

CrowdGather, Inc.
Form 10-K
July 06, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended April 30, 2015

“ 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: **000-52143**

CrowdGather, Inc.

(Exact name of registrant as specified in its charter)

Nevada 20-2706319
(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

20300 Ventura Blvd. Suite 330, Woodland Hills, California 91364
(Address of principal executive offices) (Zip Code)

(818) 435-2472

Edgar Filing: CrowdGather, Inc. - Form 10-K

(Registrant's Telephone Number, Including Area Code)

Securities registered under Section 12(b) of the Act:

Title of each class registered: Name of each exchange on which registered:
None None

Securities registered under Section 12(g) of the Act:

Common Stock, Par Value \$.001
(Title of Class)

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. Yes No

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

Edgar Filing: CrowdGather, Inc. - Form 10-K

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

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter. As of October 31, 2014, approximately \$4,655,113.

As of June 19, 2015, there were 117,283,509 shares of the issuer's \$.001 par value common stock issued and outstanding.

Documents incorporated by reference. There are no annual reports to security holders, proxy information statements, or any prospectus filed pursuant to Rule 424 of the Securities Act of 1933 incorporated herein by reference.

TABLE OF CONTENTS

	PAGE
<u>PART I</u>	
Item 1. <u>Description of Business</u>	3
Item 1A. <u>Risk Factors</u>	8
Item 1B. <u>Unresolved Staff Comments</u>	20
Item 2. <u>Properties</u>	20
Item 3. <u>Legal Proceedings</u>	20
Item 4. <u>Mine Safety Disclosures</u>	21
<u>PART II</u>	
Item 5. <u>Market for Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u>	21
Item 6. <u>Selected Financial Data</u>	23
Item 7. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operation</u>	23
Item 7A. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	30
Item 8. <u>Financial Statements and Supplementary Data</u>	30
Item 9. <u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	53
Item 9A. <u>Controls and Procedures</u>	53
Item 9B. <u>Other Information</u>	54
<u>PART III</u>	
Item 10. <u>Directors, Executive Officers, Promoters and Corporate Governance</u>	55
Item 11. <u>Executive Compensation</u>	57
Item 12. <u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	59
Item 13. <u>Certain Relationships and Related Transactions, and Director Independence</u>	61
Item 14. <u>Principal Accountant Fees and Services</u>	62
<u>PART IV</u>	
Item 15. <u>Exhibits, Financial Statement Schedules</u>	62

PART I

Forward-Looking Information

This Annual Report of CrowdGather, Inc. on Form 10-K contains forward-looking statements, particularly those identified with the words, “anticipates,” “believes,” “expects,” “plans,” “intends,” “objectives” and similar expressions. These statements reflect management’s best judgment based on factors known at the time of such statements. The reader may find discussions containing such forward-looking statements in the material set forth under “Management’s Discussion and Analysis and Plan of Operations,” generally, and specifically therein under the captions “Liquidity and Capital Resources” as well as elsewhere in this Annual Report on Form 10-K. Actual events or results may differ materially from those discussed herein. The forward-looking statements specified in the following information have been compiled by our management on the basis of assumptions made by management and considered by management to be reasonable. Our future operating results, however, are impossible to predict and no representation, guaranty, or warranty is to be inferred from those forward-looking statements. The assumptions used for purposes of the forward-looking statements specified in the following information represent estimates of future events and are subject to uncertainty as to possible changes in economic, legislative, industry, and other circumstances. As a result, the identification and interpretation of data and other information and their use in developing and selecting assumptions from and among reasonable alternatives require the exercise of judgment. To the extent that the assumed events do not occur, the outcome may vary substantially from anticipated or projected results, and, accordingly, no opinion is expressed on the achievability of those forward-looking statements. No assurance can be given that any of the assumptions relating to the forward-looking statements specified in the following information are accurate, and we assume no obligation to update any such forward-looking statements.

Item 1. Description of Business.

Our Background. CrowdGather, Inc. formerly WestCoast Golf Experiences, Inc., (the “Company,” “we” or “CrowdGather”) was incorporated in the State of Nevada on April 20, 2005.

On April 2, 2008, the Company, General Mayhem LLC (“General”) and the Company’s wholly owned subsidiary, General Mayhem Acquisition Corp. (the “Acquisition Subsidiary”), closed the agreement and plan of merger, pursuant to which General merged into the Acquisition Subsidiary, with the Acquisition Subsidiary surviving, and each share of General was converted into and became one (1) share, such that former members of General were issued 26,000,000, or approximately 64.9%, of the outstanding shares at that time. Immediately thereafter, the Acquisition Subsidiary merged with and into the Company, with the Company surviving, and the Company changed its name to CrowdGather, Inc.

Recent Developments.

Sale of PbNation. On May 19, 2014, we sold the online forum PBNation.com and related website and domain names to VerticalScope, Inc. for \$1,380,000 in cash. The Purchase Agreement is attached as Exhibit 10.1 to the Current Report on Form 8-K, which was filed on May 1, 2014.

Merger with Plaor, Inc. On May 19, 2014, we closed the Agreement and Plan of Merger with Plaor, Inc., a Delaware corporation (“Plaor”) and our wholly-owned subsidiary, Plaor Acquisition Corp., pursuant to which Plaor Acquisition Corp. merged with Plaor and Plaor survived as our wholly-owned subsidiary (“Merger”). Pursuant to the Merger, the shareholders of Plaor received 55,075,801 shares of common stock of CrowdGather .

Our Business. CrowdGather operates a media network of forum and online communities focused on a broad number of vertical interests, as well as social casino games. Following the merger with Plaor we began to operate a social casino game available free to play on Facebook, iOS, and Android. We continue to focus on building and maintaining our online social communities, and expand our portfolio of social games while pursuing opportunities to improve and increase monetization of our consolidated media network. Through our Merger with Plaor, we believe will be able to leverage our newly acquired engineering talent to offer additional engagement and retention features for both our forum and our game user bases. These features may also facilitate new channels of user acquisition as we cross promote and integrate our forums and our social games.

Our forum business specializes in monetizing a network of online forums and message boards designed to engage, provide information to and build community around users. We are in the process of building what we hope will become an important social, advertising and user generated content network by consolidating existing groups of online users who post on message boards and forums. Our goal is to create superb user experiences for forum communities and world class service offerings for forum owners. We believe that the communities built around message boards and forums are one of the most dynamic sources of information available on the web because forums are active communities built around interest and information exchange on specific topics.

Our network is comprised of two types of forum communities: branded and hosted communities that are built on one of our forum hosting platforms. The branded communities, such as Pockatables.com and Digishoptalk.com, are wholly owned by us and we monetize them through a combination of text and display ads. The hosted communities comprise the majority of our revenues, traffic, and page views, and are built upon one of our leading forum hosting platforms - Yuku.com and Freeforums.org. We monetize the web traffic on these sites through a combination of Internet advertising mediums at our discretion in exchange for providing free software, support and hosting. In some instances, we may derive subscription revenues in lieu of or in addition to advertising revenue because the site administrator has decided to pay monthly fees in exchange for providing an ad-free experience and other services for their members. Our goal is to ultimately build an advertising network that allows us to leverage the targeted demographics of the combined network in order to generate the highest advertising rates for all of our member sites.

As a result of the Merger with Plaor, we have subsequently devoted a significant portion of our operations to the business of Plaor and expect to continue to do so in order to expand our operations. Plaor specializes in developing highly scalable multi-platform social games that are available on Facebook, Google Play, and the Apple App Store. Plaor’s initial social gaming platform is a simulated casino environment referred to as Mega Fame Casino wherein individual gamers are able to play online casino style games socially with other players from around the world. Unlike traditional casinos or their online counterparts, the betting on Mega Fame is virtual and no real money bets are accepted and there is no ability for a player to redeem their winnings for cash. Despite the lack of traditional

cash betting, we believe that players experience the same entertainment as they experience in a casino setting. Mega Fame Casino is a gaming platform, which includes multiple games, combined to emulate a casino environment. Along with the company's initial offering, the Mega Fame Casino also includes Video Poker, multiple slot machines, and a daily celebrity challenge designed to increase engagement and retention of players.

Mega Fame Casino features celebrities from film, television, professional sports, and the music industry and offers weekly celebrity tournaments which we believe bring unique experiences to social games as players can play and interact with their favorite stars. Plaor's mission is to create great social game experiences that bring enjoyment and a sense of community to its players. Plaor strives to "treat everyone like a star" with high quality products, exceptional customer service, and personal attention for all of its players.

In addition to its focus on social games, Plaor has developed a web-based technology platform to facilitate short development cycles and data collection systems. Plaor collects and analyzes large volumes of player behavioral data continually and utilizes analysis of those data to understand its players and maximize its platform's potential as a creative social game environment.

Plaor's technologies include a mixture of native and managed frameworks deployed to both internal and hosted environments. Based on well-known web technologies, Plaor has engineered systems built to maximize operating and development efficiencies while maintaining what we believe is a high quality experience for the user.

Plaor also has a content tool chain that allows for real time and seamless content deployment paths on all of its currently supported distribution channels. This technology is fundamental in our ability to rapidly expand and enhance our game experiences with minimal friction in either the distribution of content or our players' ability to access it.

Our Community of Online Forums. Our forum community connects what we believe is a robust and vibrant network of people sharing their questions, expertise and experiences. We hope that this collection of forums will help users easily access relevant, dynamic, and compelling user-generated content, conversations and commerce.

Our primary objective is to maximize the monetization of page views and user actions across our network of forum properties, with a primary focus on U.S. and Western traffic that can earn more lucrative ad payouts. Among other considerations, defining potential monetization typically includes the review of traffic analytics. Historically, we have reported ranges of monthly page views and monthly unique visitors as of a given point in time. However, when we purchase a site, the seller may not have analytics tags installed to properly gauge traffic and occasionally we must install the analytics tags in order to define and then estimate key traffic statistics. Combined with our ongoing efforts to create premium ad inventory by removing inactive sites, and pruning other sites to remove content that violates our advertising partners' terms of service agreements and international content that is not easily monetized, the use of such estimates can contribute to quarter over quarter variances in traffic analytics. We will from time to time continue to engage in pruning our sites to remove inactive accounts and other content where monetization is not feasible. These activities can contribute to creating an improved ad network capable of earning higher ad rates, but they can also result in reductions of page views, unique visitors, registered users, discussions and posts. Although traffic analytics such as monthly page views and monthly unique visitors can be useful indicators, a more important determinant of value from a business perspective is our ability to generate and increase the revenues we receive from higher ad rates since not all traffic can be efficiently monetized.

We seek to continually add to the number of communities our website services by acquiring additional active forums, thereby increasing traffic to our site and the number of forums we host.

Revenues. We derive revenue principally from the sale of Internet advertising and sponsorships, as well as from subscription services on free forum hosting platforms and e-commerce. The Internet is an attractive forum for certain advertisers, depending on the number of users we have and a variety of other factors. Internet advertising spending continues to increase on an annual basis. We believe that significant revenues can be generated from online advertising both for our Company-owned sites as well as on a commission sales basis for our third-party network sites.

Plaoor generates revenue from Mega Fame Casino through the sale of virtual currency to players that they may exchange to play at any of our online slot machines, video poker machines, Hold'em style poker tables, or for other features and experiences available within Mega Fame Casino. Players can pay for our virtual currency using Facebook local currency payments when playing our games through Facebook and can use other payment methods such as credit cards or PayPal on other platforms. Mega Fame Casino currently has nearly 20,000 daily active users.

Sales, Marketing and Distribution. We intend to pursue direct sales with advertisers interested in exposing their products or services to our forum populations on a targeted basis. We will work not only with direct advertisers, but also advertising networks as represented by intermediaries. A key component of our strategy will be to customize advertising programs that are directly relevant to an advertiser, while not at odds with our online communities. We will also allow for direct personalized advertising sales to the members of our respective forum communities who wish to market their products or services to their fellow members.

We hope to develop a widely recognized brand, which will enable us to attract, retain, and more deeply engage users, forum owners, advertisers, publishers, and developers. We believe a great brand begins with a great product, services, and content. We focus on each step of product and services development, deployment, and management and content design to understand our offerings and how best to market them to our communities of potential and existing users. We hope to use online advertising, and leverage our online network and our distribution partnerships to market our products and services to the right people at the right time. With continued investment in brand and product marketing, we believe we can continue to attract and engage users, advertisers, publishers, and developers.

In order to highlight our capabilities beyond traditional Internet advertising, we undertook a social media marketing initiative wherein we partnered with a technology company in order to create and market a fragrance product called Erox. In May 2011, we acquired the Erox.com domain name, “Erox” trademark in the United States and produced a limited amount of product. Our investment in this project has been immaterial to date.

Plaor’s users are primarily acquired through the Facebook advertising platform for both desktop and mobile users. We have invested in the creation of an advanced advertising tool set that has been tightly integrated with our game products. This tool set enables our marketing teams to more efficiently study, segment, and target user segments inside of and outside of our products.

Plaor also operates product web sites, Facebook fan pages, and other social media accounts to connect and cultivate players into a thriving community of dedicated fans. Fans can join these online sites to interact with other players of Plaor’s games and to receive special promotions and sale items exclusively for participants in these sites and pages.

Competition. We operate in the Internet products, services, and content markets, which are highly competitive and characterized by rapid change, converging technologies, and increasing competition from companies offering communication, information, and entertainment services integrated into other products and media properties.

We compete for users, advertisers, publishers, and developers with many other providers of online services, including Web businesses where expertise in a particular market segment may provide a competitive advantage and with social media and networking competitors. Ad networks which create specialized marketing solutions for specific advertiser or publishers segments, also compete with us for a share of marketing budgets.

We compete with companies to attract users and developers as well as attract advertisers and publishers to our forums. The principal competitive factors relating to attracting and retaining users include the usefulness, accessibility, integration, and personalization of the forums that we offer and the overall user experience on our sites.

Many of our current and potential competitors have longer operating histories, more industry experience, larger customer or user bases, greater brand recognition and significantly greater financial, marketing and other resources than we do. We may not be able to compete with either the large or mid-sized companies. We are also at a significant competitive disadvantage within the Internet industry because we have limited capital resources. Our ability to compete will depend on our ability to obtain users of our products without spending any significant funds to market and promote our products.

The social gaming industry in which Plaor operates is also highly competitive, and we expect to face constant competition as new titles emerge onto the marketplace due to the low development costs and negligible barriers to entry in launching social games. We face competition from a number of entities who develop games as well as many traditional and digital forms of entertainment. These competitors include established gaming companies such as King.com, Electronic Arts Inc., Zynga Inc. and numerous smaller privately-held companies as well as independent developers. We also face increased competition if large companies with significant online presences such as Facebook, Inc., Google Inc., Amazon.com, Inc., Apple, Inc., The Walt Disney Company or Yahoo! Inc., choose to enter or expand in the games space or develop competing social casino games. Many of our potential competitors have significant resources for developing or acquiring additional games, and may be able to incorporate appealing brands and assets into their games or distribution of their titles. We also face potential competition from the established casino companies who may develop their social casino own platforms in competition with ours.

Intellectual Property. Our intellectual property assets include domain names and websites; trademarks related to our brands, products and services; copyrights in software and creative content; trade secrets; and other intellectual property rights and licenses of various kinds. We also currently own the web domain www.crowdgather.com, which serves as our corporate website, and www.plaor.com, which serves as Plaor's corporate website. Our portfolio currently consists of over 500 domain names and over 70 web properties at various stages of development.

Under current domain name registration practices, no one else can obtain an identical domain name, but someone might obtain a similar name, or the identical name with a different suffix, such as ".org", or with a country designation. The regulation of domain names in the United States and in foreign countries is subject to change, and we could be unable to prevent third parties from acquiring domain names that infringe or otherwise decrease the value of our domain names.

We seek to protect our intellectual property assets through patent, copyright, trade secret, trademark and other laws of the United States and other countries, and through contractual provisions. We enter into confidentiality and invention assignment agreements with our employees and contractors, and non-disclosure agreements with third parties with whom we conduct business in order to secure our proprietary rights and additionally limit access to, and disclosure of, our proprietary information. We consider our trademarks to be our most valuable assets and we will seek to register these trademarks in the United States and will seek to protect them. We have licensed in the past, and expect that we may license in the future, certain of our proprietary rights, such as trademark, patent, copyright, and trade secret rights to third parties.

Government Regulation. We are subject to regulations and laws directly applicable to providers of online content and services. Many laws and regulations, however, are pending and may be adopted in the United States, individual states and local jurisdictions and other countries with respect to the Internet. The federal government and some state governments have introduced or considered legislation relating to Internet usage generally, including measures relating to privacy and data security, as well as specific legislation aimed at social networking sites, such as ours. It is not possible to predict whether or when such legislation may be adopted, and certain proposals, if adopted, could negatively affect our business. We do not know for certain how existing laws governing issues such as property ownership, copyright and other intellectual property issues, digital rights management, security, illegal or obscene content, retransmission of media, spyware, and personal privacy and data protection apply to the Internet. We monitor pending legislation to ascertain relevance, analyze impact and develop strategic direction surrounding regulatory trends and developments within the industry.

A number of U.S. federal laws, including those referenced below, impact our business. The Digital Millennium Copyright Act ("DMCA") is intended, in part, to limit the liability of eligible online service providers for listing or linking to third-party Websites that include materials that infringe copyrights or other rights of others. Portions of the Communications Decency Act ("CDA") are intended to provide statutory protections to online service providers who distribute third-party content. We rely on the protections provided by both the DMCA and CDA in conducting our business. Any changes in these laws or judicial interpretations narrowing their protections will subject us to greater risk of liability and may increase our costs of compliance with these regulations or limit our ability to operate certain

lines of business. The Children’s Online Privacy Protection Act of 1998 (“COPPA”) prohibits web sites from collecting personally identifiable information online from children under age 13 without prior parental consent. The Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (“CAN-SPAM”) regulates the distribution of unsolicited commercial emails, or “spam.” Online services provided by us may be subject to COPPA and CAN-SPAM requirements. Congress and individual states may also consider online privacy legislation that would apply to personal information collected from teens and adults. We believe that we are in material compliance with the requirements imposed by those laws and regulations.

Plaor's games are based upon traditional casino games, such as poker. We have structured and operate our casino-themed games with the gambling laws in mind and believe that playing such games does not constitute gambling.

We are also subject to federal, state and local laws and regulations applied to businesses generally. We believe that we are in conformity with all applicable laws in all relevant jurisdictions. We do not believe that we have not been affected by any of the rules and regulations specified in this section.

Research and Development. We seek to continually enhance, expand, and launch products and features to meet evolving user, advertiser, and publisher needs for technological innovation and a deeper, more integrated experience for the online community of users. We intend to leverage our internal development efforts through technology acquisitions.

As Plaor is a social games company, we believe that the need to anticipate social and technical trends is significant. We believe it is necessary to invest in the development of new games, code, and tools in an effort to achieve our strategic goals and objectives. Plaor's research and development costs were approximately \$0.9 million for the fiscal year ended April 30, 2015, as compared to approximately \$2.5 million for the year ended April 30, 2014. The reduction in research and development costs is largely a factor of Plaor's technology platform's maturity and the lower costs associated with further expansion of its capabilities.

Our Subsidiaries. Our wholly owned subsidiaries are Plaor, Inc and Adisn, Inc.

Employees. As of June 19, 2015, we have 11 full time employees. None of our employees are covered by a collective bargaining agreement, nor are they represented by a labor union. We have not experienced any work stoppages, and we consider relations with our employees to be good.

Item 1A. Risk Factors.

An investment in our securities involves a high degree of risk. You should carefully consider the risks described below together with all of the other information included in this report before making an investment decision with regard to our securities. If any of the following risks actually occurs, our business, financial condition, and/or results of operations could be harmed. In that case, the trading price of our common stock could decline, and you may lose all or part of your investment. You should only purchase our securities if you can afford to suffer the loss of your entire investment.

Risks Related to Our Business:

We have a history of net losses which will continue and which may negatively impact our ability to achieve our business objectives.

For the year ended April 30, 2015, we had revenue of \$2,399,842 and a net loss of \$7,149,564 compared to revenue of \$1,537,051 and a net loss of \$7,725,770 for the year ended April 30, 2014. There can be no assurance that our future operations will result in net income. Our failure to increase our revenues will harm our business. We may not be able to operate profitably on a quarterly or annual basis in the future. If our revenues grow more slowly than we anticipate or our operating expenses exceed our expectations, our operating results will suffer.

