense for the nine months ended September 30, 2018 and 2017, was $36,000 and $36,000, respectively.

The Company started paying $95 per month to WeWork for a mailing address and the ability to lease conference space on-demand at their locations worldwide. The Company incurred $570 of expenses for the nine month period ended September 30, 2018.

In February 2018, the Company entered into a 3-year agreement to lease office space in Huntington Beach, CA beginning on March 2, 2018. The rent is payable on a monthly basis in the amount of $2,106 for the first twelve months, $2,149 for the second twelve months and $2,235 for the third twelve months. A security deposit of $2,235 was paid for this lease. Rent expense for the nine months ended September 30, 2018 and 2017, was $16,848 and $0, respectively.

Consulting Agreements

In August 2017, the Company entered into a Professional Service Agreement with Acorn Management Partners L.L.C. (“Acorn”) for financial advisory, strategic business planning and other investor relation services for one year effective August 8, 2017. During the term of the Agreement, Acorn shall receive $7,500 cash monthly. As additional compensation, the Company shall issue within five (5) days of signing 100,000 shares of the Company’s common stock and upon each three (3) month period thereafter during the term of the Agreement an additional 100,000 shares of the Company’s common stock for a total of 400,000 shares of the Company’s common stock.

In July 2017, the Company and JLS Ventures, an entity owned by the Company’s current Chief Executive Officer, entered into a second amendment to a Service Agreement effective July 1, 2017. As compensation, the Company issued 900,000 shares of common stock valued at $432,000. The Company is recognizing the expense over the term of the agreement. For the nine months ending September 30, 2018 and 2017, $72,000 and $0, respectively, has been expensed and included in compensation and related expenses on the consolidated statement of operations. In May 2018, the Company issued 1,000,000 shares of common stock valued at $230,000 to JLS Ventures, LLC, a company controlled by our CEO, Justin Schreiber, for services. The Company also committed to issue an additional 1,000,000 shares of common stock on January 1, 2019 valued in the aggregate amount of $230,000 if JLS Ventures met the service requirement specified in the agreement. These 2,000,000 shares serve as the compensation for Mr. Schreiber for his services as CEO of the Company. The Company is recognizing the expense for the issuances over the twenty-four month term of the agreement. For the nine months ending September 30, 2018, $172,500 has been expensed and included in compensation and related expenses on the consolidated statement of operations.

Restricted Stock and Options

The Company has entered into two agreements on April 1, 2016 with two consultants of Conversion Labs PR for business development, marketing and sales related services (the "Consultant Agreements"). The consultants are treated as employees for accounting purposes. Upon signing, each consultant was issued 1,000,000 restricted shares of the Company's common stock. In addition, each consultant shall receive an additional 150,000 restricted shares of the Company's common stock for each $500,000 distributed by Conversion Labs PR to the Company. For each consultant, the amount of shares of common stock to be issued by the Company to the consultants shall be capped at 1,500,000 restricted shares of common stock when Conversion Labs PR has transferred $5,000,000 to the Company, for a combined capped total of 3,000,000 restricted shares of common stock. For the year ended December 31, 2016, 2,300,000 restricted shares of common stock have been issued related to the Consultant. The Company valued the shares of common stock at their grant date for a value of $0.30 per share for a total of $690,000 to be expensed over the estimated service period.

In addition, the Consultant Agreements provided that each consultant shall receive a bonus of an additional 750,000 restricted shares of the Company's common stock, plus an option to buy 1,000,000 shares of the Company's common stock at a price of $0.20 per share (including a cashless exercise feature) when Conversion Labs PR has transferred to the Company at each of the following three (3) thresholds: $1,250,000, $2,000,000 and $3,000,000 for a total of 2,250,000 of restricted shares of the Company's common stock and options to purchase up to 3,000,000 shares of the Company's common stock at a price of $0.20 per share. As of September 30, 2018 no bonus shares have been issued, and no options have been granted under the Consultant Agreement.

