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

FORM 10-K

(mark one)

☒ Annual Report Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended September 30, 2015

or

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission file number 000-26285

MYnd Analytics, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**87-0419387**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

85 Enterprise, Suite 410
Aliso Viejo, California 92656
(Address of Principal Executive Offices)(Zip Code)

(949) 420-4400
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

None

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

Common Stock, $0.001 par value

(Title of Class)

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if 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 Act.)

Yes ☐ No ☒

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant on March 31, 2015, the last business day of the registrant's most recently completed second fiscal quarter was $7,652,700 (calculated based on the price at which the registrant's common stock was last sold on that date).

As of January 4, 2016, the registrant had 102,417,409 shares of Common Stock, $0.001 par value, issued and outstanding.

MYND ANALYTICS, INC.

2015 FORM 10-K ANNUAL REPORT

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PART I

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K for the fiscal year ended September 30, 2015, including the sections entitled "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business," contain "forward-looking statements" that include information relating to future events, future financial performance, strategies, expectations, competitive environment, regulation and availability of resources. These forward-looking statements include, without limitation, statements regarding: proposed new products or services; our statements concerning litigation or other matters; statements concerning projections, predictions, expectations, estimates or forecasts for our business, financial and operating results and future economic performance; statements of management's goals and objectives; trends affecting our financial condition, results of operations or future prospects; our financing plans or growth strategies; and other similar expressions concerning matters that are not historical facts. Words such as "may," "will," "should," "could," "would," "predicts," "potential," "continue," "expects," "anticipates," "future," "intends," "plans," "believes" and "estimates" and similar expressions, as well as statements in future tense, identify forward-looking statements.

Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by which, that performance or those results will be achieved. Forward-looking statements are based on information available at the time they are made and/or management's good faith belief as of that time with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause these differences include, but are not limited to:

- our need for immediate additional funding to support our operations and capital expenditures;
- our working capital deficit;
- our history of operating losses;
- our inability to gain widespread acceptance of our PEER Reports;
- our inability to recommence enrolling patients in the Walter Reed PEER Trial;
- our inability to prevail in convincing the United States Food and Drug Administration (the "FDA"), that our rEEG or PEER Online service does not constitute a medical device and should, therefore, not be subject to regulations;
- the possible imposition of fines or penalties by the FDA for alleged violations of its rules and regulations;
- our revenue and prospects for profitability may be harmed;
- our business may be subject to additional regulations in the future that could increase our compliance costs;
- our operating results may fluctuate significantly and our stock price could decline or fluctuate if our results do not meet the expectation of analysts or investors;
- our inability to achieve greater and broader market acceptance of our products and services in existing and new market segments;
- any negative or unfavorable media coverage;
- our inability to generate and commercialize additional products and services;
- our inability to comply with the substantial and evolving regulation by state and federal authorities, which could hinder, delay or prevent us from commercializing our products and services;
- our inability to successfully compete against existing and future competitors;
- delays or failure in clinical trials;
- any losses we may incur as a result of pending litigation;
- our inability to manage and maintain the growth of our business;
- our inability to protect our intellectual property rights;
- employee relations;
- possible security breaches;
- possible personal injury claims in the future; and
- our limited trading volume

Additional risks, uncertainties and other factors that may cause our actual results, performance or achievements to be different from those expressed or implied in our written or oral forward-looking statements may be found under "Risk Factors" contained in this Annual Report.

Forward-looking statements speak only as of the date they are made. You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, except to the extent required by applicable securities laws. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

ITEM 1. Business

With respect to this discussion, the terms "we," "us," "our," MYnd," and the "Company" refer to MYnd Analytics, Inc., a Delaware corporation and its wholly-owned subsidiary CNS Response, Inc., a California corporation ("CNS California").

Introduction

MYnd Analytics, Inc. is a cloud-based predictive analytics company that provides objective clinical decision support to mental healthcare providers for the treatment of behavioral disorders, including depression, anxiety, bipolar disorder and post-traumatic stress disorder ("PTSD"). The Company uses its proprietary neurometric platform, PEER Online, to generate Psychiatric Electroencephalogram, or EEG, Evaluation Registry ("PEER") Reports to predict the likelihood of response by an individual to certain medications for the treatment of behavioral disorders.

In April 2014, based on an interim analysis of less than 10% of the planned clinical trial enrollees, statistically significant results were achieved for ten of the twelve endpoints of the trial conducted at the Walter Reed National Military Medical Center ("Walter Reed") and Fort Belvoir Community Hospital ("Fort Belvoir") (collectively, the "Walter Reed PEER Trial"). However, in May 2014, following the interim analysis and submission of the initial results, the Walter Reed Institutional Review Board (the "Walter Reed IRB") suspended enrollment of new patients in order to conduct an internal review. We do not expect to recommence the Walter Reed PEER Trial. We are continuing our discussions with the US Military's Defense Health Agency (the "DHA"), which has expressed interest in conducting further PEER Trials at other Military Treatment Facilities ("MTFs") in the future.

At our annual meeting of shareholders held on October 28, 2015, our shareholders approved a proposal to change the Company's name to MYnd Analytics, Inc. from CNS Response, Inc. The new corporate name was selected to better reflect the Company's commitment to; (i) personalized medicine, *(MY)*; neuro data, *(nd)*, and (iii) predictive analytics *(Analytics)*.

The Challenge and the Opportunity

Psychotropic medications have become the dominant treatment for mild to severe behavioral disorders with greater than 400% growth in the prescription of antidepressant medications over the last two decades. However, recent research has emerged challenging the assumption of efficacy of psychotropic medications for the treatment of mild to severe behavioral disorders, finding that these medications often do not work or lose their efficacy over time. There are over 17 million Americans who are considered to be "treatment-resistant," having failed two or more courses of psychotropic medication treatment for their behavioral disorder. For these treatment-resistant patients, the conventional "trial and error" method of prescribing psychotropic medications has resulted in low efficacy, multiple side-effects and high relapse rates leading to treatment discontinuation, prolonged patient suffering and billions of dollars in additional healthcare costs to payers.

Currently, due to the lack of objective neurophysiological data available to physicians, there is no objective test to guide the prescribing of psychotropic medications. Physicians regularly make prescribing decisions based on incomplete symptomatic factors. Consequently, the underlying pathology and physiology of behavioral disorders are often not analyzed effectively by treating physicians and treatment for the patient is often ineffective, costly and may require multiple different courses of treatment before an effective medication is identified, if at all. To address this unmet medical need, we offer our PEER Online technology to analyze an individual's digital Quantitative EEG ("QEEG"). This analysis produces a PEER Report that predicts the likelihood of response, or non-response, to certain medication classes and individual medications. The reliability of QEEG data as a predictor of medication outcomes has been well established in over 100 published studies involving more than 6,000 patients. The PEER Report has been used as adjunctive information by physicians for over a decade on approximately 12,000 patients suffering from a variety of behavioral disorders including depression, anxiety disorders, obsessive-compulsive disorder ("OCD"), bipolar disorder, PTSD, addiction and eating disorders, including anorexia.

Our PEER Online technology correlates medication outcomes in our proprietary database with an individual's QEEG data to predict the efficacy of psychotropic medications by class and individual medication. Our founders developed this process in an effort to improve pharmacotherapy outcomes by replacing the low efficacy practice of a physician prescribing medications by "trial and error", with objective, individualized data, known as "personalized medicine," to better inform a physician's prescribing decisions. We believe our PEER Online technology is instrumental in providing personalized medicine to patients suffering from behavioral disorders, especially those who are "treatment resistant." Addressing the unmet clinical need for effective prescribing is crucial in overcoming the low efficacy, side-effects and high relapse rates of the current trial and error method of prescribing which we believe leads to treatment discontinuation, prolonged patient suffering and billions of dollars of additional healthcare costs to payers for patients with behavioral disorders.

Military Clinical Trials

The performance of pharmacotherapy in military mental healthcare has been, and continues to be, a focus of media coverage and legislative debate. The Walter Reed PEER Trial was designed to generate real-world, generalizable evidence with a significant statistical sample of almost 2,000 subjects. The protocol was designed as a randomized, double-blind, multi-site controlled clinical trial for military patients with a primary diagnosis of depression, and allowed for comorbid diagnoses such as PTSD, mTBI and other behavioral disorders. Walter Reed acted as the lead site and provided the Principal Investigator, with a secondary site at Fort Belvoir. Its primary prospective endpoint was a change from baseline using the Quick Inventory of Depression Symptomatology Self Report (QIDS-SR16) scale in comparing the experimental group with the control group. Additional endpoints included: a) suicidality measured via the Concise Health Risk Tracking scale (CHRT); b) post-traumatic stress via the PTSD Checklist (PCL-C); c) achievement of Maximum Medical Improvement (MMI) and psychiatric adverse events.

The protocol was designed to produce reportable results at several points during the study, with interim results to be assessed when the study reached 10%, 25%, and 50% of targeted enrollment. A post-hoc analysis was performed to evaluate the predictiveness of the database for the entire evaluable patient population, including the control subjects (i.e. did the physicians, in both the experimental and control groups, whose prescriptions matched medications rated highly in the PEER Reports do better than physicians whose prescriptions did not match up with the medications rated highly by the reports). A brief timeline follows:

- **Approvals**: Multiple approvals of protocol design, pre-specified endpoints and project staffing were obtained in 2012 and in early 2013. The U.S. Food and Drug Administration (“FDA”) Center for Devices and Radiological Health concluded the trial to be a Non-Significant Risk (“NSR”) trial that did not require an Investigational Device Exemption (IDE).

- **Recruiting:** Recruiting began at Walter Reed National Military Medical Center in March of 2013, during the first month of sequestration (budget reductions imposed by Congress), and subsequently at Ft. Belvoir Community Hospital in June 2013.

- **Data collection**: Data was collected by independent, third-party contractors from the Henry M. Jackson Foundation who entered the data into an FDA-compliant electronic data capture system. Importantly, no issues have been raised which could have vitiated the standard research protections, including patient randomization and double blinding, thereby preventing data bias; consequently there was no potential to impact the significant interim findings. Throughout the trial, there were no subject or provider complaints.

- **Interim analysis:** Per the protocol, an interim analysis was performed in early 2014, by our bio-statistician, yielding a statistically significant and material safety finding with respect to the current standard of care verses PEER. The interim analysis indicated that suicidality was significantly higher for physicians who did not use PEER, than for those who followed PEER recommendations. Similar findings were obtained for medication efficacy and treatment efficiency, all of which were consistent with previous PEER clinical trials. The Army Surgeon General shared early results with Congress, and a manuscript summarizing the interim findings was prepared, submitted for peer review to a neuropsychiatric journal, and was accepted for publication. Nevertheless, Walter Reed leadership has initiated no contact with the Company or the co-investigators from academia, who were study participants, to discuss these findings.

- **Recruiting hold:** The Walter Reed Institutional Review Board halted recruiting of subjects into our trial two days after the journal manuscript was submitted to them, whereupon they initiated their own internal investigation of the project. Walter Reed has subsequently refused to provide us with any details regarding their internal investigation. However, under the Freedom of Information Act (FOIA), we have obtained certain documentation pertaining to Walter Reed's internal investigation of the Walter Reed PEER Trials, which indicated that:

    - The PEER trial posed no quality or safety issues to subjects.
    - The Walter Reed and Fort Belvoir leadership recommended to the Acting Principal Investigator that the trial be continued at Walter Reed and Fort Belvoir with new personnel and minor protocol revisions and resubmission to the Walter Reed IRB.
    - The Walter Reed reviewer recommended to the Walter Reed leadership that all interim data and findings be eliminated due to "administrative issues". While Walter Reed has offered no explanation to the Company regarding this recommendation, materials we obtained through FOIA suggest that there was concern that the military — per the protocol — was required to pay approximately $40,000 for production of PEER Reports. The Walter Reed reviewer noted:

        "The financial gain to be made by CNSRI (CNS Response, now MYnd Analytics) should their device be proved to be accurate and beneficial is most likely in the billions of dollars. CNSRI should be bearing every aspect of financial risk related to this trial."

  Further, based on the information returned to us under the FOIA, Walter Reed's internal investigation determined that Walter Reed's purchase order and payment for PEER Reports had been designated for commercial items, under which research and publication of results is prohibited. We believe that the Walter Reed purchase order should have been designated for clinical research. This critical distinction was never communicated with the Company, but was obtained in response to our FOIA requests, and is not supported by the contract documentation we had provided the military and by Walter Reed's internal communications. We have offered to correct the record, but have received no response from Walter Reed. Further, while the Company, as the Trial Sponsor, is required to maintain all clinical trial records, those records remain in the possession of Walter Reed, which has refused to return these records (patient reported outcomes) to us.

- **Continuation of protocol under Defense Health Agency:** Following the Walter Reed review, senior leadership of the Defense Health Agency remarked in a meeting with the Company that PEER represents important technology with scientific merit and further recommended that our research should continue. The Company has agreed that, regardless of the issues with Walter Reed, to rapidly commence new trials at other locations, using substantially the same protocol as employed in the Walter Reed Trial. Furthermore leadership at the Defense Health Agency pledged in a meeting with the Company in March 2015 to work toward continuing the Walter Reed protocol at other locations, subject to finding an acceptable senior principal investigator within the military to lead the project. As of the date of this filing, no senior principal investigator has yet been identified by the military.

- **Next steps:** The Company is proceeding with rapid replication trials outside the U.S. military, commencing with the SoCal PEER Trial and the Canadian Armed Forces/NATO Trial, and once approved by the Defense Health Agency, we will proceed on a "pay as you go" basis. We anticipate these trials will have the effect of providing additional evidence regarding the effectiveness of our PEER technology to the military, while mitigating further administrative delays.

We believe that the Walter Reed PEER Trial protocol generated good evaluable data and was well vetted - with multiple reviews and inputs by the FDA, the Internal Review Boards ("IRB") of Walter Reed and Fort Belvoir and other subject matter experts. This protocol is therefore the foundation of the protocols designed for the SoCal PEER Trial and the Canadian Armed Forces/NATO Trial.

Our Strategy

For 2016, the Company is focused on a commercial rollout of its PEER Online technology in Southern California using a targeted social media advertising campaign and providing in-house EEG services. Successful proof of this marketing and service concept will result in the expansion of PEER Online services to other metropolitan areas.

The key elements of our strategy are to:

- *Engage consumers and their physicians.* Consumers are transforming healthcare markets through their demand for better outcomes and greater involvement in the process of treatment selection. The emerging strategy in the pharmaceutical industry has shifted to consumer outreach through advertising, social media, and events because consumers drive the sale for new interventions and information tools. Activated consumers bring this information to physicians who are often “sold” by their customer. MYND anticipates that it will engage consumers through:

    - Sustained social media marketing, which we initially intend to focus on our base of providers in Southern California, and thereafter intend to expand to other metropolitan areas.
    - EEG support through both mobile EEG subcontractors and a physical EEG testing location where patients can easily obtain an EEG for the generation of a PEER Report. We believe that by making the process of getting a PEER Report more convenient, more patients will get a PEER Report.
    - Targeted public relations and media placements based on news events like the SoCal PEER Trial, which complement and amplify the social media messaging.
    - Expanded use of intelligent marketing automation to find and convert sales, as well as optimize and speed consumer adoption.

- *Build evidence for expanded applications of PEER.* Virtually all clinical trials of PEER and related technologies have focused on improvement in medication efficacy for physicians utilizing PEER Reports. However, based on findings from more recent trials, we anticipate that we will add additional endpoints or subgroups to future trials which, if successful, could lead to expanded applications for PEER including:

    - The reduction of risk as a result of reduced trial and error pharmacotherapy, some studies have indicated corresponding reductions in severe adverse events including suicidality;
    - Treatment-naive patients will be included in the prospective clinical trial, which could demonstrate the utility of PEER Reports to support first-line treatments in primary care settings; and
    - PTSD and mTBI are both included as comorbid diagnoses in the trials, which could demonstrate potential clinical utility for PEER Reports in an area with few approved treatments and significant trial and error pharmacotherapy.
    - Adding genetic data to the prospective clinical trials, could demonstrate that the combination of a PEER Report and a genetic test could be more predictive and result in improved outcomes for patients

- *Expand payer reimbursement.* Given their large enrollment and randomized, controlled designs, clear outcomes from the SoCal PEER Trial and Canadian Forces/NATO trials are expected to fulfill evidence requirements for PEER for virtually all healthcare payers. We have already received approval as an Emerging Technology from United Healthcare, which stipulated that one more successful, significant controlled study could result in full reimbursement approval. We anticipate that a successful clinical finding in either of our current trials will drive broad adoption by standard payers. Additionally, EEG and QEEG services representing up to half of the cost of PEER are now routinely reimbursed by certain payers, lowering the out of pocket cost of PEER and supporting our consumer and physician marketing initiative.

- *Facilitate military adoption.* Over one million soldiers and family members are estimated to need care in the military for depression, PTSD, and mTBI following the conflicts in Iraq and Afghanistan. Simultaneous with the commercial rollout of PEER Online, we will be conducting a clinical trial, the "SoCal Trial", using substantially the same protocol as the Walter Reed PEER Trial. The goal of the SoCal Trial is to replicate the results achieved in prior PEER trials, as well as the unpublished interim results of the Walter Reed PEER Trial. Additionally, we anticipate the commencement of a clinical trial with the Canadian Forces, with subsequent expansion to other NATO participants (the "NATO Trial") using substantially the same protocol, which is currently under review by the IRB for the Canadian forces. All these clinical trials use the PEER Interactive platform to provide PEER Reports to psychiatrists treating patients primarily for depression with various comorbidities.

- *Expand MYnd's voice in legislative demands for military health reform and evidence-based treatments for active duty military and veterans.* Preventable medical error in military hospitals, waiting lists for treatment in the Veterans Affairs Hospitals or other treatment facilities, and other challenges to military mental healthcare have become major issues in the news during the past year, leading to unprecedented demands from Congress for transparency and accountability on these issues.

  - Evidence-based treatment: MYnd has had an active voice in driving adoption of evidence-based treatments that can have a measurable impact on soldiers, veterans and their families today.
  - Veteran Support Groups: Through active involvement with the top five veteran service organizations, US House testimony, US Senate NDAA language, AdvaMed Capitol Hill presentation and issue advocacy, MYnd will seek to harness this bipartisan support to drive more rapid recognition of PEER technology:
  - Advocacy groups: We will seek to expand the role of third party recommendations through inclusion of the MYnd message in communications by veteran service organizations to their members.
  - Congressional Support: We intend to solicit congressional support for bills introduced in the House of Representatives and Senate which call for evidence based medicine.
  - Key Opinion Leaders: We expect to continue working with key opinion leaders whose objective align with better mental health care and cost savings.

PEER Technology

Our technology offers an improvement over traditional methods for evaluating pharmacotherapy options in patients suffering from non-psychotic behavioral disorders, because it correlates the success of courses of medication with the neurophysiological characteristics of a particular patient. PEER provides medical professionals with medication sensitivity data for a subject patient based upon the identification and correlation of treatment outcome information from other patients with similar neurophysiologic characteristics. This treatment outcome information is contained in what we believe to be the largest outcomes database for mental health care pharmacotherapy; there are now over 38,000 outcomes within the database from over 10,000 unique patients with behavioral disorders. We refer to this database as the PEER Online database (formerly known as the "CNS Database"). For each patient in the PEER Online database, we have compiled neurophysiology data from EEG scans, symptoms and outcomes often across multiple treatments from multiple psychiatrists and other physicians. This patented technology, called PEER Online ^{TM} (based on a technology known as "Referenced-EEG®" or "rEEG®"), represents an innovative approach to prescribing effective medications for patients suffering from debilitating behavioral disorders.

PEER Reports

We provide concise reports ("PEER Reports") for qualified medical professionals which summarize the historical treatment efficacy of specific medications for patients with similar EEG brain patterns.

PEER Reports do not diagnose or direct a specific treatment for a mental health condition, but like all lab results, provide objective, evidence-based statistical information to help the prescriber in their selection of an appropriate medication for a patient. With PEER Reports, physicians order a digital EEG for a patient, which is then referenced to the PEER Online database. By considering this reference correlation, an attending physician can better establish a treatment strategy with the knowledge of how other patients with similar brain function have previously responded to a myriad of treatment alternatives. Analysis of this complete data set yielded a platform of neurometric variables that have shown utility in characterizing patient response to diverse medications. This platform then allows a new patient to be characterized based on these neurometric variables and the database to be queried to understand the statistical response of patients with similar brain patterns to the medications currently in the database.

The development of pathophysiological markers as the new method for identifying the correct patient population to research is being encouraged by the National Institute of Mental Health ("NIMH") and the FDA.

The PEER Online Process

In 2011, the Company introduced a fundamentally new approach to its product, publishing its physician outcome registry to the web and providing online access to methodology, raw data, and individual medication analyses – PEER Reports — for researchers and clinicians who use EEG in their practice. PEER Reports are offered as a neurometric service, in which QEEG readings are referenced to the Company's outcome registry database to identify patient-specific probabilities of response, and non-response, to different medications. EEG recording devices are widely available, inexpensive to lease and are available in most metropolitan areas via institutional and independent mobile EEG providers.

A second generation of PEER Online was released in June 2014, and rolled out to practitioners. This version of PEER Online has a superior user interface which increases the ease of use by a practitioner. It also enables the practitioner to track and upload a patient's outcomes to the Company. The service works as follows:

- patients are directed to a local PEER network provider, who performs a standard digital EEG;
- the EEG data file is uploaded via a secure web portal to our central analytic database;
- we analyze the data against the PEER Online database for patients with similar brain patterns, based on roughly 5.000 variables produced by FDA approved QEEG software;
- we provide a descriptive, statistical analysis describing the success of patients with similar neurophysiology on different pharmacotherapies (much like an antibiotic sensitivity report commonly used in medicine); and
- the analysis is sent back to the attending physician via a secure web portal, usually by the next business day.

Currently we do not operate our own healthcare facilities, employ our own treating physician or provide medical advice or treatment for patients; however, to enhance a patient's convenience, we plan to provide contracted and on-site EEG services in the future. Physicians who contract for our PEER Reports own their own facilities or professional licenses and control and are responsible for the clinical activities provided on their premises. Patients receive medical care in accordance with orders from their attending physicians or providers. Physicians who contract for PEER Reports are responsible for exercising their independent medical judgment in determining the specific application of the information contained in the PEER Reports and the appropriate course of care for each patient. Following the prescription of any medication, physicians are presumed to administer and provide continuing care treatment to the patient.

Referenced-EEG (rEEG®), the Company's original product, was developed by a pathologist and a psychiatrist who recognized that correlation of a patient's unique brain patterns to known long-term medication outcomes of similar patients might significantly improve therapeutic performance.

PEER Interactive

Commencing in May 2013, the Company began clinical trials of PEER Interactive, a significantly updated and automated version of PEER Online.

- PEER Interactive represents a significant expansion of the current database, based on receipt of hundreds of new patient outcomes from network physicians.
- The Company has also upgraded its normative QEEG database to improve the robustness and utility of its findings by converting to the Neuroguide database platform generated by Applied Neurosciences Inc. In addition to an improved normative dataset and additional variables for characterizing neurophysiology (10 times more than our original database), this platform offers the opportunity for improved pattern recognition and display of three-dimensional findings from QEEG through LORETA, a modeling capability which analyzes deeper structures within the brain.
- Finally, clinical utility and user interface have been improved in the PEER Interactive release. Physicians are able to access the PEER database utilizing tablet computers (such as the Apple iPad) and are receiving same-day turnaround of PEER Reports.

PEER Evidence

The correlation of QEEG variables with individual medication outcomes has been researched substantially over the past two decades, as documented in over 100 studies involving over 6,000 subjects. The vast majority of this growing evidence base is the result of independent university and commercial research. Because PEER machine-learning algorithms aggregate important QEEG features from all sources, the Company believes that its research has contributed significantly to this growing evidence base.

The PEER Meta Data Analysis: The Company presented its research at the Military Health Services Research Symposium in August 2015, summarizing the full scope of clinical research on PEER and similar technologies.

- PEER addresses a longstanding problem: Psychiatry has long searched for a biomarker technology to objectively guide medication choice.

- "*The problem is that it's trial and error for any one person. Even the most skilled psychiatrists tend to choose medications or therapy based on population-wide statistics, not individual profiles*." Helen Mayberg, professor of psychiatry, neurology, and radiology at Emory University

- Evidence for current treatments has been overstated, as noted by Erick Turner in Selective Publication of Antidepressant Trials and its Influence on Apparent Efficacy, New England Journal of Medicine, 2008.

  - "*Among 74 FDA-registered studies, 31%, accounting for 3,449 study participants, were not published. Whether and how the studies were published were associated with the study outcome… According to the published literature, it appeared that 94% of the trials conducted were positive. By contrast, the FDA analysis showed that 51% were positive."*

- The military has stated that clinical results in this drug class are inadequate

  - "*Despite the magnitude of the problem, treatment of mental illness at best and unsatisfactory at worst. Current psycho-pharmacotherapy practices are clinician-dependent, inductive and assume that certain behavioral symptoms respond to a specific medication class. This selection process is highly subjective. Further, there has been no objective method to select which of the numerous psychoactive medications will be effective in a particular patient. A large pharmacoeconomic benefit could be seen if medications for patients could be based on an objective tool to inform the choice of medication by responsiveness or decreased adverse events.*" *Per a senior military researcher.*

  - Ineffective treatments crowd out "good": 45% of soldiers dropout of treatment after 1 visit.

  - Budget impact: Patients who fail to respond to their first two medications have overall healthcare costs that are four times higher. Surprisingly, most of that increase is attributable to direct medical costs and lost productivity, not the costs of mental healthcare.

- PEER Evidence reviews and technology assessments

- A 2008 systematic review by the Center for Health Economics, Epidemiology and Science Policy, United Biosource concluded:

  > In conclusion, the evidence supporting PEER appears superior to that supporting APA or TMAP treatment guidelines for Treatment Resistant Depression (TRD) and certainly the results of the STAR*D Level 3 and Level 4 studies that are commonly used by payers.

- A 2011 Technology Assessment by United Healthcare suggested that one more randomized study of sufficient quality and effect size would put PEER technology in the "proven" range:

  > The Scientific Merit Rating Scale average for all studies was below 4, however the strongest studies averaged a SMRS score of 4.05, which is in the proven range. However, the quantity of peer-reviewed studies focused on the treatment resistant depression population (2 studies as opposed to the required 3 studies) falls in the unproven category. The committee felt that given the SMRS scores and other factors, this technology does demonstrate a higher level of evidence, and therefore is considered an emerging technology.

· PEER randomized controlled trials

There have been three previous randomized controlled trials of PEER and its predecessor product, rEEG:

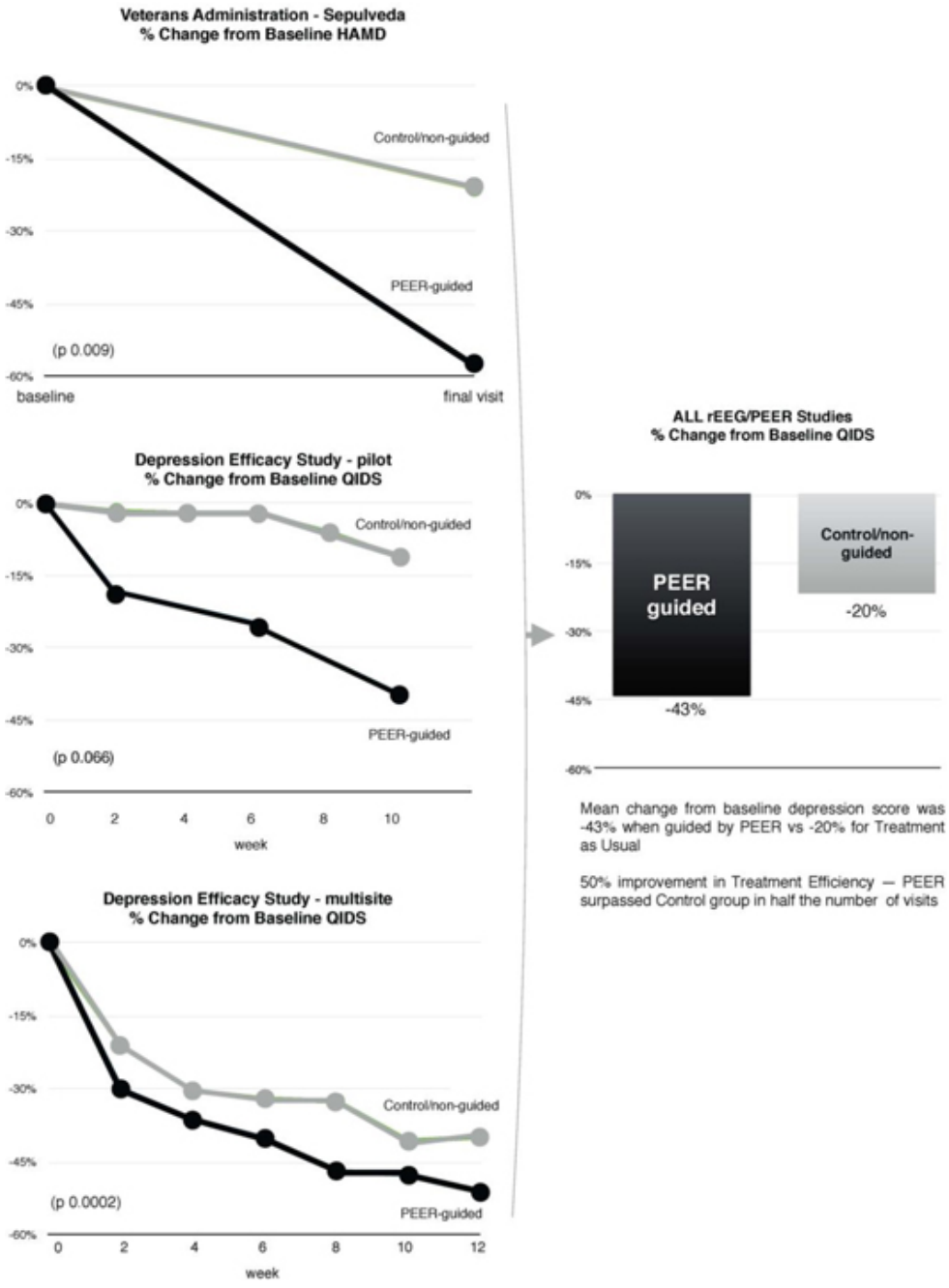
- Veterans Administration - Sepulveda (J Am Physicians & Surgeons, 2007)

- Depression Efficacy Pilot Study (NCDEU 2009)

- Depression Efficacy Study - Harvard/Stanford multi-site (J Psych Res, 2011)

In this pooled analysis (n = 145) subjects, PEER guidance was compared to Treatment As Usual (TAU) in the treatment of patients with Treatment-Resistant Depression (TRD).

The mean change from baseline was a 43% improvement when treatment guided by PEER was used, compared to a 20% improvement for patients receiving Treatment as Usual. Moreover, PEER surpassed results of the Control Group in half the number of visits, suggesting that reduced trial and error can yield a 50% improvement in treatment efficiency, as shown in the charts below.