Our auditors have questioned our ability to continue operations as a “going concern.” Investors may lose all of their investment if we are unable to continue operations.

We hope to obtain significant revenues from future sales. In the absence of significant sales and profits, we will seek to raise additional funds to meet our working capital needs principally through the additional sales of our securities. However, we cannot guarantee that we will be able to obtain sufficient additional funds when needed, or that such funds, if available, will be obtainable on terms satisfactory to us. As a result, our auditors believe that substantial doubt exists about our ability to continue operations. In the event we are not able to continue operations, our securities will become worthless.

Our limited operating history may not serve as an adequate basis to judge our future prospects and results of operations.

We have a relatively limited operating history. Such limited operating history and the unpredictability of the success of online forums and Plaor's social casino makes it difficult for investors to evaluate our business and future operating results. An investor in our securities must consider the risks, uncertainties, and difficulties frequently encountered by companies in our industry. The risks and difficulties we face include challenges in accurate financial planning as a result of limited historical data and the uncertainties resulting from having had a relatively limited time period in which to implement and evaluate our business strategies as compared to older companies with longer operating histories.

We will need additional financing to execute our business plan.

The revenues from the sale of advertising and forum memberships and the projected revenues from Plaor are not currently adequate to support our expansion and product development programs. We will need additional funds to:

- effectuate our business plan;
- expand our online reach and presence;
- develop and enhance our technological capabilities, including new social casino games;
- file, prosecute, defend and enforce our intellectual property rights; and
- hire and retain key employees.

We will seek additional funds through public or private equity or debt financing, via strategic transactions, and/or from other sources. There are no assurances that future funding will be available on favorable terms or at all. If additional funding is not obtained, we may need to reduce, defer or cancel development programs, planned initiatives, or overhead expenditures to the extent necessary. The failure to fund our operating and capital requirements could have a material adverse effect on our business, financial condition and results of operations.

Additional capital may be costly or difficult to obtain.

Additional capital, whether through the offering of equity or debt securities, may not be available on reasonable terms or at all. If we are unable to obtain required additional capital, we may have to curtail our growth plans or cut back on existing business and, further, we may not be able to continue operating if we do not generate sufficient revenues from operations needed to stay in business. We may incur substantial costs in pursuing future capital financing, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution

expenses and other costs. We may also be required to recognize non-cash expenses in connection with certain securities we issue, such as convertible notes and warrants, which may adversely impact our financial condition.

A small number of games currently generate a substantial majority of Plaor's revenue.

Plaor's top game currently accounts for nearly 100% of our total gross revenues from Plaor. In future periods, we expect this game to represent a smaller percentage of our total gross revenues from Plaor as we diversify our game portfolio. If the gross revenues from our top game are lower than anticipated and we are unable to broaden our portfolio of games or increase gross revenues from those games, we will not be able to maintain or grow our revenue and our financial results could be adversely affected.

We must develop new games and enhance Plaor's existing games so that our players will continue to play our games and make purchases of virtual items within our games.

Our continued growth will depend on our ability to regularly develop new games and enhance our existing games in ways that improve the gaming experience for both paying and non-paying players while encouraging the purchase of virtual items within our games. In the event our current game development model ceases to be effective in generating revenues, our operating results will suffer. It is possible that only a small number of our games, if any, will generate significant revenues through purchases of virtual items.

Our resources may not be sufficient to manage our potential growth; failure to properly manage our potential growth would be detrimental to our business.

We may fail to adequately manage our potential future growth. Any growth in our operations will place a significant strain on our administrative, financial and operational resources, and increase demands on our management and on our operational and administrative systems, controls and other resources. We cannot assure you that our existing personnel, systems, procedures or controls will be adequate to support our operations in the future or that we will be able to successfully implement appropriate measures consistent with our growth strategy. As part of this growth, we may have to implement new operational and financial systems, procedures and controls to expand, train and manage our employee base, and maintain close coordination among our technical, accounting, finance, marketing and sales staff. We cannot guarantee that we will be able to do so, or that if we are able to do so, we will be able to effectively integrate them into our existing staff and systems. There may be greater strain on our systems mainly because we have acquired a business and significant number of Internet properties over the last 60 months and have had to devote significant management time and expense to the ongoing integration and alignment of management, systems, controls and marketing. To the extent we acquire other businesses, we will also need to integrate and assimilate new operations, technologies and personnel. If we are unable to manage growth effectively, such as if our sales and marketing efforts exceed our capacity to install, maintain and service our products or if new employees are unable to achieve performance levels, our business, operating results and financial condition could be materially and adversely affected.

Interest-group forums may not prove to be a viable business model.

Interest-group forums as a business model for delivering information and entertainment over the Internet is unproven, and we have only recently developed a business centered on this model. It is too early to predict whether consumers will accept, and use our products on a regular basis, in significant numbers, and participate in our online community. Our products may fail to attract significant numbers of users, or, may not be able to retain the usership that it attracts, and, in either case, we may fail to develop a viable business model for our online community. In addition, a significant portion of the content that we provide is available for free. If we are unable to successfully monetize the use of our content, either through advertising or fees for use, we may not be able to generate sufficient revenues.

If players do not find our social casino games compelling and engaging, we could lose players and our revenue could decline.

Our most successful game to date has been our Mega Fame Casino and Slots and we intend to continue to develop new games in this genre. It is possible that players could lose interest in our social casino over time due to a variety of reasons, including the emergence of new formats that players find more engaging, increased popularity of other game titles, or lack of sustained interest or loss of interest in particular games or the genre of games. If large numbers of players were to lose interest on our social casino or if we are not able to develop games in new casual sub-genres or if

we cannot develop new game formats, we could lose players, and our revenue and business could be harmed.

Plaor has a short history offering games on mobile and social platforms on a free-to-play basis. This model and these platforms are relatively new and evolving. These factors make it difficult to evaluate our future prospects and financial results.

Prior to the Merger, we primarily generated revenue from online forums and from sales of advertising available on our forums. As a result of the Merger with Plaor, we offer Plaor's games through Facebook and on mobile platforms through the Apple App Store and the Google Play Store. Accordingly, we have had limited experience offering games using these new distribution platforms, which makes it difficult to effectively assess their long-term prospects. In addition, mobile platforms and social networks have only recently become significant distribution platforms. As a result, we have limited experience with our model and we also have limited information operating in these markets. Thus, it is difficult for us to forecast our future revenue growth, if any, and to plan our operating expenses appropriately, which in turn makes it difficult to predict our future operating results.

If the use of mobile devices as game platforms and the proliferation of mobile devices generally do not increase, Plaor's business could be adversely affected.

While the number of people using mobile Internet-enabled devices, such as smartphones and handheld tablets, has increased dramatically in the past few years, the mobile market, particularly the market for mobile games, is still emerging and it may not grow as we anticipate. Our future success is substantially dependent upon the continued growth of use of mobile devices for games. The proliferation of mobile devices may not continue to develop at historical rates and consumers may not continue to use mobile Internet-enabled devices as a platform for games. In addition, we do not yet offer our games on all mobile devices. Therefore, if the mobile devices on which our games are available decline in popularity, we could experience a decline or a slow in growth in revenue until we are able to develop versions of our games for other mobile devices or platforms. Any decline in the usage of mobile devices for games could harm our business.

Plaor's free-to-play business model depends on the sale of virtual currency to players, and our business, financial condition and results of operations will be materially and adversely affected if we do not continue to successfully implement this model.

Plaor derives nearly all of its revenue from the sale of virtual currency in its social casino. Our games are available to players for free, and we generally generate revenue only through the sale of virtual currency to players that they may exchange to play at any of our online slot machines, video poker machines, Hold'em style poker tables, or for other features and experiences available within Mega Fame Casino. If we offer games that do not attract purchases of virtual currency, our business, financial condition and results of operations will be materially and adversely affected.

We may be unable to attract advertisers to our online forums.

Advertising revenue comprises a significant portion of the revenue generated by the forums that we own. Most large advertisers have fixed advertising budgets, only a small portion of which has traditionally been allocated to Internet advertising. In addition, the overall market for advertising, including Internet advertising, has been generally characterized in recent periods by softness of demand, reductions in marketing and advertising budgets, and by delays in spending of budgeted resources. Advertisers may continue to focus most of their efforts on traditional media or may decrease their advertising spending. If we fail to convince advertisers to spend a portion of their advertising budgets with us, we will be unable to generate revenues from advertising as we intend.

Our forum business generates revenue almost entirely from advertising and retaining other sites as paid participants in our community, and the reduction in spending by, or loss of, advertisers and members could seriously harm our ability to generate revenues.

Our forum business generates revenues from advertisers and other communities that pay to affiliate with our sites. If we are unable provide value to potential advertisers or other online communities, we may not be able to sell any ad space or memberships, which would negatively impact our revenues and business. In addition, we expect that advertisers will be able terminate their contracts with us at any time. We may also encounter difficulty collecting from our advertisers because we are a very small company with limited resources to collect outstanding balances.

If we are unable to compete effectively in the forum sector or the social gaming sector of the Internet industry, our business will fail.

The forum sector and social gaming sector of the Internet industry is extremely competitive. The competition comes from both companies within the same business and companies in other media which create alternative forms of entertainment. We compete with several major Internet companies which are dominant in the industry, as well as with numerous small and independent Internet companies. Many of the organizations with which we compete have significantly greater financial and other resources than we do. The major companies are typically large, diversified entertainment and media companies or subsidiaries of diversified corporations which have strong relationships with advertisers and others involved in the Internet industry. We may not be able to compete with those companies for users and advertisers.

We may not be able to sustain or grow our business unless we keep up with changes in technology and consumer tastes.

The Internet and electronic commerce industries are characterized by:

rapidly changing technology;
evolving industry standards and practices that could render our website and proprietary technology obsolete;
changes in consumer tastes and user demands;
challenges, such as “click fraud,” that cast doubt on otherwise legitimate activities and practices; and
frequent introductions of new services or products that embody new technologies.

Our future performance will depend, in part, on our ability to develop, license or acquire leading technologies and program formats, enhance our existing services and respond to technological advances and consumer tastes and emerging industry standards and practices on a timely and cost-effective basis. Developing website and other proprietary technology involves significant technical and business risks. We also cannot assure you that we will be able to successfully use new technologies or adapt our website and proprietary technology to emerging industry standards. We may not be able to remain competitive or sustain growth if we do not adapt to changing market conditions or customer requirements.

We face significant competition from large-scale Internet content, product and service aggregators, principally Google, Microsoft, Yahoo and Facebook.

Our forum business faces significant competition from companies, principally Google, Microsoft, Yahoo and Facebook that have developed or acquired similar online sites. These services may directly compete with us for affiliate and advertiser arrangements, which is key to our business and operating results. Some of these competitors offer services that indirectly compete with our services, including: consumer e-mail services, desktop search, local search, and instant messaging services; photos, maps, video sharing, content channels, mobile applications, and shopping services; movie, television, music, book, periodical, news, sports, and other media holdings; access to a network of cable and other broadband users and delivery technologies; advertising offerings; and have considerable resources for future growth and expansion. Some of the existing competitors and possible additional entrants may have greater operational, strategic, financial, personnel or other resources than we do, as well as greater brand recognition either overall or for certain products and services. We expect these competitors increasingly to use their financial and engineering resources to compete with us, individually and potentially in combination with each other. In certain of these cases, our competition has a direct billing relationship with a greater number of their users through Internet access and other services than we have with our users through our premium services. This relationship may permit such competitors to be more effective than us in targeting services and advertisements to the specific preferences of their users thereby giving them a competitive advantage. If our competitors are more successful than we are in developing compelling products or attracting and retaining users, advertisers, or publishers, then our revenues and growth rates could decline.

We face significant competition from traditional media companies which could negatively impact our future operating results.

Our forum business also competes with traditional media companies for advertising, both offline as well as increasingly with their online assets as media companies offer more content directly from their own websites. Most advertisers currently spend a small portion of their advertising budgets on Internet advertising. If we fail to persuade existing advertisers to retain and increase their spending with us and if we fail to persuade new advertisers to spend a portion of their budget on advertising with us, our revenues could decline and our future operating results could be adversely affected.

Plaor's business faces significant competition from number of entities who develop games as well as low development costs and negligible barriers to entry in launching social games.

The social gaming industry in which Plaor operates is also highly competitive, and we expect to face constant competition as new titles emerge onto the marketplace due to the low development costs and negligible barriers to entry in launching social games. We face competition from a number of entities who develop games as well as many traditional and digital forms of entertainment. These competitors include established gaming companies such as King.com, Electronic Arts Inc., Zynga Inc. and numerous smaller privately-held companies as well as independent developers. We also face increased competition if large companies with significant online presences such as Facebook, Inc., Google Inc., Amazon.com, Inc., Apple, Inc., The Walt Disney Company or Yahoo! Inc., choose to enter or expand in the games space or develop competing social casino games. Many of our potential competitors have significant resources for developing or acquiring additional games, and may be able to incorporate appealing brands and assets into their games or distribution of their titles. We also face potential competition from the established casino companies who may develop their social casino own platforms in competition with ours.

We anticipate that the majority of our forum revenues will be derived from advertising to our users, and the reduction in spending by or loss of current or potential advertisers would cause our revenues and operating results to decline.

We anticipate that our forum business will primarily rely on our ability to generate revenues from advertising on our sites and from paid subscriptions from our members. Our ability to develop revenue from advertising revenue depends upon:

- establishing and maintaining our user base;
- establishing and maintaining the popularity of our Internet forums;
- broadening our relationships with advertisers to small- and medium-sized businesses;
- attracting advertisers to our user base;
- increasing demand for our services by advertisers, users, businesses and affiliates, including prices paid by advertisers, the number of searches performed by users, the rate at which users click-through to commercial search results and advertiser perception of the quality of leads generated by our forums;
- the successful development and deployment of technology improvements to our advertising platform;
- establishing and maintaining our affiliate program for our search marketing;
- deriving better demographic and other information from our users; and
- driving acceptance of the Web in general and of our sites in particular by advertisers as an advertising medium.

We anticipate that our agreements with advertisers will likely have terms of one year or less, or may be terminated at any time by the advertiser. Accordingly, it is difficult to forecast advertising revenues accurately. Any reduction in spending by or loss of existing or potential future advertisers would cause our revenues to decline. Further, we may be unable to adjust spending quickly enough to compensate for any unexpected revenue shortfall.

We are substantially dependent on a small number of direct advertisers and advertising networks, which account for a vast majority of our revenues for our forum business.

Our forum business currently generate revenues from approximately fifteen advertising networks. For the year ended April 30, 2015, our top five advertisers accounted for approximately 50% of our forum related revenues. We expect to continue to generate the vast majority of our revenues from advertising for the foreseeable future. We do not have any long-term contractual agreements with any advertiser or advertising network. If our relationships with any of these advertisers or advertising networks were to be disrupted, our operating results will suffer.

Decreases or delays in advertising spending by our advertisers due to general economic conditions could harm our ability to generate advertising revenues from our forum business.

Expenditures by advertisers tend to be cyclical, reflecting overall economic conditions and budgeting and buying patterns. Since we derive most of our revenues from advertising, any decreases in or delays in advertising spending due to general economic conditions could reduce our revenues or negatively impact our ability to grow our revenues.

Quarterly financial results will vary.

Factors that may contribute to the variability of quarterly revenue and operating results include:

fluctuations in revenue due to cyclical nature of our customers' forum advertising spend; commencement, completion and termination of contracts during any particular quarter; additions and departures of key personnel; and strategic decisions made by us and our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments and changes in business strategy, such as our recent acquisition of Plaor, Inc.

Our intellectual property rights are valuable, and any inability to protect them could reduce the value of our brand image and harm our business and our operating results.

We hope to create, own and maintain a wide array of intellectual property assets, including copyrights, patents, trademarks, trade dress, trade secrets and rights to certain domain names, which we believe will be among our most valuable assets. We seek to protect our intellectual property assets through patent, copyright, trade secret, trademark and other laws of the United States and other countries of the world, and through contractual provisions. The efforts we have taken or will take to protect our intellectual property and proprietary rights may not be sufficient or effective at stopping unauthorized use of those rights. In addition, effective trademark, patent, copyright and trade secret protection may not be available or cost-effective in every country in which our products and media properties are distributed or made available through the Internet. There may be instances where we are not able to fully protect or utilize our intellectual property assets in a manner to maximize competitive advantages. Protection of the distinctive elements of our site may not be available under copyright law or trademark law. If we are unable to protect our proprietary rights from unauthorized use, the value of our brand image may be reduced. Any impairment of our brand could negatively impact our business. In addition, protecting our intellectual property and other proprietary rights is expensive and time consuming. Any increase in the unauthorized use of our intellectual property could make it more expensive to do business and consequently harm our operating results.

We are subject to U.S. and foreign government regulation of Internet services which could subject us to claims, judgments and remedies including monetary liabilities and limitations on our business practices.

We are subject to regulations and laws directly applicable to providers of Internet content and services. In addition, we will also be subject to any new laws and regulations directly applicable to our domestic and international activities. We may incur substantial liabilities for expenses necessary to defend such litigation or to comply with these laws and regulations, as well as potential substantial penalties for any failure to comply. Compliance with these laws and regulations may also cause us to change or limit our business practices in a manner adverse to our business.

We rely on third-party providers for our principal Internet connections and technologies, databases and network services critical to our properties and services, and any errors, failures or disruption in the services provided by these third parties could significantly harm our business and operating results.

We rely on private third-party providers for our principal Internet connections, co-location of a significant portion of our data servers and network access. A key element of our strategy is to generate a high volume of traffic to our forums. Our ability to generate revenues will depend substantially on the number of customers who use our websites. Accordingly, the satisfactory performance, reliability and availability of our websites and network infrastructure are critical to our ability to generate revenues, as well as to our reputation. Any disruption, from natural disasters, technology malfunctions, sabotage or other factors, in the Internet or network access or co-location services provided by these third-party providers or any failure of these third-party providers to handle current or higher volumes of use could significantly harm our business, operating results and financial condition. We have little control over these third-party providers, which increases our vulnerability to disruptions or problems with their services. Any financial difficulties experienced by our providers may have negative effects on our business, the nature and extent of which we cannot predict.

Furthermore, we depend on hardware and software suppliers for prompt delivery, installation and service of servers and other equipment to deliver our services. Any errors, failures, interruptions or delays experienced in connection with these third-party technologies and information services could negatively impact our relationship with users and adversely affect our brand, our business, and operating results.

Plaor relies on Facebook to advertise, acquire, and retain players, to distribute our games, and to collect revenue. If we are unable to maintain a good relationship with Facebook, if their terms and conditions or pricing changed to our detriment, if we violate, or if they believes that we have violated, the terms and conditions of its platform, or if their platform were unavailable for a prolonged period of time, our business will suffer.

Plaor derives a majority of its revenue from distribution of games on Facebook, and the virtual currency we sell is purchased using the payments processing system of their platform. Facebook also serve as significant online distribution platforms for our games and the primary means by which we advertise to, acquire, and retain players. We are subject to their standard terms and conditions for application developers, which govern the promotion, distribution and operation of games and other applications on their platforms. In addition, if we violate, or if Facebook believes that we have violated, its terms and conditions, they may discontinue or limit our access to that platform, which would harm our business. Our business would be harmed if they discontinue or limit our access to their platform, if their platform declines in popularity, if they modify their current discovery mechanisms, communication channels available to developers, respective terms of service or other policies, including fees, or change how the personal information of players is made available to developers or develop their own competitive offerings.

Plaor relies on third-party mobile platforms such as the Apple App Store and Google Play to distribute our games and collect revenue from mobile players. If we are unable to maintain a good relationship with such platform providers, if their terms and conditions or pricing changed to our detriment, if we violate, or if a platform provider believes that we have violated, the terms and conditions of its platform, or if any of these platforms were unavailable for a prolonged period of time, our business will suffer.