Sole and Exclusive License, Royalty, and Advisory Agreement

On September 1, 2016 Conversion Labs PR entered into a sole and exclusive license, royalty and advisory agreement with Pilaris Laboratories, LLC ("Pilaris") relating to Pilaris' PilarisMax shampoo formulation and conditioner. The term of the agreement will be the life of the US Patent held by Pilaris. As consideration for granting Conversion Labs PR this license, Pilaris will receive on quarterly basis, 10% of the net income collected by the licensed products based on the following formula: Net Income = total income – cost of goods sold – advertising and operating expenses directly related to the marketing of the licensed products. In addition, Conversion Labs PR shall pay Pilaris a performance fee of $50,000 on the 180-day anniversary of the agreement and an additional $50,000 performance fee on the 365-day anniversary of the agreement. For the year ended December 31, 2017, the Company recognized expenses related to the performance fee in the amount of $100,000. In April 2017, the Company issued 217,390 shares of common stock and 108,696 warrants, pursuant to a subscription agreement, for the stated consideration and satisfaction of obligation to pay $50,000 on the 180-day anniversary of the execution of this agreement. As of September 30, 2018, $26,357 was included in other current assets and as of December 31, 2017, $14,039 was included in accounts payable and accrued expenses in regard to this agreement.

Legal Matters

In the normal course of business operations, the Company may become involved in various legal matters. At September 30, 2018, the Company's management does not believe that there are any potential legal matters that could have a material adverse effect on the Company's financial position.

NOTE 10 – PRODUCT DEPOSIT

Many of our vendors require deposits when a purchase order is placed for goods. Our vendors issue a credit memo when sending their final invoice, reducing the amount the Company owes for the deposit amount on file with the vendors. As of September 30, 2018, the Company has $106,700 of products deposit with multiple vendors for the purchase of raw materials for products we sell online.

NOTE 11 – RELATED PARTY TRANSACTIONS

Certain related party transactions were incurred by the legacy business that was sold in February 2018, including reimbursement of home office expenditures to the Company's former President and CEO, employment of the Company's former President and CEO's wife, and legal and business advisory services provided by one of the Company's directors.

Conversion Labs PR utilizes BV Global Fulfillment, owned by the father of Mr. Schreiber, the Company's current Chief Executive Officer, and incurred $93,045 and $181,244 for the nine months ended September 30, 2018 and 2017, respectively, for services. For the three months ended September 30, 2018, the Company has incurred $32,582 and $138,687, respectively, for these services.

Taggart International Trust ("Taggart"), a shareholder of the Company, provides credit card processing services through one or more merchant banks. Taggart did not receive any compensation for these services.

JLS Ventures LLC, owned by our current CEO, provides credit card processing services through one or more merchant banks. JLS Ventures LLC did not receive any compensation for these services. In July 2017, the Company and JLS Ventures, an entity owned by the Company's current Chief Executive Officer, entered into a second amendment to a Service Agreement effective July 1, 2017. As compensation, the Company issued 900,000 shares of common stock valued at $432,000. The Company is recognizing the expense over the term of the agreement. For the nine months ending September 30, 2018 and 2017, $72,000 and $0, respectively, has been expensed and included in compensation and related expenses on the consolidated statement of operations. In May 2018, the Company issued 1,000,000 shares of common stock valued at $230,000 to JLS Ventures, LLC, a company controlled by our CEO, Justin Schreiber, for services. The Company also committed to issue an additional 1,000,000 shares of common stock on January 1, 2019 valued in the aggregate amount of $230,000 if JLS Ventures met the service requirement specified in the agreement. These 2,000,000 shares serve as the compensation for Mr. Schreiber for his services as CEO of the Company. The Company is recognizing the expense for the issuances over the twenty-four month term of the agreement. For the nine months ending September 30, 2018, $172,500 has been expensed and included in compensation and related expenses on the consolidated statement of operations.

JSDC, Inc., owned by our current CEO, provides credit card processing services through one or more merchant banks. JSDC, Inc. did not receive any compensation for these services.

Conversion Labs PR utilizes office space in Puerto Rico which is subleased from Mr. Schreiber, our current CEO, and incurs expense of approximately $4,000 a month for this office space.

In December 2017, Conversion Labs PR received two working capital loans from Robert Kalkstein, the Company's CFO, and from Mr. Schreiber, the Company's CEO, for $50,000 and $75,000, respectively. These loans accrue at 2% interest per month and mature in February 2018. Accrued interest relating to the loans were $1,867 as of December 31, 2017. In February 2018, these loans were repaid in full.

During 2017, the Company issued a total of 1,319,211 shares of common stock to Mr. Schreiber pursuant to a conversion of Conversion Labs PR equity contributions of $303,419 into equity of the Company.