· Independent clinical trials

- In addition to the above, an additional eight (8) randomized controlled trials with over 1,900 subjects have been performed by other researchers, demonstrating utility for EEG biomarkers in response to traditional antidepressants, experimental compounds (Ketamine), and non-pharmacologic treatments like Transcranial Magnetic Stimulation (cf. www.peerdossier.com).

- Independent replication of methodology: a group of scientists at McMaster University recently replicated our PEER technology's machine-learning approach, using different classifiers and statistical techniques but achieving a remarkably similar result, with 87% predictive accuracy.

- Observational studies

  - Twenty (20) observational cohort studies with over 1,400 subjects have been conducted on rEEG/PEER and similar technologies, with consistently positive findings.

  - One particular area of interest in these studies is Suicidality, since all antidepressant medications carry FDA "black box" warnings for Suicidality. In the largest recent study of antidepressant response, the STAR*D trial found that 8.2% of patients experienced emergence or worsening of suicidality on their second antidepressant. Specific baseline QEEG features have been correlated with treatment emergent suicidal ideation in Depression (Iosifescu 2008), with statistically significant results (P=.011) even after controlling for gender, baseline suicidality, and antidepressant drug choice.

  - A 2012 open label study of 435 health plan participants identified statistically significant improvements in Suicidality (85%, P=0.001), medication efficacy (Clinical Global Improvement P=0.001), reduced medication use (P=0.001), and more rapid improvement for PEER subjects than for patients whose treatment did not adhere to the PEER Report.

  - In a pooled analysis of Adverse Event data from this 2012 review and the Depression Efficacy Study, ***severe adverse events were more than twice as likely in patients receiving treatment not recommended by rEEG/PEER.***

- Predictive accuracy of PEER vs common diagnostic tools.

  - Overall predictive accuracy for PEER is 86%, which compares favorably to commonly used and reimbursed tests such as Mammogram (61%), EKG for heart attack (63%), or UTI assays (61%).

  - 10-fold cross validation is performed to test how well the models for each classifier generalize to an independent data set.

  - PEER Interactive is a new kind of learning registry that uses machine learning to improve the accuracy and robustness of its predictions. There are currently over 10,000 unique patients in the PEER Database.

- Comparative evidence: given the declining level of evidence for current treatments (51% positive studies) delivered under trial and error administration, and the increasing predictive accuracy of PEER (86%), the Company believes that the weight of evidence is shifting toward use of objective tools like PEER.

Walter Reed PEER Trial: In April 2013, the Company commenced a clinical trial at Walter Reed and Fort Belvoir Community Hospital, focused on subjects with a primary diagnosis of depression with various comorbidities, including PTSD and mTBI. In April 2014, based on an interim analysis of less than 10% of the planned clinical trial enrollees, statistically significant results were achieved for ten of the twelve endpoints of the Walter Reed PEER Trial.

At the request of Congress, the Company and the Army Surgeon General have provided information regarding evidence for PEER, and specific performance of the Walter Reed PEER Trial. On July 10, 2014, the Company provided testimony to the House Veterans Affairs Committee on the subject of Suicide Prevention, and the potential contribution of technologies such as PEER Interactive. This testimony included the following:

· Treatment efficiency: previous studies have demonstrated a potential for a 40% improvement in treatment efficiency through the reduction of trial & error. Improved treatment efficiency has the potential of opening up more treatment slots, which is a critical need for VA facilities contending with long waiting lists.
· PEER can complement current VA suicide prevention programs: a prior published study demonstrated an 87% reduction in suicidal ideation for patients treated according to PEER recommendations (DeBattista, 2012). The use of QEEG features to predict suicidal ideation has been independently demonstrated in other studies (Iosifescu, 2008; Hunter, 2010), and has been included as a secondary endpoint in the Walter Reed PEER Trial.

- Outcome Metrics: the Institute of Medicine released a four-year study on PTSD research and treatment in June, 2014, finding that no consistent outcome metrics were collected within the VA or DoD healthcare systems, thereby rendering a $9.3 billion investment in PTSD research unmeasurable. By contrast, physicians using PEER capture and record medication outcomes with every patient visit under the current protocol.

On November 19, 2014, MYnd Analytics, Inc. again provided a submission for the record to the House Committee on Veterans' Affairs, Subcommittee on Health, for a legislative hearing in consideration of H.R. 5059, the Clay Hunt Suicide Prevention for American Veterans Act. The submission for the record included the interim results based on the first 10% of trial enrollment of the Walter Reed PEER Trial. When physicians used predictive analytics in the form of PEER information to establish a treatment strategy they demonstrated the following statistically significant results:

- 75% greater improvement in Suicidality scores
- 144% greater improvement in Depression scores
- 139% greater improvement in Post-Traumatic Stress Disorder (PTSD) scores
- 43% more patients remained in treatment, with more than 50% improvement in treatment efficiency

***Depression Efficacy Study*:** Over the last few years, we have been primarily focused on demonstrating the efficacy of PEER Report-informed treatments through multiple clinical trials. The largest of these — the Depression Efficacy Trial — was a multi-center, randomized, parallel controlled trial completed in 2009 at 12 academic and commercial sites, including Harvard University, Stanford University, Cornell University, University of California Irvine, Rush University and other sites. The study began in late 2007 and was completed in September 2009. The study screened 465 potential subjects with Treatment-Resistant Depression and ultimately randomized 114 participants to a 12-week course of treatment utilizing PEER Reports in the experimental group and a modified STAR*D algorithm in the control group (STAR*D, or Sequenced Treatment Alternatives to Relieve Depression, was a large, seven-year study sponsored by the National Institute of Mental Health that was completed in 2006). Primary clinical outcome measures included the Quick Inventory of Depression Symptomology (QIDS-SR16) and the Quality of Life Enjoyment and Satisfaction Questionnaire (Q-LES-Q-SF). Top-line results were consistent with previous trials of PEER Reports:

- The study found that physicians using PEER Reports significantly outperformed the modified STAR*D treatment algorithm beginning at week 2. The difference, or separation, between PEER Reports and the STAR*D control group was 50 and 100 percent for the study's two primary endpoints. By contrast, separation between a new treatment and a control group often averages less than 10 percent in antidepressant studies. Separation was achieved early (in week 2) and was durable, continuing to grow through week 12.

- Statistical significance ($p < .05$) was achieved on all primary and most secondary endpoints.

Commercial Payer Analysis: During 2011, a retrospective analysis was conducted of physician reports and health records of patients who were members of several of the Nation's largest managed care networks. The results were published in Neuropsychiatric Disease and Treatment - the journal of the International Neuropsychiatric Association (INA). The paper, "Measuring Severe Adverse Events and Medication Selection Using A 'PEER Report' for Non-Psychotic Patients: A Retrospective Chart Review," was authored by Daniel Hoffman M.D., of the Neuro-Therapy Clinic, Charles DeBattista M.D., of the Stanford University School of Medicine, Rob Valuck, Ph.D., from the University of Colorado Health Sciences Center and Dan Iosifescu, M.D., of the Mood and Anxiety Disorders Program, Mount Sinai School of Medicine and Harvard University Faculty. The analysis of 257 evaluable patient records for the period starting in 2003 through mid-2011 represents cases in which the prescribers utilized PEER Reports for these patients. The analysis found that prescribers using the PEER Reports reported reduced trial-and-error pharmacotherapy through the following findings:

- 27 patients (11%) actually required no medications at all after the PEER Report.

- Of the remaining patients who required medications:

  - 87% of the patients achieved “much improved” or “very much improved” on the Clinical Global Improvement standardized outcomes measurement and 71% showed significant improvement using the Quality of Life Enjoyment and Satisfaction Questionnaire.
  - 69% of the patients achieved Maximum Medical Improvement (MMI) in an average of four visits.
  - Out of 68 (26%) patients who had reported suicidality preceding their PEER Report, nine (4%) reported suicidality during the average two year follow-up period.
  - Out of 33 patients who had experienced a severe adverse event on their previous medications, 18 (55%) had PEER Reports which indicated poor outcomes for those medications in patients with similar EEG findings, suggesting caution in using those drugs.

Medco Analysis: In 2011, the Company signed an agreement with Medco Health Services Inc. to analyze historical PEER Report outcome results in terms of Medco drug and healthcare claims datasets. Approximately 2,200 matching records were analyzed, yielding about 211 patients for whom 365 days of continuous claim data were available before and after the test. Based on these data, the Company’s consultants assessed the performance of physicians before and after testing. Findings include:

- significant changes in physician prescribing behavior: approximately 92% of physicians receiving PEER Reports changed pharmacotherapy strategies post-test, with over half changing every single medication; and
- increased proportion of generic prescribing: (generic utilization increased 32% after receipt of PEER Reports).

Medco Research performed an analysis of the tested group against a control cohort of patients in its database matched by age, sex, disease-chronicity and prescription profile.

- The primary endpoint of the analysis was to measure impact on healthcare utilization, with a 25% reduction in health care costs experienced for those in the PEER group compared to those in the control cohort. However, because the claim sample size was small (only 29 health care records), the reduction did not reach statistical significance.
- Drug mix: a significantly higher proportion of older medications were utilized by physicians in the tested group, with generally fewer SSRIs (Selective Serotonin Reuptake Inhibitors) and Atypical Antipsychotics, and categorical increases in MAOI (Monoamine Oxidase Inhibitors) and Tricyclic class antidepressants, and certain stimulants.

Eating Disorders Study: In November 2011, we published in Neuropsychiatric Disease and Treatment - the journal of the INA, a paper entitled “Retrospective Chart Review of a Referenced EEG Database in Assisting Medication Selection for Treatment of Depression in Patients with Eating Disorders.” The physicians reviewed two-year pre-treatment data and between two- to five-year follow-up data, and found that study patients experienced significantly decreased depressive symptoms and overall 53 percent fewer hospitalization days, which significantly reduced overall healthcare costs.

Polypharmacy Paper: We published an additional paper in Neuropsychiatric Disease and Treatment - the journal of the INA, entitled “Polypharmacy or Medication Washout: An Old Tool Revisited”. The paper includes a comparison of the advantages and risks from using medication washout compared to polypharmacy with treatment-resistant patients. Polypharmacy is a common medical practice in which physicians prescribe additional psychiatric medications on top of previous medications already being used for a patient. This can result in patients being on too many drugs with the potential for harmful side effects. When done appropriately, washing medications out of select patients can be valuable in supporting better patient diagnosis and assessing medication needs, and can reduce the risks resulting from unknown drug interactions. While some patients will still need more than one medication as part of their treatment regimen, the ultimate goal is to determine which medications are necessary and effective for an individual patient. The paper highlights previous study findings and current data related to medication washout and polypharmacy.

The Market for PEER Reports

PEER is composed of two components: (1) an EEG and (2) a conversion to a Quantitative EEG ("QEEG") analysis and the generation of a PEER Report. Payers now routinely reimburse EEG recording and the QEEG under current procedure codes, which are approximately $400 or half of the total retail cost of a PEER Report. This reimbursement is primarily a result of, among other things, Mental Health Parity legislation (MHPEA) passed in 2008. The regulations reinforce the principle under MHPEA that health plans cannot refuse to pay for specific mental health treatments and services, or restrict access to such services through copays or selective provider networks, in any way that is different from the services they routinely pay for under a medical plan. Final regulations and enforcement rules for Mental Health Parity became fully effective in July 2014.

For the PEER Report (also $400), we believe there are strong prospects for further payer reimbursement due to the fact that patients who have failed traditional pharmacotherapy are significant cost drivers for health plans, adding approximately $8,500 in medical costs per patient per year. Since passage of the Affordable Care Act, payers have shown greater interest in reimbursing selected procedures which can reduce preventable medical error and reduce their underwriting losses. Accordingly, there have been several promising developments in payer reimbursement for PEER technology:

- United Healthcare approval as an Emerging Technology - based on PEER evidence in 2011. With two subsequent studies (the Commercial Payer Analysis published in 2012 and the ongoing Walter Reed PEER Trial), the Company believes that there may be sufficient evidence to justify full reimbursement by United Healthcare and similar commercial payers.
- Similarly, genomic tests used for personalizing psychotropic therapies are now routinely reimbursed for up to half of billed charges.
- Health plans that initially deny coverage for the PEER Report will be required to provide the evidence and criteria for any denials, and affirmatively demonstrate that these criteria are consistent with those used for medical-surgical procedures.
- During the last six months we have increased our billing of commercial payers and we have seen an increase in payer reimbursement of EEG and QEEG services.

It is the Company's intention to submit both clinical and pharmacoeconomic results from the SoCal and NATO Trials to the Centers for Medicare and Medicaid Services, as well as commercial payers, to seek full reimbursement for PEER Reports.

The National Institute of Mental Health (NIMH) estimates that only 12.7% of patients receive minimally effective treatment, with over 17 million Americans now classified as "treatment-resistant", meaning that they have failed to find relief after trying two or more medications. Assuming a $600 average selling price (ASP) and an addressable market of 25% of treatment-resistant patients, we estimate a U.S. commercial market size of approximately $2.7 billion annually.

We see four distinct but complementary market segments in the United States for PEER Reports.

Consumer: The end client for all pharmacotherapies is the consumer, which is why pharmaceutical firms have spent approximately $5.5 billion annually to reach consumers through direct-to-consumer ("DTC") advertising. Since 2013, the Company had several brief opportunities of retelling its story to general media, including appearances on Fox News, Bloomberg TV, BNN, CTV, CBS's the "Doctors" show and Varney & Company. Articles were also published in the Wall Street Journal, Military Times, Washington Post, Stars & Stripes, and the Associated Press. The Company also developed a significant social media presence through Twitter and Facebook. Overall, these media appearances and social media initiatives generated significant incremental traffic to the Company's website and referrals to the PEER Network. During the last year we have engaged in two targeted advertising campaign using Facebook. Based upon our analysis of our first social media campaign, we made adjustments to our second social media campaign, which was even more successful and is expected to result in additional business opportunities if we are able to sustain the campaign for an extended period.

We plan to stimulate media coverage of our clinical trial results and other physician success stories, which we believe will benefit the Company by highlighting our trials and get exposure to a larger audience which will allow us to channel inquiries to such coverage to our PEER Network physicians.

Payer**:** the traditional challenge for any new medical technology is the achievement of sustained reimbursement. As a result of Mental Health Parity legislation passed in 2008, EEG tests are now being routinely reimbursed by most U.S. healthcare payers. Final regulations and enforcement rules for the Mental Health Parity and Addiction Equity Act ("MHPEA") were published in November 2013, becoming fully effective in July 2014. The regulations reinforce the principle under MHPEA that health plans cannot refuse to pay for specific mental health treatments and services, or restrict access to such services through copays or selective provider networks, in any way that is different from the services they pay for under the patient's medical plan. Practically, this means that reimbursement for EEG and QEEG services is probable, as EEG testing and QEEG analysis are currently paid for under medical plans for neurological indications. Likewise, for the PEER Report, health plans will be required to provide evidence for any claim denials and affirmatively demonstrate that such denials use the same criteria in mental health as in physical health. Accordingly, we believe these final MHPEA rules will be a significant benefit for physicians and consumers, as fully one-half of the retail cost of a PEER Report (approximately $400) is now covered under most health insurance plans. Importantly, patients who have failed on two or more medications continue to be a significant cost driver for payers, adding approximately $8,500 in medical costs per patient per year. It is the Company's intention to submit both clinical and pharmaco-economic results from the SoCal and NATO Trials to the Centers for Medicare and Medicaid Services, and commercial payers, to seek reimbursement for PEER Reports.

Subject to capital availability, the Company expects to provide turnkey support to its physician network in the performance and provisioning of EEG tests, by providing equipment, technical support, billing and reimbursement services to physician offices.

Military: Military and VA mental healthcare combine patient, provider, and payer in a single enterprise. Because of its visibility and capital efficiency, the military and VA will be a large-scale addressable market for PEER. However, because both of these massive organizations take time to respond and initiate matters, initial adoption is slow. It is the Company's intention to derive both clinical and pharmacoeconomic data from the SoCal and NATO Trials to drive expansion into TriCare, the VA, and the Department of Defense to support military-wide adoption of PEER Interactive. Our discussions with the DHA are ongoing, as the DHA has expressed interest in conducting an expanded clinical trial of PEER at several large Military Treatment Facilities, however, we do not anticipate commencement of this trial before the end of fiscal year 2016.

Global market opportunity: In the United States, it is estimated that approximately one quarter of adults are diagnosed in a given year for one or more mental disorders, and 16% of adults will experience major depressive disorder in their lifetime. These results are, in fact, common to most developed countries: a study published by the European College of Neuropsychopharmacology reported that 165 million (38%) of Europeans are plagued by mental and neurological disorders, which have become Europe's largest health challenge according to the study authors.

We are currently exploring opportunities in Canada, Europe, Japan and Australia through partnerships which have not yet been established.

PEER Online Technology in Pharmaceutical Development

In addition to its utility in providing psychiatrists and other physicians/prescribers with medication sensitivity data, our PEER Online technology provides us with significant opportunities in the area of pharmaceutical development. Our PEER Online™ technology, in combination with the information contained in the PEER Online database, offers the potential to enable the identification of novel uses for neuropsychiatric medications currently on the market and in late stages of clinical development, as well as in aiding the identification of neurophysiologic characteristics of clinical subjects that may be successfully treated with neuropsychiatric medications in the clinical testing stage. We will explore opportunities with established drug and biotechnology companies to further explore these opportunities, although we have not entered into any arrangements or agreements to date and no relationships are currently contemplated.

Research & Development

We plan to continue to enhance, refine and improve the accuracy of our PEER Online database and PEER Reports through expansion of the number of medications covered by our PEER Reports, expansion of our neurometrics, the addition of a genetic test, refinement of our report generating system, and by reducing the time to turnaround a report to the physician. Research and Product Development expenses during the fiscal years ended September 30, 2015 and 2014 were $0.78 million and $1.45 million respectively.

Intellectual Property

PEER Online Patent

We have 22 issued patents, of which nine are in the U.S., which cover the process involved in our PEER Online service. Our patents expire between September 2017 and July 2022. We believe these patents cover the analytical methodology we use with any form of neurophysiology measurement including SPECT (Single Photon Emission Computed Tomography), fMRI (Functional Magnetic Resonance Imaging), PET (Positron Emission Tomography), CAT (Computerized Axial Tomography), and MEG (Magnetoencephalography). We do not currently have data on the use of such alternate measurements, but we believe they may, in the future, prove to be useful to guide therapy in a manner similar to referenced-EEG. We have been issued patents in the following countries and regions: Canada (three patents), Europe (two patents), Australia (three patents), Mexico (two patents), Japan (two patents) and Israel (one patent). We also have filed multiple additional patent applications for our technology in the U.S., Europe and Canada. No assurances can be given of the effectiveness of the protection provided by these patents from competitors.

One of our recent US patent approvals was for a distinctly new patent estate, covering internet transmission of neurometric information. This new allowance under its basic methods patent portfolio, file number CNSR-09318, covers remote or web-based transmission of neurometric data. In the event that use of neurometric data or algorithms becomes widespread, this patent could make it necessary for major equipment manufacturers to license rights from the Company in order to transmit such information for use in medication response prediction.

During 2009 and 2011, we were awarded additional process patents for use of PEER Online technology in drug discovery, including clinical trial and drug efficacy studies. In addition, we successfully defended our patents by requesting reexamination of a patent issued to Aspect Medical (acquired by Covidien, plc.), resulting in a reduction and narrowing of claims awarded under the previously issued Aspect Medical patents.

Transcranial Magnetic Stimulation

MYnd has filed patent applications in the U.S. and Canada related to the Company's acquisition of patient responsivity data for Transcranial Magnetic Stimulation (“TMS”). This would be the Company's first application for a neurometric predictor of a non-drug therapy. The Company anticipates using this methodology to help physicians better understand which patients may positively respond to TMS for treating depression. The U.S. and Canadian patent applications are entitled “Method for Assessing the Susceptibility of a Human Individual Suffering from a Psychiatric or Neurological Disorder to Neuromodulation Treatment.”

TMS is a non-invasive outpatient procedure that uses magnetic fields to stimulate areas of the brain thought to control mood. TMS, which is approved by the U.S. Food and Drug Administration and offered by approximately 300 psychiatrists nationwide, is sometimes used as an alternative treatment for patients who have failed one or more antidepressants for the treatment of depression. While treatment periods vary by patient, a typical treatment regimen generally involves 20 to 30 treatments over a four to six week period.

TMS responsivity data, which is based on QEEG, helps physicians learn how patients with similar EEG patterns responded to TMS, thereby enabling them to more effectively guide patients most likely to benefit from this treatment and reduce expenditures on patients for whom TMS is not likely to be an effective solution for their depression.

TMS Response Study: In February 2012, results from a study of EEG prediction of TMS responsivity were published by Dr. Martijn Arns in the peer-reviewed journal Brain Stimulation. “Neurophysiological predictors of non-response to rTMS in depression” presents results of a multi-site clinical trial (n=90) in the Netherlands using several MYND variables (iAPF, Theta and P300 amplitude) associated with non-response to TMS therapy. Use of these combined neurometrics in a discriminant analysis resulted in a reliable identification of non-responders with low false positive rates. Replication studies are currently being planned in both the Netherlands and the United States.

Trademarks

“Referenced-EEG”, “rEEG” and PEER Online are registered trademarks of CNS California in the United States. We will continue to expand our brand names and our proprietary trademarks worldwide as our operations expand. We have trademark applications for PEER Reports and MYnd Analytics pending and expect that they will be registered in due course by the United States Patent and Trademark Office.

PEER Online Database

The PEER Online database consists of over 37,300 clinical outcomes for over 10,000 unique patients with psychiatric or addictive problems. The PEER Online database is maintained in two parts:

1. The QEEG Database

The QEEG Database includes EEG recordings and neurometric data derived from analysis of these recordings. QEEG is a standard measure that adds cloud-based computerized statistical analyses to traditional EEG studies. We utilize two separate QEEG databases which provide statistical and normative information in the generation of a PEER Report.

2. The PEER Outcomes Database

The PEER Outcomes Database consists of physician-provided assessments of the clinical long-term outcomes of patients and their associated medications. The clinical outcomes of patients are recorded using an industry-standard outcome rating scale, the Clinical Global Impression-Improvement scale (“CGI-I”). The CGI-I allows a clinician to rate how much the patient’s illness has improved or worsened relative to a baseline state. A patient’s illness is compared to change over time and rated as: very much improved, much improved, minimally improved, no change, minimally worse, much worse, or very much worse.

The format of the data is standardized and that standard is enforced at the time of capture by a software application. Outcome data is input into the database by the treating physician or their office staff. Each physician has access to their patient data through the software tool that captures the clinical outcome data.

We consider the information contained in the PEER Online database to be a valuable trade secret and are diligent about protecting such information. The PEER Online database is stored on a secure server to which only a limited number of employees have access.

Competition

Although we are not aware of any company that offers a service directly comparable to PEER Online services, the following companies might be noted as pursuing similar strategies:

- BRAIN RESOURCE COMPANY is an Australian Clinical Research Organization (CRO) and neurosciences company focused on personalized medicine solutions for patients, clinicians, pharmaceutical trials and discovery research. Its iSpot clinical trial, and list of genomic and neurocognitive tools, some of which include QEEG, appears to focus on the same growing market that is targeted by CNS Response.

- ASSURE Rx, GENOMIND, ALTHEADX and HARMONYX are representative of CLIA lab companies focused on a genomic lab-based test for medication response, based primarily on their individual metabolism of medications. All have achieved varying levels of reimbursement for their tests from insurors. We consider such tests to be related and complementary. AssureRx recently reported the approval of its test for use and reimbursement by the Veterans Administration.

- 23&ME has also entered the market with products based on predictive analytics and a large database of patient genomic information.

- Google Life Sciences recently announced the hiring of the nation's top research Psychiatrist, Dr. Thomas Insel, to head its new division focused on predictive analytics in mental health.

- IBM Corporation entered the field of clinical decision support with the launch of its Watson product, a natural language artificial intelligence system. According to IBM, the supercomputer-based software can scan information in 1 million books or about 200 million pages of data, analyze it and respond with answers in less than three seconds. Watson will sort through large amounts of electronic health records and unstructured medical data providing recommendations to doctors and nurses on treatment plans.

- MICROSOFT CORPORATION and GENERAL ELECTRIC have combined their respective health information technology product lines into a new, jointly-owned population health management company called Caradigm. The venture is purported to bring Microsoft's deep expertise in building platforms and ecosystems, and GE Healthcare's experience in clinical and administrative workflows.

- ASPECT MEDICAL SYSTEMS, INC. (now part of Covidien plc.) was developing a specific EEG measurement system that indicates a patient's likely response to several antidepressant medications. It is not currently known if the intellectual assets of Aspect Medical will be used in a future commercial product.

- NEUROVIGIL, based in La Jolla, California, is a company focused on developing an inexpensive, single channel EEG unit which can be used in sleep research and clinical trials to obtain brain function data.

Government Regulation

In 2008, the FDA informed us that it believes our rEEG service, and its successor, now called PEER Online, constitutes a medical device which is subject to regulation by the FDA, requiring pre-market approval or 510(k) clearance by the FDA pursuant to the Federal Food, Drug and Cosmetic Act (the "Act") before our service can be marketed or sold.

In early 2010, based upon written guidance from the FDA's Center for Devices and Radiological Health ("Center"), we submitted an application to obtain 510(k) clearance for our rEEG service, without waiving our right to continue to take the position that our services do not constitute a medical device. We sought review of our rEEG service, based upon its equivalence to predicate devices that already have FDA clearance, which appeared to represent a sound mechanism in order to reduce regulatory risks.

On July 27, 2010, we received a letter (the "NSE Letter") from the FDA stating that they determined that our rEEG service was Not Substantially Equivalent ("NSE") to the predicate devices that had previously been granted 510(k) clearance and that among other options we could be required to file a premarket approval application (PMA) and obtain approval before our rEEG service can be marketed legally, unless it is otherwise reclassified. The Company has filed an appeal for reconsideration of this finding based on material product modifications and additional evidence. For example, the Company received in June 2011, a response to its outstanding Freedom of Information Act request for original copies of the predicate filings, which the Company believes confirms its position that the predicate devices were cleared for the same intended use as the rEEG service.

In December 2010, and again in September 2011, the Company met with Center officials to determine whether the FDA had or would soon be developing a regulatory pathway for clinical decision support services such as PEER. In the latter meeting, the Company provided a detailed outline of its PEER Outcome registry, a published, transparent repository of individual medication response reports which reference known electrophysiology variables. Application of these published data can be performed manually, much like tables in medical journals, and do not meet the traditional definition of a regulated medical device.

Following its September, 2011, meeting with Center officials, the Company successfully registered its PEER Outcome database as a Class I Exempt Device within the category of Medical Device Data System, Section 860.6310. Recently, the Company completed registration in California of its Class I MDDS, and as part of the approval process, hosted an on-site audit of its quality management systems and software validation processes. The State of California Department of Public Health, Food and Drug Branch, Device Manufacturing License was issued and received by the Company on December 23, 2013.

At the same time, the Company continued its engagement with Center staff over the potential for a regulatory pathway for PEER Online as a Class II medical device, based on the Center's recommendation that military use of PEER Online move forward under an Investigational Device Exemption ("IDE") in order to provide additional data to support a successful 510(k) filing. The Company submitted a protocol in November, 2011 for a multi-site clinical trial led by Walter Reed, to include several other sites, partnering with military physicians treating 2,000 patients diagnosed with mental health conditions such as depression, PTSD, mTBI and several other disorders.

In August 2012, the FDA issued a determination that the Walter Reed PEER Trial was considered a Non-Significant Risk ("NSR") clinical trial and did not require an IDE application.

On November 30, 2012, Walter Reed's Institutional Review Board ("IRB") approved the protocol for research to be conducted at Walter Reed and Fort Belvoir. On January 23, 2013, the Company received a memorandum from the Commander of Walter Reed, which officially confirmed the approval of the protocol and permission to conduct the clinical trial. The project title of the clinical trial is "Use of PEER Interactive to inform the prescription of psychotropic medications to patients with behavioral disorders." Subsequently, the same protocol was also approved by the IRB at Fort Belvoir.

In April 2014, based on an interim analysis of less than 10% of the planned clinical trial enrollees, statistically significant results were achieved for ten of the twelve endpoints of the Walter Reed PEER Trial. In May 2014, following the interim analysis, the Walter Reed IRB suspended enrollment of new patients into the study in order to conduct an internal review. In December 2014, the review was completed and the protocol, with minor amendments, was resubmitted by the interim Principal Investigator to the Walter Reed IRB for approval. The leadership has expressed interest in continuing the trial and, if clinical utility is demonstrated, the significant potential impact that the PEER Interactive technology can have in the treatment of depression. The leadership has also expressed its desire to devote time and attention to the trial to make it a successful endeavor.

We currently intend to continue marketing as a cloud-based neurometric information service branded as PEER Online, under our Class I registration, while we continue to pursue the military trial and consider submission of a Class II device premarket application. If we continue to market PEER Online and the FDA determines that we should be subject to further FDA regulation, it could seek enforcement action against us based upon its position that our PEER Online product represents a Class II medical device, as a result of which we could be forced to cease our marketing activities and pay fines and penalties, which would have a material adverse impact on us.

In addition to the foregoing, federal and state laws and regulations relating to the sale of our neurometric services are subject to future changes, as are administrative interpretations of regulatory agencies. In the event that federal and state laws and regulations change, we may need to incur additional costs to seek government approvals for the sale of our neurometric services.

In the future, we may seek approval for medications or combinations of medications for new indications, either with corporate partners, or potentially, on our own. The development and commercialization of medications for new indications is subject to extensive regulation by the U.S. Federal government, principally through the FDA and other federal, state and governmental authorities elsewhere. Prior to marketing any central nervous system medication, and in many cases prior to being able to successfully partner a central nervous system medication, we will have to conduct extensive clinical trials at our own expense to determine safety and efficacy of the indication that we are pursuing.

Environmental Compliance

The Company's operations are cloud-based, involve software algorithms and are administrative in nature. Therefore, the Company believes that there are no compliance issues associated with applicable environmental laws and regulations that would have a material adverse effect on the Company.

Employees

As of September 30, 2015, our Neurometric Services operation had six full-time and three part-time independent contractors. We believe that our relations with our employees are good. None of our employees belong to a union.

Corporate Background

The Company was incorporated in Delaware on March 20, 1987, under the name Age Research, Inc. Prior to January 16, 2007, the Company (then called Strativation, Inc.) existed as a "shell company" with nominal assets whose sole business was to identify, evaluate and investigate various companies to acquire or with which to merge. On January 16, 2007, we entered into an Agreement and Plan of Merger with CNS Response, Inc., a California corporation formed on January 11, 2000 ("CNS California"), and CNS Merger Corporation, a California corporation and our wholly-owned subsidiary ("MergerCo") pursuant to which we agreed to acquire CNS California in a merger transaction wherein MergerCo would merge with and into CNS California, with CNS California being the surviving corporation (the "Merger"). On March 7, 2007, the Merger closed, CNS California became our wholly-owned subsidiary, and on the same date we changed our corporate name from Strativation, Inc. to CNS Response, Inc.

At the meeting of shareholders of CNS Response, Inc. held on October 28, 2015, the shareholders approved a proposal to change the Company's name to MYnd Analytics, Inc. The Company's charter was amended on November 2, 2015.