Plaor derives significant revenue from distribution of games on the Apple App Store and the Google Play Store, and the virtual currency we sell to players on certain mobile devices is purchased using the payments processing systems of these platform providers. These platforms also serve as significant online distribution platforms for our games. We are subject to their standard terms and conditions for application developers, which govern the promotion, distribution and operation of games and other applications on their platforms. In addition, if we violate, or if a platform provider believes that we have violated, its terms and conditions, the particular platform provider may discontinue or limit our access to that platform, which would harm our business. Our business would be harmed if they discontinue or limit our access to their platforms, if their platforms decline in popularity, if they modify their current discovery mechanisms, communication channels available to developers, respective terms of service or other policies, including fees, or change how the personal information of players is made available to developers or develop their own competitive offerings.

Security breaches, computer viruses and computer hacking attacks could harm our business and results of operations.

Security breaches, computer malware and computer hacking attacks have become more prevalent in our industry. Any security breach caused by hacking, including efforts to gain unauthorized access to our applications, servers or websites, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses could harm our business, financial condition and operating results. Though it is difficult to determine what harm may directly result from any specific interruption or breach, any failure to maintain performance, reliability, security and availability of our application, servers or website may result in significant expenses, loss of revenue and other adverse effects to our business.

If we are not able to retain the full-time services of senior management, there may be an adverse effect on our operations and/or our operating performance until we find suitable replacements.

Our business is dependent, to a large extent, upon the services of our senior management. We do not maintain key person life insurance for any members of our senior management at this time. The loss of services of our chief executive officer or any other key members of our senior management could adversely affect our business until suitable replacements can be found. There may be a limited number of personnel with the requisite skills to serve in these positions, and we may be unable to locate or employ such qualified personnel on acceptable terms.

Our inability to diversify our operations may subject us to economic fluctuations within our industry.

Our limited financial resources reduce the likelihood that we will be able to diversify our operations. Our probable inability to diversify our activities into more than one business area will subject us to economic fluctuations within the Internet industry and therefore increase the risks associated with our operations.

If there are changes in regulations or user concerns regarding privacy and protection of user data, or we fail to comply with such laws, we may face claims brought against us under any of these regulations and it could adversely affect our business.

Federal, state and international laws and regulations govern the collection, use, retention, sharing and security of data that we receive from and about our users. Any failure, or perceived failure, by us to comply with regulations of privacy and protection of user data or with any data-related consent orders, Federal Trade Commission requirements or orders, or other federal, state, or international privacy or consumer protection-related laws, regulations or industry

self-regulatory principles could result in proceedings or actions against us by governmental entities or others, which could potentially have an adverse effect on our business. As a company that provides services over the Internet, we may be subject to a claim or class-action lawsuit brought under any of these or future laws governing online services. The successful assertion of these claims against us could result in potentially significant monetary damages, diversion of management resources and require us to make significant payments and incur substantial legal expenses. Even if a claim is not successfully pursued to judgment by a claimant, we may still incur substantial legal expenses defending against such a claim. In either situation, any claims with respect to violation of privacy or user data brought against us may adversely affect our business.

The costs to meet our reporting requirements as a public company subject to the Exchange Act of 1934 is substantial and may result in us having insufficient funds to operate our business.

We are a public reporting company in the United States and, accordingly, subject to the information and reporting requirements of the Securities Exchange Act of 1934 and other federal securities laws, and the compliance obligations of the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley). We will incur ongoing expenses associated with professional fees for accounting and legal expenses associated with being a public company. We estimate that these costs will range up to \$200,000 per year for the next few years. Those fees will be higher if our business volume and activity increases. Those obligations will reduce resources to fund our operations and may limit us in expanding our operations.

We operate as a public company, which means we are subject to evolving corporate governance and public disclosure regulations that may result in additional expenses and continuing uncertainty regarding the application of such regulations.

Changing laws, regulations, and standards relating to corporate governance and public disclosure, including Sarbanes-Oxley and related rules and regulations, are creating uncertainty for public companies. We are presently evaluating and monitoring developments with respect to new and proposed rules and cannot predict or estimate the amount of the additional compliance costs we may incur or the timing of such costs. These new or changed laws, regulations, and standards are subject to varying interpretations, in many cases due to their lack of specificity, and as a result, their application in practice may evolve over time as new guidance is provided by courts and regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. Maintaining appropriate standards of corporate governance and public disclosure may result in increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities. In addition, if we fail to comply with new or changed laws, regulations, and standards, regulatory authorities may initiate legal proceedings against us and our business and our reputation may be harmed.

We also expect these new rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our Board of Directors or as executive officers.

We are currently evaluating and monitoring developments with respect to these new rules, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs.

Risks Related to Owning our Common Stock:

Volatility of stock price may restrict sale opportunities.

Our stock price is affected by a number of factors, including stockholder expectations, financial results, the introduction of new products by us and our competitors, general economic and market conditions, estimates and projections by the investment community and public comments by other persons, and many other factors, many of which are beyond our control. We may be unable to achieve analysts' revenue or earnings forecasts, which may be based on projected volumes and sales of many product types and/or new products, certain of which are more profitable than others. There can be no assurance that we will achieve projected levels of revenues. As a result, our stock price is subject to significant volatility and stockholders may not be able to sell our stock at attractive prices.

Our shares may have limited liquidity.

Our shares of common stock are quoted on the OTCQB, which has limited liquidity. Due to this limited liquidity, our stockholders may be unable to sell their shares into the open market. In addition, they may encounter difficulty selling large blocks of shares or obtaining a suitable price at which to sell their shares.

Our stock price may be volatile, which may result in losses to our stockholders.

The stock markets have experienced significant price and trading volume fluctuations, and the market prices of companies quoted on the OTCQB marketplace, where our shares of common stock are quoted, generally have been very volatile and have experienced sharp share price and trading volume changes. The trading price of our common stock is likely to be volatile and could fluctuate widely in response to many of the following factors, some of which are beyond our control:

- variations in our operating results;
- changes in expectations of our future financial performance, including financial estimates by securities analysts and investors;
- changes in operating and stock price performance of other companies in our industry;

- additions or departures of key personnel; and
- future sales of our common stock.

Domestic and international stock markets often experience significant price and volume fluctuations. These fluctuations, as well as general economic and political conditions unrelated to our performance, may adversely affect the price of our common stock. In particular, the market prices for stocks of companies often reach levels that bear no established relationship to the operating performance of these companies. These market prices are generally not sustainable and could vary widely.

Our management owns a substantial portion of our outstanding common stock, which enables them to influence many significant corporate actions and in certain circumstances may prevent a change in control that would otherwise be beneficial to our stockholders.

Our management beneficially controls approximately 20% of our outstanding shares of common stock as of June 19, 2015. Such concentrated control could have a substantial impact on matters requiring the vote of the stockholders, including the election of our directors and most of our corporate actions. This control could delay, defer, or prevent others from initiating a potential merger, takeover or other change in our control, even if these actions would benefit our stockholders and us. This control could adversely affect the voting and other rights of our other stockholders and could depress the market price of our common stock.

Our common shares may be thinly-traded, and our stockholders may be unable to sell at or near ask prices or at all if they need to sell their shares to raise money or otherwise desire to liquidate such shares.

We cannot predict the extent to which an active public market for our common stock will develop or be sustained due to a number of factors, including the fact that we are a small company that is relatively unknown to stock analysts, stock brokers, institutional investors, and others in the investment community that generate or influence sales volume, and that even if we came to the attention of such persons, they tend to be risk-averse and would be reluctant to follow an unproven company such as ours or purchase or recommend the purchase of our shares until such time as we became more seasoned and viable. As a consequence, there may be periods of several days or more when trading activity in our shares is minimal or non-existent, as compared to a seasoned issuer which has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price. We cannot give any assurance that a broader or more active public trading market for our common stock will develop or be sustained, or that current trading levels will be sustained.

The market for our common shares may be characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will be more volatile than a seasoned issuer for the indefinite future. The potential volatility in our share price is attributable to a number of factors. First, as noted above, our common shares

may be sporadically and/or thinly traded. As a consequence of this lack of liquidity, the trading of relatively small quantities of shares by our stockholders may disproportionately influence the price of those shares in either direction. The price for our shares could, for example, decline precipitously in the event that a large number of our common shares are sold on the market without commensurate demand, as compared to a seasoned issuer that could better absorb those sales without adverse impact on its share price. Secondly, an investment in us is a speculative or “risky” investment due to our lack of significant revenues or profits to date and uncertainty of future market acceptance for current and potential products. As a consequence of this enhanced risk, more risk-averse investors may, under the fear of losing all or most of their investment in the event of negative news or lack of progress, be more inclined to sell their shares on the market more quickly and at greater discounts than would be the case with the stock of a seasoned issuer.

We do not anticipate paying any cash dividends.

We presently do not anticipate that we will pay any dividends on our common stock in the foreseeable future. The payment of dividends, if any, would be contingent upon our revenues and earnings, if any, capital requirements, and general financial condition. The payment of any dividends will be within the discretion of our Board of Directors. We presently intend to retain all earnings, if any, to implement our business plan; accordingly, we do not anticipate the declaration of any dividends in the foreseeable future.

Our common stock may be subject to penny stock rules, which may make it more difficult for our stockholders to sell their common stock.

Broker-dealer practices in connection with transactions in “penny stocks” are regulated by certain penny stock rules adopted by the SEC. Penny stocks generally are equity securities with a price of less than \$5.00 per share. The penny stock rules require a broker-dealer, prior to a purchase or sale of a penny stock not otherwise exempt from the rules, to deliver to the customer a standardized risk disclosure document that provides information about penny stocks and the risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer’s account. In addition, the penny stock rules generally require that prior to a transaction in a penny stock, the broker-dealer make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser’s written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for a stock that becomes subject to the penny stock rules.

Volatility in our common stock price may subject us to securities litigation.

The market for our common stock is characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will continue to be more volatile than a seasoned issuer for the indefinite future. In the past, plaintiffs have often initiated securities class action litigation against a company following periods of volatility in the market price of its securities. We may, in the future, be the target of similar litigation. Securities litigation could result in substantial costs and liabilities and could divert management’s attention and resources.

We will need additional capital, and the sale of additional shares or other equity securities could result in additional dilution to our stockholders.

We believe that our current cash and cash equivalents and anticipated cash flow from operations will not be sufficient to meet our anticipated cash needs for the near future. We may also require additional cash resources due to changed business conditions or other future developments, including any investments or acquisitions we may decide to pursue. Consequently, we will seek to sell additional equity or debt securities or obtain a credit facility. The sale of additional equity securities will result in additional dilution to our stockholders. The incurrence of additional indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations. We cannot assure you that financing, if necessary, will be available in amounts or on terms acceptable to us, if at all.

The exercise of outstanding options and warrants to purchase our common stock could substantially dilute your investment, impede our ability to obtain additional financing, and cause us to incur additional expenses.

Under the terms of our outstanding options and warrants to purchase our common stock issued to employees and others, the holders are given an opportunity to profit from a rise in the market price of our common stock that, upon the exercise of the options and/or warrants, could result in dilution in the interests of our other stockholders. The terms on which we may obtain additional financing may be adversely affected by the existence and potentially dilutive impact of our outstanding options and warrants. In addition, holders of the warrants have registration rights with respect to the common stock underlying such warrants, the registration of which has caused and will continue to cause us to incur a substantial expense.

We have a substantial number of authorized common shares available for future issuance that could cause dilution of our stockholders' interest and adversely impact the rights of holders of our common stock.

We have a total of 975,000,000 shares of common stock authorized for issuance. As of June 19, 2015, we had approximately 857,000,000 shares of common stock available for issuance. We have reserved 6,823,750 shares for issuance upon the exercise of outstanding options and 14,873,182 shares for issuance upon the exercise of outstanding warrants. We may seek financing that could result in the issuance of additional shares of our capital stock and/or rights to acquire additional shares of our capital stock. We may also make acquisitions that result in issuances of additional shares of our capital stock. Those additional issuances of capital stock would result in a significant reduction of your percentage interest in the Company. Furthermore, the book value per share of our common stock may be reduced. This reduction would occur if the exercise price of any issued warrants is lower than the book value per share of our common stock at the time of such exercise or conversion.

The addition of a substantial number of shares of our common stock into the market or by the registration of any of our other securities under the Securities Act of 1933 may significantly and negatively affect the prevailing market price for our common stock. The future sales of shares of our common stock issuable upon the exercise of outstanding warrants and options may have a depressive effect on the market price of our common stock, as such warrants and options would be more likely to be exercised or converted at a time when the price of our common stock is greater than the exercise or conversion price.

Our board of directors has the authority, without stockholder approval, to issue preferred stock with terms that may not be beneficial to common stockholders and may grant voting powers, rights and preference that differ from or may be superior to those of the registered shares.

Our articles of incorporation allow us to issue 25,000,000 shares of preferred stock without any vote or further action by our stockholders. As of June 19, 2015, we had 25,000,000 shares of preferred stock available for issuance. Our board of directors has the authority to fix and determine the relative rights and preferences of preferred stock. Our board of directors also has the authority to issue preferred stock without further stockholder approval, including large blocks of preferred stock. As a result, our board of directors could authorize the issuance of a series of preferred stock that would grant to holders the preferred right to our assets upon liquidation, the right to receive dividend payments before dividends are distributed to the holders of common stock and the right to the redemption of the shares, together with a premium, prior to the redemption of our common stock.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

We do not own any interests in real estate. We lease approximately 1,578 square feet of office space located at 20300 Ventura Blvd., Suite 330, Woodland Hills, California. The term of our lease is for six months and expires on July 31, 2015. Our rent is \$3,242 per month. At this time we do not expect to extend our lease at 20300 Ventura Blvd and are currently in late stage discussions with an unrelated organization for our Southern California office. We are expecting to enter into a new short-term one-year lease of approximately 1,309 square feet at a rate of \$1.95 per square foot. Our expected monthly expense is approximately \$2,553 if we choose to finalize the perspective lease.

We also rent approximately 10,000 square feet of office space at 12 Channel Street, Boston, MA 02210. The term of our lease is for six years and expires on July 31, 2020. Our rent is \$14,000 per month.

Item 3. Legal Proceedings.

From time to time, we may be involved in litigation relating to claims arising out of our operations in the normal course of business.

On July 28, 2014, Plaor entered into a Settlement Agreement (the “Settlement Agreement”) with Hollywood Casinos LLC (“HC”) for the settlement of litigation relating to the use of certain marks, social media accounts and domain names incorporating the term “hollywood” (collectively, the “Hollywood Domains”) in the case entitled *Plaor LLC v. Hollywood Casinos, LLC* (the “Litigation Matter”). Under the terms of the Settlement Agreement, HC has agreed to pay to Plaor \$175,000 in exchange for all of Plaor’s and the Company’s rights, titles and interests to the Hollywood Domains and in full settlement of all claims in the Litigation Matter. The parties to the Settlement Agreement have filed a joint stipulation of dismissal of the Litigation Matter with respect to the Company, Plaor and HC and released each other from all claims related to the Litigation Matter.

As of the date of this report, we are not currently involved in any legal proceeding that we believe has a material adverse effect on our business, financial condition or operating results.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

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

Market Information. Our common stock is quoted on the OTCQB under the symbol “CRWG.” For the periods indicated below, the following table sets forth the high and low bid prices per share of common stock. These prices represent inter-dealer quotations without retail markup, markdown, or commission and may not necessarily represent actual transactions.

	High (\$)	Low (\$)
Fiscal Year 2015		
First Quarter	\$ 0.13	\$ 0.07
Second Quarter	\$ 0.14	\$ 0.09
Third Quarter	\$ 0.11	\$ 0.07
Fourth Quarter	\$ 0.09	\$ 0.07
Fiscal Year 2014		
First Quarter	\$ 0.09	\$ 0.03

Edgar Filing: CrowdGather, Inc. - Form 10-K

Second Quarter	\$ 0.10	\$ 0.04
Third Quarter	\$ 0.09	\$ 0.05
Fourth Quarter	\$ 0.16	\$ 0.07

Holdings. The approximate number of stockholders of record at June 19, 2015 was 109. The number of stockholders of record does not include beneficial owners of our common stock, whose shares are held in the names of various dealers, clearing agencies, banks, brokers and other fiduciaries.

Dividends . We have never declared or paid a cash dividend on our common stock. We do not expect to pay cash dividends on our common stock in the foreseeable future. We currently intend to retain our earnings, if any, for use in our business. Any dividends declared in the future will be at the discretion of our Board of Directors and subject to any restrictions that may be imposed by our lenders.

Securities Authorized for Issuance under Equity Compensation Plans. The table below includes the following information as of April 30, 2015 for CrowdGather, Inc. 2008 Stock Option and Award Plan.

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	6,823,750	\$ 0.46	5,176,250
Equity compensation plans not approved by security holders	0	0	0
Total	6,823,750	\$ 0.46	5,176,250

Recent Sales of Unregistered Securities. The following sales of unregistered securities by us occurred during the year ended April 30, 2015.

On May 19, 2014, we completed a merger agreement for 100% of the issued and outstanding common stock of Plaor, Inc. (Plaor), a social gaming company, pursuant to which Plaor survived as our wholly-owned subsidiary (“Merger”). We issued 55,075,801 shares of our \$0.01 par value common stock to the shareholders of Plaor. These shares were valued for accounting purposes at \$0.11 per share which represented the closing share price on the closing date of the Merger.

On November 25, 2014, we entered into an agreement with an independent third party to provide investor relation services for a period of six months. Pursuant to the agreement, we issued 300,000 shares of our restricted common stock upon execution, valued at \$27,000. The stock-based expense for these shares included in operating expenses for the year ended April 30, 2015 was \$27,000.

On December 1, 2014, we entered into a separate exchange agreement with each holder (collectively, the “Holders”) of (i) shares of our Series B Preferred Stock (“Preferred Stock”), and (ii) warrants to purchase 10,000,000 shares of common stock issued in connection with the Preferred Stock (the “Old Warrants”) pursuant to which we issued Secured Promissory Notes (“Exchange Notes”) in the aggregate principal amount of \$1,100,000 and warrants to purchase 5,500,000 shares of our common stock (the “Exchange Warrants”) to the Holders in the amounts as specified in the separate Exchange Agreements in exchange for all of the issued and outstanding Preferred Stock and all of the Old Warrants held by the Holders. Following the consummation of the transactions contemplated by each Exchange Agreement, the Preferred Stock and Old Warrants were no longer outstanding, and we removed from

reservation 30,000,000 shares of common stock underlying the Preferred Stock and Old Warrants. The Exchange Warrants grant the Holders the right to purchase five shares of our common stock for every one dollar of principal of the Exchange Notes issued to the Holders at an exercise price equal to \$0.11 per share. The Exchange Warrants have an exercise term equal to five years and are exercisable commencing on December 3, 2014. In connection with the issuance of the Exchange Notes, we entered into a security agreement with the Holders to secure the timely payment and performance in full of our obligations pursuant to the Exchange Notes.

On April 8, 2015, we acquired the digital assets of Weedtracker.com and related online community in exchange for a \$5,000 cash payment due December 31, 2015 and 250,000 shares of our \$0.001 par value common stock, valued for accounting purposes at \$0.08 per share which represented the closing share price on the closing date of the transaction.

Use of Proceeds of Registered Securities. There were no sales or proceeds during the calendar year ended April 30, 2015, for the sale of registered securities.

Purchases of Equity Securities. None during the period covered by this report.

Penny Stock Regulation. Shares of our common stock will probably be subject to rules adopted by the SEC that regulate broker-dealer practices in connection with transactions in “penny stocks.” Penny stocks are generally equity securities with a price of less than \$5.00 (other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in those securities is provided by the exchange or system). The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from those rules, deliver a standardized risk disclosure document prepared by the SEC, which contains the following:

- a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading;
- a description of the broker’s or dealer’s duties to the customer and of the rights and remedies available to the customer with respect to violation to such duties or other requirements of securities’ laws;
- a brief, clear, narrative description of a dealer market, including “bid” and “ask” prices for penny stocks and the significance of the spread between the “bid” and “ask” price;
- a toll-free telephone number for inquiries on disciplinary actions;
- definitions of significant terms in the disclosure document or in the conduct of trading in penny stocks; and
- such other information and is in such form (including language, type, size and format), as the SEC shall require by rule or regulation.

Prior to effecting any transaction in penny stock, the broker-dealer also must provide the customer the following:

- the bid and offer quotations for the penny stock;
- the compensation of the broker-dealer and its salesperson in the transaction;
- the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and
- monthly account statements showing the market value of each penny stock held in the customer’s account.