On November 20, 2017, the Company entered into an agreement (the "Agreement") with JOJ Holdings, LLC ("JOJ"). Pursuant to the terms of the Agreement, the Company purchased 2,000,000 shares (post-split from a 2:1 forward split on January 16, 2018) of Blockchain Industries, Inc. ("BCII") from JOJ. The Agreement was amended on December 8, 2017 and again on March 9, 2018. In consideration for the purchase, the Company agreed to issue one (1) share of the Company's common stock to JOJ for every dollar the Company realizes from gross proceeds on the sale of shares of BCII purchased pursuant to the Agreement, up to a total maximum aggregate amount of 5,000,000 shares. The Company has 3 years to sell the shares of BCII and has agreed not to sell more than 20% of the 30-day average daily trading volume of BCII. Justin Schreiber, the Company's President and CEO, is the President and owner of JOJ. The transaction was determined not to meet the criteria for recognition as an exchange transaction, therefore no asset or liability has been recorded in the financial statements.

NOTE 12 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through the date these financial statements were issued.

On October 25, 2018, the Company's board of directors unanimously decided to amend warrants with a two-year term issued to warrant holders issued between January 2017 and March 2017 with an exercise price of $0.40 per share. The Company amended the warrants to provide for an additional three-year term to warrant holders as consideration for them entering into a call agreement with the Company, so that when the Company's common stock trades above or over $0.75 per share for at least ten consecutive days. The Company has repriced the grant date fair value as of September 30, 2018 and recognized additional expense as stock-based compensation of approximately $128,000.

On October 31, 2018, the Company entered into a loan agreement with a private lender for $200,000. The Loan agreement requires the one-time fee of $30,000 which is due on the maturity date of April 1, 2019.

ITEM 6. EXHIBITS

Exhibit Number	Description
(10)	**Material Agreements**
10.1	Amended and Restated Operating Agreement of Immudyne PR LLC (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on October 29, 2018)
10.2‡	Employment Agreement by and between the Company and Mr. Sean Fitzpatrick, dated July 23, 2018 (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed on October 29, 2018)
10.3	Form of Fitzpatrick Warrant (incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K filed on October 29, 2018)
(31)	**Rule 13a-14(a)/15d-14(a) Certifications**
31.1*	Section 302 Certification under the Sarbanes-Oxley Act of 2002 of the Principal Executive Officer
31.2*	Section 302 Certification under the Sarbanes-Oxley Act of 2002 of the Principal Financial Officer and Principal Accounting Officer
(32)	**Section 1350 Certifications**
32.1*	Section 906 Certification under the Sarbanes-Oxley Act of 2002 of the Chief Executive Officer
32.2*	Section 906 Certification under the Sarbanes-Oxley Act of 2002 of the Principal Accounting Officer
(101)*	**Interactive Data Files**
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

** Filed herewith.*

‡ Employment Agreement.

SIGNATURES

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

CONVERSION LABS, INC.

By: *<u>/s/ Justin Schreiber</u>*
Justin Schreiber
Chief Executive Officer and Director (Principal Executive Officer)
Date: December 4, 2018

By: *<u>/s/ Robert Kalkstein</u>*
Robert Kalkstein
Chief Financial Officer (Principal Financial Officer)
Date: December 4, 2018

Exhibit 31.1

CONVERSION LABS, INC.
CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Justin Schreiber, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q/A of Conversion Labs, Inc. for the period ended September 30, 2018;

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 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: *<u>/s/ &Justin Schreiber</u>*
Justin Schreiber
Chief Executive Officer
(Principal Executive Officer)
Date: December 4, 2018

Exhibit 31.2

CONVERSION LABS, INC.
CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert Kalkstein, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q/A of Conversion Labs, Inc. for the period ended September 30, 2018;

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 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: */s/ Robert Kalkstein*
Robert Kalkstein
Chief Financial Officer
(Principal Financial and Accounting Officer)
Date: December 4, 2018

Exhibit 32.1

CONVERSION LABS, INC.
CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Quarterly Report on Form 10-Q/A for the period ended September 30, 2018 of Conversion Labs, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

By: *<u>/s/ Justin Schreiber</u>*
Justin Schreiber
Chief Executive Officer
(Principal Executive Officer)
Date: December 4, 2018

Exhibit 32.2

CONVERSION LABS, INC.
CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Quarterly Report on Form 10-Q/A for the period ended September 30, 2018 of Conversion Labs, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

By: *<u>/s/ Robert Kalkstein</u>*
Robert Kalkstein
Chief Financial Officer
(Principal Financial and Accounting Officer)
Date: December 4, 2018