The Company actively operates its businesses through CNS Response, Inc. (California) and, until September 30, 2012, also operated the Neuro-Therapy Clinic, Inc. ("NTC"), which was acquired as a wholly-owned subsidiary in January 2008, when it was the Company's largest customer. NTC operations were discontinued effective September 30, 2012, as the Company chose to focus its limited cash resources on its clinical trial. Consequently, NTC is accounted for as a discontinued operation.

Our current address is 85 Enterprise, Suite 410, Aliso Viejo, California 92656, for which our lease terminates at the end of January 2016. We are in the process of finalizing a lease on suitable premises nearby. Our telephone number is (949) 420-4400 and we maintain a website at www.MYndAnalytics.com. The reference to our web address does not constitute incorporation by reference of the information contained at this site.

ITEM 1A. Risk Factors

INVESTING IN MYND ANALYTICS, INC. INVOLVES A HIGH DEGREE OF RISK. YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS AND ALL OTHER INFORMATION CONTAINED IN THIS REPORT BEFORE PURCHASING OUR COMMON STOCK. THE RISKS AND UNCERTAINTIES DESCRIBED BELOW ARE NOT THE ONLY ONES FACING US. ADDITIONAL RISKS AND UNCERTAINTIES THAT WE ARE UNAWARE OF, OR THAT WE CURRENTLY DEEM IMMATERIAL, ALSO MAY BECOME IMPORTANT FACTORS THAT AFFECT US. IF ANY OF THE FOLLOWING RISKS OCCUR, OUR BUSINESS, FINANCIAL CONDITION OR RESULTS OF OPERATIONS COULD BE MATERIALLY AND ADVERSELY AFFECTED. IN THAT CASE, THE TRADING PRICE OF OUR COMMON STOCK COULD DECLINE, AND YOU MAY LOSE SOME OR ALL OF THE MONEY YOU PAID TO PURCHASE OUR COMMON STOCK.

Risks Related to Our Company

We need immediate additional funding to support our operations and capital expenditures, which may not be available to us. This lack of availability could result in the cessation of our business. Our continued operating losses and limited capital raise substantial doubt about our ability to continue as a going concern.

We have not generated significant revenues or become profitable, may never do so and may not generate sufficient working capital to cover costs of operations. Our continued operating losses and limited capital raise substantial doubt about our ability to continue as a going concern. We are unable to pay other obligations as they become due and are in arrears on paying certain of our larger creditors. We are insolvent and need additional funds immediately to continue our operations. Until we can generate a sufficient amount of revenues to finance our operations and capital expenditures, we are required to finance our cash needs primarily through public or private equity offerings, debt financings, borrowings or strategic collaborations. As of September 30, 2015 we had approximately $0.43 million in cash and cash equivalents at hand. As of December 31, 2015 we had approximately $823,000 in cash and cash equivalents on hand. We will therefore need additional funds to continue our operations and will need substantial additional funds before we can increase demand for our PEER Online services. We are currently exploring additional sources of capital; however, we do not know whether additional funding will be available on acceptable terms, or at all, especially given the economic conditions that currently prevail. Furthermore, any additional equity funding will likely result in significant dilution to existing stockholders, and, if we incur additional debt financing, a substantial portion of our operating cash flow may be dedicated to the payment of principal and interest on such indebtedness, thus limiting funds available for our business activities. If adequate funds are not available, it would have a material adverse effect on our business, financial condition and/or results of operations and could cause us to be required to cease operations. Our financial statements include an opinion of our auditors that our continued operating losses and limited capital raise substantial doubt about our ability to continue as an ongoing concern.

Our liabilities exceed our assets; we have a working capital deficit; all of our assets are subject to a security interest covering our indebtedness.

As of September 30, 2015, we had liabilities of $5.40 million and assets of only $0.57 million. We had a working capital deficiency of $1.99 million. Furthermore, as a result of our secured convertible debt financing from September 22, 2014 through December 28, 2015, where we have raised $4.00 million, all our intellectual property is encumbered as security for this debt financing. As a result, if we are unable to repay our debt when it becomes due, our lenders may claim all of our assets and our equity will have no value.

We have a history of operating losses and we have never been profitable.

We are a Company with a limited operating history. Since our inception, we have incurred significant operating losses. As of September 30, 2015, our accumulated deficit was approximately $62.59 million. Our future capital requirements will depend on many factors, such as the risk factors described in this section, including our ability to maintain our existing cost structure and to execute our business and strategic plans as currently conceived. Even if we achieve profitability, we may be unable to maintain or increase profitability on a quarterly or annual basis.

Our secured convertible notes, which are payable during fiscal year 2018, are secured by substantially all of our assets.

As of December 31, 2015, we have outstanding convertible notes in an aggregate principal amount of $4.00 million that mature during our 2018 fiscal year on December 31, 2017, (subject to earlier conversion or prepayment) and earn interest at a rate of 5% per annum with interest payable at maturity. The convertible notes, as amended, are secured by substantially all of the assets of the Company. We currently have no resources to repay such convertible notes and we will be required either to raise additional funds or seek conversion of these notes to avoid a default. If we default on our convertible notes, the holders of the convertible notes will be entitled to execute on their security interest in substantially all of the assets of the Company in satisfaction of the obligation we have to them, thereby leaving no value for the holders of common stock. The convertible notes, as amended, are convertible into shares of Common Stock (i) automatically upon the closing of a qualified offering of no less than $5 million at a conversion price equal to $0.05 per share of Common Stock or (ii) voluntarily within 15 days of maturity at the conversion price equal to $0.05 per share of Common Stock. The conversion of the convertible notes could cause a decrease in the market price of our common stock. The outstanding convertible notes, the security interest securing such notes and the other terms of the notes could make it more difficult for us to raise funds through future offerings of common stock.

If our PEER Reports do not gain widespread market acceptance, we will not sell adequate services to maintain our operations.

We have developed a methodology that aids psychiatrists and other physicians in selecting appropriate and effective medications for patients with certain behavioral or addictive disorders based on physiological traits of the patient's brain and information contained in a proprietary database that has been developed over the last twenty-five years. We began selling reports, referred to as rEEG Reports, based on our methodology in 2000; these reports have since been rebranded as PEER Reports. To date, we have not received widespread market acceptance of the usefulness of our PEER Reports in helping psychiatrists and other physicians inform their treatment strategies for patients suffering from behavioral and/or addictive disorders and we currently rely on a limited number of employees to market and promote our PEER Reports. To grow our business, we will need to develop and introduce new sales and marketing programs and clinical education programs to promote the use of our PEER Reports by psychiatrists and other physicians and hire additional employees for this purpose. If we do not implement these new sales and marketing and education programs in a timely and successful manner, we may not be able to achieve the level of market awareness and sales required to expand our business, which could also negatively impact our stock price.

Our PEER Reports may not be as effective as we believe them to be, which could limit or prevent us from growing our revenues. If the results of our clinical trials are not significant, we may not be able to continue to fund our development efforts.

Our belief in the efficacy of our PEER Online technology is based on a limited number of successful studies. Such results may not be statistically significant in future studies and may not be indicative of the long-term future efficacy of the information we provide. Controlled scientific studies, including those that have already been announced and that are planned for the future, may yield results that are unfavorable or demonstrate that our services, including our PEER Reports, are not clinically useful. While we have not experienced such problems to date, if the initially indicated results cannot be successfully replicated or maintained over time, utilization of services based on our PEER Online technology, including the delivery of our PEER Reports, may not increase as we anticipate, which would harm our operating results and stock price. In addition, if we fail to upgrade our PEER Online database to account for new medications that are now available on the market, psychiatrists and other physicians may be less inclined to utilize our services if they believe that our reports only provide information about older treatment options, which would further harm our operating results and stock price. We plan to commence enrolling patients into two new clinical trials in the first half of 2016. The trials are designed as a double-blind trial for military patients with a primary diagnosis of depression and other psychological co-morbidity. We do not know whether the ultimate results of the trial will be successful. There are many factors beyond our control that could affect the success of the trials, including difficulty in registering more subjects, failures of investigators to follow the proper protocol, external factors affecting patient health, among others. If we fail to receive significant positive results for these trials, doctors may not be willing to use our services and our ability to generate revenue and to continue the PEER Online program, if at all, could be limited.

The FDA believes that rEEG and, potentially, our PEER Online service, constitute a medical device, which is subject to regulation by the FDA. As we continue to market our PEER Online service, there is risk that the FDA will commence an enforcement action against us. The FDA has informed us that our marketing of our rEEG services without prior approval or re-classification by the FDA constitutes a violation of the Federal Food, Drug and Cosmetic Act.

Since April of 2008, we have been engaged in discussions with the FDA regarding its position that our rEEG service and its successor, now called PEER Online, constitutes a medical device which is subject to regulation by the FDA. On April 10, 2008, we received correspondence from the FDA in which the FDA indicated it believed, based in part on the combination of certain marketing statements it read on our website, together with the delivery of our rEEG Reports, that we were selling a software product to aid in diagnosis, which constituted a "medical device" requiring pre-market approval or 510(k) clearance by the FDA pursuant to the Federal Food, Drug and Cosmetic Act (the "Act"). We responded to the FDA on April 24, 2008, indicating that we believed it had incorrectly understood our product offering and further clarified that our rEEG services are not diagnostic and thus, for this as well as other reasons, do not constitute a medical device. On December 14, 2008, the FDA again made contact with us and indicated that, based upon its review of our description of our intended use of the rEEG Reports on our website, it continued to maintain that our rEEG service met its definition of a medical device. In response to the FDA communications, we made a number of changes to our website and other marketing documents to reflect that rEEG is a service to aid in medication selection and is not an aid to diagnosis. On September 4, 2009, through our regulatory counsel, we responded to the December 14, 2008 FDA letter explaining our position in more detail.

During the intervening period of time, based upon written guidance from the FDA's Center for Devices and Radiological Health ("Center"), we chose to submit an application to obtain 510(k) clearance for our rEEG service, without waiving our right to continue to take the position that our services do not constitute a medical device. We sought review of our rEEG service based upon its equivalence to predicate devices that already have FDA clearance which appeared to represent a sound mechanism to reduce regulatory risks.

On July 27, 2010, we received a NSE Letter from the FDA stating that they determined that our rEEG service was not substantially equivalent to the predicate devices that had previously been granted 510(k) clearance and that among other options we could be required to file an approved premarket approval application (PMA) before it can be marketed legally, unless it is otherwise reclassified. The company has filed an appeal for reconsideration of this finding based on material product modifications and additional evidence. For example, the Company received in June 2011 a response to its outstanding Freedom of Information Act request for original copies of the predicate filings, which the Company believes confirm its position that the predicate devices were cleared for the same intended use as the rEEG service.

In December 2010 and again in September 2011, the Company met with Center officials to determine whether FDA had or would soon be developing a coherent regulatory pathway for clinical decision support services such as PEER Reports. In 2011, the Company introduced its PEER Outcome database as a published, transparent repository of individual medication response reports which reference known electrophysiology variables. Following a meeting with the FDA, the Company successfully registered its PEER Outcome database as a Class I Exempt Device within the category of Medical Device Data System, Section 860.6310. The Company continued its engagement with Center staff over the potential for a regulatory pathway for PEER Online as a Class II medical device, based on the Center's recommendation that military use of PEER Online move forward under an Investigational Device Exemption ("IDE") in order to provide additional data to support a successful 510(k) filing. In March 2012, the FDA responded to our proposal for a clinical trial of an Investigational Device, PEER Interactive, designed to support physicians in identifying the best treatments for certain mental illnesses. In response to the comments provided by the FDA, we revised the protocol to partner with military physicians treating 2,000 patients diagnosed with mental health conditions such as depression, PTSD, mTBI and several other disorders. In August 2012, the FDA issued a determination that the Walter Reed PEER Trial was considered a Non-Significant Risk (NSR) clinical trial and did not require an IDE application. On November 30, 2012, the Walter Reed IRB approved the protocol for research to be conducted at Walter Reed and Fort Belvoir. On January 23, 2013, the Company received a memorandum from the Commander of Walter Reed, which officially confirmed the approval of the protocol and permission to conduct the clinical trial. The project title of the clinical trial is "Use of PEER Interactive to inform the prescription of psychotropic medications to patients with behavioral disorders." Subsequently, the same protocol was also approved by the IRB at Fort Belvoir. New enrollment into the Walter Reed PEER Trial was suspended by the Walter Reed IRB in May 2014 in order to conduct an internal review of the trial. Patients in the already in the trial were permitted to continue with their course of treatment. Subsequently, it was determined by us from information received as a result of our FOIA requests that the halt to the trial was due to administrative reasons. Walter Reed has not supported the publication of the interim trial results which were consistent with our previous clinical trials. The Company plans to proceed with two clinical trials based on the Walter Reed PEER Trial protocol in an effort to replicate and expand the result achieved during the Walter Reed trial. At this time we cannot predict the results or the success of any of the trials, if and when. We can offer no assurances that the FDA will not insist on pre-market approval in the future, or that the data, which will be included in our future submissions to the FDA, do not raise any important new issues that could materially affect safety or effectiveness of our PEER service. The inability to enroll sufficient subjects or the receipt of inconclusive results from our new clinical trials would have a material adverse effect on our ability to expand our operations. We currently intend to continue marketing as a non-device cloud-based neurometric service branded as PEER Reports, under our Class I registration, while we pursue the additional clinical trials and consider submission of a Class II device premarket application in the future. If we continue to market our PEER Reports and the FDA determines that we should be subject to further FDA regulation as a Class II medical device, it could seek enforcement action against us based upon its position that our PEER Reports constitute a medical device as a result of which we could be forced to cease our marketing activities and pay fines and penalties, which would have a material adverse impact on us.

In addition to the foregoing, federal and state laws and regulations relating to the sale of our neurometric services are subject to future changes, as are administrative interpretations of regulatory agencies. In the event that federal and state laws and regulations change, we may need to incur additional costs to seek government approvals for the sale of our neurometric services.

In the future, we may seek approval for medications or combinations of medications for new indications, either with corporate partners, or potentially, on our own. The development and commercialization of medications for new indications is subject to extensive regulation by the U.S. Federal government, principally through the FDA and other federal, state and governmental authorities elsewhere. Prior to marketing any central nervous system medication, and in many cases prior to being able to successfully partner a central nervous system medication, we will have to conduct extensive clinical trials at our own expense to determine safety and efficacy of the indication that we are pursuing.

If government and third-party payers fail to provide coverage and adequate payment rates for treatments that are guided by our PEER Reports, our revenue and prospects for profitability will be harmed.

Our future revenue growth will depend in part upon the availability of reimbursement from third-party payers for psychiatrists and other physicians who use our PEER Reports to guide the treatment of their patients. Such third-party payers include government health programs such as Medicare and Medicaid, managed care providers, private health insurers and other organizations. These third-party payers are increasingly attempting to contain healthcare costs by demanding price discounts or rebates and limiting both coverage on which procedures they will pay for and the amounts that they will pay for new procedures. As a result, they may not cover or provide adequate payment for treatments that are guided by our PEER Reports, which will discourage psychiatrists and other physicians from utilizing the information services we provide. We may need to conduct studies in addition to those we have already announced to demonstrate the cost-effectiveness of treatments that are guided by our products and services to such payers' satisfaction. Such studies might require us to commit a significant amount of management time and financial and other resources. Adequate third-party reimbursement might not be available to enable us to realize an appropriate return on investment in research and product development and the lack of such reimbursement could have a material adverse effect on our operations and could adversely affect our revenues and earnings.

Regulations are constantly changing and in the future, our business may be subject to additional regulations that will increase our compliance costs.

Federal, state and foreign laws and regulations relating to the sale of our PEER Reports are subject to future changes, as are administrative interpretations of regulatory agencies. If we fail to comply with applicable federal, state or foreign laws or regulations, we could be subject to enforcement actions, including injunctions that would prevent us from conducting our business, withdrawal of clearances or approvals and civil and criminal penalties. In the event that federal, state, and foreign laws and regulations change, we may need to incur additional costs to seek government approvals, in addition to the clearance from the FDA if we so chose, in order to sell or market our PEER Online service. There is no guarantee that we will be able to obtain such approvals in a timely manner or at all, and as a result, our business would be significantly harmed.

Our operating results may fluctuate significantly and our stock price could decline or fluctuate if our results do not meet the expectation of analysts or investors.

Management expects that we will experience substantial variations in our operating results from quarter to quarter. We believe that the factors which influence this variability of quarterly results include, without limitation:

- the use of and demand for PEER Reports and other products and/or services that we may offer in the future that are based on our patented methodology;
- inconclusive or negative result from our clinical trials;
- our inability to enroll patients into our clinical trials;
- the effectiveness of new marketing and sales programs;
- turnover among our employees;
- changes in management;
- the introduction of products or services that are viewed in the marketplace as substitutes for the services we provide;
- communications published by industry organizations or other professional entities in the psychiatric and physician community that are unfavorable to our business;
- the introduction of regulations which impose additional costs on or impede our business; and
- the timing and amount of our expenses, particularly expenses associated with the marketing and promotion of our services, the training of physicians and psychiatrists in the use of our PEER Reports and research and development.

As a result of fluctuations in our revenue and operating expenses that may occur, management believes that period-to-period comparisons of our results of operations are not a good indication of our future performance. It is possible that in some future quarter or quarters, our operating results will be below the expectations of securities analysts or investors. In that case, our common stock price could fluctuate significantly or decline.

If we do not maintain and expand our relationships in the psychiatric and physician community, our growth will be limited and our business could be harmed. If psychiatrists and other physicians do not recommend and endorse our products and services, we may be unable to increase our sales, and in such instances, our profitability would be harmed.

Our relationships with psychiatrists and other physicians are critical to the growth of our Neurometric Services business. We believe that these relationships are based on the quality and ease of use of our PEER Reports, our commitment to the behavioral health market, our marketing efforts and our presence at tradeshows. Any actual or perceived diminution in our reputation or the quality of our PEER Reports, or our failure or inability to maintain our commitment to the behavioral health market and our other marketing and product promotion efforts could damage our current relationships, or prevent us from forming new relationships, with psychiatrists and other physicians and cause our growth to be limited and our business to be harmed.

To sell our PEER Reports, psychiatric professionals must recommend and endorse them. We may not obtain the necessary recommendations or endorsements from this community. Acceptance of our PEER Reports depends on educating psychiatrists and other physicians as to the benefits, clinical efficacy, ease of use, revenue opportunity and cost-effectiveness of our PEER Reports and on training the medical community to properly understand and utilize our PEER Reports. If we are not successful in obtaining the recommendations or endorsements of psychiatrists and other physicians for our PEER Reports, we may be unable to increase our sales and profitability.

Negative publicity or unfavorable media coverage could damage our reputation and harm our operations.

In the event that the marketplace perceives our PEER Reports as not offering the benefits which we believe they offer, we may receive significant negative publicity. This publicity may result in litigation and increased regulation and governmental review. If we were to receive such negative publicity or unfavorable media attention, whether warranted or unwarranted, our ability to market our PEER Reports would be adversely affected, pharmaceutical companies may be reluctant to pursue strategic initiatives with us relating to the development of new products and services based on our PEER Online technology, we may be required to change our products and services and become subject to increased regulatory burdens and we may be required to pay large judgments or fines and incur significant legal expenses. Any combination of these factors could further increase our cost of doing business and adversely affect our financial position, results of operations and cash flows.

If we do not successfully generate additional products and services from our patented methodology and proprietary database, or if such products and services are developed but not successfully commercialized, then we could lose revenue opportunities.

Our primary business is the sale of PEER Reports to psychiatrists and other physicians based on our PEER Online methodology and proprietary database. In the future, we may utilize our patented methodology and proprietary database to produce pharmaceutical advancements and developments. For instance, we may use our patented methodology and proprietary database to identify new medications that are promising in the treatment of behavioral health disorders, identify new uses of medications which have been previously approved and identify new patient populations that are responsive to medications in clinical trials that have previously failed to show efficacy in FDA approved clinical trials. The development of new pharmaceutical applications that are based on our patented methodology and proprietary database will be costly, since we will be subject to additional regulations, including the need to conduct expensive and time-consuming clinical trials.

In addition, to successfully monetize our pharmaceutical opportunity, we will need to enter into strategic alliances with biotechnology or pharmaceutical companies that have the ability to bring to market a medication, an ability which we currently do not have. We maintain no pharmaceutical manufacturing, marketing or sales organization, nor do we plan to build one in the foreseeable future. Therefore, we are reliant upon approaching and successfully negotiating attractive terms with a partner who has these capabilities. No guarantee can be made that we can do this on attractive terms, or even at all. If we are unable to find strategic partners for our pharmaceutical opportunity, our revenues may not grow as quickly as we desire, which could lower our stock price.

Our industry is highly competitive and we may not be able to compete successfully, which could result in price reductions and decreased demand for our products.

The healthcare business, in general, and the behavioral health treatment business in particular, are highly competitive. In the event that we are unable to convince physicians, psychiatrists and patients of the efficacy of our products and services, individuals seeking treatment for behavioral health disorders may seek alternative treatment methods, which could negatively impact our sales and profitability.

In the event that we pursue our pharmaceutical opportunities, we or any development partners that we partner with will likely need to conduct clinical trials. If such clinical trials are delayed or unsuccessful, it could have an adverse effect on our business.

We have limited experience conducting clinical trials of psychiatric medications and in the event we conduct clinical trials, we will rely on outside parties, including academic investigators, outside consultants and will contract with research organizations to conduct these trials on our behalf. We will rely on these parties to assist in the recruitment of sites for participation in clinical trials, to maintain positive relations with these sites, and to ensure that these sites conduct the trials in accordance with the protocol and our instructions. If these parties renege on their obligations to us, our clinical trials may be delayed or unsuccessful.

In the event we conduct clinical trials, we cannot predict whether we will encounter problems that will cause us or regulatory authorities to delay or suspend our clinical trials or delay the analysis of data from our completed or ongoing clinical trials. In addition, we cannot assure that we will be successful in reaching the endpoints in these trials, or if we do, that the FDA or other regulatory agencies will accept the results.

Any of the following factors, among others, could delay the completion of clinical trials, or result in a failure of these trials to support our business, which would have an adverse effect on our business:

- delays or the inability to obtain required approvals from institutional review boards or other governing entities at clinical sites selected for participation in our clinical trials;
- delays in enrolling patients and volunteers into clinical trials;
- lower than anticipated retention rates of patients and volunteers in clinical trials;
- negative results from clinical trials for any of our potential products; and
- failure of our clinical trials to demonstrate the efficacy or clinical utility of our potential products.

If we determine that the costs associated with attaining regulatory approval of a product exceed the potential financial benefits or if the projected development timeline is inconsistent with our determination of when we need to get the product to market, we may choose to stop a clinical trial and/or development of a product.

We may fail to successfully manage and maintain the growth of our business, which could adversely affect our results of operations.

As we continue expanding our commercial operations, this expansion could place significant strain on our management, operational and financial resources. To manage future growth, we will need to continue to hire, train, and manage additional employees, particularly a specially-trained sales force to market our PEER Reports.

We may not be able to adequately protect our intellectual property, which is the core of our business.

We consider the protection of our intellectual property to be important to our business prospects. We currently have twenty-two issued patents in the United States, Australia, Canada, Europe, Israel, Japan and Mexico and we have also filed multiple additional patent applications in the United States and in multiple foreign jurisdictions.

In the future, if we fail to file patent applications in a timely manner, fail to pay applicable maintenance fees on issued patents, or in the event we elect not to file a patent application because of the costs associated with patent prosecution, we may lose patent protection that we may have otherwise obtained. The loss of any proprietary rights which are obtainable under patent laws may result in the loss of a competitive advantage over present or potential competitors, with a resulting decrease in revenues and profitability for us.

With respect to the applications we have filed, there is no guarantee that the applications will result in issued patents, and further, any patents that do issue may be too narrow in scope to adequately protect our intellectual property and provide us with a competitive advantage. Competitors and others may design around aspects of our technology, or alternatively, may independently develop similar or more advanced technologies that fall outside the scope of our claimed subject matter, but that can be used in the treatment of behavioral health disorders.

In addition, even if we are issued additional patents covering our products, we cannot predict with any degree of certainty, whether or not we will be able to enforce our proprietary rights and whether our patents will provide us with adequate protection against competitors. We may be forced to engage in costly and time-consuming litigation or reexamination proceedings to protect our intellectual property rights and our opponents in such proceedings may have and be willing to expend, substantially greater resources than we are able to expend. In addition, the results of such proceedings may result in our patents being invalidated or reduced in scope. These developments could cause a decrease in our operating income and reduce our available cash flow, which could harm our business and cause our stock price to decline.

We also utilize processes and technology that constitute trade secrets, such as our PEER Online database and we must implement appropriate levels of security for those trade secrets to secure the protection of applicable laws, which we may not do effectively. In addition, the laws of many foreign countries do not protect proprietary rights as fully as the laws of the United States.

While we have not had any significant issues to date, the loss of any of our trade secrets or proprietary rights, which may be protected under the foregoing intellectual property safeguards may result in the loss of our competitive advantage over present and potential competitors.

Confidentiality agreements with employees, licensees and others may not adequately prevent disclosure of trade secrets and other proprietary information.

In order to protect our proprietary technology and processes, we rely in part on confidentiality provisions in our agreements with employees, licensees, treating physicians and psychiatrists and others. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. Moreover, policing compliance with our confidentiality agreements and nondisclosure agreements and detecting unauthorized use of our technology is difficult and we may, therefore, be unable to determine whether piracy of our technology has actually occurred. In addition, others may independently discover our trade secrets and proprietary information. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights and failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

We depend heavily upon secure access to, and secure transfer of, data via the internet in exchanging data with customers. Any security breaches could result in unauthorized access to sensitive patient data, our intellectual property and other confidential business information. We use third-party data centers and any damage to, or failure of, our central analytical database could adversely affect our ability to provide our services. For any of the foregoing or related reasons, customers may curtail or stop using our services and we may incur significant legal and financial exposure and liabilities.

We depend heavily on secure access to, and secure transfer of data via the internet in the generation of our PEER Reports and other data exchange with our customers. We rely on services provided by third parties to store, transmit and process data in our central neurometric database. Security breaches could expose us to a risk of losing data and result in litigation and possible liability. Security measures taken by us or by such third party service providers may be breached as a result of third party action, including intentional misconduct by computer hackers, employee error, malfeasance, fraud or otherwise, during transfer or processing of data or at any time and result in someone obtaining unauthorized access to sensitive patient information, our intellectual property, other confidential business information, or our information technology systems. Because the techniques used to obtain unauthorized access, or to sabotage systems, change frequently and generally are not recognized until launched against a target, we or our third-party service providers may be unable to anticipate these techniques or to implement adequate preventative measures. Any security breach could result in a loss of confidence in the security of our service, damage to our reputation, disruption to our business, could lead to legal liability and severely curtail future revenue.

In addition, any damage to, or failure of, our central neurometric database and the server on which it resides could result in interruptions in our ability to provide PEER Reports. Interruptions in our service may reduce our revenue, cause PEER Network providers to terminate their relationship with us and adversely affect our ability to attract new physicians to the PEER Network. Our business will also be harmed if our customers and potential customers believe our service is unreliable.

Because our service is complex and cloud-based we rely on third-party data centers to store the data in our central neurometric database, our data and processes may be corrupted at some future time resulting in erroneous, defective or ineffective reports, which could result in unanticipated downtime in our service for PEER Network providers, resulting in harm to our reputation and our business. We do not control the operation of these facilities. While we take precautions (data redundancy, back-up and disaster recovery plans) to prevent service interruptions, our data centers are vulnerable to damage or interruption from human error, intentional bad acts, pandemics, earthquakes, hurricanes, floods, fires, war, terrorist attacks, power losses, hardware failures, systems failures, communications failures and similar events. The occurrence of a natural disaster or an act of terrorism, vandalism or other misconduct, resulting in a decision to close the facilities without adequate notice or other unanticipated problems could result in lengthy interruptions in the availability of our central neurometric database. Since many physicians rely on our service to assist in treating their patients, any errors, defects, disruptions in service or other performance problems with our service could hurt our reputation and hurt the reputation of the physicians in our PEER Network. If that occurs, physicians could elect to terminate their relationship with us, or delay or withhold payment to us. We could lose future revenues or customers may make warranty or other claims against us, which could result in an increase in our provision for doubtful accounts, an increase in collection cycles for accounts receivable or the expense and risk of litigation and a reduction in revenue.

Security breaches, damages or failures of the sort described above would adversely affect our ability to market our PEER Reports. In addition, pharmaceutical companies may be reluctant to pursue strategic initiatives with us relating to the development of new products and services based on our PEER Online technology, we may be required to change our products and services and become subject to increased regulatory burdens and we may be required to pay large judgments or fines and incur significant legal expenses.

The liability of our directors and officers is limited.

The applicable provisions of the Delaware General Corporation Law and our Certificate of Incorporation and By-laws limit the liability of our directors to us and our stockholders for monetary damages for breaches of their fiduciary duties, with certain exceptions, and for other specified acts or omissions of such persons. In addition, the applicable provisions of the Delaware General Corporation Law and of our Certificate of Incorporation and Bylaws, as well as indemnification agreements we have entered into with our directors, and officers, provide for indemnification of such persons under certain circumstances. In the event we are required to indemnify any of our directors or any other person, our financial strength may be harmed, which may in turn lower our stock price.

If we do not retain our senior management and other key employees, we may not be able to successfully implement our business strategy.

Our future success depends on the ability, experience and performance of our senior management and our key professional personnel. Our success therefore depends to a significant extent on retaining the services of George Carpenter, our Chief Executive Officer, our senior product development and clinical managers and others. Because of their ability and experience, if we lose one or more of the members of our senior management or other key employees, our ability to successfully implement our business strategy could be seriously harmed. While we believe our relationships with our executives are good and do not anticipate any of them leaving in the near future, the loss of the services of any of our senior management could have a material adverse effect on our ability to manage our business. We do not carry key-man life insurance on any of our key employees.

If we do not attract and retain skilled personnel, we may not be able to expand our business.

Our products and services are based on a complex database of information. Accordingly, we require skilled medical, scientific and administrative personnel to sell and support our products and services. Our future success will depend largely on our ability to continue to hire, train, retain and motivate additional skilled personnel, particularly sales representatives who are responsible for customer education and training and customer support. In the future, if we pursue our pharmaceutical opportunities, we will also likely need to hire personnel with experience in clinical testing and matters relating to obtaining regulatory approvals. If we are not able to attract and retain skilled personnel, we will not be able to continue our development and commercialization activities.

In the future we could be subject to personal injury claims, which could result in substantial liabilities that may exceed our insurance coverage.

All significant medical treatments and procedures, including treatment that is facilitated through the use of our PEER Reports, can involve the risk of serious adverse events up to and including death. While we have not been the subject of any personal injury claims for patients treated by providers using our PEER Reports, our business entails an inherent risk of claims for personal injuries, which are subject to the attendant risk of substantial damage awards. We cannot control whether individual physicians and psychiatrists will properly select patients, apply the appropriate standard of care, or conform to our procedures in determining how to treat their patients. A significant source of potential liability is negligence or alleged negligence by physicians treating patients with the aid of the PEER Reports that we provide. There can be no assurance that a future claim or claims will not be successful or, including the cost of legal defense, will not exceed the limits of available insurance coverage.