In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser’s written acknowledgment of the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written suitability statement. These disclosure requirements may have the effect of reducing the trading activity in the secondary market for a stock that becomes subject to the penny stock rules. Holders of shares of our common stock may have difficulty selling those shares because our common stock will probably be subject to the penny stock rules.

Item 6. Selected Financial Data.

Not applicable.

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

Critical Accounting Policies and Estimates. Our Management's Discussion and Analysis of Financial Condition and Results of Operations section discusses our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements 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. On an on-going basis, we evaluate our estimates and judgments, including those related to revenue recognition, accrued expenses, financing operations, contingencies and litigation. We base our estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The most significant accounting estimates inherent in the preparation of our financial statements include estimates as to the appropriate carrying value of certain assets and liabilities which are not readily apparent from other sources. In addition, these accounting policies are described at relevant sections in this discussion and analysis and in the notes to the financial statements included in this report for the year ended April 30, 2015.

Overview. CrowdGather operates a media network of forum and online communities focused on a broad number of vertical interests, as well as social casino games. Following the merger with Plaor we began to operate a social casino game available free to play on Facebook, iOS, and Android. We continue to focus on building and maintaining our online social communities, and expand our portfolio of social games while pursuing opportunities to improve and increase monetization of our consolidated media network. Through our Merger with Plaor, we believe will be able to leverage our newly acquired engineering talent to offer additional engagement and retention features for both our forum and our game user bases. These features may also facilitate new channels of user acquisition as we cross promote and integrate our forums and our social games.

Our forum business specializes in monetizing a network of online forums and message boards designed to engage, provide information to and build community around users. We are in the process of building what we hope will become an important social, advertising and user generated content network by consolidating existing groups of online users who post on message boards and forums. Our goal is to create superb user experiences for forum communities and world class service offerings for forum owners. We believe that the communities built around message boards and forums are one of the most dynamic sources of information available on the web because forums are active communities built around interest and information exchange on specific topics.

Our network is comprised of two types of forum communities: branded and hosted communities that are built on one of our forum hosting platforms. The branded communities, such as Pocketables.com and Digishoptalk.com, are wholly owned by us and we monetize them through a combination of text and display ads. The hosted communities comprise the majority of our revenues, traffic, and page views, and are built upon one of our leading forum hosting platforms - Yuku.com and Freeforums.org. We monetize the web traffic on these sites through a combination of Internet advertising mediums at our discretion in exchange for providing free software, support and hosting. In some instances, we may derive subscription revenues in lieu of or in addition to advertising revenue because the site administrator has decided to pay monthly fees in exchange for providing an ad-free experience and other services for their members. Our goal is to ultimately build an advertising network that allows us to leverage the targeted demographics of the combined network in order to generate the highest advertising rates for all of our member sites.

As a result of the Merger with Plaor, we have subsequently devoted a significant portion of our operations to the business of Plaor and expect to continue to do so in order to expand our operations. Plaor specializes in developing highly scalable multi-platform social games that are available on Facebook, Google Play, and the Apple App Store. Plaor's initial social gaming platform is a simulated casino environment referred to as Mega Fame Casino wherein individual gamers are able to play online casino style games socially with other players from around the world. Unlike traditional casinos or their online counterparts, the betting on Mega Fame is virtual and no real money bets are accepted and there is no ability for a player to redeem their winnings for cash. Despite the lack of traditional cash betting, we believe that players experience the same entertainment as they experience in a casino setting. Mega Fame Casino is a gaming platform, which includes multiple games, combined to emulate a casino environment. Along with the company's initial offering, the Mega Fame Casino also includes Video Poker, multiple slot machines, and a daily celebrity challenge designed to increase engagement and retention of players.

We continue to focus on improving our forum network to enhance our user and community experience, and on seeking avenues to grow our business and contribute to our long-term viability, whether through improving advertising opportunities on our existing ad inventory or developing partnerships with third party publishers to improve monetization. We recognize that many online advertisers seek engagement with online enthusiasts and users who are passionate about specific topics and products. We believe that forums offer a significant opportunity to advertisers, as they are tightly knit social communities with concentrations of influencers who are often experts on the forum subject matter. Forum users have traditionally been inaccessible to advertisers with larger budgets and who prefer making broad category or vertically oriented purchases. Through the use of technology we intend to pursue a strategy that will help us better connect advertisers to our users in niche specific verticals. We will also focus on promoting our social games across our forum communities to gain new users, as well as engage in cost-effective advertising to attract users from across the internet. Additionally, we are evaluating strategic options, including potential business combinations as well as debt and equity financing.

Across our network we are committed to delivering quality, brand safe content for forum advertisers. Since advertisers are drawn to quality content and curated home pages, we have been working diligently to improve our branded sites. We have thousands of volunteer moderators and forum administrators patrolling our network, and we are in the process of deploying a proprietary inventory management system that will help identify and prune non-monetizable content that violates our terms of service.

We also continue to conduct ongoing software development across all of our forum network properties to keep improving the administrator and user experience in the communities. We are constantly working toward offering our communities favorable terms, features and incentives to help them grow and prosper.

Performance Metrics

Management regularly reviews the following key metrics in the assessment of our current performance, to evaluate our business, and in the preparation of reports and formation of strategic decisions.

Bookings

Bookings are a non-GAAP financial measure we used in both the social gaming and forums operations. Social gaming bookings are equal to (1) social gaming revenue recognized during the period plus (2) the change in social gaming deferred revenue during the period plus (3) social gaming platform transaction fees for virtual goods sales accrued during the period. Platform transaction fees include fees paid to online transaction platforms such as Google and Apple. Generally those fees are 30% of the transaction amount. We record the sale of virtual goods as deferred revenue and then recognize that revenue over the estimated average life of the purchased virtual goods or as the virtual

goods are consumed. We also include in bookings our revenue from forum operations including advertising revenue. Forum bookings are generally equal to recognized forum revenue for a period. Bookings, as opposed to revenue, are the fundamental top-line metric we use to manage our business, as we believe it is a better indicator of the sales activity in a given period. Over the long term, the factors impacting our bookings and revenue are the same. However, in the short term, there are factors that may cause revenue to exceed or be less than bookings in any period.

We use bookings to evaluate the results of our operations, generate future operating plans and assess the performance of our company. While we believe that this non-GAAP financial measure is useful in evaluating our business, this information should be considered as supplemental in nature and is not meant as a substitute for revenue recognized in accordance with US GAAP. In addition, other companies, including companies in our industry, may calculate bookings differently or not at all, which reduces its usefulness as a comparative measure. Further, to reflect the impact of seasonality, we will compare the current quarter to the same quarter in the prior year beginning in the second quarter of fiscal year 2016 as we began to report Bookings in the second quarter of fiscal year 2015.

	Three Months Ended April 30, 2015
Bookings to Revenue Reconciliation:	
Forum Revenue	\$ 128,000
Social Gaming Revenue	510,000
Changes to Social Gaming Deferred Revenue	34,207
Changes to Deferred Allowance for Social Gaming Refunds and Charge-backs	2,919
Changes in Accrued Social Gaming Transaction Fees	(5,045)
Bookings	\$ 670,081

Key Performance Metrics Specific to Social Gaming

DAU

We define DAU, Daily Active Users, as the number of unique players who have played Mega Fame Casino during any given day. Where possible we attempt to count only unique players across all supported platforms. For example, a single player accessing Mega Fame Casino twice during a given day, once from a desktop platform and once from a mobile platform would be counted as a single DAU under this metric.

MAU

We define MAU, Monthly Active Users, as the number of unique players who have played Mega Fame Casino during a given 30-day period ending with the measurement date. Similarly to DAU, we attempt to count players accessing Mega Fame Casino multiple times within a given 30-day period from different platforms as a single MAU.

DUP

We define DUP, Daily Unique Players, as the number of unique players making a payment within Mega Fame Casino within a given day. Where a single payer has made multiple payments on different platforms, for example Facebook and Apple, we count that payer only once under this metric.

MUP

We define MUP, Monthly Unique Players, as the number of unique players making a payment within Mega Fame Casino within a given 30-day period. Where a single payer has made multiple payments on different platforms within a 30-day period, for example Facebook and Apple, we count that payer only once under this metric.

ABPU

ABPU, Average Bookings Per User, is a fundamental metric we calculate in the following way: (1) Total Social Gaming Bookings in a given period, divided by (2) the number of days in that period, divided by (3) the average DAU during the measurement period. We believe ABPU provides useful information to investors and other for the evaluation and assessment of our social game performance in a given period. Management utilizes the metric on a nearly constant basis to understand and measure the effectiveness of new features, events, and the general health of Mega Fame Casino.

Social Gaming Performance Metrics Fiscal Year Ended April 30, 2015

	Three Months Ended July 31, 2014	Three Months Ended October 30, 2014	Three Months Ended January 31, 2015	Three Months Ended April 30, 2015	Twelve Months Ended April 30, 2015
Average Daily Bookings	\$ 4,579	\$ 5,740	\$ 5,851	\$ 6,363	\$ 5,680
ABPU	\$.19	\$.24	\$.27	\$.31	\$.25
Average DAU	23,724	24,154	21,850	20,203	22,505
Average MAU	134,724	118,727	98,327	85,576	109,574
Average DUP	265	287	274	265	273
Average MUP	2,537	2,567	2,328	2,231	2,418

Taken together we believe bookings, DAU, MAU, DUP, MUP, and ABPU reflect a key data set for the understanding and management of Mega Fame Casino. Our managers, developers, and product managers focus on these metrics to measure and improve the overall economic value of various elements within the social game experience.

We have posted consistent improvements each quarter of the fiscal year ended April 30, 2015. Overall we have achieved a 39% increase in Average Daily Bookings between the first and fourth quarters of the fiscal year. During the same period of time we have increased our ABPU 63% from \$0.19 to \$0.31. The improvements recorded continue to support the expansion of our slot machine selection available to players in the casino. We believe the expanding diversity of slot machines is a key factor in our players' monetization behaviors. We anticipate continuing to add new slot machines to our casino at a steady pace throughout the upcoming year and furthermore we expect to continue to work with our slot machine partners to license additional slot themes for future additions to the casino.

Our user count metrics have fallen over the fiscal year with our average DAU falling 15% from 23,724 in the first quarter to 20,203 in the final quarter; our average MAU fell 36% from 134,724 to 85,576 between the first and fourth quarters respectively. The reduction in average DAU and MAU are largely the result of refocused advertising efforts on top-tier locales and higher value users along with a significant reduction in our overall advertising spending. We believe our ability to improve our ratio of daily players over monthly players (DAU/MAU) from 18% in the first quarter to 24% in the fourth quarter is a signal our strategy has been effective.

We anticipate in the coming fiscal year to transition our focus from growth of our ABPU and DAU/MAU performance to a focus on an increase of our average DAU and MAU. It is our belief that the casino has achieved a sufficient level of monetization and retention performance levels that it can now more effectively supported expansion of our player count.

The following discussion of our financial condition and results of operations should be read in conjunction with our audited financial statements for the year ended April 30, 2015, together with notes thereto, which are included in this report.

For the year ended April 30, 2015 as compared to the year ended April 30, 2014.

Results of Operations

Revenues and Gross Profit. We realized revenues of \$2,399,842 for the year ended April 30, 2015, as compared to revenues of \$1,537,051 for the year ended April 30, 2014. The variance between comparable periods is primarily due to an increase of approximately \$1,744,011 of social gaming revenue relating to the merger with Plaor for the period from the acquisition date of May 19, 2014 to April 30, 2015. Offsetting this increase was reduced forum advertising revenue of approximately \$881,451 primarily due to the sale of certain forum properties during the 4th quarter of fiscal 2014 and 1st quarter of fiscal 2015.

Our cost of revenue for the year ended April 30, 2015, was \$552,635, as compared to cost of revenue of \$3,980 for the year ended April 30, 2014. The increase of approximately \$550,000 is directly attributable to the platform fees relating to our social games and hosting and data center costs related to operating our online games, royalty fees and expenses for hosting celebrity events, primarily appearance and facility fees.

Our gross profit for the year ended April 30, 2015 was \$1,847,207 as compared to gross profit of \$1,533,071 for the year ended April 30, 2014.

As a result of the merger with Plaor, we expect to devote a significant portion of our operations to the business of Plaor in order to expand our operations. To grow our business during the next twelve months, we need to generate increased revenues from users engaging with Plaor social casino games and our online forum communities. Our failure to increase revenues will hinder our ability to increase the size of our operations. If we are not able to generate additional revenues to cover our operating costs, we may not be able to sustain our operations without raising additional capital.

Operating Expenses. For the year ended April 30, 2015, our total operating expenses were \$8,548,857 as compared to total operating expenses of \$9,252,665 for the year ended April 30, 2014. This decrease of \$703,808 is primarily related to \$4,500,202 of impairment expense recorded in fiscal year 2014 offset by \$3,755,318 of operating expenses relating to Plaor's operations.

Payroll expenses for the fiscal year ending April 30, 2015 increased \$1,140,729 to \$2,330,539 with \$1,189,810 recorded for the year ending April 30, 2014. The payroll increase was due to \$1,705,054 of additional personnel costs relating to the acquisition of Plaor, offset by \$564,325 reduced payroll expenses relating to the forum business as a result of our expense reduction plan.

General and administrative expenses increased by \$2,024,400 from \$1,363,389 to \$3,387,789 primarily due to advertising and promotional expenses of \$1,327,529 in fiscal year 2015, as compared with \$9,000 in the previous fiscal year relating to advertising costs associated with the operation of Mega Fame Casino. Additionally within general and administrative costs were Plaor's general and administrative expenses of \$724,720 and amortization expense of \$812,846 during the year relating to the merger with Plaor, Inc.

During the 2015 fiscal year we recorded a loss on disposal of assets of \$1,529,262 related to the disposal of PbNation.com, as compared to a loss on disposal of assets in fiscal 2014 of \$1,408,985.

Other Income (Expense). For the year ended April 30, 2015, we had other expense (net) of \$446,314 as compared to other expense (net) of \$5,376, which primarily consists of net interest expense offset by the change in fair value of derivative liability of \$61,716 and interest expense related to our convertible notes of \$456,584.

Net Loss. For the year ended April 30, 2015, our net loss was \$7,149,564 as compared to a net loss of \$7,725,770 for the year ended April 30, 2014. The overall decrease of approximately \$576,000 in our net loss is related to the factors as discussed above.

Liquidity and Capital Resources. Our total assets were \$9,901,540 as of April 30, 2015, which consisted of cash of \$73,801, accounts receivable of \$214,255, investments of \$21,480, inventory of \$31,744, prepaid expenses and deposits of \$37,389, property and equipment with a net value of \$41,143, intangible and other assets with a net value of \$7,664,328, represented by our domain names and other intellectual property owned, and goodwill of \$1,817,400 related to our acquisition of Plaor.

By comparison, our total assets were \$8,246,201 as of April 30, 2014, which consisted of cash of \$546,158, accounts receivable of \$130,709, inventory of \$31,913, prepaid expenses and deposits of \$48,652, property and equipment with a net value of \$130,518, intangible and other assets of \$7,336,771, represented by our domain names and other intellectual property owned and investments of \$21,480.

Our current liabilities as of April 30, 2015, totaled \$4,048,014, which is comprised of accounts payable of \$184,113, line of credit of \$449,760, deferred revenue of \$278,982, accrued vacation of \$96,564, convertible notes payable of \$223,316, derivative liability for the conversion feature of the convertible note of \$819,240, notes payable of \$1,455,859, notes payable to related parties of \$296,359, and other accrued liabilities of \$243,821. We had no other liabilities and no long-term commitments or contingencies at April 30, 2015.

As of April 30, 2015, we had cash of \$73,801. We estimate that our cash on hand will not be sufficient for us to continue our current operations for the next twelve months. The period for which our existing financial resources as well as the financial resources necessary to support our operations involves risks and uncertainties and could differ as a result of a number of factors including our assumptions for increasing revenues through the monetization of our forum advertising and social gaming businesses, anticipated efficiencies gained from the completion of ongoing automation and technical initiatives and anticipated further cost reductions. We remain optimistic about our ability to reduce costs and our net cash burn rate further and are concentrating on optimizing our network of forum properties and social casino games. However, in addition to generating revenues from our current operations, we will need to raise additional capital to sustain our operations and expand our business to the point at which we are able to operate profitably. Subsequent to the end of the 2015 fiscal year we have successfully raised \$250,000 additional capital (See Note 17) that has allowed us to continue our operations as we work to further improve revenue and reduce operating expenses.

We have been, and intend to continue, working toward identifying and obtaining new sources of financing. No assurances can be given that we will be successful in obtaining additional financing in the future. Any future financing that we may obtain may cause significant dilution to existing stockholders. Any debt financing or other financing of securities senior to common stock that we are able to obtain will likely include financial and other covenants that will restrict our flexibility. Any failure to comply with these covenants would have a negative impact on our business, prospects, financial condition, results of operations and cash flows.

If adequate funds are not available, we may be required to delay, scale back or eliminate portions of our operations or obtain funds through arrangements with strategic partners or others that may require us to relinquish rights to certain of our assets. Accordingly, the inability to obtain such financing could result in a significant loss of ownership and/or control of our assets and could also adversely affect our ability to fund our continued operations and our expansion efforts.

The majority of our research and development activity is focused on development of the social casino games on our forum network. For Plaor's business, we believe it is necessary to invest in the development of new games, code, and tools in an effort to achieve our strategic goals and objectives.

We do not anticipate that we will purchase any significant equipment over the next twelve months.

We do not anticipate any significant changes in the number of employee unless we significantly increase the size of our operations. We believe that we do not require the services of additional independent contractors to operate at our current level of activity. However, if our level of operations increases beyond the level that our current staff can provide, we may need to supplement our staff in this manner.

Material Contracts

Note Warrant Purchase Agreement dated November 20, 2014 and November 21, 2014. Aggregate principal amount of \$250,000 and a 12% annual interest rate due one year from issuance. Filed as an exhibit with our Form 8-K dated and filed November 26, 2014.

Exchange Agreement dated December 1, 2014. Aggregate principal amount of \$1,100,000 and a 12% annual interest rate due one year from issuance. Additionally we granted a warrant to purchase 5,500,000 shares of our common stock. Filed as an exhibit with our Form 8-K dated and filed December 5, 2014.

Promissory Note and Securities Purchase Agreement with KBM Worldwide, Inc. dated January 23, 2015. Aggregate principle amount of \$154,000 and an 8% annual interest rate due October 16, 2015. KBM may, at anytime after 180 days of issuance, convert some or the entire principle into our common stock at a conversion price equal to a 39% discount of the lowest trading price as calculated in the note. Filed as an exhibit with our Form 8-K dated and filed January 26, 2015.

Promissory Note and Securities Purchase Agreement with Iconic Holders, LLC dated February 13, 2015. Aggregate principle amount of \$108,000 and an 8% annual interest rate due February 16, 2016. Iconic may convert some or the entire principle into our common stock at a conversion price equal to a 40% discount of the lowest trading price as calculated in the note. Filed as an exhibit with our Form 8-K dated and filed February 20, 2015.

Promissory Note, Warrant Purchase Agreement, and Securities Purchase Agreement with Typenex Co-Investment, LLC dated March 2, 2015. Aggregate principle amount of \$168,000 and a 10% annual interest rate due February 2, 2016. Typenex may convert some or the entire principle into our common stock at a conversion price equal to a 35% discount of the lowest trading price as calculated in the note. Filed with our Form 8-K dated and filed March 6, 2015. Additionally we granted Typenex a warrant to purchase a certain number of our common stock shares as calculated in the purchase agreement with an exercise price of \$0.10. Filed as an exhibit with our Form 8-K dated and filed March 6, 2015.

Promissory Note and Securities Purchase Agreement with JMJ Financial dated March 24, 2015. Aggregate principle amount of \$65,000 and a 12% annual interest rate due in March 2016. JMJ may, at anytime after 180 days of issuance, convert some or the entire principle into our common stock at a conversion price equal to the lesser of \$0.08 or a 65% discount of the lowest trading price as calculated in the note. Filed as an exhibit with our Form 8-K dated and filed March 27, 2015.

Contractual Obligations and Reserves.

None.

Off-balance Sheet Arrangements.

We had no off-balance sheet arrangements at April 30, 2015.

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

Not applicable.

Item 8. Financial Statements and Supplementary Data.