We currently have general liability and medical professional liability insurance coverage for up to $3 million per year for personal injury claims. We may not be able to maintain adequate liability insurance, in accordance with standard industry practice, with appropriate coverage based on the nature and risks of our business, at acceptable costs and on favorable terms. Insurance carriers are often reluctant to provide liability insurance for new healthcare services companies and products due to the limited claims history for such companies and products. In addition, based on current insurance markets, we expect that liability insurance will be more difficult to obtain and that premiums will increase over time and as the volume of patients treated by physicians that are guided by our PEER Reports increases. In the event of litigation, regardless of its merit or eventual outcome, or an award against us during a time when we have no available insurance or insufficient insurance, we may sustain significant losses of our operating capital which may substantially reduce stockholder equity in the company.

We are subject to evolving and expensive corporate governance regulations and requirements. Our failure to adequately adhere to these requirements or the failure or circumvention of our controls and procedures could seriously harm our business.

Because we are a publicly traded company we are subject to certain federal, state and other rules and regulations, including applicable requirements of the Sarbanes-Oxley Act of 2002. Compliance with these evolving regulations is costly and requires a significant diversion of management time and attention, particularly with regard to our disclosure controls and procedures and our internal control over financial reporting. Although we have reviewed our disclosure and internal controls and procedures in order to determine whether they are effective, our controls and procedures may not be able to prevent errors or frauds in the future. Faulty judgments, simple errors or mistakes, or the failure of our personnel to adhere to established controls and procedures may make it difficult for us to ensure that the objectives of the control system are met. A failure of our controls and procedures to detect other than inconsequential errors or fraud could seriously harm our business and results of operations.

Our senior management's limited recent experience managing a publicly traded company may divert management's attention from operations and harm our business.

Our management team has relatively limited experience managing a publicly traded company and complying with federal securities laws, including compliance with recently adopted disclosure requirements on a timely basis. Our management will be required to design and implement appropriate programs and policies in responding to increased legal, regulatory compliance and reporting requirements, and any failure to do so could lead to the imposition of fines and penalties and harm our business.

Risks Related To Our Industry

The healthcare industry in which we operate is subject to substantial regulation by state and federal authorities, which could hinder, delay or prevent us from commercializing our products and services.

Healthcare companies are subject to extensive and complex federal, state and local laws, regulations and judicial decisions governing various matters such as the licensing and certification of facilities and personnel, the conduct of operations, billing policies and practices, policies and practices with regard to patient privacy and confidentiality, and prohibitions on payments for the referral of business and self-referrals. There are federal and state laws, regulations and judicial decisions that govern patient referrals, physician financial relationships, submission of healthcare claims and inducement to beneficiaries of federal healthcare programs. Many states prohibit business corporations from practicing medicine, employing or maintaining control over physicians who practice medicine, or engaging in certain business practices, such as splitting fees with healthcare providers. Many healthcare laws and regulations applicable to our business are complex, applied broadly and subject to interpretation by courts and government agencies. Our failure, or the failure of physicians and psychiatrists to whom we sell our PEER Reports, to comply with these healthcare laws and regulations could create liability for us and negatively impact our business.

In addition, the FDA regulates development, testing, labeling, manufacturing, marketing, promotion, distribution, record-keeping and reporting requirements for prescription drugs. Compliance with laws and regulations enforced by the FDA and other regulatory agencies may be required in relation to future products or services developed or used by us, in addition to the regulatory process and dialogue in which we are now engaged with the FDA (*for more information, please see the risk factor entitled "The FDA believes that rEEG and, potentially, our PEER Online service, constitute a medical device, which is subject to regulation by the FDA. As we continue to market our PEER Online service, there is risk that the FDA will commence an enforcement action against us. The FDA has informed us that our marketing of our rEEG services without prior approval or re-classification by the FDA constitutes a violation of the Federal Food, Drug and Cosmetic Act"*). Failure to comply with applicable laws and regulations may result in various adverse consequences, including withdrawal of our products and services from the market, or the imposition of civil or criminal sanctions.

We believe that this industry will continue to be subject to increasing regulation, political and legal action and pricing pressures, the scope and effect of which we cannot predict. Legislation is continuously being proposed, enacted and interpreted at the federal, state and local levels to regulate healthcare delivery and relationships between and among participants in the healthcare industry. Any such changes could prevent us from marketing some or all of our products and services for a period of time or permanently.

We may be subject to regulatory and investigative proceedings, which may find that our policies and procedures do not fully comply with complex and changing healthcare regulations.

While we have established policies and procedures that we believe will be sufficient to ensure that we operate in substantial compliance with applicable laws, regulations and requirements, the criteria are often vague and subject to change and interpretation. We may become the subject of regulatory or other investigations or proceedings, and our interpretations of applicable laws and regulations may be challenged. The defense of any such challenge could result in substantial cost and a diversion of management's time and attention. Thus, any such challenge could have a material adverse effect on our business, regardless of whether it ultimately is successful. If we fail to comply with any applicable laws, or a determination is made that we have failed to comply with these laws, our financial condition and results of operations could be adversely affected.

Failure to comply with the Federal Trade Commission Act or similar state laws could result in sanctions or limit the claims we can make.

Our promotional activities and materials, including advertising to consumers and physicians, and materials provided to third parties for their use in promoting our products and services, are regulated by the Federal Trade Commission (FTC) under the FTC Act, which prohibits unfair and deceptive acts and practices, including claims which are false, misleading or inadequately substantiated. The FTC typically requires competent and reliable scientific tests or studies to substantiate express or implied claims that a product or service is effective. If the FTC were to interpret our promotional materials as making express or implied claims that our products and services are effective for the treatment of mental illness, it may find that we do not have adequate substantiation for such claims. Failure to comply with the FTC Act or similar laws enforced by state attorneys general and other state and local officials could result in administrative or judicial orders limiting or eliminating the claims we can make about our products and services, and other sanctions including fines.

Our business practices may be found to constitute illegal fee-splitting or corporate practice of medicine, which may lead to penalties and adversely affect our business.

Many states, including California, in which our principal executive offices are located, have laws that prohibit business corporations, such as us, from practicing medicine, exercising control over medical judgments or decisions of physicians, or engaging in certain arrangements, such as employment or fee-splitting, with physicians. Courts, regulatory authorities or other parties, including physicians, may assert that we are engaged in the unlawful corporate practice of medicine by providing administrative and ancillary services in connection with our PEER Reports. These parties may also assert that selling our PEER Reports for a portion of the patient fees constitutes improper fee-splitting. If asserted, such claims could subject us to civil and criminal penalties and substantial legal costs, could result in our contracts being found legally invalid and unenforceable, in whole or in part, or could result in us being required to restructure our contractual arrangements, all with potentially adverse consequences to our business and our stockholders.

Our business practices may be found to violate anti-kickback, self-referral or false claims laws, which may lead to penalties and adversely affect our business.

The healthcare industry is subject to extensive federal and state regulation with respect to financial relationships and "kickbacks" involving healthcare providers, physician self-referral arrangements, filing of false claims and other fraud and abuse issues. Federal anti-kickback laws and regulations prohibit certain offers, payments or receipts of remuneration in return for (i) referring patients covered by Medicare, Medicaid or other federal health care program, or (ii) purchasing, leasing, ordering or arranging for or recommending any service, good, item or facility for which payment may be made by a federal health care program. In addition, federal physician self-referral legislation, commonly known as the Stark law, generally prohibits a physician from ordering certain services reimbursable by Medicare, Medicaid or other federal healthcare program from any entity with which the physician has a financial relationship. In addition, many states have similar laws, some of which are not limited to services reimbursed by federal healthcare programs. Other federal and state laws govern the submission of claims for reimbursement, or false claims laws. One of the most prominent of these laws is the federal False Claims Act, and violations of other laws, such as the anti-kickback laws or the FDA prohibitions against promotion of off-label uses of medications, may also be prosecuted as violations of the False Claims Act.

While we believe we have structured our relationships to comply with all applicable requirements, federal or state authorities may claim that our fee arrangements, agreements and relationships with contractors and physicians violate these anti-kickback, self-referral or false claims laws and regulations. These laws are broadly worded and have been broadly interpreted by courts. It is often difficult to predict how these laws will be applied, and they potentially subject many typical business arrangements to government investigation and prosecution, which can be costly and time consuming. Violations of these laws are punishable by monetary fines, civil and criminal penalties, exclusion from participation in government-sponsored health care programs and forfeiture of amounts collected in violation of such laws. Some states also have similar anti-kickback and self-referral laws, imposing substantial penalties for violations. If our business practices are found to violate any of these provisions, we may be unable to continue with our relationships or implement our business plans, which would have an adverse effect on our business and results of operations.

We may be subject to healthcare anti-fraud initiatives, which may lead to penalties and adversely affect our business.

State and federal governments are devoting increased attention and resources to anti-fraud initiatives against healthcare providers, taking an expansive definition of fraud that includes receiving fees in connection with a healthcare business that is found to violate any of the complex regulations described above. While to our knowledge we have not been the subject of any anti-fraud investigations, if such a claim were made defending our business practices could be time consuming and expensive, and an adverse finding could result in substantial penalties or require us to restructure our operations, which we may not be able to do successfully.

Our use and disclosure of patient information is subject to privacy and security regulations, which may result in increased costs.

In conducting research or providing administrative services to healthcare providers in connection with the use of our PEER Reports we may collect, use, maintain and transmit patient information in ways that will be subject to many of the numerous state, federal and international laws and regulations governing the collection, dissemination, use and confidentiality of patient-identifiable health information, including the federal Health Insurance Portability and Accountability Act (HIPAA) and related rules. The three rules that were promulgated pursuant to HIPAA that could most significantly affect our business are the Standards for Electronic Transactions, or Transactions Rule; the Standards for Privacy of Individually Identifiable Health Information, or Privacy Rule; and the Health Insurance Reform: Security Standards, or Security Rule. HIPAA applies to covered entities, which include most healthcare facilities and health plans that may contract for the use of our services. The HIPAA rules require covered entities to bind contractors like us to compliance with certain burdensome HIPAA rule requirements.

The HIPAA Transactions Rule establishes format and data content standards for eight of the most common healthcare transactions. If we perform billing and collection services on behalf of psychiatrists and other physicians, we may be engaging in one or more of these standard transactions and will be required to conduct those transactions in compliance with the required standards. The HIPAA Privacy Rule restricts the use and disclosure of patient information, requires entities to safeguard that information and to provide certain rights to individuals with respect to that information. The HIPAA Security Rule establishes elaborate requirements for safeguarding patient information transmitted or stored electronically. We may be required to make costly system purchases and modifications to comply with the HIPAA rule requirements that are imposed on us and our failure to comply may result in liability and adversely affect our business.

Numerous other federal and state laws protect the confidentiality of personal and patient information. These laws in many cases are not preempted by the HIPAA rules and may be subject to varying interpretations by courts and government agencies, creating complex compliance issues for us and the psychiatrists and other physicians who purchase our services, and potentially exposing us to additional expense, adverse publicity and liability.

Risks Relating To An Investment In Our Common Stock

We currently have a limited trading volume, which results in higher price volatility for, and reduced liquidity of, our common stock.

Our shares of common stock are currently quoted on the OTCQB under the symbol "CNSO". There is currently no broadly followed, established trading market for our common stock and an established trading market for our shares of common stock may never develop or be maintained. Active trading markets generally result in lower price volatility and more efficient execution of buy and sell orders. The absence of an active trading market increases price volatility and reduces the liquidity of our common stock. As long as this condition continues, the sale of a significant number of shares of common stock at any particular time could be difficult to achieve at the market prices prevailing immediately before such shares are offered. Also, as a result of this lack of trading activity, the quoted price for our common stock on the OTCQB is not necessarily a reliable indicator of its fair market value.

Furthermore, if we cease to be quoted on the OTCQB, holders would find it more difficult to dispose of, or to obtain accurate quotations as to the market value of, our common stock, and the market value of our common stock would likely decline.

If and when a larger trading market for our common stock develops, the market price of our common stock is likely to be highly volatile and subject to wide fluctuations, and you may be unable to resell your shares at or above the price at which you acquired them.

The market price of our common stock is likely to be highly volatile and could be subject to wide fluctuations in response to a number of factors that are beyond our control, including, but not limited to:

· quarterly variations in our revenues and operating expenses;
· developments in the financial markets and worldwide or regional economies;
· announcements of innovations or new products or services by us or our competitors;
· announcements by the government relating to regulations that govern our industry;
· significant sales of our common stock or other securities in the open market;
· variations in interest rates;
· changes in the market valuations of other comparable companies; and
· changes in accounting principles.

In the past, stockholders have often instituted securities class action litigation after periods of volatility in the market price of a company's securities. If a stockholder were to file any such class action suit against us, we would incur substantial legal fees and our management's attention and resources would be diverted from operating our business to respond to the litigation, which could harm our business.

Recent and future sales of securities by us in equity or debt financings could result in substantial dilution to our existing stockholders and have a material adverse effect on our earnings.

Recent and future sales of common stock or derivative securities by us in private placements or public offerings could result in substantial dilution to our existing stockholders. For example, the conversion of our $3 million in secured convertible debt at $0.05 per share, plus the interest thereon, which we privately placed between September 2014 and September 2015, will result in more than 60 million additional shares being issued. In addition, we recently extended this secured convertible debt financing, to increase the aggregate principal amount of notes available for issuance from $3 million to up to $6 million. If were are able to issue the full $6 million of notes allowed thereunder, an additional 60 million shares would be issuable upon their conversion. In addition, on December 23, 2015, we issued to holders of our $3 million in secured convertible notes, together with investors in our new round of secured convertible note financing (such notes also convertible at $0.05 per share, plus interest thereon), warrants to purchase an aggregate of 80 million shares of our common stock. If fully exercised, such warrants would result in an additional 80 million shares of our common stock being issued. In addition, our business strategy may include expansion through internal growth, by acquiring complementary businesses, by acquiring or licensing additional products and services, or by establishing strategic relationships with targeted customers and suppliers. In order to do so, or to finance the cost of our other activities, we may issue additional equity securities that could dilute our stockholders' stock ownership. We may also assume additional debt and incur impairment losses related to goodwill and other tangible assets if we acquire another company and this could negatively impact our earnings and results of operations.

U.S. broker-dealers may be discouraged from effecting transactions in shares of our common stock because they may be considered penny stock and thus be subject to the penny stock rules.

The SEC has adopted a number of rules to regulate "penny stock" that restricts transactions involving our shares of common stock. Such rules include Rules 3a51-1, 15g-1, 15g-2, 15g-3, 15g-4, 15g-5, 15g-6, 15g-7, and 15g-9 under the Securities and Exchange Act of 1934, as amended. These rules may have the effect of reducing the liquidity of penny stocks. "Penny stocks" generally are equity securities with a price of less than $5.00 per share (other than securities registered on certain national securities exchanges or quoted on the NASDAQ Stock Market if current price and volume information with respect to transactions in such securities is provided by the exchange or system). Our securities constitute "penny stock" within the meaning of the rules. The additional sales practice and disclosure requirements imposed upon U.S. broker-dealers may discourage such broker-dealers from effecting transactions in shares or our common stock, which could severely limit the market liquidity of such shares and impede their sale in the secondary market.

A U.S. broker-dealer selling penny stock to anyone other than an established customer or "accredited investor" (generally, an individual with net worth in excess of $1,000,000 or an annual income exceeding $200,000, or $300,000 together with his or her spouse) must make a special suitability determination for the purchaser and must receive the purchaser's written consent to the transaction prior to sale, unless the broker-dealer or the transaction is otherwise exempt. In addition, the penny stock regulations require the U.S. broker-dealer to deliver, prior to any transaction involving a penny stock, a disclosure schedule prepared in accordance with SEC standards relating to the penny stock market, unless the broker-dealer or the transaction is otherwise exempt. A U.S. broker-dealer is also required to disclose commissions payable to the U.S. broker-dealer and the registered representative and current quotations for the securities. Finally, a U.S. broker-dealer is required to submit monthly statements disclosing recent price information with respect to the penny stock held in a customer's account and information with respect to the limited market in penny stocks.

Stockholders should be aware that, according to SEC, the market for penny stocks has suffered in recent years from patterns of fraud and abuse. Such patterns include (i) control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer; (ii) manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases; (iii) "boiler room" practices involving high-pressure sales tactics and unrealistic price projections by inexperienced sales persons; (iv) excessive and undisclosed bid-ask differentials and markups by selling broker-dealers; and (v) the wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired level, resulting in investor losses. Our management is aware of the abuses that have occurred historically in the penny stock market. Although we do not expect to be in a position to dictate the behavior of the market or of broker-dealers who participate in the market, management will strive within the confines of practical limitations to prevent the described patterns from being established with respect to our securities.

We have not paid dividends in the past and do not expect to pay dividends for the foreseeable future, and any return on investment may be limited to potential future appreciation on the value of our common stock.

We currently intend to retain any future earnings to support the development and expansion of our business and do not anticipate paying cash dividends in the foreseeable future. Our payment of any future dividends will be at the discretion of our board of directors after taking into account various factors, including without limitation, our financial condition, operating results, cash needs, growth plans and the terms of any credit agreements that we may be a party to at the time. To the extent we do not pay dividends, our stock may be less valuable because a return on investment will only occur if and to the extent our stock price appreciates, which may never occur. In addition, investors must rely on sales of their common stock after price appreciation as the only way to realize their investment, and if the price of our stock does not appreciate, then there will be no return on investment. Investors seeking cash dividends should not purchase our common stock.

Our officers, directors and principal stockholders can exert significant influence over us and may make decisions that are not in the best interests of all stockholders.

Our officers, directors, principal stockholders (greater than 5% stockholders) and nominees to our board of directors collectively control approximately 49% of our issued and outstanding common stock and 70% on a fully diluted basis, excluding shares to be issued on the conversion of interest earned on the Notes. As a result, these stockholders are able to affect the outcome of, or exert significant influence over, all matters requiring stockholder approval, including the election and removal of directors and any change in control. This concentration of ownership of our common stock could have the effect of delaying or preventing a change of control of us or otherwise discouraging or preventing a potential acquirer from attempting to obtain control of us. This, in turn, could have a negative effect on the market price of our common stock. It could also prevent our stockholders from realizing a premium over the market prices for their shares of common stock. Moreover, the interests of this concentration of ownership may not always coincide with our interests or the interests of other stockholders, and accordingly, they could cause us to enter into transactions or agreements that we would not otherwise consider.

Transactions engaged in by our largest stockholders, our directors or executives involving our common stock may have an adverse effect on the price of our stock.

Our officers, directors, principal stockholders (greater than 5% stockholders) and nominees to our board of directors collectively control approximately 49% of our issued and outstanding common stock and 70% on a fully diluted basis, excluding shares to be issued on the conversion of interest earned on the Notes. Subsequent sales of our shares by these stockholders could have the effect of lowering our stock price. In connection with our recent offer and sale of convertible notes, we agreed to file a registration statement under certain circumstances covering the resale of shares of common stock upon the conversion thereof. The perceived risk associated with the possible sale of a large number of shares by these stockholders, or the adoption of significant short positions by hedge funds or other significant investors, could cause some of our stockholders to sell their stock, thus causing the price of our stock to decline. In addition, actual or anticipated downward pressure on our stock price due to actual or anticipated sales of stock by our directors or officers could cause other institutions or individuals to engage in short sales of our common stock, which may further cause the price of our stock to decline.

From time to time our directors and executive officers may sell shares of our common stock on the open market. These sales will be publicly disclosed in filings made with the SEC. In the future, our directors and executive officers may sell a significant number of shares for a variety of reasons unrelated to the performance of our business. Our stockholders may perceive these sales as a reflection on management's view of the business and result in some stockholders selling their shares of our common stock. These sales could cause the price of our stock to drop.

Anti-takeover provisions may limit the ability of another party to acquire us, which could cause our stock price to decline.

Delaware law contains provisions that could discourage, delay or prevent a third party from acquiring us, even if doing so may be beneficial to our stockholders, which could cause our stock price to decline. In addition, these provisions could limit the price investors would be willing to pay in the future for shares of our common stock.

Non-U.S. investors may have difficulty effecting service of process against us or enforcing judgments against us in courts of non-U.S. jurisdictions.

We are a company incorporated under the laws of the State of Delaware. All of our directors and officers reside in the United States. It may not be possible for non-U.S. investors to effect service of process within their own jurisdictions upon our company and our directors and officers. In addition, it may not be possible for non-U.S. investors to collect from our company, its directors and officers, judgments obtained in courts in such non-U.S. jurisdictions predicated on non-U.S. legislation.

If securities or industry analysts do not publish or cease publishing research or reports about us, our business or our market, or if they change their recommendations regarding our stock adversely, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts may publish about us, our business, our market or our competitors. If any of the analysts who may cover us change their recommendation regarding our stock adversely, or provide more favorable relative recommendations about our competitors, our stock price would likely decline. If any analyst who may cover us were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

ITEM 1B. Unresolved Staff Comments

Not applicable.

ITEM 2. Properties

The Company has leased its headquarters and Neurometric Services space, located at 85 Enterprise, Suite 410, Aliso Viejo, CA 92656, under an operating lease since February 2010. On February 6, 2014, we signed a 24 month extension to our lease which commenced on February 1, 2014 and terminates on January 31, 2016. The 2,023 square foot facility has an average cost for the lease term of $4,100 per month. The lease for months one through 13 was $4,349 per month; the months of February 2014 and January 2015 were abated; the lease for months 14 through 24 is $4,523 per month.

The rental rate for a three-year lease extension at our current location would increase by over 50 percent per month; consequently, we have decided to move. We are in the process of finalizing a lease on suitable premises nearby, with a rental rate similar to what we are currently paying. The proposed new location was selected for its easy patient access with proximity to Mission Hospital and good freeway access. We expect more patients to come to this location to have their EEG readings done.

ITEM 3. Legal Proceedings

From time to time, the Company may be involved in litigation relating to claims arising out of the Company's operations in the ordinary course of business. Other than as set forth below, the Company is not currently party to any legal proceedings, the adverse outcome of which, in the Company's management's opinion, individually or in the aggregate, would have a material adverse effect on the Company's results of operations or financial position.

Since June 2009, the Company has been involved in litigation against Leonard J. Brandt, a stockholder, former Director and the Company's former Chief Executive Officer ("Brandt") in the Delaware Chancery Court, the Supreme Court of the State of Delaware, the United States District Court for the Central District of California and the Superior Court for the State of California, Orange County. Other than current actions described below, the Company has prevailed in all actions or the matters have been dismissed.

On April 11, 2011, Brandt and his family business partnership Brandt Ventures, GP, filed an action in the Superior Court for the State of California, Orange County against the Company, one of its stockholders, SAIL Venture Partner, LP, and Mr. David Jones, a former member of the Board, alleging breach of a promissory note agreement entered into by Brandt Ventures, GP and the Company and alleging that Mr. Brandt was wrongfully terminated as Chief Executive Officer in April, 2009. The Company was served with a summons and complaint in the action on July 19, 2011.

On November 1, 2011, Mr. Brandt and Brandt Ventures filed an amended complaint amending their claims and adding new claims against the same parties. On March 12, 2012, the court sustained demurrers to certain of the counts against each defendant. On March 22, 2012, the plaintiffs filed a second amended complaint modifying certain of their claims, but did not add new claims. On February 6, 2013, the plaintiffs moved for leave to amend the second amended complaint and file a third amended complaint. On March 6, 2013, the Court granted leave to amend, but awarded fees and costs for the defendants to again make dispositive motions. The third amended complaint adds a claim for breach of the promissory note and seeks to foreclose on the collateral securing the note obligation. In addition, Mr. Brandt is seeking approximately $170,000 of severance and compensatory and punitive damages in connection with his termination. In interrogatory responses served on January 26, 2013, Mr. Brandt for the first time identified that he seeks damages in connection with his termination exceeding $9,000,000. Mr. Brandt has proffered no credible evidence to support damages in this amount, and the Company believes this claim for damages is without merit. The plaintiffs also seek rescission of a $250,000 loan made by Brandt Ventures, GP to the Company which was converted into Common Stock in accordance with its terms and restitution of the loan amount.

Discovery is ongoing and the Company continues to aggressively defend the action. A trial date had originally been set for May 2014; however, plaintiffs' counsel requested a continuance until August 2014 to which the Company agreed. On June 18, 2014, at plaintiffs' counsel's request, the Company entered into a Standstill and Tolling Agreement, whereby the parties agreed to seek a stay of the litigation and plaintiffs agreed to provide the Company with an executed dismissal of all the claims without prejudice, with the ability to re-file the third amended complaint, without change, on or before June 18, 2015, which the Company may file if the Court lifted the stay. Subsequently on May 7, 2015, the parties agreed to continue the Standstill and Tolling Agreement for another year, until June, 2016, on the same terms. On May 12, 2015, the Court agreed to stay the case for another six months. The Company believes that the third amended complaint, like the prior complaints, is without merit. The Company has not accrued any amounts related to this matter. The action is captioned *Leonard J. Brandt and Brandt Ventures, GP v. CNS Response, Inc., Sail Venture Partners and David Jones, case no. 30-2011-00465655-CU-WT-CJC.*

The Company has expended substantial resources to pursue the defense of legal proceedings initiated by Mr. Brandt. The Company does not know whether Mr. Brandt will institute additional claims against the Company and the defense of any such claims could involve the expenditure of additional resources by the Company.

ITEM 4. Mine Safety Disclosures.

Not applicable .

PART II

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

Common Stock

Our common stock is currently trading on the OTCQB market the symbol CNSO. There is currently no broadly followed, established trading market for our common stock. Established trading markets generally result in lower price volatility and more efficient execution of buy and sell orders. The absence of an established trading market increases price volatility and reduces the liquidity of our common stock. As a result of this lack of trading activity, the quoted price for our common stock on the OTCQB is not necessarily a reliable indicator of its fair market value.

The following table sets forth, for the periods indicated, the high and low bid information for our common stock as determined from sporadic quotations on the OTC Bulletin Board or OTCQB market. The following quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

	High	Low
Fiscal Year Ended September 30, 2014		
First Quarter	$ 0.54	$ 0.30
Second Quarter	$ 0.86	$ 0.36
Third Quarter	$ 0.65	$ 0.34
Fourth Quarter	$ 0.35	$ 0.22
Fiscal Year Ended September 30, 2015		
First Quarter	$ 0.27	$ 0.12
Second Quarter	$ 0.22	$ 0.17
Third Quarter	$ 0.17	$ 0.07
Fourth Quarter	$ 0.08	$ 0.05

On January 4, 2016, the closing sales price of our common stock as reported on the OTCQB market was $0.03 per share. As of January 4, 2016, there were 287 record holders of our common stock. The number of holders of record is based on the actual number of holders registered on the books of our transfer agent and does not reflect holders of shares in "street name" or persons, partnerships, associations, corporations or other entities identified in security position listings maintained by depository trust companies.

Dividend Rights

We have not paid or declared cash distributions or dividends on our common stock and we do not intend to pay cash dividends on our common stock in the foreseeable future. We currently intend to retain all earnings, if and when generated, to finance our operations. The declaration of cash dividends in the future will be determined by the board of directors based upon our earnings, financial condition, capital requirements and other relevant factors.

Recent Sales of Unregistered Securities

The information required to be disclosed pursuant to Item 701 of Regulation S-K is incorporated herein by reference to our Company's current reports on Form 8-K.

None of the sales of securities referred to in such section was registered under the Securities Act of 1933, as amended (the "Securities Act"). Each of the purchasers represented to us that he/she/it was an "accredited investor" as that term is defined in Regulation D under the Securities Act. In addition, no general solicitation or advertising was used in connection with the sales. In making the sales without registration under the Securities Act, the Company relied upon the exemptions from registration contained in Sections 4(a)(2) of the Securities Act, and in Regulation D promulgated under the Securities Act.

ITEM 6. Selected Financial Data

Not applicable.

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

The following discussion should be read in conjunction with the consolidated financial statements and accompanying notes provided under Part II, Item 8 of this annual report on Form 10-K. This discussion summarizes the significant factors affecting the consolidated operating results, financial condition and liquidity and cash flows of MYnd Analytics, Inc. for the fiscal years ended September 30, 2015 and 2014. Except for historical information, the matters discussed in this Management's Discussion and Analysis of Financial Condition and Results of Operations are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties and are based on the beliefs and assumptions of our management as of the date hereof based on information currently available to our management. Use of words such as "believes," "expects," "anticipates," "intends," "plans," "estimates," "should," "forecasts," "goal," "likely" or similar expressions, indicate a forward-looking statement. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions. Actual results may differ materially from the forward-looking statements we make. See "Risk Factors" elsewhere in this annual report on Form 10-K for a discussion of certain risks associated with our business. We disclaim any obligation to update forward-looking statements for any reason.

Overview

We are a clinical decision support company with a patented commercial neurometric platform to predict drug response for treatment of brain disorders, including depression, anxiety, bipolar disorder and post-traumatic stress disorder ("PTSD"). We will be conducting clinical trials focused on military personnel and their family members who are suffering from depression, PTSD and mild traumatic brain injury ("mTBI") in order to support clinical decisions in the treatment of depression and related disorders. We are also planning to commercialize our Psychiatric Electroencephalographic Evaluation Registry ("PEER") Report by using social media advertising to individual consumers suffering from depression, anxiety, PTSD and other behavioral disorders.

Working Capital

We are unable to pay all our obligations as they become due and we are in arrears on paying certain of our creditors. If we are not able to raise additional funds within the next several months, and we cannot find additional sources of funds and/or reach accommodations with certain of our creditors, we will likely be required to cease our operations.

Since our inception, we have never been profitable and we have generated significant net losses. As of September 30, 2015, we had an accumulated deficit of approximately $62.59 million; and as of September 30, 2014, our accumulated deficit was approximately $59.21 million. We incurred operating losses of $2.66 million and $3.82 million for the fiscal years ended September 2015 and 2014, respectively and incurred net losses of $3.38 million and $2.66 million for those respective periods. Large, non-cash, accounting transactions significantly impacted the net losses for the 2015 and 2014 fiscal years, including:

- For 2015 our net loss was exacerbated by a net loss of $0.47 million as a result of accounting for the extinguishment of debt and derivative liability transactions resulting from the amendment of the conversion terms of our notes payable.

- For the 2014 year we had a non-cash gain of $1.12 million which included a gain on extinguishment of debt of $1.1 million attributable to the settlement of certain accounts payable with equity.

Assuming we are able to continue our operations, we expect our net losses to continue for at least the next eighteen months to two years. We anticipate that a substantial portion of any capital resources and efforts would be focused on conducting our proposed clinical trials, followed by the scale-up of our commercial organization, further research, product development and other general corporate purposes, including the payment of legal fees incurred as a result of our litigation. We anticipate that future research and development projects would be funded by grants or third-party sponsorship, along with funding by the Company.

As of September 30, 2015, our current liabilities of approximately $2.53 million exceeded our current assets of approximately $0.55 million by approximately $1.98 million and, assuming we are able to continue our operations, our net losses will continue for the foreseeable future. During fiscal year 2015 we raised $1.35 million in the private placement of secured convertible debt convertible at $0.05 per share. During fiscal year 2014 we were successful in raising a net $3.34 million of which $1.69 million was in the private placement of equity at $0.25 per share of Common Stock and $1.65 million was in the private placement of secured convertible debt at $0.05 per share.