The financial statements required by Item 8 are presented in the following order:

TABLE OF CONTENTS

<u>Report of Independent Registered Public Accounting Firm</u>	31
<u>Consolidated Balance Sheets</u>	32
<u>Consolidated Statements of Operations</u>	33
<u>Consolidated Statements of Comprehensive Loss</u>	34
<u>Consolidated Statements of Stockholders' Equity</u>	35
<u>Consolidated Statements of Cash Flows</u>	36
<u>Notes to Consolidated Financial Statements</u>	37

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders

Crowdgather, Inc.

We have audited the accompanying consolidated balance sheets of Crowdgather, Inc. as of April 30, 2015 and 2014 and the related statements of operations, comprehensive loss, changes in stockholder's equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Crowdgather, Inc. as of April 30, 2015 and 2014, and the results of its operations, comprehensive loss, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2, the Company has incurred recurring operating losses and has an accumulated deficit. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Q Accountancy Corporation

Irvine, California

July 6, 2015

31

CROWDGATHER, INC.**CONSOLIDATED BALANCE SHEETS****APRIL 30, 2015 AND 2014**

	2015	2014
ASSETS		
Current assets		
Cash	\$73,801	\$546,158
Accounts receivable	214,255	130,709
Investments	21,480	21,480
Inventory	31,744	31,913
Prepaid expenses and deposits	37,389	48,652
Total current assets	378,669	778,912
Property and equipment, net of accumulated depreciation of \$625,097 and \$493,887, respectively	41,143	130,518
Intangible and other assets, net of accumulated amortization of \$812,846 and \$0, respectively	7,664,328	7,336,771
Goodwill	1,817,400	—
Total assets	\$9,901,540	\$8,246,201
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$184,113	\$8,000
Line of credit	449,760	—
Accrued vacation	96,564	44,078
Deferred revenue	278,982	—
Other accrued liabilities	243,821	154,746
Convertible note payable, net of discount	223,316	—
Derivative liabilities	819,240	—
Notes payable, net of discount	1,455,859	—
Notes payable to related parties, net of discount	296,359	—
Total current liabilities	4,048,014	206,824
Stockholders' equity		
Convertible Preferred Series B stock, \$0.001 par value, 1,000,000 shares authorized, 0 and 1,000,000 shares issued and outstanding, respectively	-	1,000,000
Common stock, \$0.001 par value, 975,000,000 shares authorized, 117,283,509 and 61,657,708 issued and outstanding, respectively	117,284	61,658
Additional paid-in capital	35,657,048	29,748,961

Edgar Filing: CrowdGather, Inc. - Form 10-K

Accumulated deficit	(29,892,286)	(22,742,722)
Accumulated other comprehensive loss	(28,520)	(28,520)
Total stockholders' equity	5,853,526	8,039,377
Total liabilities and stockholders' equity	\$9,901,540	\$8,246,201

See accompanying notes to financial statements.

CROWDGATHER, INC.**CONSOLIDATED STATEMENTS OF OPERATIONS****FOR THE YEARS ENDED APRIL 30, 2015 AND 2014**

	2015	2014
Revenue	\$2,399,842	\$1,537,051
Cost of revenue	552,635	3,980
Gross profit	1,847,207	1,533,071
Operating expenses		
Payroll and related expenses	2,330,539	1,189,810
Stock based compensation	374,000	661,400
General and administrative	3,387,789	1,363,389
Depreciation and amortization	927,267	128,879
Impairment of goodwill and intangibles	—	4,500,202
Loss on disposal of assets	1,529,262	1,408,985
Total operating expenses	8,548,857	9,252,665
Loss from operations	(6,701,650)	(7,719,594)
Other income (expense), net		
Interest expense, net	(514,686)	(5,376)
Change in fair value of derivative liabilities	(61,716)	—
Gain on extinguishment of debt	5,088	—
Legal settlements, net	125,000	—
Total other income (expense), net	(446,314)	(5,376)
Net loss before provision for income taxes	(7,147,964)	(7,724,970)
Provision for income taxes	1,600	800
Net loss	\$(7,149,564)	\$(7,725,770)
Weighted average shares outstanding- basic and diluted	117,200,176	60,082,803
Net loss per share – basic and diluted	\$(0.06)	\$(0.13)

See accompanying notes to financial statements.

CROWDGATHER, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

FOR THE YEARS ENDED APRIL 30, 2015 AND 2014

	2015	2014
Net loss	\$(7,149,564)	\$(7,725,770)
Other comprehensive loss		
Unrealized loss on available for sale securities	—	(7,090)
Total other comprehensive loss	—	(7,090)
Total comprehensive loss	\$(7,149,564)	\$(7,732,860)

See accompanying notes to financial statements.

CROWDGATHER, INC.**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY****APRIL 30, 2015 AND 2014**

	Preferred Series B		Common Stock		Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income/(Loss)	Total
	Shares	Amount	Shares	Amount				
Balance, April 30, 2013	300,000	\$ 300,000	58,372,708	\$ 58,373	\$ 29,070,846	\$(15,016,952)	\$ (21,430)	\$ 14,390,837
Shares issued for services	-	-	3,035,000	3,035	261,365	-	-	264,400
Shares issued for settlement and disposal of assets	-	-	250,000	250	19,750	-	-	20,000
Shares purchased	700,000	700,000	-	-	-	-	-	700,000
Amortization of stock options	-	-	-	-	397,000	-	-	397,000
Unrealized loss available for sale securities	-	-	-	-	-	-	(7,090)	(7,090)
Net (loss) for the year ended April 30, 2014	-	-	-	-	-	(7,725,770)	-	(7,725,770)
Balance April 30, 2014	1,000,000	\$ 1,000,000	61,657,708	\$ 61,658	\$ 29,748,961	\$(22,742,722)	\$ (28,520)	\$ 8,039,377
Shares issued for acquisition	—	—	55,075,801	55,076	5,084,587	—	—	5,139,663

Edgar Filing: CrowdGather, Inc. - Form 10-K

Shares issued for services	—	—	300,000	300	26,700	—	—	27,000
Shares issued for purchase of intangibles			250,000	250	19,500	—	—	19,750
Preferred shares exchanged for debt	(1,000,000)	(1,000,000)	—	—	—	—	—	(1,000,000)
Fair value of warrants	—	—	—	—	403,300	—	—	403,300
Amortization of stock options	—	—	—	—	374,000	—	—	374,000
Net (loss) for the year ended April 30, 2015	—	—	—	—	—	(7,149,564)	-	(7,149,564)
Balance April 30, 2015	—	\$ —	117,283,509	\$ 117,284	\$ 35,657,048	\$ (29,892,286)	\$ (28,520)	\$ 5,853,526

See accompanying notes to financial statements

CROWDGATHER, INC.**CONSOLIDATED STATEMENTS OF CASH FLOWS****FOR THE YEARS ENDED APRIL 30, 2015 AND 2014**

	2015	2014
Cash flows from operating activities:		
Net loss	\$(7,149,564)	\$(7,725,770)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	927,267	134,892
Stock-based compensation	374,000	661,400
Stock issued for services	27,000	-
Impairment of goodwill and intangibles	—	4,500,202
Loss on disposal of assets	1,529,262	1,408,985
Change in fair value of derivative liabilities	61,716	—
Gain on extinguishment of debt	(5,088)	—
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(83,546)	84,222
Decrease in inventory	169	1,255
Decrease in prepaid expenses and deposits	11,263	1,909
Increase in accounts payable and accrued liabilities	1,169,343	65,848
Net cash used in operating activities	(3,138,178)	(867,057)
Cash flows from investing activities:		
Purchase of property and equipment	(12,384)	(34,860)
Proceeds from sale of intangible assets, net of fees	1,430,847	497,751
Net cash provided by investing activities	1,418,463	462,891
Cash flows from financing activities:		
Cash acquired with purchase of subsidiary	102,358	—
Proceeds from the issuance of debt	1,145,000	
Proceeds from the issuance of preferred stock	—	700,000
Payments on capital lease obligations	—	(125,188)
Net cash provided by financing activities	1,247,358	574,812
Net increase (decrease) in cash	(472,357)	170,646
Cash, beginning of year	546,158	375,512
Cash, end of year	\$73,801	\$546,158
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	\$-	\$-

Edgar Filing: CrowdGather, Inc. - Form 10-K

Income taxes	\$1,600	\$800
Non-cash transactions:		
Purchase of intangibles	\$24,750	\$-
Stock-based compensation	\$374,000	\$661,400
Stock issued for services	\$27,000	\$-

See accompanying notes to financial statements.

CROWDGATHER, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2015

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

CrowdGather, Inc. (hereinafter referred to as “we”, “us”, “our”, or “the company”) is a social networking, internet company that specializes in developing and hosting forum based websites and provides targeted advertising and marketing services for online customers. Through our merger with Plaor, Inc on May 19, 2014, we also develop, market and operate online social games as live services played over the Internet and on social networking sites and mobile platforms. Plaor’s initial social gaming platform is a simulated casino environment referred to as Mega Fame Casino. We are headquartered in Woodland Hills, California, and were incorporated under the laws of the State of Nevada on April 20, 2005.

Principles of Consolidation

The accompanying consolidated financial statements include our activities and our wholly-owned subsidiaries, Adisn, Inc. and Plaor, Inc. All intercompany transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported periods. Actual results could materially differ from those estimates.

Identifiable Intangible Assets

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification No. 350, *Intangibles – Goodwill and Other* (ASC 350), goodwill and intangible assets with indefinite lives are not amortized but instead are measured for impairment at least annually in the fourth quarter, or when events indicate that impairment exists. As required by ASC 350, in the impairment tests for indefinite-lived intangible assets, we compare the estimated fair value of the indefinite-lived intangible assets, website domain names, using a combination of discounted cash flow analysis and market value comparisons. If the carrying value exceeds the estimate of fair value, we calculate the impairment as the excess of the carrying value over the estimate of fair value and accordingly record the loss.

Intangible assets that are determined to have definite lives are amortized over the shorter of their legal lives or their estimated useful lives and are measured for impairment only when events or circumstances indicate the carrying value may be impaired in accordance with ASC 360, *Property, Plant and Equipment* discussed below.

Impairment of Long-Lived Assets

In accordance with ASC 360, we estimate the future undiscounted cash flows to be derived from the asset to assess whether or not a potential impairment exists when qualitative events or circumstances indicate the carrying value of a long-lived asset may be impaired. If the carrying value exceeds our estimate of future undiscounted cash flows, we then calculate the impairment as the excess of the carrying value of the asset over our estimate of its fair value.

CROWDGATHER, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2015

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Investments

Investments are classified as available for sale and consist of marketable equity securities that we intend to hold for an indefinite period of time. Investments are stated at fair value and unrealized holding gains and losses, net of the related tax effect, are reported as a component of accumulated other comprehensive income until realized. Realized gains or losses on disposition of investments are computed on the “specific identification” method and are reported as income or loss in the period of disposition on our consolidated statements of operations.

Inventory

Inventory is valued at the lower of cost or market, using the first-in, first-out (FIFO) method.

Revenue Recognition

We currently work with third-party advertising networks and advertisers pay for advertising on a cost per thousand impressions, cost per click or cost per action basis. We also derive revenue from the sale of virtual goods associated with our online games, as well as from services provided for customer events. All sales are recorded in accordance with ASC 605, *Revenue Recognition*. Revenue is recognized when all the criteria have been met:

- When persuasive evidence of an arrangement exists.
- The services have been provided to the customer.

- The fee is fixed or determinable.
- Collectability is reasonably assured.

Online Game

We operate Mega Fame Casino (“MFC”), a full-featured free-to-play online social casino. MFC is available on Facebook, Google Play, and the Apple App Store. MFC generates revenue through the sale of virtual currency to players that they may exchange to play at any of our online slot machines, video poker machines, Hold’em style poker tables, or for other features and experiences available within MFC. Players can pay for our virtual currency using Facebook credits (prior to July 2013) or Facebook local currency payments (beginning July 2013) when playing our games through Facebook and can use other payment methods such as credit cards or PayPal on other platforms.

Revenue from the sale of virtual currency to players is recognized when the service has been provided to the player, assuming all other revenue recognition criteria have been met. We have determined that an implied obligation exists by the Company to the paying player to continue displaying the purchased virtual goods within the online game over their estimated life or until they are consumed. The proceeds from the sale of virtual goods are initially recorded as deferred revenue. We recognize revenue as the goods are consumed, assuming all other revenue recognition criteria have been met, which is generally over a period of 90 days.

CROWDGATHER, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2015

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Events

Our games also offer unique interactions with a large number of well-known celebrities from film, television, professional sports, and the music industry. Through a combination of regularly scheduled events and special events, our players can play and interact with their favorite stars in ways not known to be available in other social games. Our most popular celebrity event is our bi-weekly celebrity shootout tournament. We recognize revenue upon conclusion of the event, assuming all other revenue recognition criteria have been met.

Cost of Revenue

Our cost of revenue consists primarily of the direct expenses incurred in order to generate revenue. Such costs are recorded as incurred. Our cost of revenue consists primarily of virtual good transaction fees paid to platform operators such as Facebook, Google, and Apple. We also record costs related to the fulfillment of specific customer advertising campaigns and the costs associated with the manufacture and distribution of our synthetic human pheromone consumer products.

Stock Based Compensation

We account for employee stock option grants in accordance with ASC 718, *Compensation – Stock Compensation*. ASC 718 establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. ASC 718 requires a public entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. That cost will be recognized over the period during which an employee is required to provide service in exchange for the award - the requisite service period (usually the vesting period).

For options and warrants issued as compensation to non-employees for services that are fully vested and non-forfeitable at the time of issuance, the estimated value is recorded in equity and expensed when the services are performed and benefit is received as provided by ASC 505-50, *Equity – Disclosure* . For unvested shares, the change in fair value during the period is recognized in expense using the graded vesting method.

Internal-Use Software Development Costs

We expense costs as incurred for internal-use software during the preliminary stages of development. Costs incurred during the application development stage are capitalized, subject to their recoverability. All costs incurred after the software has been implemented and is fully operational are expensed as incurred. As of April 30, 2015, we have not capitalized any internal-use software development costs.

Comprehensive Loss

We apply ASC No. 220, *Comprehensive Income* (ASC 220). ASC 220 establishes standards for the reporting and display of comprehensive income or loss, requiring its components to be reported in a financial statement that is displayed with the same prominence as other financial statements. For the fiscal year ended April 30, 2015, our comprehensive loss was \$7,149,564 and \$7,732,860 for the years ended April 30, 2015 and 2014, respectively.

Recent Accounting Pronouncements

There were various accounting updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to have a material impact on our consolidated financial position, results of operations or cash flows.

CROWDGATHER, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2015

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes.

2. GOING CONCERN

We have incurred a net loss of \$7,149,564 for the year ended April 30, 2015 and have an accumulated deficit of \$29,892,286 as of April 30, 2015, and additional debt or equity financing will be required to fund our activities and to support our operations. However, there is no assurance we will be able to obtain additional financing. Furthermore, there is no assurance that rapid technological changes, changing customer needs and evolving industry standards will enable us to introduce new products on a continual and timely basis so that profitable operations can be attained.

We are currently devoting our efforts to assimilate our business combination with a social gaming company to enhance our product offerings and revenues. There can be no assurance that our efforts will translate in a beneficial manner. The accompanying statements do not include any adjustments that might result should we be unable to continue as a going concern.

3. ACQUISITION

On May 19, 2014, we completed a merger agreement for 100% of the issued and outstanding common stock of Plaor, Inc. (Plaor), a social gaming company, pursuant to which Plaor survived as our wholly-owned subsidiary ("Merger"). We issued 55,075,801 shares of our \$0.01 par value common stock to the shareholders of Plaor. These shares were valued for accounting purposes at \$0.11 per share which represented the closing share price of our stock on May 19, 2014. The total value of the acquisition was approximately \$6,058,000 and has been allocated in accordance with

ASC 805 as per our valuation estimate as follows:

Cash and cash equivalents	\$ 102,000
Accounts receivable, Net	87,000
Prepays and other assets	25,000
Property and equipment	18,000
Amortizable intangible assets:	
Trademarks, trade name, licensing and branding	4,240,938
Goodwill allocated	1,817,400
Total assets acquired	6,290,338
Fair value of liabilities assumed	(232,000)
Net fair value	\$ 6,058,338

In addition, in connection with the Merger, Hazim Ansari was appointed a director of CrowdGather. See our Current Report on Form 8-K filed on May 5, 2014.

4. INVENTORY

As of April 30, 2015, inventory consisted of all finished goods of our synthetic human pheromone consumer products in the amount of \$31,744.

CROWDGATHER, INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****APRIL 30, 2015****5. INVESTMENTS**

Pursuant to our agreement with Human Pheromone Sciences, Inc., we converted our \$50,000 advance payment into 714,286 shares of Human Pheromone Sciences, Inc. restricted common stock in January 2012. These securities are classified as available for sale and are stated at fair value.

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	April 30, 2015	April 30, 2014
Furniture, fixtures and office equipment	\$33,692	\$30,919
Computers, software, servers and equipment	620,168	593,486
Leasehold improvements	12,380	-
	666,240	624,405
Less: accumulated depreciation	(625,097)	(493,887)
	\$41,143	\$130,518

Depreciation expense was \$119,051 and \$130,142 for the years ended April 30, 2015 and 2014, respectively.

7. CONCENTRATIONS OF CREDIT RISK

As of April 30, 2015 and 2014, five advertising customers accounted for approximately 82% and 70% of our outstanding receivables, respectively. In addition, our top five customers accounted for approximately 70% and 45% of our sales for the years ended April 30, 2015 and 2014, respectively.

Additionally, Facebook is a significant distribution, marketing, promotion and payment platform for our social games. Approximately 83% of our social games revenue for the year ended April 30, 2015 was generated from players who accessed our games through Facebook. Furthermore we rely on a non-interest-bearing line of credit from Facebook with a limit of \$500,000 to facilitate nearly 100% of our user acquisition and retention advertising to desktop users. Our average ending monthly balance on the line of credit was \$272,752 and our maximum ending monthly balance was \$449,760.

8. INTANGIBLE ASSETS

Intangibles are either amortized over their estimated lives, if a definite life is determined, or are not amortized if their life is considered indefinite. We account for the intangible assets at cost. Intangible assets acquired in a business combination, if any, are recorded under the purchase method of accounting at their estimated fair values at the date of acquisition. During the years ended April 30, 2015 and 2014, we recorded \$812,846 and \$4,750, respectively, of amortization associated with our definite lived intangibles. Intangibles consist of the following:

CROWDGATHER, INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****APRIL 30, 2015****8. INTANGIBLE ASSETS (Continued)**

	Est. Life	April 30, 2015	April 30, 2014
Online forums and related websites	Indefinite	\$4,411,236	\$7,336,771
Trademarks and trade names	10 years	4,065,938	-
		8,477,174	7,336,771
Less: accumulated amortization		(812,846)	(-)
		\$7,664,328	\$7,336,771

During the year ended April 30, 2015, we recorded \$4,240,938 of trademarks and branding assets relating to the merger with Plaor. The total value of the acquisition was approximately \$6,058,000 and has been allocated in accordance with ASC 805 as per our valuation estimate. Offsetting this was \$175,000 of certain marks, social media accounts and domain names transferred to Hollywood Casinos LLC as part of a settlement agreement.

We also entered into a web site purchase agreement to sell the online forum PbNation.com and related website and domain name to VerticalScope, Inc for \$1,380,000 in cash. The cost of the online forums and websites was approximately \$2,833,500 and as a result, we recorded a loss on sale of these assets of approximately \$1,529,000, after amounts held in escrow and fees of approximately \$75,500.

On April 8, 2015, we acquired the digital assets of Weedtracker.com and related online community in exchange for a \$5,000 cash payment due December 31, 2015 and 250,000 shares of our \$0.001 par value common stock, valued for accounting purposes at \$0.08 per share which represented the closing share price on the closing date of the transaction.

9. GOODWILL

During the year ended April 30, 2015, we recorded \$1,817,400 of goodwill relating to the merger with Plaor. The total value of the acquisition was approximately \$6,058,000 and has been allocated in accordance with ASC 805 as per our management's valuation estimate.

Goodwill represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired in a business combination. Goodwill is not amortized, but is tested for impairment on an annual basis and between annual tests in certain circumstances. An impairment charge is recognized for the excess of the carrying value of goodwill over its implied fair value. As of April 30, 2015, we determined that the fair value of the goodwill exceeded its carrying value and therefore goodwill was not impaired.

CROWDGATHER, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2015

10. PREFERRED SERIES B STOCK

On April 8, 2013, we filed with the Secretary of State of Nevada the Certificate of Designation of the Relative Rights and Preferences of the Series B Preferred Stock (the “Certificate of Designation”) specifying the designations, preferences and relative rights of the Series B Convertible Preferred Stock (“Series B Shares”). The Certificate of Designation created a series of preferred stock consisting of 1,000,000 out of the 25,000,000 shares of our preferred stock, which will be designated “Series B Preferred Stock.” The Certificate of Designation provides, among other things, that: (i) the conversion price for the shares of Series B Shares is the price per share equal to the quotient of the original issue price of \$1.00 per share (the “Original Issue Price”) divided by the number of shares of common stock into which each share of Series B Shares may be converted (the “Conversion Rate”), subject to adjustment from time to time for recapitalizations and as otherwise set forth in the Certificate of Designation; (ii) each share of Series B Shares is convertible into shares of common stock at the option of the holder at any time after the date of issuance at a Conversion Rate of 20 shares of common stock for each share of Series B Shares; (iii) the holder of outstanding Series B Shares will be entitled to receive dividends, when declared by the Board of Directors, at an annual dividend rate of 10% per share of Series B Shares, with such right to receive dividends being cumulative and will accrue and be payable annually; (iv) the shares of Series B Shares may be redeemed by us, at our option, at a redemption price equal to 120% of the amount obtained by multiplying the Original Issue Price of the Series B Shares by the number of shares of Series B Shares to be redeemed from the investor; and (v) so long as any shares of Series B Shares remain outstanding, we will not, among other things, amend or restate any provisions of our Articles of Incorporation or Bylaws, declare or pay dividends on any shares of common stock or other security other than Series B Shares, authorize or issue any equity security having a preference over or being on parity with the Series B Shares, change the authorized number of directors, or enter into indebtedness of more than \$1,000,000, without the prior written consent of a majority of outstanding shares of Series B Shares.

On April 8, 2013, we sold 300,000 shares of Series B Shares to one foreign investor in exchange for \$300,000, or \$1.00 per share, pursuant to a securities purchase agreement (“Purchase Agreement”). In connection with the sale of Series B Shares, the investors also received warrants to purchase 3,000,000 shares of our common stock at a purchase price of \$0.08 per share. The warrant agreements (“Warrants”) provide for an expiration period of five years from the date of the investment.

On July 16, 2013, pursuant to the Purchase Agreement, we sold 150,000 shares of Series B Shares to a foreign investor in exchange for \$150,000, or \$1.00 per share. In connection with the sale of Series B Shares, the investor also received Warrants to purchase 1,500,000 shares of our common stock at a purchase price of \$0.08 per share. The Warrants have an exercise term equal to 5 years and are exercisable commencing on July 16, 2013.

The Purchase Agreement provided that the investor would purchase 300,000 shares of Series B Shares and Warrants for a purchase price of \$300,000 on or before July 12, 2013 (the “First Subsequent Closing Date”). However, we then entered into the First Amendment to Securities Purchase Agreement (the “Amendment”), revising the First Subsequent Closing Date from July 12, 2013 to August 2, 2013. The sale of the 150,000 shares of Series B Shares and Warrants on July 16, 2013 represents the first portion of the first subsequent closing and the remaining 150,000 shares of Series B Shares and Warrants would be purchased by the investor on or before August 2, 2013.

As a result of the Amendment, we issued an Amended and Restated Common Stock Purchase Warrant (“Amended and Restated Warrant”) to replace the Warrants issued at the initial closing and provide that such Warrants will vest only if the Investor purchases an additional 300,000 shares of Series B Shares and Warrants for a purchase price of \$300,000 on or before the First Subsequent Closing Date.

CROWDGATHER, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2015

10. PREFERRED SERIES B STOCK (Continued)

On August 2, 2013, pursuant to the Purchase Agreement and Amendment, we sold 150,000 shares of Series B Shares to a foreign investor in exchange for \$150,000, or \$1.00 per share. In connection with the sale of Series B Shares, the investor also received Warrants to purchase 1,500,000 shares of our common stock at a purchase price of \$0.08 per share. The Warrants have an exercise term equal to 5 years and are exercisable commencing on August 2, 2013.

On October 9, 2013, pursuant to the Purchase Agreement, we sold 400,000 shares of Series B Shares to three foreign investors in exchange for \$400,000, or \$1.00 per share. In connection with the sale of Series B Shares, the investors also received Warrants to purchase 4,000,000 shares of our common stock at a purchase price of \$0.08 per share. The Warrants have an exercise term equal to 5 years and are exercisable commencing on October 9, 2013.

On December 1, 2014, we entered into a separate exchange agreement with each holder (collectively, the “Holders”) of (i) shares of our Series B Preferred Stock (“Preferred Stock”), and (ii) warrants to purchase 10,000,000 shares of common stock issued in connection with the Preferred Stock (the “Old Warrants”) pursuant to which we issued Secured Promissory Notes (“Exchange Notes”) in the aggregate principal amount of \$1,100,000 and warrants to purchase 5,500,000 shares of our common stock (the “Exchange Warrants”) to the Holders in the amounts as specified in the separate Exchange Agreements in exchange for all of the issued and outstanding Preferred Stock and all of the Old Warrants held by the Holders. Following the consummation of the transactions contemplated by each Exchange Agreement, the Preferred Stock and Old Warrants were no longer outstanding, and we removed from reservation 30,000,000 shares of common stock underlying the Preferred Stock and Old Warrants. The Exchange Warrants grant the Holders the right to purchase five shares of our common stock for every one dollar of principal of the Exchange Notes issued to the Holders at an exercise price equal to \$0.11 per share. The Exchange Warrants have an exercise term equal to five years and are exercisable commencing on December 3, 2014. In connection with the issuance of the Exchange Notes, we entered into a security agreement with the Holders to secure the timely payment and performance in full of our obligations pursuant to the Exchange Notes.

11. COMMON STOCK

On May 19, 2014, we completed a merger agreement for 100% of the issued and outstanding common stock of Plaor, Inc. (Plaor), a social gaming company, pursuant to which Plaor survived as our wholly-owned subsidiary (“Merger”). We issued 55,075,801 shares of our \$0.01 par value common stock to the shareholders of Plaor. These shares were valued for accounting purposes at \$0.11 per share which represented the closing share price on the closing date of the Merger.

On November 25, 2014 we issued 300,000 shares of common stock to an unrelated party in payment of a service agreement. The agreement expires on May 22, 2015. The fair market value of the shares was \$27,000. \$9,000 remains as a prepaid expense as of January 31, 2015 and the remaining \$18,000 was expensed during the nine months ended January 31, 2015 as stock based compensation.

On April 8, 2015, we acquired the digital assets of Weedtracker.com and related online community in exchange for a \$5,000 cash payment due December 31, 2015 and 250,000 shares of our \$0.001 par value common stock, valued for accounting purposes at \$0.08 per share which represented the closing share price on the closing date of the transaction.

12. STOCK OPTIONS

In May 2008 our board of directors approved the CrowdGather, Inc. 2008 Stock Option Plan (the Plan). The Plan permits flexibility in types of awards, and specific terms of awards, which will allow future awards to be based on then-current objectives for aligning compensation with increasing long-term shareholder value.

CROWDGATHER, INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****APRIL 30, 2015****12. STOCK OPTIONS (Continued)**

During the year ended April 30, 2015, we granted 2,270,000 stock options to employees relating to the Plaor merger, exercisable at various dates through August 2024 at fair market value at the date of grant of \$0.11 per share to the recipient pursuant to the Plan.

For the years ended April 30, 2015 and 2014, we recognized \$374,000 and \$661,400 of stock-based compensation costs, respectively, as a result of the issuance of stock options to employees, directors and consultants in accordance with ASC 505.

Stock option activity was as follows for the year ended April 30, 2015:

	Number of Options	Weighted- Average Exercise Price	Weighted- Average Remaining Contract Term (Years)	Aggregate Intrinsic Value
Outstanding, May 1, 2014	6,038,750	\$ 0.57	7.89	\$3,412,300
Granted	2,270,000	0.11	9.33	249,700
Forfeited/Expired	(1,485,000)	0.33	7.08	(489,200)
Exercised	-	-	-	-
Outstanding, April 30, 2015	6,823,750	\$ 0.46	8.93	\$3,172,800
Exercisable, April 30, 2015	3,556,875	\$ 0.79	6.76	\$2,796,519

A summary of the status of our unvested shares as of April 30, 2015 is presented below:

Number of Shares	Weighted- Average Grant-
---------------------	-----------------------------

Date Fair Value

Non-vested balance, May 1, 2014	2,720,002	\$	0.15
Granted	2,270,000		0.11
Vested	(238,127)		0.20
Forfeited/Expired	(1,485,000)		0.33
Non-vested balance, April 30, 2015	3,266,875	\$	0.10

As April 30, 2015, total unrecognized stock-based compensation cost related to unvested stock options was \$312,462, which is expected to be recognized over a weighted-average period of approximately 8.93 years.

CROWDGATHER, INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****APRIL 30, 2015****12. STOCK OPTIONS (Continued)**

The fair value of each option grant is estimated on the date of the grant using the Black-Scholes option-pricing model based on the following weighted-average assumptions:

	April 30, 2015
Risk-free interest rate	0.00% to 0.50 %
Expected volatility	100.00 %
Expected option life (in years)	4.00
Expected dividend yield	0.00

The risk-free interest rate is based on the implied yield currently available on U.S. Treasury zero coupon issues. The expected volatility is primarily based on historical volatility levels of our public company peer group. The expected option life of each award granted was calculated using the “simplified method” in accordance with ASC 718.

13. COMMITMENTS AND CONTINGENCIES

As of April 30, 2015, we lease approximately 1,578 square feet of office space located at 20300 Venture Blvd., Suite 330, Woodland Hills, California. The term of our lease is for six months and expires on July 31, 2015. Our rent is \$3,242 per month. We also rent approximately 10,000 square feet of office space at 12 Channel Street, Boston, MA 02210. The term of our lease is for six years and expires on July 31, 2020. Our rent is \$14,000 per month.

14. SEGMENT INFORMATION

We have two (2) principal operating segments, which are (1) forum advertising, and (2) social gaming. These operating segments were determined based on the nature of the products and services offered. Operating segments are

Edgar Filing: CrowdGather, Inc. - Form 10-K

defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision-maker in deciding how to allocate resources and in assessing performance. Our chief executive officer and chief operating officer have been identified as the chief operating decision makers. Our chief operating decision makers direct the allocation of resources to operating segments based on the profitability and cash flows of each respective segment. Segment information for sales and related costs for the year ended April 30, 2015 was as follows:

	Year Ended April 30, 2015
Revenues:	
Forum advertising	\$ 655,831
Social gaming	1,744,011
Total revenues	2,399,842
Cost of Revenues:	
Forum advertising	\$ 2,707
Social gaming	549,928
Total cost of revenues	552,635
Gross Profit:	
Forum advertising	\$ 653,124
Social gaming	1,194,083
Total gross profit	1,847,207

CROWDGATHER, INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****APRIL 30, 2015****15. PROVISION FOR INCOME TAXES**

For the years ended April 30, 2015 and 2014, we have recognized the minimum amount of franchise tax required under California corporation law of \$800. We are not currently subject to further federal or state tax since we have incurred losses since our inception.

As of April 30, 2015, we had federal and state net operating loss carry forwards of approximately \$21,000,000 which can be used to offset future federal income tax. The federal and state net operating loss carry forwards expire at various dates through 2035. Deferred tax assets resulting from the net operating losses are reduced by a valuation allowance, when, in our opinion, utilization is not reasonably assured.

As of April 30, 2015, we had the following deferred tax assets related to net operating losses. A 100% valuation allowance has been established due to the uncertainty of our ability to realize future taxable income and to recover its net deferred tax assets.

	Year Ended April 30, 2015
Federal net operating loss (at 34%)	\$ 7,100,000
State net operating loss (at 8.84%)	1,840,000
	8,940,000
Less: valuation allowance	(8,940,000)
Net deferred tax assets	\$ -

Our valuation allowance increased by \$1,140,000 and \$1,374,000 for the years ended April 30, 2015 and 2014, respectively.

16. NOTES PAYABLE AND DERIVATIVE LIABILITIES

Promissory and Note Purchase Agreements

On April 13, 2015, we entered into a Note Purchase Agreement. Under the Agreement, our CEO Sanjay Sabnani agreed to loan the Company \$50,000. As part of the Agreement, the Company and Mr. Sabnani entered into a Promissory Note whereby we will repay the \$50,000 including interest at 12% or the maximum allowable under the law, whichever is lower. The Note, including interest is due April 13, 2016. Also on April 13, 2015, we entered into a Security Agreement.

On April 17, 2015, we issued a Promissory Note for \$238,976 received from Sanjay Sabnani. The proceeds were used to pay off a short-term convertible note issued to KBM on October 20, 2014, as well as to provide us with \$25,000 in working capital. Under the terms of the Note, we agree to repay the \$238,976 including interest at 12%. The Note, including interest, is due October 20, 2015.

Notes and Warrant Purchase Agreements

Embedded warrant and host contract summary as of April 30, 2015

Instrument Date	Fair value	Gains (losses)	Carrying amount	Amortization Costs
Nov. 20, 2014	\$ 34,091	\$ (8,307)	\$ 100,000	\$ 19,387
Nov. 21, 2014	\$ 51,137	\$ (12,461)	\$ 150,000	\$ 29,080
Dec. 01, 2015	\$ 375,073	\$ (87,423)	\$ 1,100,000	\$ 216,037
Dec. 02, 2015	\$ 68,182	\$ (16,992)	\$ 200,000	\$ 39,655

CROWDGATHER, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2015

16. NOTES PAYABLE AND DERIVATIVE LIABILITIES (Continued)

In the cases of each instrument summarized in the table above and detailed in the paragraphs below we determined the embedded warrants attached to the notes meet the definition of a derivative under ASC 815 and require bifurcation and are accounted for as separate embedded derivatives. We have estimated the fair market value of the embedded derivatives of the Notes as the difference between the fair market value of the Notes with the conversion feature and the fair market value of the Notes without the conversion feature associated with the embedded derivative, in both cases using relevant market data. In the case of the fair market value of the Notes with the conversion feature, a binomial lattice model was used utilizing a discount rate based on variable conversion probability. In the case of the fair market value of the Notes without the conversion feature associated with the embedded derivative, a discounted cash flow approach was used. The key valuation assumptions used consist of the price of our common stock, a risk free interest rate based on the average yield of a similarly termed Treasury Note and the historical volatility of our common stock over a period of similar length to the term of the instrument, all as of the measurement dates. The embedded derivatives were recorded on the balance sheet at their estimated fair values. Debt discounts are amortized over the life of the debt using the effective interest rate method. The fair value of the embedded derivative will be measured and recorded at fair value each subsequent reporting period and changes in fair value will be recognized in the statement of operations as a gain or loss on derivative

We have recorded each of the instruments' derivative liability balances on our balance sheet in the Derivative liabilities account; the carrying amount of each host contract has been recorded in Notes payable, net of discount; On our statement of operations we have recorded gains (losses) resulting from fair value adjustments in Change in fair value of derivative liabilities; we have recognized the amortization costs in Interest expense, net

On November 20, 2014 and November 21, 2014, we entered into two Note and Warrant Purchase Agreements with two investors ("Investors") providing for the purchase of Secured Promissory Notes ("Notes") in the aggregate principal amount of \$250,000 and warrants to purchase an aggregate amount of 1,250,000 shares of our common stock (the "Warrants"). The Notes were issued on November 20, 2014 and November 21, 2014, respectively. The Notes bear interest at the rate of 12% per annum and are due and payable one year from the date of issuance. The Warrants grant the Investors the right to purchase five shares of our common stock for every one dollar of principal of the Notes purchased by the Investors at an exercise price equal to 110% of the closing price of our common stock on the date of investment. The Warrants have an exercise term equal to five years and are exercisable commencing on November 20, 2014 and November 21, 2014, respectively. In connection with the issuance of the Notes, we entered into a security agreement with the Investors to secure the timely payment and performance in full of our obligations pursuant to the Notes.

On December 2, 2014, we entered a Note and Warrant Purchase Agreement with one investor providing for the purchase of a Secured Promissory Note (“Note”) in the principal amount of \$200,000 and warrants to purchase 1,000,000 shares of our common stock (the “Warrants”). The Note was issued and funded on December 2, 2014. The Note bears interest at the rate of 12% per annum and is due and payable one year from the date of issuance. The Warrants grant the investor the right to purchase five shares of our common stock for every one dollar of principal of the Note purchased by the investor at an exercise price of \$0.11 per share which is equal to 110% of the closing price of our common stock on the date of investment. The Warrants have an exercise term equal to five years and are exercisable commencing on the date of issuance. In connection with the issuance of the Note, we entered into a security agreement with the investor to secure the timely payment and performance in full of our obligations pursuant to the Note.

CROWDGATHER, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2015

16. NOTES PAYABLE AND DERIVATIVE LIABILITIES (Continued)

Exchange Notes and Warrant Purchase Agreements

On December 1, 2014, we entered into a separate exchange agreement with each holder (collectively, the “Holders”) of (i) shares of our Series B Preferred Stock (“Preferred Stock”), and (ii) warrants to purchase 10,000,000 shares of our common stock issued in connection with the Preferred Stock (the “Old Warrants”) pursuant to which we issued Secured Promissory Notes (“Exchange Notes”) in the aggregate principal amount of \$1,100,000 and warrants to purchase 5,500,000 shares of our common stock (the “Exchange Warrants”) to the Holders in the amounts as specified in the separate Exchange Agreements in exchange for all of the issued and outstanding Preferred Stock and all of the Old Warrants held by the Holders. Following the consummation of the transactions contemplated by each Exchange Agreement, the Preferred Stock and Old Warrants were no longer outstanding, and we removed from reservation 30,000,000 shares of common stock underlying the Preferred Stock and Old Warrants. The Notes bear interest at the rate of 12% per annum and are due and payable one year from the date of issuance. The Exchange Warrants grant the Holders the right to purchase five shares of our common stock for every one dollar of principal of the Exchange Notes issued to the Holders at an exercise price equal to \$0.11 per share. The Exchange Warrants have an exercise term equal to five years and are exercisable commencing on December 3, 2014. In connection with the issuance of the Exchange Notes, we entered into a security agreement with the Holders to secure the timely payment and performance in full of our obligations pursuant to the Exchange Notes.

Equity Purchase Agreement

On January 30, 2015, we entered into an Equity Purchase Agreement (“Purchase Agreement”) and a Registration Rights Agreement (“Registration Rights Agreement”) with Aladdin Trading, LLC (“Aladdin”) pursuant to which Aladdin has agreed to provide up to \$1,400,000 of funding upon effectiveness of a registration statement on Form S-1. Following effectiveness of the registration statement, we can deliver puts to Aladdin under the Equity Purchase Agreement under which Aladdin will be obligated to purchase shares of our common stock based on the investment amount specified in each put notice, which investment amount may be any amount up to \$1,400,000 less the investment amount received by us from all prior puts, if any. Puts may be delivered by us to Aladdin until the earlier of December 31, 2015, or the date on which Aladdin has purchased an aggregate of \$1,400,000 of put shares. The number of shares of our common stock that Aladdin will purchase pursuant to each put notice (“Put Shares”) will be determined by dividing the investment amount specified in the put by the purchase price. The purchase price per share of common stock will be

set at sixty (60%) of the Market Price for our common stock with Market Price being defined as the volume weighted average trading price for our common stock during the three consecutive trading days immediately following the date of our put notice to Aladdin (the “Pricing Period”). There is no minimum amount that we can put to Aladdin at any one time. On the put notice date, we are required to deliver put shares (“Estimated Put Shares”) to Aladdin in an amount determined by dividing the closing price on the trading day immediately preceding the put notice date multiplied by 60% and Aladdin is required to simultaneously deliver to us the investment amount indicated on the put notice. At the end of the Pricing Period, when the purchase price is established and the number of Put Shares for a particular put is determined, Aladdin must return to us any excess Put Shares provided as Estimated Put Shares or alternatively we must deliver to Aladdin any additional Put Shares required to cover the shortfall between the amount of Estimated Put Shares and the amount of Put Shares. At the end of the Pricing Period, we must also return to Aladdin any excess related to the investment amount previously delivered to us. Pursuant to the Equity Purchase Agreement, Aladdin and its affiliates will not be issued shares of our common stock that would result in Aladdin’s beneficial ownership equaling more than 9.99% of our outstanding common stock. Pursuant to the Registration Rights Agreement, we will be registering 17,500,000 shares of our common stock for issuance to and sale by Aladdin pursuant to the Equity Purchase Agreement.