On December 23, 2015, the Company entered into a second amended and restated note and warrant purchase agreement with each of 16 accredited investors, pursuant to which (i) the aggregate principal amount of notes available for issuance was increased from $3.0 million to up to $6.0 million, (ii) the maturity date of currently outstanding notes was extended from March 21, 2016 to December 31, 2017; (iii) the time during which notes may be issued was extended and (iv) certain warrants were issued to holders of both previously issued and newly issued notes.

Pursuant to the second amended note and warrant agreement, on December 23 and December 28, 2015, the Company issued to the two purchasers thereof (i) an aggregate principal amount of $1,000,000 of secured convertible promissory notes, which amount also represents the gross proceeds to the Company therefrom, and (ii) a warrant to each such purchaser holder to purchase the Company's Common Stock, in an amount equal to 100% of the shares underlying such purchased notes. For details of the second amended note and warrant agreement financing see "***Private Placement Transactions***" below.

We will need additional funding to conduct additional clinical trials and to conduct a marketing campaign to significantly increase the demand for our PEER Online services. We are actively exploring additional sources of capital. However, we cannot offer assurances that additional funding will be available on acceptable terms, or at all. Even if we were to raise additional funds, any additional equity funding may result in significant dilution to existing stockholders, and, if we incur additional debt financing, a substantial additional portion of our operating cash flow may be dedicated to the payment of principal and interest on such indebtedness, thus limiting the funds available for our business activities. If adequate funds are not available, it will likely force us to cease operations or would otherwise have a material adverse effect on our business, financial condition and/or results of operations.

Private Placement Transactions

From February 2013, through July 2014, the Company conducted five tranches of private placements of shares of common stock at $0.25 per share as follows:

The first two tranches, which occurred between February 22, 2013 and April 1, 2013, and between May 23, 2013 and September 12, 2013, consisted of an aggregate of 38 accredited investors purchasing an aggregate of 12,180,000 shares of common stock at a price of $0.25 per share in private placement transactions, from which the Company received gross aggregate cash proceeds of $3,045,000. The investors included the following affiliates: the Tierney Family Trust of which Mr. Tierney, our former Chairman of the Board, is a trustee, which acquired 1,600,000 shares of common stock for which the Company received cash proceeds of $400,000: the Follman Family Trust of which Mr. Robert Follman, a director of the Company is a trustee, which acquired 800,000 shares of common stock for which the Company received cash proceeds of $200,000: Mr. John Pappajohn, a director of the Company, who acquired 400,000 shares of common stock for which the Company received cash proceeds of $100,000: Mr. Paul Buck, the Company’s CFO, who acquired 100,000 shares of common stock for which the Company received cash proceeds of $25,000: Extuple Limited Partnership (“Extuple”) an accredited investor and a greater than 5% beneficial owner of the Company, which invested $300,000 for 1,200,000 shares of common stock and Mr. & Mrs. Mark and Jill Oman, who are also greater than 5% beneficial owners of the Company, and an entity under their control, which acquired 1,400,000 shares of common stock for which the Company received cash proceeds of $350,000.

In the third tranche, which occurred between October 7, 2013 and November 14, 2013, the Company sold and issued an aggregate of 1,900,000 shares of its common stock at a per share price of $0.25, in a private placement to 10 accredited investors, from which the Company received gross cash proceeds of $475,000. No affiliates participated in this tranche.

In the fourth tranche, which occurred between January 14, 2014 and February 14, 2014, the Company sold and issued an aggregate of 4,000,000 shares of its Common Stock at a price of $0.25 per share, in a private placement to 20 accredited investors, for which the Company received gross cash proceeds of $1,000,000. The investors in such tranche included the following affiliates: the Tierney Family Trust, which acquired 800,000 shares of Common Stock for which the Company received gross proceeds of $200,000: the Follman Family Trust, which acquired 800,000 shares of Common Stock for which the Company received cash proceeds of $200,000: George Carpenter, the Company's Chief Executive Officer, and his wife Jill Carpenter, who acquired 200,000 shares of Common Stock for which the Company received cash proceeds of $50,000; and Paul Buck, the Company's, CFO, who acquired 100,000 shares of Common Stock for which the Company received cash proceeds of $25,000.

In the fifth tranche, which occurred between July 8, 2014 and July 23, 2014, the Company sold and issued an aggregate of 1,040,000 shares of its Common Stock, at a price of $0.25 per share, in a private placement to nine accredited investors, for which it received gross cash proceeds of $260,000. These investors included the following affiliates: the Tierney Family Trust and Follman Family Trust, who each purchased 400,000 shares of Common Stock for $100,000 each; an entity beneficially owned by our former director, Walter Schindler, which purchased 40,000 shares of Common Stock for $10,000; our Chief Executive Officer, George Carpenter and his wife Jill Carpenter, who purchased 50,000 shares of Common Stock for $12,500; and our CFO, Paul Buck, who purchased 50,000 shares of Common Stock for $12,500.

Between September 22, 2014, and July 20, 2015, the Company entered into a Note Purchase Agreement (the "Original Note Purchase Agreement") in connection with a bridge financing, with nine accredited investors, including lead investor RSJ Private Equity investiční fond s proměnným základním kapitálem ("RSJ PE"). Pursuant to the Original Note Purchase Agreement, the Company issued fifteen secured convertible promissory notes (each, a "September 2014 Note") in the aggregate principal amount of $2.27 million. The September 2014 Notes were also purchased by the following affiliates of the Company or entities under their control: RSJ PE, of which Michal Votruba is a director, which purchased a September 2014 Note for $750,000; the Company's director, John Pappajohn, who purchased three September 2014 Notes for $400,000; the Follman Family Trust, which purchased a September 2014 Note for $100,000; The Tierney Family Trust, which is a greater than 5% shareholder of the Company, which purchased four September 2014 Notes for $540,000; and Oman Ventures, of which Mark Oman, a greater than 5% stockholder of the Company, is the President, which purchased a September 2014 Note for $200,000. Michal Votruba joined our Board on July 30, 2015.

The Original Note Purchase Agreement provided for the issuance and sale of September 2014 Notes in the aggregate principal amount of up to $2.5 million, in one or more closings to occur over a six-month period beginning September 22, 2014. The Original Note Purchase Agreement also provided that the Company and the holders of the September 2014 Notes enter into a registration rights agreement covering the registration of the resale of the shares of the Common Stock underlying the September 2014 Notes.

On April 14, 2015, the Company entered into Amendment No. 1 to the Original Note Purchase Agreement with the majority of the noteholders in principal, dated as of April 14, 2015 ("Amendment No. 1"), pursuant to which: (i) the aggregate principal amount of notes provided for issuance was increased by $0.5 million to a total of $3.0 million, and (ii) the period to raise the $3.0 million was extended to September 30, 2015. The Company subsequently amended and restated the Original Note Purchase Agreement solely to update for the changes made pursuant to Amendment No. 1 (such amended and restated agreement, together with the Original Note Purchase Agreement, the "Note Purchase Agreement").

On September 14, 2015, the Company entered into an Omnibus Amendment (the “Omnibus Amendment”) to the Note Purchase Agreement and the notes purchased and sold pursuant thereto, with the majority of the noteholders to fix the conversion price of all notes at $0.05 per share (as adjusted for stock splits, stock dividends, combinations or the like affecting the Common Stock) (the “Fixed Conversion Price”) (i) automatically, in the event of a qualified financing of not less than $5 million, or (ii) voluntary, within 15 days prior to the maturity date of the note. The Omnibus Amendment also amended the form of note attached to the Note Purchase Agreement to reflect the Fixed Conversion Price.

Subsequently thereto, on September 14, 15 and 24, 2015, the Company entered into a Note Purchase Agreement, as amended by the Omnibus Amendment, with each of six accredited investors, in connection with a bridge financing. Pursuant to these Note Purchase Agreements, the Company issued an aggregate principal amount of $710,000 of secured convertible promissory notes (collectively, the “September 2015 Notes,” and together with the September 2014 Notes all other notes that may be purchased and sold, from time to time in the future, pursuant to the Note Purchase Agreement, and any further amendments or modifications thereto, the “Notes”), which amount also represents the gross proceeds to the Company from the September 2015 Notes. Four of the six September 2015 Notes were purchased by affiliates of the Company, or an entity under such affiliate’s control, as follows: (i) Dr. Robin Smith, Chairman of the Board of Directors of the Company, purchased a Note for $60,000; (ii) the Follman Family Trust purchased a Note for $150,000; (iii) John Pappajohn purchased a Note for $100,000 and (iv) RSJ PE purchased a Note for $350,000.

On December 23, 2015, the Company entered into a Second Amended Note & Warrant Agreement (which further amended the Note Purchase Agreement, as modified by the Omnibus Amendment) (the "Second Amended Note & Warrant Agreement"), with each of 16 accredited investors, pursuant to which (i) the aggregate principal amount of Notes available for issuance was increased from $3.0 million to up to $6.0 million, (ii) the maturity date of currently outstanding Notes was extended from March 21, 2016 to December 31, 2017; (iii) the time during which Notes may be issued was extended and (iv) certain warrants were issued to holders of both previously issued and newly issued Notes.

Pursuant to the Second Amended Note & Warrant Agreement, on December 23 and December 28, 2015, the Company issued to the two purchasers thereof (i) an aggregate principal amount of $1,000,000 of Notes (the "December 2015 Notes"), which amount also represents the gross proceeds to the Company from the December 2015 Notes, and (ii) a Note Warrant to each holder of December 2015 Notes to purchase the Company's Common Stock, in an amount equal to 100% of the shares underlying their December 2015 Note (each, a "Note Warrant"). Each Note Warrant is exercisable, in whole or in part, during the period beginning on the date of its issuance, and ending on the earlier of (i) December 31, 2020 and (ii) the date that is forty-five (45) days following the date on which the daily closing price of shares of the Company's Common Stock quoted on the OTCQB Venture Marketplace (or other bulletin board or exchange on which the Company's Common Stock is traded or listed) exceeds $0.25 for at least ten (10) consecutive trading days. In connection therewith, the Company will promptly notify the Note Warrant holders in the event that the daily closing price of the Company's shares of Common Stock so exceeds $0.25 for at least ten (10) consecutive trading days. Both December 2015 Notes and Note Warrants were purchased by affiliates of the Company, or an entity under such affiliate’s control, as follows: (i) on December 23, 2015, John Pappajohn, a member of the board of directors of the Company, purchased a December 2015 Note for $250,000 and was issued a Note Warrant to purchase 5,000,000 shares of Common Stock; and (ii) on December 28, 2015, RSJ PE, of which, Michal Votruba, a member of the board of directors of the Company, is the Director for Life Sciences for the RSJ/Gradus Fund, purchased a December 2015 Note for $750,000 and was issued a Note Warrant to purchase 15,000,000 shares of Common Stock.

Also on December 23, 2015, in consideration for the agreement to extend the maturity date of the Notes, the Company issued to holders of all Notes outstanding prior to the date of the Second Amended Note & Warrant Agreement, warrants to purchase an aggregate of 60,000,000 shares of Common Stock (the "Extension Warrants", together with the Note Warrants, the "Warrants"). All Warrants have identical terms. Each such holder was issued an Extension Warrant to purchase Common Stock in an amount equal to 100% of the shares underlying each such holder's previously outstanding Notes as follows:

5-Year Extension Warrants with an non-cashless exercise price of $0.05	Warrants to purchase Shares of Common Stock
RSJ Private Equity	22,000,000
10 Accredited Investors	11,000,000
Robin L. Smith	1,200,000
John Pappajohn	6,000,000
Tierney Family Trust	10,800,000
Oman Ventures	4,000,000
Follman Family Trust	5,000,000
Total Secured Convertible Promissory Notes	**60,000,000**

Pursuant to the Second Amended and Restated Note and Warrant Agreement, all Notes: (i) mature on December 31, 2017 (subject to earlier conversion or prepayment), (ii) earn interest at a rate of 5% per annum with interest payable at maturity, and (iii) are convertible into shares of Common Stock (A) automatically upon the closing of a qualified offering of no less than $5 million, at a conversion price of $0.05 per share or (B) voluntarily, within 15 days prior to maturity, at a conversion price of $0.05 per share. No Note may be prepaid without the prior written consent of the holder of such Note. The Notes are secured by a security interest in the Company's intellectual property. Upon a change of control of the Company, the holder of a Note will have the option to have the Note repaid with a premium equal to 50% of the outstanding principal.

Capitalization

At the meeting of shareholders of held on October 28, 2015, the shareholders approved a proposal to amend the Company's Certificate of Incorporation in order to increase the number of shares of Common Stock authorized for issuance under the Charter from 180,000,000 to 500,000,000. The table below summaries capitalization as of December 31, 2015:

	Shares
Shares of Common Stock Authorized	500,000,000
Shares of Preferred stock Authorized (none issued and outstanding)	15,000,000
Total Authorized Shares	515,000,000
Shares of Common Stock Issued and Outstanding	102,417,409
Common Stock issuable upon the exercise of outstanding stock options	14,230,011(1)
Common Stock issuable upon the exercise of outstanding warrants	781,524(1)
Common Stock reserved for conversion of $3M Secured Convertible Notes at $0.05 per share at September 30, 2015	60,000,000(2)
Total securities outstanding and reserved for issuance at September 30, 2015	177,428,944(2)
Common Stock issuable upon the exercise of outstanding warrants issued December 23, 2015, to the holders of the $3M Secured Convertible Notes exercisable at $0.05 per share	60,000,000
Common Stock reserved for conversion of $1M December 2015 Notes at $0.05 per share	20,000,000(2)
Common Stock issuable upon the exercise of outstanding Note Warrants issued to the holders of the $1M December 2015 Notes exercisable at $0.05 per share	20,000,000
Total securities outstanding and reserved for issuance at December 31, 2015	277,428,944(2)

(1) For more detail on exercise prices and expiration dates of the options and warrants please refer to the Stock Option Plans and Warrants to Purchase Common Stock sections of Note 6. Stockholders' Deficit of the Consolidated Financial Statements
(2)Does not include stock issued on the conversion of interest earned at 5% per annum on the Secured Convertible Notes

At the meeting of shareholders of held on October 28, 2015, the stockholders also approved to amend the Company's Charter for the purposes of effecting a reverse stock split of our Common Stock at a later time and at any time until the next meeting of the Company's stockholders which are entitled to vote on such actions, by a ratio of not less than 1-for-10 and not more than 1-for-200, and to authorize the Board of Directors to determine, at its discretion, the timing of the amendment and the specific ratio of the reverse stock split. The stock split is not effective as of the filing date.

Financial Operations Overview

Revenues

Our neurometric services revenues are derived from the sale of PEER Reports to physicians. Physicians are generally billed upon delivery of a PEER Report. The list price of our PEER Reports to physicians is $400 per report which excludes the cost of doing the EEG. Our Clinical Trial revenues have been derived from the PEER Reports to the Military. The list price of our PEER Reports to the Military has been $540 and was inclusive of collecting the EEG. We stopped providing PEER Reports to the Military in May 2014 and consequently, generated no revenue after such time. Although we expect to continue our service to the Military at some time, no assurance can be given that we will generate any additional revenue by providing the Military with PEER Reports.

Cost of Revenues

Cost of revenues are for neurometric services and represent the cost of direct labor, the costs associated with external processing, analysis and consulting services necessary to render an individualized test result and any miscellaneous support expenses. Costs associated with performing our tests are expensed as the tests are performed. We continually evaluate the feasibility of hiring our own personnel to perform most of the processing and analysis necessary to render a PEER Report.

Research and Product Development

Research and Product development expenses are associated with our neurometric services and primarily represent costs incurred to design and conduct clinical studies, to recruit patients into the studies, to improve PEER Report processing, to add data to the CNS Database, to improve analytical techniques and advance application of the methodology. We charge all research and development expenses to operations as they are incurred.

Sales and Marketing

For our neurometric services, our selling and marketing expenses consist primarily of personnel, media, support and travel costs to inform user organizations and consumers of our products and services. Additional marketing expenses are the costs of educating physicians, laboratory personnel, other healthcare professionals regarding our products and services.

General and Administrative

Our general and administrative expenses consist primarily of personnel, occupancy, legal, audit, consulting and administrative support costs for our neurometric services.

Critical Accounting Policies and Significant Judgments and Estimates

This management's discussion and analysis of financial condition and results of operations is based on our financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as revenues and expenses during the reporting periods. We evaluate our estimates and judgments on an ongoing basis. We base our estimates on historical experience and on various other factors we believe are 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 could therefore differ materially from those estimates under different assumptions or conditions.

Our significant accounting policies are described in Note 2 to our consolidated financial statements included elsewhere in this report. We believe the following critical accounting policies reflect our more significant estimates and assumptions used in the preparation of our consolidated financial statements.

Discontinued Operation

Due to our cessation of our Clinical Services operation as described in Note 3 to our consolidated financial statements, we have segregated the revenues and expenses associated with the Clinical Services and accounted for them as discontinued operations.

Revenue Recognition

We have generated limited revenues since our inception. Revenues for our Neurometric Service product are recognized when a PEER Report is delivered to a Client-Physician.

Stock-based Compensation Expense

Stock-based compensation expense, which is a non-cash charge, results from stock option grants. Compensation cost is measured at the grant date based on the calculated fair value of the award. We recognize stock-based compensation expense on a straight-line basis over the vesting period of the underlying option. The amount of stock-based compensation expense expected to be amortized in future periods may decrease if unvested options are subsequently cancelled or may increase if future option grants are made.

Long-Lived Assets and Intangible Assets

Property and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying value of the assets may not be recoverable. If the Company determines that the carrying value of the asset is not recoverable, a permanent impairment charge is recorded for the amount by which the carrying value of the long-lived or intangible asset exceeds its fair value. Intangible assets with finite lives are amortized on a straight-line basis over their useful lives of ten years.

Derivative accounting for convertible debt and warrants

The Company evaluates all of its agreements to determine if such instruments have derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the consolidated statements of operations. For stock-based derivative financial instruments, the Company uses a weighted average Black-Scholes option pricing model to value the derivative instruments at inception and on subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date. As of September 30, 2015, the Company's only derivative financial instruments were a series of convertible notes having a beneficial conversion feature based on the conversion price of the note relative to the market price of a share of Common Stock on the valuation date. See Notes 4 & 5.

Results of Operations for the Fiscal Years Ended September 30, 2015 and 2014

Since September 30, 2012, Neurometric Services has been focused on conducting the clinical trial at Walter Reed and Fort Belvoir and on the delivery of reports ("PEER Reports") to a core group of physicians. The PEER Report enables psychiatrists and other physician/prescribers to make more informed, patient-specific decisions when treating individual patients for behavioral (psychiatric and/or addictive) disorders based on the patient's own physiology. Prior to September, 2012, we also had a Clinical Services business which was operated by the NTC and provided full psychiatric services. This operation has been closed and is now accounted for as a discontinued operation.

The following table presents consolidated statement of operations data for each of the periods indicated as a percentage of revenues.

	Fiscal Year ended September 30,	
	2015	**2014**
Revenues	100%	100%
Cost of revenues	5	54
Gross profit	95	46
Research	92	86
Product development	691	991
Sales and marketing	348	289
General and administrative expenses	1,618	1,506
Operating loss	(2,654)	(2,826)
Other income (expense), net	(728)	856
Net income (expense) before Discontinued Operations	(3,382)	(1,970)
Loss from Discontinued Operations	7	(2)
Net income (loss)	(3,375)%	(1,972)%

Revenues

	Fiscal Year ended September 30,		Percent Change
	2015	**2014**	
Neurometric Service Revenues	$ 100,100	$ 135,100	(26)%

With respect to our Neurometric Services business, the number of third party non-study related, paid PEER Reports delivered remained identical at 243 reports for the fiscal years ended September 30, 2015 and 2014. There were no study related PEER Reports during the 2015 period as a result of the cessation of enrollment into the Walter Reed Trial effective May, 2014. During the fiscal year 2014, 70 trial related PEER Reports were delivered which accounted for $37,800 of revenue. Our standard price per report is $400 to our non-military providers plus the fees for Company recorded EEGs and ancillary services. The price to our military clinical trial providers is $540, which includes the collection of the EEG. The average revenue was $412 per report for the 2015 period; in the prior year the revenue per report was $400. The total numbers of free PEER Reports processed were 32 and 52 for the 2015 and 2014 fiscal years respectively. These free PEER Reports are used for training, database-enhancement and compassionate-use purposes.

Cost of Revenues

	Fiscal Year ended September 30,		Percent Change
	2015	**2014**	
Neurometric Services Cost of Revenues	$ 4,900	$ 73,000	(93)%

Neurometric Services cost of revenues consisting of payroll costs (including stock-based compensation), consulting costs, and other miscellaneous charges were as follows:

		Fiscal Year ended September 30,		
	Key Expense Categories	**2015**	**2014**	**Change**
(1)	Salaries and benefit costs	$ -	$ 50,100	$ (50,100)
(2)	Consulting fees	4,900	22,900	(18,000)
	Total Costs of Revenues	$ 4,900	$ 73,000	$ (68,100)

Consulting costs associated with the processing of second generation of PEER Online reports are between $10 and $60 per report. We expect the cost of revenues to decrease as a percentage of revenues as we improve our operating efficiency and increase the automation of certain processes.

Comparing the fiscal year ended September 30, 2015 with the corresponding period in 2014:

(1) Salary and benefit expenses for the 2015 period were $0 as a member of staff had left in 2014. This function was re-assigned to a consultant and other members of staff along with the rollout of our more automated second generation of PEER Online; and

(2) Consulting fees declined for the 2015 period, which was primarily attributable to our utilization of a different consulting resource to artifact EEGs, furthermore, we processed more PEER Reports with in-house resources.

Research

	Fiscal Year ended September 30,		Percent Change
	2015	**2014**	
Neurometric Services Research	$ 92,000	$ 116,200	(21)%

Research expenses consist of payroll costs (including stock-based compensation), consulting fees, travel, conference and other miscellaneous costs which were as follows:

		Fiscal Year ended September 30,		
	Key Expense Categories	**2015**	**2014**	**Change**
(1)	Salaries and benefit costs	$ 41,600	$ 65,600	$ (24,000)
(2)	Consulting fees	40,000	40,000	-
(3)	Other miscellaneous costs	10,400	10,600	(200)
	Total Research	$ 92,000	$ 116,200	$ (24,200)

Comparing the fiscal year ended September 30, 2015, with the corresponding period in 2014:

(1) Salary and benefit costs, which are solely comprised of stock-based compensation, decreased for the 2015 period as options grants for our medical consultants became fully vested, therefore, reducing the amortization expense for the stock-based compensation;

(2) Consulting fees remained identical for the 2015 and 2014 periods as we had entered into a consulting agreement with Dr. Schiller as our medical director whose duties also include the medical monitoring of the Walter Reed Trial, the training of clinical trial investigators and new PEER Online users and consulting with other physicians. Additionally, Dr. Schiller is advising on product development and clinical trial design; and

(3) Other miscellaneous costs for the 2015 and 2014 periods were substantially similar.

Product Development

	Fiscal Year ended September 30,		Percent Change
	2015	2014	
Neurometric Services Product Development	$ 691,800	$ 1,338,500	(48)%

Product Development expenses consist of payroll costs (including stock-based compensation), consulting fees, system development costs, conference, travel and miscellaneous costs which were as follows:

		Fiscal Year ended September 30,		
	Key Expense Categories	2015	2014	Change
(1)	Salaries and benefit costs	$ 461,700	$ 507,200	$ (45,500)
(2)	Consulting fees	145,500	622,300	(476,800)
(3)	System development costs	30,300	104,100	(73,800)
(4)	Conference & Travel	12,500	51,000	(38,500)
(5)	Other miscellaneous costs	41,800	53,900	(12,100)
	Total Product Development	$ 691,800	$ 1,338,500	$ (646,700)

Comparing the fiscal year ended September 30, 2015, with the corresponding period in 2014:

(1) Salaries and benefits decreased $45,500 primarily due to a reduction in stock-based compensation expenses in the 2015 period as options to purchase stock became fully vested. Apart from stock-based compensation, expenses remained similar for both periods; in the 2014 period managers had agreed to forfeit a portion of their salaries in favor of receiving stock-based compensation in the form of options with an exercise price of $0.25 per share of Common Stock along with the payout of their accrued salaries from prior periods. These accrued salaries were paid out over an extended period in place of their forfeited current salaries; consequently, the reduction in salary expense was substantially offset by the associated increase in stock-based compensation. During the 2015 period, effective March 15, 2015, managers had voluntarily agreed to reduce their salaries to $4,000 per month through July 31, 2015, in order to conserve cash: the deferred salaries were accrued;

(2) Consulting fees decreased by $476,800 for the 2015 period primarily due to a reduction in staffing associated with the Walter Reed Trial. As enrollment into the clinical trial was suspended on May 2014, staffing was adjusted to the reduced workload. During the 2014 period we originally had a research staff of five, and during the 2015 period it was reduced to two until the beginning of February, 2015, when the last staff member position was eliminated. The staff, which included clinical research coordinators and EEG technologists, were engaged as consultants through the Henry Jackson Foundation. Similarly, as a result of the reduced workload, we have reduced the costs of our Clinical Research Organization which oversees the clinical trial and data management processes;

(3) System development and maintenance costs decreased in the 2015 period due to the stage in the development cycle of PEER Online and as an effort to conserve cash. In the 2014 period, system development focused on upgrading our PEER Online system and Administrative Dashboard applications;

(4) Conference and travel costs were greatly reduced for the 2015 period as there were no visits to Walter Reed as the clinical trial enrollment had been suspended for the internal review. During the 2014 period we had personnel who had relocated to Bethesda, MD, to manage the trial; and

(5) Other miscellaneous costs decreased by $12,100 in the 2015 period due to the suspension of the clinical trial. In the 2014 period we also incurred a $28,000 expense as we entered into an agreement with a manufacturer of EEG equipment to modify their equipment to be compatible with the Neuroguide system which is used in the generation of the PEER Online reports.

Sales and marketing

	Fiscal Year ended September 30,		Percent Change
	2015	2014	
Neurometric Services Sales and Marketing	$ 347,900	$ 390,200	(11)%

Sales and marketing expenses associated with our Neurometric Services business consist primarily of payroll and benefit costs, including stock-based compensation, consulting fees, advertising, marketing, conference and travel expenses.

		Fiscal Year ended September 30,		
	Key Expense Categories	2015	2014	Change
(1)	Salaries and benefit costs	$ 187,400	$ 196,200	$ (8,800)
(2)	Consulting fees	118,900	120,000	(1,100)
(3)	Advertising and marketing costs	26,900	64,600	(37,700)
(4)	Conferences and travel costs	8,700	5,300	3,400
(5)	Other miscellaneous costs	6,000	4,100	1,900
	Total Sales and marketing	$ 347,900	$ 390,200	$ (42,300)

Comparing the fiscal year ended September 30, 2015, with the same period in 2014:

(1) Salaries and benefits for the 2015 period decreased slightly compared to the 2014 period. This was primarily due to option grants become fully vested, and consequently, the amortization expense was therefore reduced. This reduction in amortization expense was partially offset by a new option grant to a consultant tasked with obtaining a licensing agreement in the U.K.;

(2) Consulting fees for the 2015 and 2014 periods remained substantially the same. This was primarily due to $30,000 of the consulting fees for the abovementioned U.K. based consultant. Additional expenses included the placement of public relations media opportunities, including “The Doctor’s” show on CBS television and for improvements in our website design. These increases were offset by the suspension of marketing services from Decision Calculus Associates (“DCA”) effective the end of February 2015, in order to conserve cash. Effective September 2015, DCA was re-engaged to demonstrate that by using social media marketing, the Company could cost-effectively acquire a substantial number of leads of PEER Reports. For the 2014 period, the Company had engaged DCA to assist with social media and general marketing efforts;

(3) Advertising and marketing expenses decreased in the 2015 period when compared to the 2014 period, primarily because we reduced our expenditure on the public relations and advertising organizations which were engaged during the 2014 period. During 2015 we engaged in a limited test-marketing campaign using social media. The results from the campaign were encouraging and showed a demonstrable increase in leads at an acquisition cost of less than $75 per lead. During the 2014 period, we had hired a public relations and advertising organizations to advise and assist in raising the awareness for our Walter Reed Trial in anticipation of the announcement of interim results;

(4) Conference and travel costs increased marginally for the 2015 period due to travel expenses related to being featured on “The Doctor’s” show in Los Angeles; and

(5) Miscellaneous expenditures for the 2015 and 2014 periods were minimal and substantially consistent.

General and administrative

	Fiscal Year ended September 30,		Percent Change
	2015	2014	
General and administrative Neurometric Services	$ 1,619,900	$ 2,034,000	(20)%

General and administrative expenses for our Neurometric Services business are largely comprised of payroll and benefit costs, including stock based compensation, legal fees, patent costs, other professional and consulting fees, general administrative and occupancy costs, dues and subscriptions, conference and travel costs.

	Key Expense Categories	Fiscal Year ended September 30, 2015	2014	Change
(1)	Salaries and benefit costs	$ 712,500	$ 1,020,400	$ (307,900)
(2)	Legal fees	275,700	383,300	(107,600)
(3)	Other professional and consulting fees	119,000	154,600	(35,600)
(4)	Patent costs	113,600	83,000	30,600
(5)	Marketing and investor relations costs	50,200	29,200	21,000
(6)	Conference and travel costs	57,000	62,500	(5,500)
(7)	Dues & subscriptions fees	78,800	83,600	(4,800)
(8)	General admin and occupancy costs	213,100	217,400	(4,300)
	Total General and administrative costs	$ 1,619,900	$ 2,034,000	$ (414,100)

Comparing the fiscal year ended September 30, 2015, with the same period in 2014:

(1) Salaries and benefit expenses decreased for the 2015 period primarily because stock option grants for directors, officer and consultants became fully vested and consequently, and the amortization of option expenses were reduced by a net $329,900. This reduction was partially offset by an increase in accrued and paid payroll taxes of $22,400 in the 2015 period. During the 2015 period, the corporate officers voluntarily deferred a portion of their salaries to $4,000 per month, effective February 16, 2015, through to July 31, 2015, in order to assist the Company in conserving cash. Consequently, $175,000 was accrued as deferred compensation. During the 2014 period, pursuant to the Employment Compensation Forfeiture and Exchange Agreement dated December 16, 2013, the officers forfeited a portion of their salaries in exchange for options to purchase Common Stock at $0.25 per share and the payout of their previously accrued compensation earned during fiscal years 2013 and earlier.

(2) Net Legal fees decreased for the 2015 period primary due to a stay in the Brandt litigation pursuant to a Standstill and Tolling Agreement, resulting in our incurrence of minimal litigation expenses during the 2015 period compared to the $110,200 of legal expenses incurred during the 2014 period. This reduction was partially offset by other fees relating to general and securities legal expenses and fees associated with our lobbying efforts.

(3) Other professional and consulting fees decreased by $35,600 in the 2015 period primarily as a result of (a) $16,500 in Public Relations consulting fees incurred in the 2014 period not reoccurring during the 2015 period; (b) expenditures for audit and tax fees decreasing by $13,000 due to the timing of tax preparation services; (c) and the remaining reduction was primarily due to financial valuation services which were incurred in the 2014 period and were not incurred in 2015.