CROWDGATHER, INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****APRIL 30, 2015****16. NOTES PAYABLE AND DERIVATIVE LIABILITIES (Continued)****Note, Securities Purchase Agreement, and Warrant Purchase Agreement**

Embedded convertible feature and host contract summary as of April 30, 2015

Instrument Date	Fair value	Gains (losses)	Carrying amount	Amortization Costs
Oct. 20, 2014	\$ 0	\$ 34,450	\$ 0	\$ 93,248
Jan. 23, 2015	\$ 72,444	\$ 4,187	\$ 104,628	\$ 27,260
Feb. 16, 2015	\$ 55,075	\$ 10,155	\$ 55,816	\$ 14,646
Mar. 3, 2015	\$ 67,295	\$ 3,675	\$ 100,689	\$ 14,370
Mar 25, 2015	\$ 51,552	\$ 853	\$ 21,676	\$ 2,901

In the cases of each instrument summarized in the table above and detailed in the paragraphs below we determined the conversion feature of the notes meet the definition of a derivative under ASC 815 and require bifurcation and are accounted for as separate embedded derivatives. We have estimated the fair market value of the embedded derivatives of the Notes as the difference between the fair market value of the Notes with the conversion feature and the fair market value of the Notes without the conversion feature associated with the embedded derivative, in both cases using relevant market data. In the case of the fair market value of the Notes with the conversion feature, a binomial lattice model was used utilizing a discount rate based on variable conversion probability. In the case of the fair market value of the Notes without the conversion feature associated with the embedded derivative, a discounted cash flow approach was used. The key valuation assumptions used consist of the price of our common stock, a risk free interest rate based on the average yield of a similarly termed Treasury Note and the historical volatility of our common stock over a period of similar length to the term of the instrument, all as of the measurement dates. The embedded derivatives were recorded on the balance sheet at their estimated fair values. Debt discounts are amortized over the life of the debt using the effective interest rate method. The fair value of the embedded derivative will be measured and recorded at fair value each subsequent reporting period and changes in fair value will be recognized in the statement of operations as a gain or loss on derivative

We have recorded each of the instruments' derivative liability balances on our balance sheet in the Derivative liabilities account; the carrying amount of each host contract has been recorded in Convertible note payable; On our statement of operations we have recorded gains (losses) resulting from fair value adjustments in Change in fair value of derivative liabilities and Gain on extinguishment of debt; we have recognized the amortization costs in Interest expense, net

KBM Worldwide, Inc

On October 20, 2014, we entered into a Securities Purchase Agreement with KBM Worldwide, Inc. ("KBM") providing for the purchase of a Convertible Promissory Note ("Note") in the aggregate principal amount of \$154,000. The Note was signed as of October 20, 2014 and was funded on October 22, 2014, with the Company receiving \$150,000 of net proceeds after payment of KBM's legal fees. The Note bears interest at the rate of 8% per annum, is due and payable on July 21, 2015, and may be converted by KBM at any time after 180 days of the date of closing into shares our common stock at a conversion price equal to a 39% discount of the lowest closing bid price (as determined in the Note) calculated at the time of conversion. The Note also contains certain representations, warranties, covenants and events of default, and increases in the amount of the principal and interest rates under the Note in the event of such defaults. On April 17, 2015 we elected to exercise our right to prepay the Note. We extinguished the note with a payment of \$213,976 constituting a repayment of the principle as well as payment of interest and a prepayment fee of 35% of the outstanding balance at payoff.

CROWDGATHER, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2015

16. NOTES PAYABLE AND DERIVATIVE LIABILITIES (Continued)

In addition on January 23, 2015, we entered into a similar Securities Purchase Agreement with KBM Worldwide, Inc. ("KBM") providing for the purchase of a Convertible Promissory Note ("Note") in the aggregate principal amount of \$154,000. The Note was signed as of January 23, 2015 and was funded on January 23, 2015, with the Company receiving \$150,000 of net proceeds after payment of KBM's legal fees. The Note bears interest at the rate of 8% per annum, is due and payable on October 16, 2015, and may be converted by KBM at any time after 180 days of the date of closing into shares our common stock at a conversion price equal to a 39% discount of the lowest closing bid price (as determined in the Note) calculated at the time of conversion. The Note also contains certain representations, warranties, covenants and events of default, and increases in the amount of the principal and interest rates under the Note in the event of such defaults.

Iconic Holdings, LLC

On February 13, 2015, we entered into a Note Purchase Agreement with Iconic Holdings, LLC ("Iconic") providing for the purchase of a Convertible Promissory Note ("Note") in the aggregate principal amount of \$108,000. On February 13, 2015, the Note was funded and we received \$100,000 with \$8,000 retained by Iconic through an original issue discount for due diligence and legal expenses related to this transaction. The Note bears interest at the rate of 8% per annum, is due and payable on February 13, 2016. Iconic shall have the right to convert any unpaid sums into our common stock at the rate of 60% of the lowest trading price reported in the 15 days prior to date of conversion, subject to adjustment as described in the Note. The Note also provides that Iconic will not be permitted to convert any portion of the note if the number of shares of our common stock beneficially owned by Iconic and its affiliates, together with the number of shares of our common stock issuable upon any full or partial conversion, would exceed 9.99% of our outstanding shares of common stock.

During the first 180 days following the date of the Note, we have the right to prepay the principal and accrued but unpaid interest due under the Note, together with any other amounts we may owe the holder under the terms of the Note, at a graduating premium ranging from 105% to 135% of face value. After this initial 180 day period, we do not have a right to prepay the note without written consent from Iconic. The Note also contains certain representations, warranties, covenants and events of default, and increases in the amount of the principal and interest rates under the Note in the event of such defaults.

JMJ Financial

On March 24, 2015, we issued to MJJ Financial (the "Investor") a convertible promissory note in the principal amount of \$250,000 with an original issue discount of \$25,000 (the "Note"). The Note is due in March 2017. As of March 25, 2015, the Investor funded \$65,000 pursuant the Note. We may repay the Investor within 90 days of issuance without any interest payment. Thereafter, we may not make any payment until the Note matures, unless such payment is approved by the Investor. Interest accrues at the rate of 12% per annum with respect to any payment made after the initial 90-day period. At any time after 180 days of the Effective Date, the Investor may convert all or part of the Note into shares of our common stock at (a) the lesser of \$0.08 or (b) 65% of the lowest trading price in the 25 trading days prior to the conversion

Typenex Co-Investment, LLC

On March 2, 2015, we entered into a Securities Purchase Agreement with Typenex Co-Investment, LLC ("Typenex"), for the sale of a 10% convertible note in the principal amount of \$168,000 (which includes Typenex legal expenses in the amount of \$3,000 and a \$15,000 original issue discount) (the "Note") in exchange for proceeds of \$150,000 to the Company.

CROWDGATHER, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2015

16. NOTES PAYABLE AND DERIVATIVE LIABILITIES (Continued)

The Note bears interest at the rate of 10% per annum. All interest and principal must be repaid on February 2, 2016. The Note is convertible into common stock, at Typenex's option, at the lesser of (i) \$0.10, and (ii) 65% (the "Conversion Factor") of the average of the three (3) lowest Closing Bid Prices in the twenty (20) Trading Days immediately preceding the applicable conversion, provided that if at any time the average of the three (3) lowest Closing Bid Prices in the twenty (20) Trading Days immediately preceding any date of measurement is below \$0.05, then in such event the then-current Conversion Factor shall be reduced to 60% for all future Conversions, subject to other reductions set forth in the Note, a copy of which is filed as an exhibit hereto. In the event the Company elects to prepay all or any portion of the Note, we are required to pay to Typenex an amount in cash equal to 125% multiplied by the sum of all principal, interest and any other amounts owing. The Note includes customary event of default provisions.

Typenex has agreed to restrict its ability to convert the Note and receive shares of our common stock such that the number of shares of common stock held by them in the aggregate and their affiliates after such conversion or exercise does not exceed 4.99% of the then issued and outstanding shares of common stock. The Note is a debt obligation arising other than in the ordinary course of business, which constitutes a direct financial obligation of the Company. The Note also provides for penalties and rescission rights if we do not deliver shares of our common stock upon conversion within the required timeframes.

Additionally, we granted Typenex warrants ("Warrants") to purchase shares of our common stock, \$.001 par value. The Warrants will entitle the holder to purchase a number of shares equal to \$84,000 divided by the Conversion Factor multiplied by the average of the three (3) lowest Closing Bid Prices in the twenty (20) Trading Days immediately preceding March 2, 2015, as such number may be adjusted from time to time pursuant to the terms of the Warrants. The Warrants are exercisable for five years at \$0.10 per share subject to certain anti-dilution provisions set forth in the Warrants.

The Note and Warrants were issued in a transaction which we believe satisfies the requirements of that exemption from the registration and prospectus delivery requirements of the Securities Act of 1933, which exemption is specified by the provisions of Section 4(2) of that act and Rule 506 of Regulation D promulgated pursuant to that act by the SEC.

17. SUBSEQUENT EVENTS

On May 4, 2015, we issued a Promissory Note for \$150,000 received from an investor. The proceeds are used to provide us with working capital. Under the terms of the Note, we agree to repay the principal including interest at 8%. The Note, including interest, is due November 4, 2015.

On June 5, 2015, we issued a Promissory Note for \$100,000 received from an investor. The proceeds are used to provide us with working capital. Under the terms of the Note, we agree to repay the principal including interest at 8%. The Note, including interest, is due November 4, 2015.

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

There have been no changes in or disagreements with our accountants required to be disclosed pursuant to Item 304 of Regulation S-K.

Item 9A. Controls and Procedures.

Evaluation of disclosure controls and procedures.

We maintain controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management including our principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosures. Based upon their evaluation of those controls and procedures performed as of the end of the period covered by this report, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective.

Management's annual report on internal control over financial reporting.

Sanjay Sabnani, our Chief Executive Officer, and Jonathan Weiss, our Chief Financial Officer, are responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

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

Because of its inherent limitations, our internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our Chief Executive Officer and our Chief Financial Officer assessed the effectiveness of our internal control over financial reporting as of April 30, 2015. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) in *Internal Control — Integrated Framework*.

Based on our assessment, our Chief Executive Officer and our Chief Financial Officer believe that, as of April 30, 2015, our internal control over financial reporting is effective based on those criteria.

Accordingly, management believes, based on its knowledge, that (1) 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 not misleading with respect to the period covered by this report, and (2) the financial statements, and other financial information included in this report, fairly present in all material respects our financial condition, results of operations and cash flows for the years and periods then ended.

This report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management’s report was not subject to attestation by our independent registered public accounting firm pursuant to rules of the SEC that permit us to provide only management’s report in this report.

Changes in internal control over financial reporting.

There were no changes in our internal control over financial reporting during the fourth quarter of the year ended April 30, 2015, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None.

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

The following table sets forth information regarding our executive officer and directors.

Name	Age	Position
Sanjay Sabnani	45	CEO, President, Secretary, Director and Chairman of the Board
Jonathan Weiss	41	Chief Financial Officer
Richard Corredera	37	Chief Operating Officer
Jonathan R. Dariyanani	45	Director
James A. Sacks	49	Director
Chuck Timpe	68	Director
Hazim Ansari	44	Director

Sanjay Sabnani. Sanjay Sabnani is our Chairman, Chief Executive Officer, President, and Secretary since April 2, 2008 and became one of our directors shortly thereafter. Mr. Sabnani founded General Mayhem, LLC in May 2004. While building General Mayhem, LLC's operations and network communities Mr. Sabnani has served senior executive roles in several public companies including: executive vice president, strategic development at Hythiam, Inc. (now Catasys Inc.; NASDAQ:CATS) from April 2004 to December 2007; and president and director at Venture Catalyst, Inc. (NASDAQ:VCAT), from July 1999 to November 2000. Mr. Sabnani assisted in raising over \$200 million in public equity financing for these companies, and served as the chief strategist and communicator for these businesses during his tenure with each. In addition, Mr. Sabnani has served as chairman of the board of two distinguished non-profits: Artwallah (arts festival); and TiE SoCal (venture capital networking). Mr. Sabnani was also the founder of a California charity, EndDependence (scholarships for addiction treatment). Mr. Sabnani received his BA in English Literature from UCLA in 1999. Mr. Sabnani is not an officer or director of any other reporting company.

Jonathan Weiss. Jonathan Weiss is our Chief Financial Officer and Treasurer. Mr. Weiss has nearly 20 years of related finance and accounting experience. From February 2012 to September 2012, Mr. Weiss headed up the finance and business operations of Xtranormal, a San Francisco Bay Area internet startup. From August 2008 to February 2012, Mr. Weiss served as the Chief Financial Officer of Sandbox Industries, based in Chicago, where he helped provide strategic financial management for a hybrid venture capital firm engaged in healthcare fund management, new business incubation and new business accelerators. Prior to Sandbox Industries, Mr. Weiss was a regional Chief Financial Officer for USI Holdings, a subsidiary of Goldman Sachs Partners Company, from 1998 to 2008 and a senior auditor for Arthur Andersen LLP from 1995 to 1998. Mr. Weiss received his Bachelors of Business

Administration in Accounting from Emory University in 1995 and is a certified public accountant (inactive).

Richard Corredera. Richard Corredera is our Chief Operating Officer since May 1, 2014. Mr. Corredera has approximately 18 years of experience in software engineering, systems design and business development. From April 2012 to the present, Mr. Corredera has served as President and Chief Operating Officer of Plaor where he manages the business operations of Plaor including business development, compliance, and accounting in addition to overseeing its strategic technology development. Prior to Plaor, Richard co-founded DoubleTap Games and was a technical director at THQ's Helix development studio and Sony Online Entertainment from 2002 to 2012. Mr. Corredera is an enrolled agent and admitted to practice before the Internal Revenue Service. Mr. Corredera is not an officer or director of any other reporting company.

Jonathan R. Dariyanani. Mr. Dariyanani has been a member of our Board of Directors since September 2008. Mr. Dariyanani has been the principal of Zoma Law Group/Zoma Ventures in New York since 1999. From 2003 to 2004, Mr. Dariyanani also served as the director of ESL for Leapfrog Enterprises, Inc. From 1997 to 1999, he was an associate attorney at the Palo Alto, California office of Wilson Sonsini Goodrich and Rosati. Mr. Dariyanani is licensed to practice law in California. Mr. Dariyanani holds a Juris Doctor from Duke University, earned in 1997, and a bachelor's degree in legal studies from the University of California at Berkeley, which he earned in 1993. Mr. Dariyanani is not an officer or director of any other reporting company.

James A. Sacks. Mr. Sacks has been a member of our Board of Directors since September 2008. Mr. Sacks founded JAS Holdings in 2001, which provides contract sales services for medical business process outsourcing providers. From 1995 to 2000, Mr. Sacks was a registered securities principal for Joseph Charles & Associates. From 2000 to 2001, he served as a principal and the corporate secretary for Metropolitan Capital Partners. In 2002, he also served as a registered securities principal for West Park Capital. Mr. Sacks is not an officer or director of any other reporting company.

Chuck Timpe. Mr. Timpe has been a member of our Board of Directors since May 2009. Mr. Timpe is a seasoned director and financial executive and has served as a director and chairman of the audit committee since 1998 for IPC The Hospitalist Company (IPCM – NASDAQ) and as an advisor to CrowdGather since October 2008. From June 2003 to November 2008, Mr. Timpe served as the chief financial officer of Hythiam, Inc. (now Catasys Inc.; CATS—NASDAQ). Prior to joining Hythiam, Mr. Timpe was chief financial officer, from its inception in February 1998 to June 2003, of Protocare, Inc., a clinical research and pharmaceutical outsourcing company which merged with Radiant Research, Inc. in March 2003. Previously, he was a principal in two private healthcare management consulting firms he co-founded, chief financial officer of National Pain Institute, treasurer and corporate controller for American Medical International, Inc. (now Tenet Healthcare Corp.; THC—NYSE), and a member of Arthur Andersen, LLP's healthcare practice, specializing in public company and hospital system audits. Mr. Timpe is currently a business consultant. Mr. Timpe received his B.S. from University of Missouri, School of Business and Public Administration, and is a certified public accountant (inactive).

Hazim Ansari. Mr. Ansari has been a member of our Board of Directors since May 2014. Mr. Ansari is a specialist in the offshore intellectual property industry and a successful entrepreneur. For the past twelve years, Mr. Ansari has acted as CEO of NovelIP and has advised numerous emerging companies on their patent portfolios. He has negotiated licensing deals with over 50 universities and various U.S. government agencies, including the first ever privately held corporate consortium to conduct medical research using antimatter. In 2002, Hazim founded PatentMetrix, now named Novel IP, based in Delhi, India and was one of the first to use this high quality, cost-effective labor base to deliver patent services, such as mapping markets to help companies proactively manage patent infringement risk and building multi-institutional collaborations to further technology development.

Prior to founding PatentMetrix, Mr. Ansari was an executive at the Tomorrow Factory, a B2B software company, where he was appointed CEO by the Board of Directors, and successfully restructured the company for merger opportunities. Before joining Tomorrow Factory, Mr. Ansari was an intellectual property attorney in O'Melveny & Myers' Newport Beach office where he represented numerous high technology companies in the negotiation of intellectual property licensing and acquisition deals, filing and prosecution of patent portfolios, structuring of co-development and co-exploitation vehicles, and general management of intellectual property assets. Mr. Ansari began his intellectual property career as an associate at Christie, Parker & Hale. He graduated magna cum laude from Loyola Law School of Los Angeles and received his B.S. in Chemical Engineering from Stanford University.

Term of Office. All directors hold office until the completion of their term of office, which is not longer than one year, or until their successors have been elected. All officers are appointed annually by the Board of Directors and,

subject to employment agreements, serve at the discretion of the board. Currently, directors receive no cash compensation.

Family Relationships. There is no family relationship between any of our officers or directors.

Involvement in Legal Proceedings. There are no orders, judgments, or decrees of any governmental agency or administrator, or of any court of competent jurisdiction, revoking or suspending for cause any license, permit or other authority to engage in the securities business or in the sale of a particular security or temporarily or permanently restraining any of our officers or directors from engaging in or continuing any conduct, practice or employment in connection with the purchase or sale of securities, or convicting such person of any felony or misdemeanor involving a security, or any aspect of the securities business or of theft or of any felony. Nor are any of the officers or directors of any corporation or entity affiliated with us so enjoined.

Section 16(a) Beneficial Ownership Reporting Compliance .. We believe that our officers, directors, and principal shareholders have filed all reports required to be filed on, respectively, a Form 3 (Initial Statement of Beneficial Ownership of Securities), a Form 4 (Statement of Changes of Beneficial Ownership of Securities), or a Form 5 (Annual Statement of Beneficial Ownership of Securities).

Director Independence. We believe that Jonathan R. Dariyanani, James A. Sacks, Chuck Timpe and Hazim Ansari are independent members of our Board of Directors as that term is defined by defined in Rule 4200(a)(15) of the Nasdaq Marketplace Rules.

Board Committees. Our Board of Directors does not currently have a compensation committee or nominating and corporate governance committee because, due to the Board of Director's composition and our relatively limited operations, the Board of Directors is able to effectively manage the issues normally considered by such committees. Our Board of Directors may undertake a review of the need for these committees in the future. Security holders may send communications to our Board of Directors by writing to 20300 Ventura Blvd. Suite 330, Woodland Hills, CA 91364, attention Board of Directors.

Audit Committee and Financial Expert. On November 19, 2010, we adopted an Audit Committee Charter and appointed Chuck Timpe and James Sacks as members of the Audit Committee. Chuck Timpe is our Audit Committee chairman and financial expert.