(4) Patent costs increased largely due to the timing and volume of patent application and maintenance costs;

(5) Marketing and investor relations costs increased in the 2015 period over the 2014 period by $21,000 primarily due to the fair value of the warrant to purchase Common Stock at $0.25 per share which was issued to the RedChip Companies, Inc. for their investor relations services;

(6) Conference and travel costs for the 2015 period decreased by $5,000 due to the relative expense of (a) a non-deal investor roadshow organized by our investor relations firm, Red Chip Companies, Inc. in the 2014 period; versus (b) travel to the U.K. to investigate a licensing opportunity during the 2015 period; Apart from these instances, travel remained consistent between the two periods in question.

(7) Dues and subscription costs decreased marginally in the 2015 period over the 2014 period as $12,200 in software configuration services used in the 2014 period did reoccur in 2015. This was partially offset by an increase in our SalesForce.com licensing fee for our production system in the 2015 period.

(8) General administrative and occupancy expenses decreased marginally in the 2015 period over the 2014 period with minor decreases across the board.

Other income (expense)

	Fiscal Year ended September 30,		Percent Change
	2015	2014	
Neurometric Services (expense), net	$ (724,600)	$ 1,161,900	*

(not meaningful)*

For the fiscal years ended September 30, 2015 and 2014 net other non-operating income (expenses) for Neurometric Services were as follows:

- For the fiscal year ended September 30, 2015, we incurred non-cash interest charges totaling $253,600 of which $101,000 was accrued interest on our convertible promissory notes at 5% per annum. The remaining balance was comprised of $152,700 of beneficial conversion discount amortization on the convertible promissory notes; and only $3,700 was for actual net interest paid in cash during that period. For the prior fiscal year, we incurred non-cash interest charges totaling $7,600 of which $2,600 was accrued interest on our promissory notes at 5% per annum; the remaining balance was comprised of a $5,000 derivative liability charge for note conversions; only $4,200 was for net interest paid in cash for the year.

- For the fiscal year ended September 30, 2015, we had no finance fees; while for the prior year we incurred finance fees totaling $1,800 in association with our private placement of convertible notes.

- Under ASC 815, all derivative instruments are required to be measured periodically at fair value and the change in fair value of non-hedging derivative instruments are to be recognized in current earnings. Revaluation of our derivative liabilities for the promissory note conversion feature for the fiscal year ended September 30, 2015, resulted in a non-cash gain of $162,800. For the prior fiscal year, we had a non-cash gain of $26,100 upon the revaluation of our derivative liabilities for the promissory note conversion feature and the associated warrants.

- For fiscal year ended September 30, 2015, we experienced a non-cash loss on the extinguishment of debt of $630,000 related to the Omnibus Amendment dated September 14, 2015, to the Note Purchase Agreement and the notes purchased and sold pursuant thereto, with the approval of the majority of the noteholders to fix the conversion price of all notes at $0.05 per share instead of the original $0.25 per share, subject to an anti-dilution ratchet. For fiscal year 2014 we experienced a non-cash gain on the extinguishment of debt of $1,105,200 related to the settlement of long-outstanding trade payable balances which were renegotiated.

Net Loss from Continuing Operations

	Fiscal Year ended September 30,		Percent Change
	2015	2014	
Neurometric Services Loss, net	$ (3,386,000)	$ (2,660,100)	27%

The net loss for our Neurometric Services business of approximately $3.4 million for the fiscal year ended September 30, 2015 compared to the $2.7 million loss in the prior year is primarily due to the large non-cash charges in our Other Income (Expense) expense category described above.

The Company's operating loss of $2.7 million for the fiscal year ended September 30, 2015, is a reduction of $1.1 million from the $3.8 million loss in the prior year. This is due to substantial reductions in costs across all cost centers. These reductions were due in part to the Walter Reed Trial being put on hold as well as continuing efforts to reduce expenditures across the board.

Gain from Discontinued Operations

Gain (Loss) from Discontinued Operations	Fiscal Year ended September 30, 2015	Fiscal Year ended September 30, 2014	Percent Change
Clinical Services Loss	6,600	(2,700)	*

(not meaningful)*

For our discontinued Clinical Services operations the net gain for the fiscal year ended September 30, 2015 was $6,600. As there were no ongoing operations during the 2015 period, the gain was due to a $9,400 write back of an over-accrual which was partially offset by storage fees for medical records of $2,800. For the prior year expenses were for the storage of records.

Liquidity and Capital Resources

Since our inception, we have incurred significant losses. As of September 30, 2015, we had an accumulated deficit of approximately $62.6 million; for the prior year our accumulated deficit was approximately $59.2 million. We have not yet achieved profitability and anticipate that we will continue to incur net losses for the foreseeable future. Our management expects that with our proposed clinical trials, sales and marketing and general and administrative costs, our expenditures will continue to grow and, as a result, we will need to generate significant product revenues to achieve profitability. We may never achieve profitability.

As of September 30, 2015, we had $432,100 in cash and cash equivalents and a working capital deficit of approximately $2.0 million. This is compared to our cash position of $1,240,600 in cash and cash equivalents as of September 30, 2014, and a working capital deficit of $0.31 million. The increase in our working capital deficit is primarily due to our increase in derivative liabilities and accrued compensation.

The Company has been funded through multiple rounds of private placements primarily from members of our Board of Directors or their affiliates. For details please refer to *Item 7. Private Placement Transactions*, and *Item 12. Subsequent Events.*

Since September 22, 2014, we have raised in excess of $3 million of Secured Convertible Notes. These Notes are automatically convertible upon an equity offering of $5 million or more, or can be voluntarily converted at the option of the Noteholder 15 days before the maturity date of December 31, 2017. We do not now have, and, unless the notes are automatically or voluntarily converted, will not likely have on the maturity date thereof, the cash necessary to repay the Notes when they become due. If we are unable to repay the Notes when due, the holders could pursue any remedies available to them, which could result in a complete foreclosure on their security interest in the assets of the Company.

Operating Capital and Capital Expenditure Requirements

Our continued operating losses and limited capital raise substantial doubt about our ability to continue as a going concern. We have limited ability to meet our current obligations as they become due and we are in arrears with certain of our creditors. Because of our substantial indebtedness, we are insolvent and need to raise additional funds and restructure our debt in order to continue our operations. Our financial statements include an opinion of our auditors that our continued operating losses and limited capital raise substantial doubt about our ability to continue as an ongoing concern.

We need additional funds to complete our Walter Reed clinical trial and to continue our operations and will need substantial additional funds before we can increase demand for our PEER Online services. We are continuing to explore additional sources of capital; however, we do not know whether additional funding will be available on acceptable terms, or at all, especially given the economic conditions that currently prevail. Furthermore, any additional equity funding may result in significant dilution to existing stockholders and, if we incur debt financing, a substantial portion of our operating cash flow may be dedicated to the repayment of principal and interest on such indebtedness, thus limiting funds available for our business activities.

We expect to continue to incur operating losses in the future. We anticipate that our cash on hand and cash generated through our operations will not be sufficient to fund our operations beyond the next few months. If adequate funds are not available, it would have a material adverse effect on our business, financial condition and/or results of operations, and could cause us to have to cease operations.

The amount of capital we will need to conduct our operations and the time at which we will require such capital may vary significantly depending upon a number of factors, such as:

- the amount and timing of costs we incur in connection with our clinical trials and product development activities, including enhancements to our PEER Online database and costs we incur to further validate the efficacy of our referenced EEG technology;
- the amount and timing of costs we incur in connection with the expansion of our commercial operations, including our selling and marketing efforts;
- whether we incur additional consulting and legal fees in our efforts to conducting a Non-Significant Risk study under an FDA requirements which will enable us to obtain a 510(k) clearance from the FDA; and
- if we expand our business by acquiring or investing in complimentary businesses.

Sources of Liquidity

Since our inception, substantially all of our operations have been financed from equity and debt financings. From June, 2010, through to November, 2012, we raised $9.6 million through five rounds of private placements of convertible secured notes with 34 accredited investors. All the aforementioned notes were converted, along with the interest thereon, by September 30, 2013. Of these notes, $5.6 million, or 58% in principal amount, were purchased by directors, officers and affiliates of the Company.

Since February, 2013, through July 2014 we raised $4.8 million through the private placement of equity at $0.25 per share of Common Stock. Of these equity offerings $2.1 million, or 44%, were purchased by directors, officers and affiliates of the Company.

Between September 2014, and September 2015 we raised $3.0 million through the private placement of secured convertible debt with an exercise price of $0.05. Of this funding $1.7 million, or 57%, was acquired by directors and affiliates of the Company.

For details of these financings please See Note 4 and Note 8 of the Notes to the Consolidated Financial Statements.

Cash Flows

Net cash used in operating activities was $2.1 million for the fiscal year ended September 30, 2015 compared to $3.3 million for the same period in 2014. Of the net $1.2 million reduction in the use of cash between the two periods:

(a) $0.67 million was due to the change in deferred compensation: during the 2014 period, approximately $0.42 million was used to payout managers for salaries which were earned and accrued during fiscal years 2013 and earlier. While being paid out the accrued salaries in fiscal year 2014, the managers received stock option grants to purchase Common Stock at $0.25 per share in lieu of a portion of their 2014 salaries pursuant to the Employment Compensation Forfeiture and Exchange Agreement dated December 16, 2013. During the 2015 period, starting February 2015, the managers voluntarily agreed to defer a portion of their salaries so that the received only $4,000 per month each in order to assist the Company weather the shortage of cash; as a result of this the Company accrued approximately $0.25 million.

(b) The balance of the reduction in the use of cash was primarily due to reduced expenditures on the Walter Reed Trial, as it had been suspended effective May 2014, and due to general cost cutting as a result of our limited cash resources.

Proceeds from investing activities for the fiscal year ended September 30, 2015, were $1,500 due to the return to the manufacturer of some unused equipment. For the same period in 2014 we had no investing activities.

Financing activities for the fiscal year ended September 30, 2015, were $1.35 million in cash proceeds from the private placement of secured convertible notes, as amended, with accredited investors, which convert at $0.05 per share. Net cash proceeds from financing activities for the fiscal year ended September 30, 2014 were primarily net proceeds of $3.3 million. Of this amount, a net $1.7 million was raised through the private placement of common stock with accredited investors at $0.25 per share and a net $1.6 million was raised through the private placement with accredited investors of secured convertible debt (September 2014 Notes) now convertible at $0.05 per share. Cash used in the repayment of capital leases during the fiscal year ended September 30, 2015 and 2014, was $3,600 and $7,200 respectively.

Net cash used in discontinued operations for the fiscal year ended September 30, 2015, was $41,600 which was primarily for the payout of NTC's accrued payroll liabilities and the cost of medical record storage. For the same period ended September 30, 2014, the net cash used was $94,000 which was primarily for the payout of NTC's accrued payroll liabilities, medical record storage costs and costs associated with a lease obligation.

Contractual Obligations and Commercial Commitments

For details of Contractual Obligations and Commercial Commitments please the Lease Commitments section of "Note 10. Commitments and Contingent Liabilities" of the Notes to the Consolidated Financial Statements.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements or financing activities with special purpose entities.

ITEM 7A. Quantitative and Qualitative Disclosures about Market Risk .

Not applicable

ITEM 8. Financial Statements and Supplementary Data

Index to financial statements

CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
MYnd Analytics, Inc.
85 Enterprise, Suite 410
Aliso Viejo, CA 92656

We have audited the accompanying consolidated balance sheets of MYnd Analytics, Inc. (the "Company")(Formerly CNS Response, Inc.) and their subsidiaries as of September 30, 2015 and 2014, and the related consolidated statements of operations, changes in stockholders' deficit, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

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

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1, the Company has recurring losses from operations and a net capital deficiency. These conditions, among others, raise substantial doubt about the Company's ability to continue as a going concern. Management's plans concerning these matters are also described in Note 1 to the consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Anton & Chia, LLP

Newport Beach, California

January 5, 2016

MYND ANALYTICS, INC.

CONSOLIDATED BALANCE SHEETS AT SEPTEMBER 30, 2015 and 2014

	As at September 30,	
	2015	**2014**
ASSETS		
CURRENT ASSETS:		
Cash	$ 432,100	$ 1,240,600
Accounts receivable (net of allowance for doubtful accounts of $1,200 and $1,200 as of September 30, 2015 and 2014 respectively)	11,800	9,300
Prepaid insurance	57,400	52,200
Prepaid other assets	46,900	6,000
Total current assets	548,200	1,308,100
Furniture and equipment, net	1,700	8,700
Other assets	17,200	19,300
TOTAL ASSETS	$ 567,100	$ 1,336,100
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable (including $10,000 and $41,300 to related parties as of September 30, 2015 and 2014 respectively)	$ 852,000	$ 868,900
Accrued liabilities	27,300	26,200
Accrued compensation	418,500	270,300
Accrued compensation – related parties	226,100	71,700
Deferred revenue - grant funds	45,900	45,900
Derivative liability	833,000	153,100
Current portion of capital lease	2,400	3,500
Liabilities of discontinued operations	129,000	177,200
Total current liabilities	2,534,200	1,616,800
LONG-TERM LIABILITIES		
Secured convertible debt – related parties (net of discounts $209,900 and $145,300 as of September 30, 2015 and 2014 respectively)	2,240,100	1,204,700
Secured convertible debt - other (net of discounts $24,300 and $28,900 as of September 30, 2015 and 2014 respectively)	525,700	271,100
Accrued interest	103,600	2,600
Capital lease	-	2,500
Total long-term liabilities	2,869,400	1,480,900
TOTAL LIABILITIES	5,403,600	3,097,700
STOCKHOLDERS' DEFICIT:		
Common stock, $0.001 par value; authorized 500,000,000 shares and issued and outstanding 102,417,409 shares and 101,667,409 shares as of September 30, 2015 and 2014 respectively.	102,400	101,700
Additional paid-in capital	57,654,000	57,350,200
Accumulated deficit	(62,592,900)	(59,213,500)
Total stockholders' deficit	(4,836,500)	(1,761,600)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 567,100	$ 1,336,100

See Accompanying Notes to the Consolidated Financial Statements

MYND ANALYTICS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
REVENUES		
Neurometric Services	$ 100,100	$ 135,100
OPERATING EXPENSES		
Cost of neurometric service revenues	4,900	73,000
Research	92,000	116,200
Product development	691,800	1,338,500
Sales and marketing	347,900	390,200
General and administrative	1,619,900	2,034,000
Total operating expenses	2,756,500	3,951,900
OPERATING LOSS	(2,656,400)	(3,816,800)
OTHER INCOME (EXPENSE)		
Interest expense, net	(257,400)	(11,700)
Gain (Loss) on extinguishment of debt	(630,000)	1,105,200
Financing fees	-	(1,800)
Gain on derivative liabilities	162,800	26,100
Other miscellaneous income – write backs	-	44,100
Total other income (expense)	(724,600)	1,161,900
LOSS BEFORE PROVISION FOR INCOME TAXES	(3,381,000)	(2,654,900)
Provision for income taxes	5,000	5,200
LOSS FROM CONTINUING OPERATIONS	(3,386,000)	(2,660,100)
Gain (Loss) from discontinued operations	6,600	(2,700)
NET LOSS	$ (3,379,400)	$ (2,662,800)
BASIC AND DILUTED NET LOSS PER SHARE		
From continuing operations	$ (0.03)	$ (0.03)
From discontinued operations	(0.00)	(0.00)
Combined Net Loss	$ (0.03)	$ (0.03)
WEIGHTED AVERAGE SHARES OUTSTANDING:		
Basic and diluted	101,813,242	99,326,519

See Accompanying Notes to the Consolidated Financial Statements

MYND ANALYTICS, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	Common Stock		Additional Paid-in	Accumulated	
	Shares	Amount	Capital	Deficit	Total
Balance at September 30, 2013	92,716,562	$ 92,700	$ 54,298,000	$ (56,550,700)	$ (2,160,000)
Stock-based compensation	-	-	1,008,700	-	1,008,700
Stock issued for private placement of shares	6,940,000	7,000	1,684,000	-	1,691,000
Stock issued in lieu of cash to creditors	1,446,380	1,400	360,100	-	361,500
Stock issued for cashless exercise of warrants	564,467	600	(600)	-	-
Net loss for the fiscal year ended September 30, 2014	-	-	-	(2,662,800)	(2,662,800)
Balance at September 30, 2014	101,667,409	$ 101,700	$ 57,350,200	$ (59,213,500)	$ (1,761,600)
Stock-based compensation	-	-	263,300	-	263,300
Restricted stock compensation	750,000	700	40,500	-	41,200
Net loss for the fiscal year ended September 30, 2015	-	-	-	(3,379,400)	(3,379,400)
Balance at September 30, 2015	102,417,409	$ 102,400	$ 57,654,000	$ (62,592,900)	$ (4,836,500)

See Accompanying Notes to the Consolidated Financial Statements

MYND ANALYTICS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
OPERATING ACTIVITIES:		
Net loss	$ (3,379,400)	$ (2,662,800)
Adjustments to reconcile net loss to net cash used in operating activities:		
Net (gain) loss from discontinued operations	(6,600)	2,700
Depreciation and amortization	7,600	10,300
Amortization of discount on bridge notes issued	152,700	5,000
Gain on derivative liability valuation	(162,800)	(26,100)
Stock based compensation	241,700	1,008,700
Loss (Gain) on extinguishment of debt	630,000	(1,105,200)
Valuation of warrants – investor relations	21,600	-
Non-cash interest expense	101,000	2,600
Changes in operating assets and liabilities:		
Accounts receivable	(2,500)	17,300
Prepaids and other	(4,900)	5,500
Accounts payable and accrued liabilities	(15,800)	(153,900)
Deferred revenue grant funds	-	45,900
Deferred compensation	302,600	(421,100)
Net cash used in operating activities	(2,114,800)	(3,271,100)
INVESTING ACTIVITIES:		
Disposal of equipment	1,500	-
Net cash provided by investing activities	1,500	-
FINANCING ACTIVITIES:		
Repayment of a capital lease	(3,600)	(7,200)
Net proceeds from sale of common stock	-	1,691,000
Net proceeds from sale of bridge notes	1,350,000	1,648,300
Net cash provided by financing activities	1,346,400	3,332,100
Net cash (used in) provided by continuing operations	(766,900)	61,000
DISCONTINUED OPERATIONS		
Net cash used in discontinued operations	(41,600)	(94,000)
NET DECREASE IN CASH	(808,500)	(33,000)
CASH- BEGINNING OF YEAR	1,240,600	1,273,600
CASH- END OF YEAR	$ 432,100	$ 1,240,600
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 3,700	$ 4,200
Income taxes	$ 4,900	$ 5,200
Non-cash financing activities:		
Shares issued for extinguishment of liabilities	$ -	$ 361,500
Shares issued for cashless exercise of warrants	$ -	$ 600

See Accompanying Notes to the Consolidated Financial Statements

MYND ANALYTICS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2015

1. NATURE OF OPERATIONS

Organization and Nature of Operations

At the meeting of shareholders of CNS Response, Inc. held on October 28, 2015, the shareholders approved a proposal to change the Company's name to MYnd Analytics, Inc. The Company's charter was officially amended on November 2, 2015.

MYnd Analytics, Inc. ("MYnd," "CNS," "we," "us," "our," or the "Company"), formerly known as CNS Response Inc., was incorporated in Delaware on March 20, 1987, under the name Age Research, Inc. Prior to January 16, 2007, the Company (then called Strativation, Inc.) was a "shell company" with nominal assets and our sole business was to identify, evaluate and investigate various companies to acquire or with which to merge. On January 16, 2007, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with CNS Response, Inc., a California corporation formed on January 11, 2000 ("CNS California"), and CNS Merger Corporation, a California corporation and the Company's wholly-owned subsidiary ("MergerCo") pursuant to which the Company agreed to acquire CNS California in a merger transaction wherein MergerCo would merge with and into CNS California, with CNS California being the surviving corporation (the "Merger"). On March 7, 2007, the Merger closed, CNS California became a wholly-owned subsidiary of the Company, and on the same date the corporate name was changed from Strativation, Inc. to CNS Response, Inc. At the annual meeting held on October 28, 2015, shareholders approved a change in our name from CNS Response, Inc. to MYnd Analytics, Inc. On November 2, 2015, the Company filed an amendment to its Articles of Incorporation which, among other things, effected the name change to MYnd Analytics, Inc.

The Company is a cloud-based predictive analytics company that provides objective clinical decision support to mental healthcare providers for the treatment of behavioral disorders, including depression, anxiety, bipolar disorder and post-traumatic stress disorder ("PTSD"). The Company uses its proprietary neurometric platform, PEER Online, to generate Psychiatric EEG Evaluation Registry ("PEER") Reports to predict the likelihood of response by an individual to certain medications for the treatment of behavioral disorders. In April 2013, the Company commenced a reimbursed clinical trial at Walter Reed National Military Medical Center ("Walter Reed") and Fort Belvoir Community Hospital ("Fort Belvoir") (collectively, the "Walter Reed PEER Trial") using its neurometric platform to provide PEER Reports to military psychiatrists treating patients primarily for depression with various comorbidities, including PTSD and mild traumatic brain injury ("mTBI"). In April 2014, based on an interim analysis of less than 10% of the planned clinical trial enrollees, statistically significant results were achieved for ten of twelve endpoints of the Walter Reed PEER Trial. In May 2014, following the interim analysis, the Walter Reed Institutional Review Board (the "Walter Reed IRB") suspended enrollment of new patients in order to conduct an internal review. Our management expected enrollment of the Walter Reed PEER Trial to recommence in 2015: however, due to limited action on the part of the Walter Reed IRB, or Walter Reed Leadership, and no formal communication or due-process, we now believe that the Walter Reed PEER Trial is unlikely to re-start in the foreseeable future. Consequently, management intends to conduct a clinical trial focused on Southern California (the "SoCal Trial") and using substantially the same protocol as had been approved by the Walter Reed IRB. Our management believes the SoCal Trial will provide additional information to demonstrate the clinical and economic utility of our neurometric platform. We are also focusing our marketing efforts on Southern California to boost our commercialization of the PEER Online platform and its PEER Reports.

The Company acquired the Neuro-Therapy Clinic, Inc. ("NTC") on January 15, 2008, to provide behavioral health care services. NTC's operations were discontinued effective September 30, 2012. See Note 3. Discontinued Operations.

Going Concern Uncertainty

The accompanying condensed consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP"), which contemplate continuation of the Company as a going concern. The Company has a limited operating history and its operations are subject to certain problems, expenses, difficulties, delays, complications, risks and uncertainties frequently encountered in the operation of a business with a limited operating history. These risks include the ability to obtain adequate financing on a timely basis, if at all, the failure to develop or supply technology or services to meet the demands of the marketplace, the failure to attract and retain qualified personnel, competition within the industry, government regulation and the general strength of regional and national economies.

The Company's continued operating losses and limited capital raise substantial doubt about its ability to continue as a going concern. The Company has limited cash resources for its operations and will need to raise additional funds to meet its obligations as they become due. As of September 30, 2015, we had an accumulated deficit of $62,592,900. For the year ended September 30, 2015, we had a net loss from operations of $3,379,400 and net cash used in operating activities of $2,114,800.

To date, the Company has financed its cash requirements primarily from debt and equity financings. The Company will need to raise additional funds immediately to continue its operations and needs to raise substantial additional funds before the Company can increase demand for its PEER Online services. Until it can generate a sufficient amount of revenues to finance its cash requirements, which it may never do, the Company must continue to finance future cash needs primarily through public or private equity offerings, debt financings, borrowings or strategic collaborations. The Company's liquidity and capital requirements depend on several factors, including the rate of market acceptance of its services, the future profitability of the Company, the rate of growth of the Company's business and other factors described elsewhere in this Annual Report on Form 10-K. The Company continues to explore additional sources of capital, but there is substantial doubt as to whether any financing arrangement will be available in amounts and on terms acceptable to the Company to permit it to continue operations. The accompanying consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Between October 4, 2013 and September 23, 2015, the Company issued an aggregate of 6,940,000 shares of its Common Stock, at a price of $0.25 per share, in private placements to an aggregate of 20 accredited investors. The gross proceeds to the Company were $1,735,000, net of $44,000 in placement agent fees for net proceeds to the Company of $1,691,000. Furthermore between September 22, 2014, and September 24, 2015, the Company issued secured convertible debt in the aggregate principal amount of $3,000,000. During the 2015 fiscal year the aggregate gross proceeds to the Company were $1,350,000 from the debt offering.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements of the Company have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC") and are in accordance with accounting principles generally accepted in the United States of America.

Basis of Consolidation

The audited consolidated financial statements include the accounts of the Company, an inactive parent company, and its wholly owned subsidiaries CNS California and NTC, which is accounted for as a discontinued operation *(Refer to Note 3.Discontinued Operations Transaction)*. All significant intercompany transactions have been eliminated on consolidation.

Use of Estimates

The preparation of the consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expense, and related disclosure of contingent assets and liabilities. On an ongoing basis, the Company evaluates its estimates, including those related to revenue recognition, doubtful accounts, intangible assets, income taxes, valuation of equity instruments, accrued liabilities, contingencies and litigation. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates.

Cash

The Company deposits its cash with major financial institutions and may at times exceed the federally insured limit of $250,000. At September 30, 2015 cash exceeds the federally insured limit by $182,100. The Company believes that the risk of loss is minimal. To date, the Company has not experienced any losses related to cash deposits with financial institutions.

Derivative Liabilities

The Company evaluates all of its agreements to determine if such instruments have derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the consolidated statements of operations. For stock-based derivative financial instruments, the Company uses a weighted average Black-Scholes option pricing model to value the derivative instruments at inception and on subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date. As of September 30, 2015, the Company's only derivative financial instruments were a series of convertible notes having embedded derivative liabilities based on the conversion price of the note relative to the market price of a share of Common Stock on the valuation date. See Notes 4 & 5.

Fair Value of Financial Instruments

ASC 825-10 defines financial instruments and requires disclosure of the fair value of financial instruments held by the Company. The Company considers the carrying amount of cash, accounts receivable, other receivables, accounts payable and accrued liabilities, to approximate their fair values because of the short period of time between the origination of such instruments and their expected realization.

The Company also analyzes all financial instruments with features of both liabilities and equity under ASC 480-10, ASC 815-10 and ASC 815-40.

The Company adopted ASC 820-10 on January 1, 2008. ASC 820-10 defines fair value, establishes a three-level valuation hierarchy for disclosures of fair value measurement and enhances disclosure requirements for fair value measures. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the financial instruments; and
- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value.

The Company used Level 2 inputs for its valuation methodology for the conversion option liability in determining the fair value using the Black-Scholes option-pricing model with the following assumption inputs:

	September 30, 2015
Annual dividend yield	-
Expected life (years)	0.5
Risk-free interest rate	0.08%
Expected volatility	48%

	Carrying Value As of September 30, 2015	Fair Value Measurements at September 30, 2015 Using Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Liabilities				
Embedded derivative liabilities	833,000	-	-	833,000
Total	$ 833,000	$ -	$ -	$ 833,000

	Carrying Value As of September 30, 2014	Fair Value Measurements at September 30, 2014 Using Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Liabilities				
Embedded derivative liabilities	153,100	-	-	153,100
Total	$ 153,100	$ -	$ -	$ 153,100

For the years ended September 30, 2015 and 2014, the Company had $833,000 and $153,100 derivative liabilities respectively. For the fiscal year ending September 30, 2015 and 2014, the Company had a change in fair valuation thereon of $162,800 and $26,100 respectively. As at September 30, 2015, the Company did not identify any other assets or liabilities that are required to be presented on the balance sheet at fair value in accordance with ASC 825-10.

Accounts Receivable

The Company estimates the collectability of customer receivables on an ongoing basis by reviewing past-due invoices and assessing the current creditworthiness of each customer. Allowances are provided for specific receivables deemed to be at risk for collection which as of September 30, 2015 and 2014 are $1,200 and $1,200 respectively.

Furniture and Equipment

Furniture and Equipment, which are recorded at cost, consist of office furniture, equipment and purchased intellectual property which are depreciated, or amortized in the case of the intellectual property, over their estimated useful life on a straight-line basis. The useful life of these assets is estimated to be between three and ten years. Depreciation and amortization for the years ended September 30, 2015 and 2014 was $7,600 and $10,300 respectively. Accumulated depreciation and amortization at September 30, 2015 and 2014 was $82,600 and $75,000, respectively.

Long-Lived Assets

As required by ASC 350-30 (formerly SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*), the Company reviews the carrying value of its long-lived assets whenever events or changes in circumstances indicate that the historical cost-carrying value of an asset may no longer be appropriate. The Company assesses recoverability of the carrying value of the asset by estimating the future net cash flows expected to result from the asset, including eventual disposition. If the future net cash flows are less than the carrying value of the asset, an impairment loss is recorded equal to the difference between the asset's carrying value and fair value. No impairment loss was recorded for the years ended September 30, 2015 and 2014.

The Company adopted Accounting standards update ("ASU") 2012-02, Intangibles—Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment. The new guidance is intended to reduce the complexity and costs of the annual impairment test for indefinite-lived intangible assets by allowing companies to make a qualitative evaluation about the likelihood of impairment to determine whether it should perform a quantitative impairment test.

Accounts Payable

Accounts payable consists of trade payables of which $536, 400 and $501,600 are for legal services at September 30, 2015 and 2014 respectively. We had accounts payable write-backs of $21,900 and $44,000 for the years ended September 30, 2015 and 2014 respectively. These were for long held-debts which have been in dispute and there has been no collection activity for over four years.

Between November 11, 2013, and December 20, 2013, during fiscal year 2014, the Company issued an aggregate of 1,446,380 shares of its Common Stock, as full and complete settlement of trade debt totaling an aggregate of $1,466,800 owed to two creditors who are also accredited investors. The fair market value of the shares that were issued in these transactions was determined to be $0.25 per share. The excess value of $1,105,200 over the fair market value of the issued shares was booked to Other Income (Expense) as a gain on extinguishment of debt.

Deferred Revenue

Deferred revenue represents revenue collected but not earned as of September 30, 2015. This represents a philanthropic grant for the payment of PEER Reports ordered for a clinical trial during, which are otherwise not paid for by the military. These deferred revenue grant funds as of September 30, 2015 and 2014 are $45,900.

Revenues

The Company recognizes revenue on services, being the delivery of PEER Reports to medical providers, in accordance with the Financial Accounting Standards Board ("FASB") ASC No. 605, "Revenue Recognition." In all cases, revenue is recognized when we have persuasive evidence of an arrangement, a determinable fee, when collection is considered to be reasonable assured and the services are delivered.

Research and Development Expenses

The Company charges all research and development expenses to operations as incurred.

Advertising Expenses

The Company charges all advertising expenses to operations as incurred. For the years ended September 30, 2015 and 2014 advertising expenses were $24,000 and $3,100 respectively.

Stock-Based Compensation

The Company has adopted ASC 718-20 and related interpretations which establish the accounting for equity instruments exchanged for employee services. Under ASC 718-20, share-based compensation cost to option grantee, being employees, directors and consultants, and is measured at the grant date based on the calculated fair value of the award (*see Note 5 for further discussion on valuations*). The expense is recognized over the option grantees' requisite service period, generally the vesting period of the award.

Income Taxes

The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are recorded, when necessary, to reduce deferred tax assets to the amount expected to be realized.

As a result of the implementation of certain provisions of ASC 740, *Income Taxes*, which clarifies the accounting and disclosure for uncertainty in tax positions, as defined. ASC 740 seeks to reduce the diversity in practice associated with certain aspects of the recognition and measurement related to accounting for income taxes. The Company adopted the provisions of ASC 740 and have analyzed filing positions in each of the federal and state jurisdictions where required to file income tax returns, as well as all open tax years in these jurisdictions. We have identified the U.S. Federal and California as our "major" tax jurisdictions. Generally, we remain subject to Internal Revenue Service examination of our 2010 through 2014 U.S. federal income tax returns, and remain subject to California Franchise Tax Board examination of our 2010 through 2014 California Franchise Tax Returns. However, we have certain tax attribute carryforwards which will remain subject to review and adjustment by the relevant tax authorities until the statute of limitations closes with respect to the year in which such attributes are utilized.

We believe that our income tax filing positions and deductions will be sustained on audit and do not anticipate any adjustments that will result in a material change to our financial position. Therefore, no reserves for uncertain income tax positions have been recorded pursuant to ASC 740. In addition, we did not record a cumulative effect adjustment related to the adoption of ASC 740. Our policy for recording interest and penalties associated with income-based tax audits is to record such items as a component of income taxes.

Comprehensive Income (Loss)

ASC 220-10 requires disclosure of all components of comprehensive income (loss) on an annual and interim basis. Comprehensive income (loss) is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. The Company's comprehensive income (loss) is the same as its reported net income (loss) for the years ended September 30, 2015 and 2014.

Earnings (Loss) per Share

Basic earnings (loss) per share are computed by dividing income (loss) available to common stockholders by the weighted average common shares outstanding during the period. Diluted earnings (loss) per share takes into account the potential dilution that could occur if securities or other contracts to issue Common Stock were exercised and converted into Common Stock.

Recent Accounting Pronouncements

Apart from the below-mentioned recent accounting pronouncements, there are no new accounting pronouncements that are currently applicable to the Company.

In April 2015, the FASB issued Accounting Standards Update ("ASU") No. 2015-03 is to simplify presentation of debt issuance costs, the amendments in this Update would require that debt issuance costs be presented in the balance sheet as a direct deduction from the carrying amount of debt liability, consistent with debt discounts or premiums. The recognition and measurement guidance for debt issuance costs would not be affected by the amendments in this Update. The amendments in this ASU are effective for public business entities for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted, including adoption in an interim period. The Company does not expect the adoption of the standard update to have a material impact on its consolidated financial position or results of operations.

In November 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-17 *Business Combinations (topic 805)-Pushdown Accounting.* An acquired entity may elect the option to apply pushdown accounting in the reporting period in which the change-in-control event occurs. An acquired entity should determine whether to elect to apply pushdown accounting for each individual change-in-control event in which an acquirer obtains control of the acquired entity. If pushdown accounting is not applied in the reporting period in which the change-in-control event occurs, an acquired entity will have the option to elect to apply pushdown accounting in a subsequent reporting period to the acquired entity's most recent change-in-control event. An election to apply pushdown accounting in a reporting period after the reporting period in which the change-in-control event occurred should be considered a change in accounting principle in accordance with Topic 250, Accounting Changes and Error Corrections. If pushdown accounting is applied to an individual change-in-control event, that election is irrevocable. The Company does not expect the adoption of the standard update to have a material impact on its consolidated financial position or results of operations.

In November 2014, the FASB issued ASU No. 2014-16 *Derivatives and Hedging (Topic 815) Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share Is More Akin to Debt or to Equity.* Entities commonly raise capital by issuing different classes of shares, including preferred stock, that entitle the holders to certain preferences and rights over the other shareholders. The specific terms of those shares may include conversion rights, redemption rights, voting rights, and liquidation and dividend payment preferences, among other features. One or more of those features may meet the definition of a derivative under generally accepted accounting principles (GAAP). Shares that include such embedded derivative features are referred to as hybrid financial instruments. For hybrid financial instruments issued in the form of a share, an entity (an issuer or an investor) should determine the nature of the host contract by considering all stated and implied substantive terms and features of the hybrid financial instrument, weighing each term and feature on the basis of relevant facts and circumstances. That is, an entity should determine the nature of the host contract by considering the economic characteristics and risks of the entire hybrid financial instrument, including the embedded derivative feature that is being evaluated for separate accounting from the host contract. The Company does not expect the adoption of the standard update to have a material impact on its consolidated financial position or results of operations.

3. DISCONTINUED OPERATIONS

On September 30, 2012 the Company discontinued its Clinical Services Operation at its wholly-owned subsidiary, NTC, because the operation had persistent losses which could no longer be supported by the Company. Furthermore, the Company chose to focus its limited cash resources to conduct its clinical trial.

Summary Financial Data of Discontinued Operations:

Revenues, income before income taxes and net loss of NTC which are included in discontinued operations are as follows:

	2015	2014
Neuro-Therapy Clinic		
Revenues	$ —	$ —
Expenses	(6,600)	2,700
Operating gain (loss) before taxes	$ 6,600	$ (2,700)
Taxes	—	—
Net gain (loss)	$ 6,600	$ (2,700)

The assets and liabilities of NTC are as follows:

	2015	2014
ASSETS:		
Assets of discontinued operations	$ —	$ —
LIABILITIES:		
Accounts payable	$ 77,300	$ 86,600
Accrued payroll liabilities	51,700	90,600
Liabilities of discontinued operations	$ 129,000	$ 177,200

4. CONVERTIBLE DEBT AND EQUITY FINANCINGS

Between September 22, 2014, and July 20, 2015, the Company entered into a Note Purchase Agreement (the "Original Note Purchase Agreement") in connection with a bridge financing, with nine accredited investors, including lead investor RSJ Private Equity investiční fond s proměnným základním kapitálem ("RSJ PE"). Pursuant to the Original Note Purchase Agreement, the Company issued fifteen secured convertible promissory notes (each, a "September 2014 Note") in the aggregate principal amount of $2.29 million. Of this amount, RSJ PE purchased a September 2014 Note for $750,000. The September 2014 Notes were also purchased by the following affiliates of the Company or entities under their control: RSJ PE, of which Michal Votruba is a director, purchased a September 2014 Note for $750,000, the Company's director, John Pappajohn, purchased three September 2014 Notes for $400,000; the Follman Family Trust of which Robert Follman, a director of the Company, is a trustee, purchased a September 2014 Note for $100,000; The Tierney Family Trust, which is a greater than 5% shareholder of the Company, purchased five September 2014 Notes for $540,000, of which Thomas Tierney, a former director and Chairman of the Board of the Company, is a trustee; and Oman Ventures, of which Mark Oman, a greater than 5% stockholder of the Company, is the President, purchased a September 2014 Note for $200,000. Michal Votruba joined our Board on July 30, 2015

The Original Note Purchase Agreement provided for the issuance and sale of September 2014 Notes in the aggregate principal amount of up to $2.5 million, in one or more closings to occur over a six-month period beginning September 22, 2014. The Original Note Purchase Agreement also provided that the Company and the holders of the September 2014 Notes enter into a registration rights agreement covering the registration of the resale of the shares of the Common Stock underlying the September 2014 Notes.

On April 14, 2015, the Company entered into Amendment No. 1 to the Original Note Purchase Agreement with the majority of the noteholders in principal, dated as of April 14, 2015 ("Amendment No. 1"), pursuant to which: (i) the aggregate principal amount of notes provided for issuance was increased by $0.5 million to a total of $3.0 million, and (ii) the period to raise the $3.0 million was extended to September 30, 2015. The Company subsequently amended and restated the Original Note Purchase Agreement solely to update for the changes made pursuant to Amendment No. 1 (such amended and restated agreement, together with the Original Note Purchase Agreement, the "Note Purchase Agreement").

On September 14, 2015, the Company entered into an Omnibus Amendment (the "Omnibus Amendment") to the Note Purchase Agreement and the notes purchased and sold pursuant thereto, with the majority of the noteholders to fix the conversion price of all notes at $0.05 per share (as adjusted for stock splits, stock dividends, combinations or the like affecting the Common Stock) (the "Fixed Conversion Price") (i) automatically, in the event of a qualified financing of not less than $5 million, or (ii) voluntary, within 15 days prior to the maturity date of the note. The Omnibus Amendment also amended the form of note attached to the Note Purchase Agreement to reflect the Fixed Conversion Price.

Subsequently thereto, on September 14, 15 and 24, 2015, the Company entered into a Note Purchase Agreement, as amended by the Omnibus Amendment, with each of six accredited investors, in connection with a bridge financing. Pursuant to these Note Purchase Agreements, the Company issued an aggregate principal amount of $710,000 of secured convertible promissory notes (collectively, the "September 2015 Notes," and together with the September 2014 Notes all other notes purchased and sold pursuant to the Note Purchase Agreement, the "Notes"), which amount also represents the gross proceeds to the Company from the September 2015 Notes. Four of the six September 2015 Notes were purchased by affiliates of the Company, or an entity under such affiliate's control, as follows: (i) Dr. Robin Smith, Chairman of the Board of Directors of the Company, purchased a Note for $60,000; (ii) the Follman Family Trust purchased a Note for $150,000; (iii) John Pappajohn purchased a Note for $100,000 and (iv) RSJ PE, purchased a Note for $350,000.

		As of September 30, 2015		
Note Type and Investor	**Due Date**	**Balance**	**Discount**	**Carrying Value**
Senior Secured 5% Notes Convertible at $0.05 (the "Notes")		**($)**	**($)**	**($)**
RSJ Private Equity	03/21/2016	$ 1,100,000	$ (106,700)	$ 993,300
10 Accredited Investors	03/21/2016	550,000	(24,300)	525,700
Robin L. Smith	03/21/2016	60,000	(7,100)	52,900
John Pappajohn	03/21/2016	300,000	(32,500)	267,500
Tierney Family Trust	03/21/2016	540,000	(16,000)	524,000
Oman Ventures	03/21/2016	200,000	(8,100)	191,900
Follman Family Trust	03/21/2016	250,000	(39,500)	210,500
Total Secured Convertible Promissory Notes		**$ 3,000,000**	**$ (234,200)**	**$ 2,765,800**

As of September 30, 2015, all of the Notes matured on March 21, 2016, which is eighteen months from the date of first issuance of a Note (subject to earlier conversion or prepayment), earn interest at a rate of 5% per annum with interest payable at maturity. No Note may be prepaid without the prior written consent of the holder of such Note. The Notes are secured by a security interest in the Company's intellectual property, as detailed in a security agreement. Upon a change of control of the Company, the holder of a Note will have the option to have the Note repaid with a premium equal to 50% of the outstanding principal.

Please refer to *Note 12. Subsequent Events* for Note activity after September 30, 2015, and for certain amendments to the terms of the Notes.

5. DERIVATIVE LIABILITIES

Starting September 22, 2014, through July 20, 2015, the Company raised $2.29 million in a private placement of secured convertible debt at $0.25 per share of Common Stock. This debt instrument also had a ratchet whereby the conversion price of $0.25 per share could be reduced to a minimum of $0.10 per share (see Note 4). The inclusion of this ratchet requires the determination of the fair market carrying value. At issuance, the note discount and derivative liability using the Black-Scholes model was $179,200. Upon subsequent revaluations, the derivative liability value was $153,100 as at September 30, 2014. At September 11, 2015 the derivative liability value was $0 as the market price of the Common Stock had fallen below the minimum conversion price.

The Black-Scholes option-pricing model with the following assumption inputs:

	September 11, 2015
Annual dividend yield	—
Expected life (years)	0.5
Risk-free interest rate	0.25%
Expected volatility	45.33%

On September 14, 2015, the Company entered into an Omnibus Amendment (the "Omnibus Amendment") to the Note Purchase Agreement and the notes purchased and sold pursuant thereto, with the majority of the noteholders to fix the conversion price of all notes, such that the conversion price of all notes will be $0.05 per share (as adjusted for stock splits, stock dividends, combinations or the like affecting the Common Stock) (the "Fixed Conversion Price") (i) automatically, in the event of a qualified financing of not less than $5 million, or (ii) voluntary, within 15 days prior to the maturity date of the note. The Omnibus Amendment also amended the form of note attached to the Note Purchase Agreement to reflect the Fixed Conversion Price. On September 14, 2015 the notes were revaluated, the derivative liability value was $630,000 and the offset was booked to other income as a loss on extinguishment of debt.

The Black-Scholes option-pricing model with the following assumption inputs:

	September 14, 2015
Annual dividend yield	—
Expected life (years)	0.5
Risk-free interest rate	0.26%
Expected volatility	45.95%

Subsequently, on September 14, 15 and 24, 2015, the Company entered into a Note Purchase Agreement, as amended by the Omnibus Amendment for the Fixed Conversion Price, with each of six accredited investors and issued an aggregate principal amount of $710,000 of secured convertible promissory notes. From September 14, 2015 through September 24, 2015 the $710,000 "September 2015 Notes" a derivative liability value was booked of $180,600, which increased the aggregate derivative liability value to $810,600. At September 30, 2015 the Notes totaled $3.00 million and the derivative liability value was $833,000, which resulted in an loss of $22,400 being booked. The net derivative liability booked to other income resulted in gains of $162,800 and $26,100 for the fiscal years ended September 30, 2015 and 2014 respectively. For the fiscal year ended September 30, 2015 and 2014 we had derivative liabilities of $833,000 and $153,100 respectively.

The Black-Scholes option-pricing model with the following assumption inputs:

	September 30, 2015
Annual dividend yield	—
Expected life (years)	0.5
Risk-free interest rate	0.08%
Expected volatility	47.83%

6. STOCKHOLDERS' DEFICIT

Common and Preferred Stock

As of September 30, 2015, the Company is authorized to issue 195,000,000 shares of stock, of which 180,000,000 are Common Stock; the remaining 15,000,000 shares, with a par value of $0.001 per shares are blank-check preferred stock which the Board is expressly authorized to issue without shareholder approval, for one or more series of preferred stock and, with respect to each such series, to fix the number of shares constituting such series and the designation of such series, the voting powers, if any, of the shares of such series, and the preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, of the shares of such series. The powers, preferences and relative, participating, optional and other special rights of each series of preferred stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

At the annual meeting held on October 28, 2015, shareholders approved to amend the Company's Charter in order to increase the number of shares of Common Stock authorized for issuance under the Charter from 180,000,000 to 500,000,000 shares.

As of September 30, 2015, 102,417,409 shares of Common Stock were issued and outstanding. No shares of preferred stock were issued or outstanding.

From October 4, 2013, through July 23, 2014, 27 accredited investors purchased an aggregate of 6,940,000 shares of Common Stock, at a price of $0.25 per share pursuant to private placements. The Company received gross aggregate cash proceeds of $1,735,000. *(Refer to Note 8. Related Party Transactions)*

Between November 11, 2013, and December 20, 2013, the Company issued an aggregate of 1,446,380 shares of its Common Stock valued at $361,500, as full and complete settlement of trade payables totaling an aggregate $1,466,800 owed to two creditors who are also accredited investors. As a result of this transaction the Company recorded a gain on extinguishment of debt of $1,105,200.

On January 29, 2014 and June 20, 2014, placement agent warrants to purchase in aggregate 608,309 shares of Common Stock with a price of $0.04718 per share were exercised on a net basis resulting in the issuance of 564,467 shares of Common Stock.

On March 21, 2014, the Board resolved to amend the Company's Charter in order to increase the number of shares of Common Stock authorized for issuance under the Charter from 150,000,000 to 180,000,000. This amendment to the Charter was approved by more than 65% of the stockholders eligible to vote at the annual meeting of stockholders held on May 13, 2014.

On September 3, 2015, the Board resolved to amend the Company's Charter again in order to further increase the number of shares of Common Stock authorized for issuance under the Charter from 180,000,000 to 500,000,000. This amendment to the Charter was also approved by more than 65% of the stockholders eligible to vote at the annual meeting of stockholders held on October 28, 2015. *(Refer to Note 12. Subsequent Events)*

On August 20, 2015, the Board approved an award of 750,000 shares of the Company's restricted Common Stock to Dr. Smith in connection with her appointment as Chairman of the Company's Board. These shares, which are fully vested, were valued at $0.055 per share, the closing price of the shares on the day of grant, and were valued in aggregate at $41,250. The issuance of the shares was processed on October 30, 2015.

Stock-Option Plans

On August 3, 2006, CNS California adopted the CNS California 2006 Stock Incentive Plan (the "2006 Plan"). The 2006 Plan provides for the issuance of awards in the form of restricted shares, stock options (which may constitute incentive stock options (ISO) or non-statutory stock options (NSO), stock appreciation rights and stock unit grants to eligible employees, directors and consultants and is administered by the Board. A total of 667,667 shares of stock were ultimately reserved for issuance under the 2006 Plan. As of September 30, 2014, 70,825 options were exercised and there were 501,924 options and 6,132 restricted shares outstanding under the amended 2006 Plan leaving 87,786 shares which will not be issued as the 2006 Plan has been frozen. The outstanding options have exercise prices to purchase shares of Common Stock ranging from $3.60 to $32.70.

On March 22, 2012, our Board approved the MYnd Analytics, Inc. 2012 Omnibus Incentive Compensation Plan (the "2012 Plan"), reserved 333,334 shares of stock for issuance and on December 10, 2012, the Board approved the amendment of the 2012 Plan to increase the shares authorized for issuance from 333,334 shares to 5,500,000 shares. On March 26, 2013, the Board further approved the amendment of the 2012 Plan to increase the shares authorized for issuance from 5,500,000 shares to 15,000,000 shares. The 2012 Plan, as amended, was approved by our stockholders at the 2013 annual meeting held on May 23, 2013.

On October 8, 2013, the Board granted to the Company's two executive officers and two senior managers (collectively, the "Managers") options to purchase shares of its Common Stock pursuant to the 2012 Omnibus Incentive Compensation Plan, as amended (the "2012 Plan"), at an exercise price of $0.25 per share as follows: George Carpenter 435,000 shares, Paul Buck 470,000 shares, Stewart Navarre 385,000 shares and Brian MacDonald 310,000. These options vested pro-rata over 12 months starting from the date of grant. The four managers agreed to forego a portion of their salaries in fiscal year 2014 as follows: George Carpenter $98,000, Paul Buck $106,500, Stewart Navarre $83,600 and Brian MacDonald $66,700. These executive officers and managers will be paid out of the salaries which were earned and accrued during fiscal years 2012 and 2013. The accruals to be paid out are equivalent to the fiscal year 2014 salaries that each of the executive officers and managers agreed to forego in lieu of receiving options.

On November 8, 2013, the Board granted 700,000 options to purchase shares of its Common Stock pursuant to the 2012 Plan, at an exercise price of $0.25 per share to select consultants and staff, excluding the managers. The staff options vest evenly over 48 months starting on the date of grant; consultant options vest evenly over 36 months starting on the date of grant.

On July 31, 2014, the Board granted 425,000 options to purchase shares of its Common Stock pursuant to the 2012 Plan, at an exercise price of $0.26 per share to select consultants. These options vest evenly over 36 months starting on the date of grant.

On January 8, 2015, the Board granted an option to purchase 250,000 shares of its Common Stock pursuant to the 2012 Plan, at an exercise price of $0.25 per share to a consultant. The option vesting is contingent upon the achievement of agreed upon goals.

On August 20, 2015, August 20, 2015, the Board approved an award of options to purchase 250,000 shares of the Company's common stock for each of the Company's directors, for an aggregate grant of 1,750,000 options. The options are exercisable at a price per share of $0.055, the closing price of the Company's common stock on the date of grant, and will vest pro-rata over 36 months.

As of September 30, 2015, 70,825 options had been exercised and 501,924 options and 6,132 restricted shares were outstanding under the amended 2006 Plan leaving 87,786 shares which management does not believe will ever be issued as the 2006 Plan is frozen. Options to purchase 13,728,087 shares of Common Stock and 750,000 restricted shares remain outstanding under the 2012 Plan. None of these options have been exercised, leaving 521,913 options available for issuance.

Stock-based compensation expenses are generally recognized over the employees' or service provider's requisite service period, generally the vesting period of the award. Stock-based compensation expense included in the accompanying statements of operations for the year ended September 30, 2015 and 2014 is as follows:

	September 30	
	2015	2014
Cost of Neurometric Services revenues	$ —	$ 5,100
Research	41,600	65,500
Product Development	52,300	249,700
Sales and marketing	81,600	87,700
General and administrative	66,200	600,700
Total	$ 241,700	$ 1,008,700

Total unrecognized compensation as of September 30, 2015 amounted to $216,300.

A summary of stock option activity is as follows:

	Number of Shares	Weighted Average Exercise Price
Outstanding at September 30, 2013	9,749,594	$ 1.00
Granted	2,725,000	0.25
Exercised	-	
Forfeited	(57,095)	12.67
Outstanding at September 30, 2014	12,417,499	$ 0.84
Granted	2,000,000	0.08
Exercised	-	-
Forfeited	(187,488)	0.11
Outstanding at September 30, 2015	14,230,011	$ 0.75

Following is a summary of the status of options outstanding at September 30, 2015:

Exercise Price ($)	Number of Shares	Expiration Date	Weighted Average Exercise Price ($)
$ 0.055	1,750,000	08/2025	$ 0.055
0.04718	8,795,308	12/2022 – 01/2023	0.04718
0.25	2,715,109	03/2023 – 01/2025	0.25
0.26	425,000	07/2024	0.26
3.00	42,670	03/2022	3.00
3.60	28,648	08/2016	3.60
3.96	32,928	08/2016	3.96
9.00	4,525	11/2016	9.00
12.00	28,535	03/2019 – 07/2020	12.00
14.10	10,000	03/2021	14.10
15.30	1,373	09/2018	15.30
16.50	262,441	03/2020	16.50
17.70	953	08/2016	17.70
24.00	4,667	12/2017	24.00
26.70	32,297	09/2017	26.70
28.80	11,767	04/2018	28.80
$ 32.70	83,790	08/2017	$ 32.70
Total	**14,230,011**	Average	$ 0.75

Warrants to Purchase Common Stock

The warrant activity for the period starting October 1, 2013, through September 30, 2015, is described as follows:

	Number of Shares		Weighted Average Exercise Price
Outstanding at October 1, 2013	**1,497,556**	$	3.03
Granted	152,200		0.27
Exercised	(608,309)		0.04718
Expired	(226,703)		9.14
Outstanding at September 30, 2014	**814,744**	$	3.07
Granted	200,000		0.25
Exercised	—		—
Expired	(233,220)		9.14
Outstanding at September 30, 2015	**781,524**	$	0.53

Following is a summary of the status of warrants outstanding at September 30, 2015:

Exercise Price	Number of Shares	Expiration Date	Weighted Average Exercise Price
$ 0.04718	38,152	03/2018	$ 0.04718
0.25	332,200	04/2016 – 07/2017	0.25
0.275	324,000	06/2018 – 03/2019	0.275
1.00	67,170	10/2015 – 01/2017	1.00
7.50	3,334	05/2016	7.50
$ 9.00	16,668	07/2017	9.00
Total	**781,524**		**$ 0.53**

On March 22, 2014, a warrant to purchase 120,000 shares of Common Stock at an exercise price of $0.275 per share was issued to Monarch Capital who acted as placement agents in raising $300,000 from 11 accredited investors who purchased restricted Common Stock in private placement agreements dated October 2, 2013 and January 8, 2014.

Also on March 22, 2014, a warrant to purchase 32,200 shares of Common Stock at an exercise price of $0.25 per share was issued to D&D Securities, Inc. who acted as placement agents in raising $115,000 from three accredited investors who purchased restricted Common Stock in private placement agreements dated January 8, 2014.

On August 1, 2014, a warrant to purchase 200,000 shares of Common Stock at an exercise price of $0.25 per share was issued to Red Chip Companies, Inc. pursuant to an investor relations services agreement.

At September 30, 2015, there were warrants outstanding to purchase 781,524 shares of the Company's Common Stock. The exercise price of the outstanding warrants range from $0.04718 to $9.00 with a weighted average exercise price of $0.53. The warrants expire at various times starting 2015 through 2019.

Please refer to *Note 12. Subsequent Events* for Note activity after September 30, 2015, regarding issuances of warrants.

7. INCOME TAXES

The Company accounts for income taxes under the liability method. Deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities, and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company provides a valuation allowance to reduce the Company's deferred tax assets to their estimated realizable value.

Reconciliations of the provision (benefit) for income taxes to the amount compiled by applying the statutory federal income tax rate to profit (loss) before income taxes is as follows for each of the fiscal years ended September 30:

	2015	2014
Federal income tax (benefit) at statutory rates	(34.0)%	(34.0)%
Stock-based compensation	(0.4)%	(0.2)%
Extinguishment of debt	-%	1.5%
Change in valuation allowance	(16)%	(5)%
True-ups and other adjustments	(7.62)%	(26.9)%
State tax benefit	(5.98)%	(3.4)%

Temporary differences between the financial statement carrying amounts and bases of assets and liabilities that give rise to significant portions of deferred taxes relate to the following at September 30, 2015 and 2014:

	2015	2014
Deferred income tax assets:		
Net operating loss carryforward	$ 13,718,300	$ 13,083,200
Deferred interest, consulting and compensation liabilities	3,596,900	1,529,800
Amortization	-	-
Deferred income tax assets – other	5,600	5,800
	17,320,800	14,618,800
Deferred income tax liabilities—other	-	(1,600)
Deferred income tax asset—net before valuation allowance	17,320,800	14,617,200
Valuation allowance	(17,320,800)	(14,617,200)
Deferred income tax asset—net	$ -	$ -

Current and non-current deferred taxes have been recorded on a net basis in the accompanying balance sheet. As of September 30, 2015, the Company had Federal net operating loss carryforwards of approximately $32.8 million and State net operating loss carryforwards of approximately $55.6 million. Both the Federal and State net operating loss carryforwards will begin to expire in 2035. Our ability to utilize net operating loss carryforwards may be limited in the event that a change in ownership, as defined in the Internal Revenue Code, occurs in the future. The Company has placed a valuation allowance against the deferred tax assets in excess of deferred tax liabilities due to the uncertainty surrounding the realization of such excess tax assets. Management periodically evaluates the recoverability of the deferred tax assets and the level of the valuation allowance. At such time as it is determined that it is more likely than not that the deferred tax assets are realizable, the valuation allowance will be reduced accordingly.

8. RELATED PARTY TRANSACTIONS

On October 8, 2013, the Board granted to the Company's two executive officers and two senior managers (collectively, the "Managers") options to purchase shares of its Common Stock pursuant to the 2012 Option Plan at an exercise price of $0.25 per share as follows: George Carpenter 435,000 shares, Paul Buck 470,000 shares, Stewart Navarre 385,000 shares and Brian MacDonald 310,000. These options vested pro-rata over 12 months starting from the date of grant. Pursuant to the Employment Compensation Forfeiture and Exchange Agreement dated December 16, 2013, the Managers agreed to forego a portion of their salaries in fiscal year 2014 as follows: George Carpenter $98,000, Paul Buck $106,500, Stewart Navarre $83,600 and Brian MacDonald $66,700. These Managers were paid out of the salaries earned and accrued during fiscal years 2012 and 2013. The accruals to be paid out were equivalent to the fiscal year 2014 salaries that each of the Managers agreed to forego in lieu of receiving options to purchase shares.

Termination of Governance Agreements

On March 28, 2015, the Company entered into a separate termination agreement with each of Equity Dynamics and SAIL, in each case to immediately terminate the respective November 28, 2012 governance agreement (collectively, the "Governance Agreements") that the Company had entered into with each of Equity Dynamics and SAIL (collectively, the "Termination Agreements"). Equity Dynamics is an entity owned by John Pappajohn, a director of the Company, and SAIL is one of the Company's principal stockholders of which former director, Walter Schindler, was the managing partner. Pursuant to the Governance Agreements, the Company had agreed, subject to providing required notice to stockholders, to appoint four individuals nominated by Equity Dynamics and three individuals nominated by SAIL to the Company's Board of Directors, and to create vacancies for that purpose, if necessary. In addition, at each meeting of stockholders of the Company at which directors were nominated and elected, the Company had agreed to nominate for election the four designees of Equity Dynamics and the three designees of SAIL, and further had agreed to take all necessary action to support such election, and to oppose any challenges to such designees. The Governance Agreements also restricted the Company's ability to increase the number of directors to more than seven without the consent of Equity Dynamics and SAIL. Pursuant to the Termination Agreements, the Governance Agreements were terminated in their entirety as of March 28, 2015, and are of no further force or effect.

Note Purchase Agreement, Notes and Omnibus Amendment

Between September 22, 2014, and July 20, 2015, the Company entered into a Note Purchase Agreement (the "Original Note Purchase Agreement") in connection with a bridge financing, with nine accredited investors, including lead investor RSJ Private Equity ("RSJ PE"). Pursuant to the Original Note Purchase Agreement, the Company issued fifteen secured convertible promissory notes (each, a "September 2014 Note") in the aggregate principal amount of $2.27 million. Of this amount, RSJ PE purchased a September 2014 Note for $750,000. The September 2014 Notes were also purchased by the following affiliates of the Company or entities under their control: the Company's director, John Pappajohn, purchased three September 2014 Notes for $400,000; the Follman Family Trust of which Robert Follman, a director of the Company, is a trustee, purchased a September 2014 Note for $100,000; The Tierney Family Trust, which is a greater than 5% shareholder of the Company, purchased four September 2014 Notes for $540,000, of which Thomas Tierney, a former director and Chairman of the Board of the Company, is a trustee; and Oman Ventures, of which Mark Oman, a greater than 5% stockholder of the Company, is the President, purchased a September 2014 Note for $200,000.

The Original Note Purchase Agreement provided for the issuance and sale of September 2014 Notes in the aggregate principal amount of up to $2.5 million, in one or more closings to occur over a six-month period beginning September 22, 2014. The Original Note Purchase Agreement also provided that the Company and the holders of the September 2014 Notes enter into a registration rights agreement covering the registration of the resale of the shares of the Common Stock underlying the September 2014 Notes.

On April 14, 2015, the Company entered into Amendment No. 1 to the Original Note Purchase Agreement with the majority of the noteholders in principal, dated as of April 14, 2015 ("Amendment No. 1"), pursuant to which: (i) the aggregate principal amount of notes provided for issuance was increased by $0.5 million to a total of $3.0 million, and (ii) the period to raise the $3.0 million was extended to September 30, 2015. The Company subsequently amended and restated the Original Note Purchase Agreement solely to update for the changes made pursuant to Amendment No. 1 (such amended and restated agreement, together with the Original Note Purchase Agreement, the "Note Purchase Agreement").

On September 14, 2015, the Company entered into an Omnibus Amendment (the "Omnibus Amendment") to the Note Purchase Agreement and the notes purchased and sold pursuant thereto, with the majority of the noteholders to fix the conversion price of all notes, such that the conversion price of all notes will be $0.05 per share (as adjusted for stock splits, stock dividends, combinations or the like affecting the Common Stock) (the "Fixed Conversion Price") (i) automatically, in the event of a qualified financing of not less than $5 million, or (ii) voluntary, within 15 days prior to the maturity date of the note. The Omnibus Amendment also amended the form of note attached to the Note Purchase Agreement to reflect the Fixed Conversion Price.