Our Audit Committee is responsible for: (1) selection and oversight of our independent accountant; (2) establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls and auditing matters; (3) establishing procedures for the confidential, anonymous submission by our employees of concerns regarding accounting and auditing matters; (4) engaging outside advisors; and, (5) approving fees for the independent auditor and any outside advisors engaged by the audit committee. The Audit Committee Charter is filed as Exhibit 99.2 to our Report on Form 8-K filed on November 22, 2011.

Code of Ethics. On November 19, 2010, we adopted a Code of Conduct and Ethics (the "Ethics Code") that applies to our directors and employees, including our principal executive officer and principal financial and accounting officer, respectively. The Ethics Code is filed as Exhibit 14.1 to our Report on Form 8-K filed on November 22, 2010. A written copy of the Code is available on our website at www.crowdgather.com ..

Item 11. Executive Compensation.

Summary Compensation Table. The table set forth below summarizes the annual and long-term compensation for services in all capacities to us payable to our principal executive officers during the years ending April 30, 2015 and 2014.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year Ended April 30	Salary \$	Bonus \$	Stock Awards \$	Option Awards \$	Non-Equity Incentive Plan Compensation \$	Nonqualified Deferred Compensation Earnings \$	All Other Compensation \$	Total \$
Sanjay Sabnani CEO, President, Secretary	2015	240,000	0	0	0	0	0	0	240,000
	2014	240,000	0	25,000	22,000	0	0	0	287,000
Jonathan Weiss, CFO, Treasurer	2015	60,000	0	0	0	0	0	0	60,000
Jonathan Weiss, CFO, Treasurer	2014	142,615	0	32,000	12,800	0	0	0	187,415
Richard Corredera, COO	2015	200,000	0	0	0	0	0	0	200,000

Employment Contracts and Termination of Employment.

On March 17, 2014, we entered into an Executive Employment Agreement with Sanjay Sabnani (the “Employment Agreement”). Pursuant to the Employment Agreement, Mr. Sabnani will serve as President and Chief Executive Officer for an initial term of three years with an additional one year extension granted automatically unless a 60 day written notice to the contrary is provided by either Mr. Sabnani or the Company. Mr. Sabnani will be responsible for 1) the day-to-day operations of the Company and such other duties, consistent with the Chief Executive Officer position, as the board of directors may delegate to Mr. Sabnani from time to time. The Company will pay Mr. Sabnani an annual base salary of \$240,000 per year. The salary shall increase to \$325,000 per year if the Company closes and equity financing of more than \$4,000,000 within the initial 12 months of the Employment Agreement and to \$275,000 immediately following the occurrence of a “Change in Control” defined in Appendix I to the Employment Agreement. The Employment Agreement also provides additional benefits and compensation to Mr. Sabnani in the event of Mr. Sabnani’s employment by the Registrant is terminated. This brief description of the Employment Agreement is a summary of the material terms only and is qualified in its entirety by reference to the Employment Agreement attached as Exhibit 10.2 to the Company’s Quarterly Report on Form 10-Q filed with the SEC on March 17, 2014.

Outstanding Equity Awards at Fiscal Year-end. As of April 30, 2015, the following named executive officers had the following unexercised options, stock that has not vested, and equity incentive plan awards:

Name	Option Awards		Equity Incentive Plan Awards			Stock Awards		Equity Incentive Plan Awards	
	Number of Securities Underlying Unexercised Options # Exercisable	# Un-exercisable	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock Not Vested	Market Value of Shares or Units Not Vested	Number of Unearned Shares, Units or Other Rights Not Vested	Value of Unearned Shares, Units or Other Rights Not Vested
Sanjay Sabnani CEO, President, and Secretary	400,000	0	400,000	\$ 1.49	06/20/2018	0	0	0	0
Sanjay Sabnani CEO, President, and Secretary	50,000	150,000	200,000	\$ 1.16	03/21/2021	0	0	0	0
	500,000	0	500,000	\$ 0.044	05/31/2023	0	0	0	0

Edgar Filing: CrowdGather, Inc. - Form 10-K

Sanjay Sabnani CEO, President, and Secretary									
Sanjay Sabnani CEO, President, and Secretary	0	0	0	0	-	250,000	\$ 25,000	0	0
Jonathan Weiss CFO, Treasurer	400,000	0	400,000	\$ 0.14	09/24/2022	0	0	0	0
Jonathan Weiss CFO, Treasurer	150,000	0	150,000	\$ 0.12	12/27/2022	0	0	0	0
Jonathan Weiss CFO, Treasurer	320,000	0	320,000	\$ 0.04	05/31/2023	0	0	0	0
Jonathan Weiss CFO, Treasurer	0	0	0	0	-	320,000	\$ 32,000	0	0

All of the options specified above vest as follows: 1/8 of total vests after 180 days after grant; remaining to vest at the rate of 1/16 of the total every 90 days thereafter, over 4 years. The options granted expire 10 years after the date of grant.

The restricted common stock awards vest 25% per year for 4 years.

There were no exercises of stock options by our above named executive officers during the year ended April 30, 2015.

Director Compensation. Our directors received the following compensation for their service as directors during the fiscal year ended April 30, 2015:

DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash	Stock Awards \$	Option Awards \$	Non-Equity Incentive Plan Compensation \$	Non-Qualified Deferred Compensation Earnings \$	All Other Compensation \$	Total \$
Sanjay Sabnani, director	0	0	0	0	0	0	0
Jonathan Dariyanani director	0	0	0	0	0	0	0
James Sacks, director	0	0	0	0	0	0	0
Chuck Timpe, director	0	0	0	0	0	0	0
Hazim Ansari, director	0	0	0	0	0	0	0

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

The table below shows the number of our shares of common stock beneficially owned as of June 19, 2015 by:

- each person or group known by us to beneficially own more than 5% of our outstanding common stock;
- each director;
- each executive officer named in the Summary Compensation Table under the heading “Executive Compensation” above; and
- all of our current directors and executive officers as a group.

The number of shares beneficially owned by each 5% holder, director or executive officer is determined by the rules of the SEC, and the information does not necessarily indicate beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares over which the person or entity has sole or shared voting power or investment power and also any shares that the person or entity can acquire within 60 days of June 19, 2015 through the exercise of any stock option or other right. For purposes of computing the percentage of outstanding shares of common stock held by each person or entity, any shares that the person or entity has the right to acquire within 60 days after June 19, 2015 are deemed to be outstanding with respect to such person or entity but are not deemed to be outstanding for the purpose of computing the percentage of ownership of any other person or entity. Unless otherwise indicated, each person or entity has sole investment and voting power (or shares such power with his or her spouse) over the shares set forth in the following table. The inclusion in the table below of any shares deemed beneficially owned does not constitute an admission of beneficial ownership of those shares.

Edgar Filing: CrowdGather, Inc. - Form 10-K

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class (3)	
Common Stock	Sanjay Sabnani 20300 Ventura Blvd, Suite 330 Woodland Hills, CA 91364	18,887,493 shares (1) CEO, President, Secretary, Treasurer and director	16.1	%
Common Stock	Typhoon Capital Consultants, LLC (2) 19069 Braemore Road Northridge, California 91326	16,210,550 shares Beneficial Owner	13.8	%
Common Stock	Jonathan Weiss c/o 20300 Ventura Blvd., Suite 330 Woodland Hills, California 91364	1,190,000 shares (4) CFO	*	
Common Stock	Richard Corredera c/o 20300 Ventura Blvd., Suite 330 Woodland Hills, California 91364	2,360,830 shares COO	*	
Common Stock	Jonathan R. Dariyanani c/o 20300 Ventura Blvd., Suite 330 Woodland Hills, California 91364	620,000 shares (5) Director	*	
Common Stock	James A. Sacks c/o 20300 Ventura Blvd., Suite 330 Woodland Hills, California 91364	955,000 shares (6) Director	*	
Common Stock	Chuck Timpe c/o 20300 Ventura Blvd., Suite 330 Woodland Hills, California 91364	900,000 shares (7) Director	*	
Common Stock	Hazim Ansari c/o 20300 Ventura Blvd., Suite 330 Woodland Hills, California 91364	3,734,446 shares (8) Director	*	
Common Stock	Peter Lee Evelyn Tower, 14 th Floor, Flat E North Point, Hong Kong	5,314,405 shares (9) Beneficial Owner	4.4	%
Common Stock	Pabos LLC (10) 111 N Sepulveda Blvd Suite 336 Manhattan Beach, CA 90266	40,532,814 shares (10) Beneficial Owner	34.5	%
Common Stock	All directors and named executive officers as a group	22,581,938 shares	19.3	%

* Denotes less than 1%.

(1) Includes 16,210,550 shares, which are held by Typhoon Capital Consultants, LLC, of which Sanjay Sabnani is the beneficial owner, 391,945 shares, which are held by Sabnani IRA, of which Sanjay Sabnani is the beneficial owner, 1,100,000 shares of common stock underlying options granted to Mr. Sabnani, 250,000 restricted common shares awarded to Mr. Sabnani, 34,998 shares issued in relation to the Plaor merger and 900,000 shares held by Sabnani Children Income Trust, of which Sanjay Sabnani may be deemed to have beneficial ownership due to his spouse's role as sole trustee for this trust. Mr. Sabnani disclaims beneficial ownership of those 900,000 shares, except as to his pecuniary interest therein.

(2) Sanjay Sabnani holds voting and dispositive power over the shares of Typhoon Capital Consultants, LLC.

(3) Based on 117,283,509 common shares issued as of June 19, 2015.

(4) Includes 870,000 shares of common stock underlying options granted to Mr. Weiss and 320,000 shares of restricted common stock awarded to Mr. Weiss.

(5) Includes 500,000 shares of common stock underlying options granted to Mr. Dariyanani and 120,000 shares of restricted common stock awarded to Mr. Dariyanani.

(6) Includes 335,000 shares of common stock held of record by James A. Sacks, 500,000 shares of common stock underlying options granted to Mr. Sacks and 120,000 shares of restricted common stock awarded to Mr. Sacks.

(7) Includes 20,000 shares of common stock held of record by Chuck Timpe, 680,000 shares of common stock underlying options granted to Chuck Timpe and 200,000 shares of restricted common stock awarded to Mr. Timpe.

(8) Includes 3,554,446 shares, which are held by NKS Group, Inc. Hazim Ansari holds voting and dispositive power over the shares of NKS Group, Inc.

(9) Includes 1,003,000 shares of common stock held of record by Mr. Lee, 194,738 shares of common stock and 266,667 shares of common stock underlying warrants held of record by Mr. Lee's personal holding company and 3,850,000 shares of common stock underlying warrants held by Mr. Lee. Percent of class based on 121,133,509 common shares deemed outstanding.

(10) Includes 1,878,840 shares held by CLEO. Bosko Djordjevic and Paul Schwartz share voting and dispositive power over the shares held by Pabos LLC and CLEO.

Changes in Control. Our management is not aware of any arrangements which may result in "changes in control" as that term is defined by the provisions of Item 403(c) of Regulation S-K.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Related party transactions.

The Company entered into two Promissory Note agreements with our CEO, Sanjay Sabnani on April 13, 2015 and April 17, 2015. The face values of the notes respectively were \$50,000 and \$238,976 with a total aggregate amount of \$288,976. Each note carries an interest rate of 12% with the April 13, 2015 note due on April 13, 2016 and the April 17, 2015 note due on October 20, 2015. At this time the notes have accrued \$280 and \$1,023 of interest in addition to the principle. Proceeds from the notes have been used to extinguish a convertible note due to KBM in addition to working capital.

Director Independence. We believe that Jonathan R. Dariyanani, James A. Sacks, Chuck Timpe and Hazim Ansari are independent members of our Board of Directors using the definition of independence under the rules of the SEC.

Item 14. Principal Accountant Fees and Services.

Audit Fees. The aggregate fees billed in each of the fiscal years ended April 30, 2015 and 2014 for professional services rendered by the principal accountant for the audit of our annual financial statements and quarterly review of the financial statements included in our Form 10-K or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years were approximately \$66,500 and \$50,000, respectively.

Audit-Related Fees. For each of the fiscal years ended April 30, 2015 and 2014, there were no fees billed for services reasonably related to the performance of the audit or review of the financial statements outside of those fees disclosed above under “Audit Fees.”

Tax Fees. For each of the fiscal years ended April 30, 2015 and 2014, our accountants rendered services for tax compliance, tax advice, and tax planning work for which we paid \$1,250 and \$1,250, respectively.

All Other Fees. None.

Pre-Approval Policies and Procedures. Prior to engaging our accountants to perform a particular service, our Board of Directors obtains an estimate for the service to be performed. All of the services described above were approved by the Board of Directors in accordance with its procedures.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) Financial Statements.

Included in Item 8

(b) Exhibits required by Item 601.

Exhibit No.	Description
2.1	Agreement and Plan of Merger by and among WestCoast Golf Experiences, Inc., General Mayhem LLC and General Mayhem Acquisition Corp., dated April 2, 2008 (1)
2.2	Agreement of Merger and Plan of Merger and Reorganization dated April 8, 2008 by and between WestCoast Golf Experiences, Inc., a Nevada corporation and General Mayhem Acquisition Corp., a Nevada corporation (1)
3.1	Articles of Incorporation (2)
3.2	Amended and Restated Articles of Incorporation (3)
3.3	Bylaws of the Company (2)
3.4	Certificate of Designation of the Relative Rights and Preferences of the Series A Preferred Stock (4)
3.5	Certificate of Change in number of authorized shares as filed with the Secretary of State of Nevada on March 27, 2008 (1)
3.6	Articles of Merger as filed with the Secretary of State of the State of Nevada on April 8, 2008 (1)
3.7	Certificate of Designation of the Relative Rights and Preferences of the Series B Preferred Stock (13)

62

- 10.1 2008 Stock Option Plan (5)
- 10.2 Agreement and Plan of Merger with Adisn, Inc. (6)
- 10.3 Securities Escrow Agreement (6)
- 10.4 Asset Purchase Agreement and Plan of Reorganization with Team Awesome Productions, Inc. d/b/a Lefora dated July 23, 2010 (7)
- 10.5 Software License Agreement with Team Awesome Productions, Inc. d/b/a Lefora dated July 23, 2010 (7)
- 10.6 Securities Purchase Agreement dated February 28, 2011 (8)
- 10.7 Engagement Agreement dated February 22, 2011 (8)
- 10.8 Registration Rights Agreement dated February 28, 2011 (8)
- 10.9 Form of Warrant (8)
- 10.1 Stock Cancellation and Stipulation Agreement dated December 9, 2010 (9)
- 10.11 Website and Domain Name Purchase and Sale Agreement with PbNation, LLC (10)
- 10.12 Form of Securities Purchase Agreement (13)
- 10.13 Form of Common Stock Purchase Warrant (13)
- 10.14 Form of Amended and Restated Warrant (14)
- 10.15 Form of Common Stock Purchase Warrant (14)
- 10.16 Web Site Purchase Agreement with VerticalScope, Inc. dated March 16, 2014(15)
- 10.17 Executive Employment Agreement with Sanjay Sabnani dated March 17, 2014 (15)
- 10.18 Web Site Purchase Agreement with VerticalScope, Inc. dated April 27, 2014 (16)
- 10.19 Agreement and Plan of Merger with Plaor and Plaor Acquisition Corp.(17)
- 10.20 Form of Lock Up Agreement (18)
- 10.21 Domain Name Acquisition Agreement with Hollywood Casinos LLC (19)
- 10.22 Convertible Promissory Note and Securities Purchase Agreements with KBM Worldwide, Inc. dated October 20, 2014 (20)
- 10.23 Form of Note and Warrant Purchase Agreements dated November 20, 2014 and November 21, 2014 (21)
- 10.24 Form of Exchange Agreement dated December 1, 2014 (22)
- 10.25 Convertible Promissory Note and Securities Purchase Agreements with KBM Worldwide, Inc. dated January 23, 2015 (23)
- 10.26 Equity Purchase Agreement with Aladdin Trading, LLC dated January 30, 2015 (24)
- 10.27 Convertible Promissory Note and Note Purchase Agreements with Iconic Holdings, LLC dated February 13, 2015 (25)
- 10.28 Convertible Promissory Note, Warrant Purchase, and Securities Purchase Agreements with Typenex Co-Investing, LLC dated March 2, 2015 (26)
- 10.29 Convertible Promissory Note with JMJ Financial dated March 24, 2015 (27)
- 10.30 Note Purchase Agreement with CrowdGather, Inc CEO Sanjay Sabnani dated April 13, 2015 (28)
- 10.31 Note Purchase Agreement with CrowdGather, Inc CEO Sanjay Sabnani dated April 17, 2015 (29)
- 10.32 Convertible Promissory Note with Vinay Holdings dated May 4, 2015 (30)
- 10.33 Convertible Promissory Note with Vinay Holdings dated June 5, 2015 (31)
- 14 Code of Ethics (11)
- 21 Subsidiaries of the Registrant*
- 23.1 Consent of Q Accountancy Corporation *
- 31.1 Certification of Principal Executive Officer Required by Rule 13a-14(A) of the Securities Exchange Act of 1934, As Amended, As Adopted Pursuant To Section 302 of the Sarbanes-Oxley Act of 2002 *
- 31.2 Certification of Principal Financial Officer, Required By Rule 13a-14(A) of the Securities Exchange Act of 1934, As Amended, As Adopted Pursuant To Section 302 of the Sarbanes-Oxley Act of 2002 *
- 32.1 Certification of Principal Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 *
- 32.2

Edgar Filing: CrowdGather, Inc. - Form 10-K

Certification of Principal Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 *

99.1 Press Release Dated July 6, 2015*

(1) Included as exhibit to our Current Report on Form 8-K filed on April 8, 2008.

63

- (2) Included as exhibit to our Registration Statement on Form SB-2 filed on June 20, 2005.
- (3) Included as exhibit to our Current Report on Form 8-K filed on October 1, 2008.
- (4) Included as exhibit to our Current Report on Form 8-K filed on October 28, 2010.
- (5) Included as exhibit to our Current Report on Form 8-K filed on June 24, 2008.
- (6) Included as exhibit to our Current Report on Form 8-K filed June 10, 2010.
- (7) Included as exhibit to our Current Report on Form 8-K filed July 26, 2010.
- (8) Included as exhibit to our Current Report on Form 8-K filed on March 1, 2011.
- (9) Included as exhibit to our Registration Statement on Form S-1, Amendment No. 1 filed on May 5, 2011
- (10) Included as exhibit to our Current Report on Form 8-K filed May 25, 2011.
- (11) Included as exhibit to our Current Report on Form 8-K filed on November 22, 2010.
- (12) Included as exhibit to our Annual Report on Form 10-K filed July 7, 2010.
- (13) Included as exhibit to our Current Report on Form 8-K filed on April 9, 2013.
- (14) Included as exhibit to our Current Report on Form 8-K filed on July 18, 2013.
- (15) Included as exhibit to our Quarterly Report on Form 10-Q filed on March 17, 2014
- (16) Included as exhibit to our Current Report on Form 8-K filed on May 1, 2014
- (17) Included as exhibit to our Current Report on Form 8-K filed on May 5, 2014
- (18) Included as exhibit to our Current Report on Form 8-K filed on May 20, 2014
- (19) Included as exhibit to our Current Report on Form 8-K filed on August 1, 2014
- (20) Included as exhibit to our Current Report on Form 8-K filed on October 24, 2014
- (21) Included as exhibit to our Current Report on Form 8-K filed on November 26, 2014
- (22) Included as exhibit to our Current Report on Form 8-K filed on December 5, 2014
- (23) Included as exhibit to our Current Report on Form 8-K filed on January 23, 2015
- (24) Included as exhibit to our Current Report on Form 8-K filed on February 5, 2015
- (25) Included as exhibit to our Current Report on Form 8-K filed on February 20, 2015
- (26) Included as exhibit to our Current Report on Form 8-K filed on March 6, 2015
- (27) Included as exhibit to our Current Report on Form 8-K filed on March 27, 2015
- (28) Included as exhibit to our Current Report on Form 8-K filed on April 17, 2015
- (29) Included as exhibit to our Current Report on Form 8-K filed on April 22, 2015
- (30) Included as exhibit to our Current Report on Form 8-K filed on May 6, 2015
- (31) Included as exhibit to our Current Report on Form 8-K filed on June 9, 2015

* Filed Herewith

Hazim Ansari
Its: director

65