Subsequently thereto, on September 14, 15 and 24, 2015, the Company entered into a Note Purchase Agreement, as amended by the Omnibus Amendment for the Fixed Conversion Price, with each of six accredited investors, in connection with a bridge financing. Pursuant to these Note Purchase Agreements, the Company issued an aggregate principal amount of $710,000 of secured convertible promissory notes (collectively, the "September 2015 Notes," and together with the September 2014 Notes all other notes purchased and sold pursuant to the Note Purchase Agreement, the "Notes"), which amount also represents the gross proceeds to the Company from the September 2015 Notes. Four of the six September 2015 Notes were purchased by affiliates of the Company, or an entity under such affiliate's control, as follows: (i) Dr. Robin Smith, Chairman of the Board of Directors of the Company, purchased a Note for $60,000; (ii) the Follman Family Trust, of which, Robert Follman, a director of the Company, is a trustee, purchased a Note for $150,000; (iii) John Pappajohn, a director of the Company, purchased a Note for $100,000 and (iv) RSJ PE, purchased a Note for $350,000.

As of September 30, 2015, all of the Notes matured on March 21, 2016, which is eighteen months from the date of first issuance of a Note (subject to earlier conversion or prepayment), earn interest at a rate of 5% per annum with interest payable at maturity. No Note may be prepaid without the prior written consent of the holder of such Note. The Notes are secured by a security interest in the Company's intellectual property, as detailed in a security agreement. Upon a change of control of the Company, the holder of a Note will have the option to have the Note repaid with a premium equal to 50% of the outstanding principal.

Please refer to *Note 12. Subsequent Events* for Note activity between September 30, 2015 and the date of this annual report, and for amendments to the terms of the Notes.

Transactions with John Pappajohn, Director

On September 22, 2014, March 18, 2015, June 2, 2015 and September 15, 2015, Mr. Pappajohn purchased four Notes for $200,000, $100,000, $100,000 and $100,000 respectively. Pursuant to the Omnibus Amendment, the Notes are convertible into shares of Common Stock at $0.055 per share: (i) automatically upon the closing of a qualified offering of not less than $5 million or (ii) voluntarily within 15 days prior to maturity.

On September 6, 2015, Mr. Pappajohn irrevocably assigned $200,000 in principal of his September 2014 Notes to four outside parties in the amount of $50,000 each.

On September 15, 2015, Mr. Pappajohn purchased a September 2015 Note for $100,000. The September 2015 Notes are convertible into share of Common Stock (i) automatically, in the event of a qualified financing of not less than $5 million, or (ii) voluntary, within 15 days prior to the maturity date of the note. The Omnibus Amendment also amended the form of note attached to the Note Purchase Agreement to reflect the Fixed Conversion Price, such that the conversion price of all notes will be $0.05 per share (as adjusted for stock splits, stock dividends, combinations or the like affecting the Common Stock) (the "Fixed Conversion Price").

Please refer to Note 12. Subsequent Events for Note activity between September 30, 2015 and the date of this annual report.

Transactions with Robert J. Follman, Director

On October 19, 2012, an October 2012 Note in the aggregate principal amount of $200,000 was issued in exchange for cash to the Trust of Robert J. Follman and Carole A. Follman, dated August 14, 1979 (the "Follman Trust"), an accredited investor, of which Robert J. Follman is a trustee. As of February 25, 2013, Mr. Follman was elected as a Director of the Company. On June 14, 2013, the Follman Trust converted their October 2012 Note and interest thereon into 4,491,310 shares of Common Stock at a conversion price $0.04718 per share.

The Follman Trust made multiple additional investments pursuant to a series of subscription agreements all of which were the result of private placements of unregistered stock at $0.25 per share. All individual transactions were in tranches of $100,000 for the purchase of 400,000 shares and the Company received gross cash proceeds of $100,000 on each occasion. These transactions occurred on the following dates: August 16 and September 11 of 2013 and January 17, February 14 and July 8 of 2014. In aggregate the Follman Trust has purchased 2,000,000 shares at $0.25 per share for $500,000 gross cash proceeds to the Company.

On March 17, 2015 and September 15, 2015, the Follman Trust purchased Notes for $100,000 and $150,000, respectively. Pursuant to the Omnibus Amendment, these Notes are convertible into shares of Common Stock at $0.05 per share: (i) automatically, upon the closing of a qualified offering of not less than $5 million or (ii) voluntarily, within 15 days prior to maturity.

Transaction with Robin L. Smith, Chairman

On September 14, 2015, Dr. Smith, our Chairman of the Board of Directors, purchased a Note for $60,000. Pursuant to the Omnibus Amendment, such Notes are convertible into shares of Common Stock at $0.05 per share: (i) automatically, upon the closing of a qualified offering of not less than $5 million, or (ii) voluntarily, within 15 days prior to maturity.

Transactions with George Carpenter, President and Chief Executive Officer

On September 25, 2013, the Board approved a consulting agreement effective May 1, 2013, for marketing services provided by Decision Calculus Associates, an entity operated by Mr. Carpenter's spouse, Jill Carpenter. For the period from May 1, 2013 through to February 28, 2015, we have paid $210,000 to Decision Calculus Associates and have an accounts payable balance of a further $10,000. For the period from March through July of 2015, DCA was not engaged by the Company. Effective August 2015 DCA has been re-engaged and paid at $10,000 per month.

On January 28, 2014, Mr. and Mrs. Carpenter invested $50,000 for 200,000 shares of Common Stock at $0.25 per share pursuant to a subscription agreement for which the Company received gross cash proceeds of $50,000.

On July 11, 2014, Mr. and Mrs. Carpenter invested $12,500 for 50,000 shares of Common Stock at $0.25 per share pursuant to a subscription agreement for which the Company received gross cash proceeds of $12,500.

Transactions with Paul Buck, Chief Financial Officer and Secretary

On February 12, 2014, Mr. Buck invested $25,000 for 100,000 shares of unregistered Common Stock at $0.25 per share, in a private placement pursuant to a subscription agreement for which the Company received gross cash proceeds of $25,000.

On July 8, 2014, Mr. Buck invested $12,500 for 50,000 shares of Common Stock at $0.25 per share, in a private placement pursuant to a subscription agreement for which the Company received gross cash proceeds of $12,500.

Transactions with the SAIL Capital Partners and SAIL Holdings

Mr. Schindler served as a Director between November 29, 2012 and June 11, 2015, and was the Managing Partner of SAIL Capital Partners, which was a greater than 5% shareholder of the Company, and is the general partner of all the SAIL entities except for SAIL Holding, LLC which is controlled directly by Mr. Schindler.

On July 11, 2014, SAIL Pre-Exit Acceleration fund, L.P., an entity managed by Mr. Schindler, entered into a subscription agreement, pursuant to a private placement, to purchase 40,000 shares of Common Stock at $0.25 per share for which the Company received gross cash proceeds of $10,000.

On January 5, 2015, the Company entered into a three-month long consulting engagement with Dr. Eric Warner, Managing Partner, Europe, Middle East & Africa, SAIL Capital Partners Ltd. The objectives of the engagement include the establishment of a revenue-generating licensing agreement in the United Kingdom (U.K.) and initiation a pilot study of our PEER Online technology. Dr. Warner has been paid $10,000 per month for a total of $30,000. On January 8, 2015, the Board granted Dr. Warner an option to purchase 250,000 shares of Common Stock with an exercise price of $0.25 per share; the option vesting is conditioned on the execution of a licensing agreement and a PEER Online pilot study. The fair value of the option, which was determined using the Black-Scholes model, was $28,300 and was expensed over the term of the engagement.

Transactions with Tierney Family Trust, Greater than 5% Stockholder

Mr. Tierney, who resigned from the Board on May 22, 2015, had served on the Board since February 2013, and had served as Chairman of the Board since March 2013. Mr. Tierney is a trustee of the Thomas T. and Elizabeth C. Tierney Family Trust (the "Tierney Family Trust"), which is a greater than 5% stockholder.

The Tierney Family Trust has made multiple additional investments pursuant to a series of subscription agreements all of which were the result of private placements of unregistered stock at $0.25 per share. All individual transactions were in tranches of $100,000 for the purchase of 400,000 shares and the Company received gross cash proceeds of $100,000 on each occasion. During the fiscal year 2014, these transactions occurred on the following dates: January 13, February 12 and July 8, of 2014. In aggregate the Tierney Family Trust has purchased 1,200,000 shares at $0.25 per share for $300,000 gross cash proceeds to the Company.

On September 22, 2014, January 8, 2015, March 17, 2015, June 3, 2015 and July 3, 2015 the Tierney Family Trust purchased five Notes for $200,000, $100,000, $115,000, $100,000 and $25,000, respectively, for an aggregate total of $540,000. Pursuant to the Omnibus Amendment, all such Notes are convertible into shares of Common Stock at $0.05 per share: (i) automatically, upon the closing of a qualified offering of not less than $5 million, or (ii) voluntarily, within 15 days prior to maturity.

Transactions with Mark and Jill Oman, Greater than 5% Stockholder

On September 22, 2014, Oman Ventures LLC, of which Mr. Oman, a greater than 5% stockholder, is the President, purchased a Note for $200,000. Pursuant to the Omnibus Amendment, such Notes are convertible into shares of Common Stock at $0.05 per share: (i) automatically, upon the closing of a qualified offering of not less than $5 million, or (ii) voluntarily, within 15 days prior to maturity.

Transactions with RSJ PE

Michal Votruba joined our Board on July 30, 2015. Mr. Votruba is a director of RSJ PE, which acted as the lead investor in the private placement financing of September 2014 Notes.

On September 26, 2014, and September 24, 2015, investor RSJ PE purchased a two Notes for $750,000 and $350,000 respectively. Pursuant to the Omnibus Amendment, such Notes are convertible into shares of Common Stock at $0.05 per share: (i) automatically, upon the closing of a qualified offering of not less than $5 million, or (ii) voluntarily, within 15 days prior to maturity.

Please refer to Note 12. Subsequent Events for Note activity between September 30, 2015 and the date of this annual report.

9. LOSS PER SHARE

In accordance with ASC 260-10 (formerly SFAS 128, "Computation of Earnings Per Share"), basic net income (loss) per share is computed by dividing the net income (loss) to common stockholders for the period by the weighted average number of common shares outstanding during the period. Diluted net income (loss) per share is computed by dividing the net income (loss) for the period by the weighted average number of common and dilutive common equivalent shares outstanding during the period. For the fiscal years ended September 30, 2015 and 2014, the Company has excluded all common equivalent shares from the calculation of diluted net loss per share as such securities are anti-dilutive.

A summary of the net income (loss) and shares used to compute net income (loss) per share for the fiscal years ended September 30, 2015 and 2014 is as follows:

	2015	2014
Net Loss for computation of basic and diluted net loss per share:		
From continuing operations	$ (3,386,000)	$ (2,660,100)
From discontinued operations	6,600	(2,700)
Net loss	$ (3,379,400)	$ (2,662,800)
Basic and Diluted net loss per share:		
From continuing operations	$ (0.03)	$ (0.03)
From discontinued operations	(0.00)	(0.00)
Basic net loss per share	$ (0.03)	$ (0.03)
Basic and Diluted weighted average shares outstanding	101,813,242	99,326,519
Anti-dilutive common equivalent shares not included in the computation of dilutive net loss per share:		
Convertible debt	10,069,588	1,650,000
Warrants	826,275	1,139,415
Options	12,726,767	11,930,872

10. COMMITMENTS AND CONTINGENT LIABILITIES

Litigation

From time to time, the Company may be involved in litigation relating to claims arising out of the Company's operations in the ordinary course of business. Other than as set forth below, the Company is not currently party to any legal proceedings, the adverse outcome of which, in the Company's management's opinion, individually or in the aggregate, would have a material adverse effect on the Company's results of operations or financial position.

Since June 2009, the Company has been involved in litigation against Leonard J. Brandt, a stockholder, former Director and the Company's former Chief Executive Officer ("Brandt") in the Delaware Chancery Court, the Supreme Court of the State of Delaware, the United States District Court for the Central District of California and the Superior Court for the State of California, Orange County. Other than current actions described below, the Company has prevailed in all actions or the matters have been dismissed.

On April 11, 2011, Brandt and his family business partnership Brandt Ventures, GP, filed an action in the Superior Court for the State of California, Orange County against the Company, one of its stockholders, SAIL Venture Partner, LP, and Mr. David Jones, a former member of the Board, alleging breach of a promissory note agreement entered into by Brandt Ventures, GP and the Company and alleging that Mr. Brandt was wrongfully terminated as Chief Executive Officer in April, 2009. The Company was served with a summons and complaint in the action on July 19, 2011.

On November 1, 2011, Mr. Brandt and Brandt Ventures filed an amended complaint amending their claims and adding new claims against the same parties. On March 12, 2012, the court sustained demurrers to certain of the counts against each defendant. On March 22, 2012, the plaintiffs filed a second amended complaint modifying certain of their claims, but did not add new claims. On February 6, 2013, the plaintiffs moved for leave to amend the second amended complaint and file a third amended complaint. On March 6, 2013, the Court granted leave to amend, but awarded fees and costs for the defendants to again make dispositive motions. The third amended complaint adds a claim for breach of the promissory note and seeks to foreclose on the collateral securing the note obligation. In addition, Mr. Brandt is seeking approximately $170,000 of severance and compensatory and punitive damages in connection with his termination. In interrogatory responses served on January 26, 2013, Mr. Brandt for the first time identified that he seeks damages in connection with his termination exceeding $9,000,000. Mr. Brandt has proffered no credible evidence to support damages in this amount, and the Company believes this claim for damages is without merit. The plaintiffs also seek rescission of a $250,000 loan made by Brandt Ventures, GP to the Company which was converted into Common Stock in accordance with its terms and restitution of the loan amount.

Discovery is ongoing and the Company continues to aggressively defend the action. A trial date had originally been set for May 2014; however, plaintiffs' counsel requested a continuance until August 2014 to which the Company agreed. On June 18, 2014, at plaintiffs' counsel's request, the Company entered into a Standstill and Tolling Agreement, whereby the parties agreed to seek a stay of the litigation and plaintiffs agreed to provide the Company with an executed dismissal of all the claims without prejudice, with the ability to re-file the third amended complaint, without change, on or before June 18, 2015, which the Company may file if the Court lifted the stay. Subsequently on May 7, 2015, the parties agreed to continue the Standstill and Tolling Agreement for another year, until June, 2016, on the same terms. On May 12, 2015, the Court agreed to stay the case for another six months. The Company believes that the third amended complaint, like the prior complaints, is without merit. The Company has not accrued any amounts related to this matter. The action is captioned *Leonard J. Brandt and Brandt Ventures, GP v. CNS Response, Inc., Sail Venture Partners and David Jones, case no. 30-2011-00465655-CU-WT-CJC.*

The Company has expended substantial resources to pursue the defense of legal proceedings initiated by Mr. Brandt. The Company does not know whether Mr. Brandt will institute additional claims against the Company and the defense of any such claims could involve the expenditure of additional resources by the Company.

Lease Commitments

The Company has its current Headquarters and Neurometric Services business premises located at 85 Enterprise, Aliso Viejo, California 92656 since February 2010. On February 6, 2014, we signed a 24 month extension to our lease for our current location. The lease period commenced on February 1, 2014 and terminates on January 31, 2016. The rent for months one through 13 is $4,349 per month; the months of February 2014 and January 2015 are abated; the rent for months 14 through 24 is $4,523 per month.

The Company incurred rent expense from continuing operations of $48,900 and $45,000 for the fiscal years ended September 30, 2015 and 2014, respectively.

On April 24, 2013, we entered into a financial lease to acquire additional EEG equipment costing $8,900. The term of the lease is 36 months ending May 2016 with a monthly payment of $325. As of September 30, 2015 the remaining lease obligation is $2,400 all of which is due in fiscal years 2016.

	Payments due by period				
Contractual Obligations	**Total**	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**More than 5 years**
Operating Lease Obligations	$ 18,100	$ 18,100	$ -	-	-
Capital Lease Obligations	2,400	2,400	-	-	-
Total	$ 20,500	$ 20,500	$ -	-	-

11. SIGNIFICANT CUSTOMERS

For the fiscal year ended September 30, 2015, five customers accounted for 58% of Neurometric Services revenue and three customers accounted for 48% of accounts receivable at September 30, 2015.

For the fiscal year ended September 30, 2014, four customers accounted for 68% of Neurometric Services revenue and three customers accounted for 53% of accounts receivable at September 30, 2014.

12. SUBSEQUENT EVENTS

Annual Meeting

At the 2015 annual meeting of stockholders of MYnd Analytics, Inc. ("the Company"), held on October 28, 2015 (the "2015 Annual Meeting"), the holders of the Company's Common Stock on the record date of September 18, 2015 voted to elect each of the following directors to serve until the next annual meeting and until their successor is elected and qualified:

Director	Votes For	Votes Withheld	Broker Non-Votes
Robin Smith	69,967,660	233,927	5,234,411
John Pappajohn	69,812,062	389,525	5,234,411
Robert Follman	69,964,660	236,927	5,234,411
Zachary McAdoo	60,564,311	9,637,276	5,234,411
Andrew Sassine	55,554,500	14,647,087	5,234,411
Geoffrey Harris	60,564,311	9,637,276	5,234,411
Michal Votruba	60,564,361	9,637,226	5,234,411

At the 2015 Annual Meeting, the Company's stockholders also voted on the following proposals:

Proposal	For	Against	Abstain
To amend the Company's Amended and Restated Certificate of Incorporation, as amended (the "Charter") to change the name of the Company from "CNS Response, Inc." to "MYnd Analytics, Inc."	71,268,578	2,893,217	1,274,203
To amend the Company's Charter in order to increase the number of shares of common stock, par value $0.001 per share, authorized for issuance under the Charter from 180,000,000 to 500,000,000	66,810,594	8,602,373	23,031
To amend the Company's Charter for the purposes of effecting a reverse stock split of our Common Stock by a ratio of not less than 1-for-10 and not more than 1-for-200, and to authorize the Board of Directors to determine, at its discretion, the timing of the amendment and the specific ratio of the reverse stock split	72,065,298	3,364,699	6,001
To ratify the selection by the Audit Committee of Anton & Chai LLP as our independent registered accounting firm for the fiscal year ending September 30, 2015	72,542,298	43,079	2,850,621

Second Amended and Restated Note and Warrant Purchase Agreement

On December 23, 2015, the Company entered into a Second Amended and Restated Note and Warrant Purchase Agreement (which further amended and restated the Note Purchase Agreement, as modified by the Omnibus Amendment) (the "Second Amended Note & Warrant Agreement"), with each of 16 accredited investors, pursuant to which (i) the aggregate principal amount of Notes available for issuance was increased from $3.0 million to up to $6.0 million, (ii) the maturity date of currently outstanding Notes was extended from March 21, 2016 to December 31, 2017; (iii) the time during which Notes may be issued was extended and (iv) certain warrants were issued to holders of both previously issued and newly issued Notes.

Pursuant to the Second Amended Note & Warrant Agreement, on December 23 and December 28, 2015, the Company issued to the two purchasers thereof (i) an aggregate principal amount of $1,000,000 of secured convertible promissory notes (each, a "December 2015 Note"), which amount also represents the gross proceeds to the Company from the December 2015 Notes, and (ii) a warrant to each holder of December 2015 Notes to purchase the Company's Common Stock, in an amount equal to 100% of the shares underlying their December 2015 Note (each, a "Note Warrant"). Each Note Warrant is exercisable, in whole or in part, during the period beginning on the date of its issuance, and ending on the earlier of (i) December 31, 2020 and (ii) the date that is forty-five (45) days following the date on which the daily closing price of shares of the Company's Common Stock quoted on the OTCQB Venture Marketplace (or other bulletin board or exchange on which the Company's Common Stock is traded or listed) exceeds $0.25 for at least ten (10) consecutive trading days. In connection therewith, the Company will promptly notify the Note Warrant holders in the event that the daily closing price of the Company's shares of Common Stock so exceeds $0.25 for at least ten (10) consecutive trading days. Both December 2015 Notes and Note Warrants were purchased by affiliates of the Company, or an entity under such affiliate's control, as follows: (i) on December 23, 2015, John Pappajohn, a member of the board of directors of the Company, purchased a December 2015 Note for $250,000 and was issued a Note Warrant to purchase 5,000,000 shares of Common Stock; and (ii) on December 28, 2015, RSJ PE, of which, Michal Votruba, a member of the board of directors of the Company, is the Director for Life Sciences for the RSJ/Gradus Fund, purchased a December 2015 Note for $750,000 and was issued a Note Warrant to purchase 15,000,000 shares of Common Stock.

Also on December 23, 2015, in consideration for the agreement to extend the maturity date of the Notes, the Company issued to holders of all Notes outstanding prior to the date of the Second Amended Note & Warrant Agreement, warrants to purchase an aggregate of 60,000,000 shares of Common Stock (the "Extension Warrants", together with the Note Warrants, the "Warrants"). All Warrants have identical terms. Each such holder was issued an Extension Warrant to purchase Common Stock in an amount equal to 100% of the shares underlying each such holder's previously outstanding Notes as follows:

5-Year Extension Warrants with an non-cashless exercise price of $0.05	**Warrants to purchase Shares of Common Stock**
RSJ Private Equity	22,000,000
10 Accredited Investors	11,000,000
Robin L. Smith	1,200,000
John Pappajohn	6,000,000
Tierney Family Trust	10,800,000
Oman Ventures	4,000,000
Follman Family Trust	5,000,000
Total Secured Convertible Promissory Notes	**60,000,000**

Pursuant to the Second Amended and Restated Note and Warrant Agreement, all Notes: (i) mature on December 31, 2017 (subject to earlier conversion or prepayment), (ii) earn interest at a rate of 5% per annum with interest payable at maturity, and (iii) are convertible into shares of Common Stock (A) automatically upon the closing of a qualified offering of no less than $5 million, at a conversion price of $0.05 per share or (B) voluntarily, within 15 days prior to maturity, at a conversion price of $0.05 per share. No Note may be prepaid without the prior written consent of the holder of such Note. The Notes are secured by a security interest in the Company's intellectual property, as detailed in the amended and restated security agreement. Upon a change of control of the Company (as described in the Notes), the holder of a Note will have the option to have the Note repaid with a premium equal to 50% of the outstanding principal.

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

None.

ITEM 9A. Controls and Procedures

Disclosure Controls and Procedures

Our management, including our Principal Executive Officer (PEO) and Principal Financial Officer (PFO), conducted an evaluation of the effectiveness of our disclosure controls and procedures, as defined by paragraph (e) of Exchange Act Rule 13a-15, as of September 30, 2015, the end of the period covered by this report. Based on this evaluation, our PEO and PFO concluded that our disclosure controls and procedures were effective as of September 30, 2015.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. As defined in Rule 13a-15(f) under the Exchange Act, internal control over financial reporting is a process designed by, or under the supervision of, our PEO and PFO 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:

(1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorization of our management and directors; and
(3) 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.

Management, including our Principal Executive Officer (PEO) and Principal Financial Officer (PFO), do not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors or all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management's override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Also, over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

Internal Controls Over Financial Reporting

Members of our management, including our PEO and our PFO, have evaluated the effectiveness of our internal control over financial reporting as of September 30, 2015, based on the framework and criteria established by the Committee of Sponsoring Organizations of the Treadway Commission and we concluded that our internal controls over financial reporting are effective.

A "material weakness" is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

A "significant deficiency" is a deficiency, or combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of our financial reporting.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this annual report.

Changes in Internal Control Over Financial Reporting

During the fiscal year ending September 30, 2015, there were no changes in our internal controls over financial reporting 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.

The following table sets forth the name, age and position of each of our executive officers and directors as at December 15, 2015.

Name	Age	Position
Robin L. Smith	51	Chairman of the Board
John Pappajohn	87	Director
Robert J. Follman	71	Director
Geoffrey E. Harris	53	Director
Andrew H. Sassine	51	Director
Michal Votruba	50	Director
Zachary McAdoo	43	Director
George C. Carpenter IV	57	President and Chief Executive Officer
Paul Buck	60	Chief Financial Officer and Secretary

Directors

Robin L. Smith, Chairman of the Board of Directors

Robin L. Smith, MD joined our Board of Directors as its Chairman on August 20, 2015. Dr. Smith is currently also the Chairman of the Board of Directors of Caladrius Biosciences (formerly NeoStem) (NASDAQ:CLBS), an emerging cellular therapy business, was Executive Chairman of NeoStem from January 2015 through June 2015 after having previously served as Chairman and Chief Executive Officer of Caladrius Biosciences from 2006 to 2015. Dr. Smith has an extensive and diversified background in health care, sales and marketing, business development and management. Her previous experience includes serving as President and Chief Executive Officer of IP2M, a multi-platform media company specializing in healthcare, where under her leadership, the company was selected as being one of the 10 fastest growing technology companies in Houston. She also previously held the position of Executive Vice President and Chief Medical Officer for HealthHelp, Inc., a National Radiology Management company. Dr. Smith has acted as a senior advisor to, and investor in, both publicly traded and privately held companies where she has played a significant role in restructuring and/or growing such businesses.

Dr. Smith also currently serves on the Board of Directors of Signal Genetics (NASDAQ: SGNL). She served on the Board of Trustees of the NYU Langone Medical Center and is past Chairman of the Board of Directors for the New York University Hospital for Joint Diseases. Currently, Dr. Smith is the President and Chairman of the Board of Directors of The Stem for Life Foundation, a non-profit entity that seeks to create a movement to accelerate development of cell therapies which are believed to hold the promise to cure many of the world's most debilitating illnesses as opposed to merely treating their symptoms. She also serves on the Board of Directors of the Science and Faith STOQ Foundation in Rome, as well as on the Capital Formation Committee of the Alliance for Regenerative Medicine. Dr. Smith earned her M.D. from Yale University and her M.B.A. from the Wharton School of Business.

Dr. Smith was selected to serve as our Chairman of the Board of Directors because of her extensive experience in the management, marketing and funding of emerging medical technology companies.

John Pappajohn, Director

John Pappajohn joined our Board of Directors on August 26, 2009. Since 1969, Mr. Pappajohn has been the President and sole owner of Pappajohn Capital Resources, a venture capital firm, and President and sole owner of Equity Dynamics, Inc., a financial consulting firm, both located in Des Moines, Iowa. Since 1994 he has served as a director on the board of public company American CareSource Holdings, Inc., Dallas, TX. During the past five years he has served on the boards of public companies Conmed Healthcare Management, Inc., PharmAthene, Inc. and Spectrascience, Inc. Mr. Pappajohn also currently serves as Chairman of the Board of Cancer Genetics, Inc. Mr. Pappajohn was chosen to serve as a director of our company because of his unparalleled experience serving as a director of more than 40 companies and the substantial insight he has gained into the life sciences and healthcare industries by actively investing in the industries for more than 40 years, and by founding and supporting several public healthcare companies. Mr. Pappajohn devotes such portion of his time to his role as a director of MYnd Analytics as is required to properly fulfill his duties in that role.

Robert J. Follman, Director

Robert J. Follman joined our Board of Directors on February 25, 2013. Mr. Follman is President and CEO of R.A. Industries Inc., one of the leading producers of complex multi-axis components for the aerospace, nuclear, petroleum and other commercial industries, and has served in that position since 1976. He is also President and CEO of Markall Incorporated, a related company that produces and markets electro-mechanical assemblies for the same markets. Mr. Follman is a longtime supporter of many local and national charitable organizations and is active in many community and civic affairs. He has a long history of supporting the UC Irvine Diabetes Center, among other organizations. Mr. Follman was selected to serve as a director because of his leadership experience, having served as an executive officer, and his influence as a business and civic leader.

Geoffrey E. Harris, Director

Geoffrey E. Harris joined our Board of Directors on July 30, 2015. Mr. Harris is a portfolio manager and managing partner at c7 Advisors, a money management and healthcare advisory firm focused on small-to-middle market healthcare companies. Prior to his position with c7 Advisors, Mr. Harris served as Managing Director and co-head of the Cantor Fitzgerald Healthcare Investment Banking Group from 2011 to 2014, and was a Healthcare Investment Banker with Gleacher & Company from 2009 to 2011. Mr. Harris has over thirty years combined experience as a healthcare analyst and portfolio manager for biotechnology and life sciences companies. Mr. Harris graduated from MIT's Sloan School of Management with an MS in Finance Management. Mr. Harris serves as a director on the boards of Cancer Genetics, Inc. (NASDAQ: CGIX) a molecular diagnostics company, American Care Source, Inc. (NASDAQ: ANCI) a healthcare services company, and two privately held companies, Amperic, Inc. an Internet of Things remote sensing company and PointRight, a healthcare data analytics company. Mr. Harris also serves on the Audit Committee of Cancer Genetics, Inc. Mr. Harris was selected to serve on our Board of Directors for his significant healthcare, finance and transactional experience. Furthermore, his financial, analytical and audit committee experience make him well suited to Chair our Audit Committee.

Andrew H. Sassine, Director

Andrew H. Sassine joined our Board of Directors on February 25, 2013. Mr. Sassine served in various positions at Fidelity Investments from 1999 to 2012, including, most recently as Portfolio Manager. Between 2004 and 2011, he managed the Fidelity Small Cap Stock Fund, the Fidelity International Small Cap Opportunities Fund and the Fidelity Advisor International Small Cap Opportunities Fund. Mr. Sassine joined Fidelity as a high yield research analyst covering the Telecommunications, Satellite, Technology, Defense and Aerospace, and Restaurant Industries and in 2001, joined the international group as a research analyst covering small and mid-cap international stocks. Prior to joining Fidelity, he served as a vice president in the Acquisition Finance Group at Fleet National Bank.

Since December 7, 2015, Mr. Sassine has served on the Board of Directors of iCAD, Inc. (NASDAQ: ICAD), an industry leading provider of advanced image analysis, workflow solutions and radiation therapy for the early detection and treatment of cancer. Since September 2013, Mr. Sassine has served on the board of directors of FluoroPharma Medical, Inc., (FMPI.OB), a bio pharmaceutical company focusing on the development of positron emission tomography imaging agents for the detection and assessment of acute and chronic forms of coronary artery diseases. Mr. Sassine also serves on the board of directors of three private companies: Gemphire Therapeutics, Inc., an early-stage cardiovascular drug company formed by a licensing agreement with Pfizer Inc.; Freedom Meditech, Inc., a medical device company focused on the development and commercialization of first-to-market non-invasive ophthalmic medical devices that can screen for diabetes up to six years prior to the onset of the disease; and ComHear Inc., a digital audio software and device company, where he is also the chairman of the board. Mr. Sassine previously served on the board of Acorn Energy, Inc.

Mr. Sassine has been a member of the Henry B. Tippie College of Business, University of Iowa Board of Advisors since 2009 and served on the Board of Trustees at the Clarke Schools for Hearing and Speech between 2009 and 2014. Mr. Sassine earned a Bachelor of Arts degree at the University of Iowa in 1987 and an MBA from the Wharton School at the University of Pennsylvania in 1993. We believe Mr. Sassine's extensive knowledge and experience as a portfolio manager in small cap stocks and service on several boards of directors qualifies him to serve as a member of our Board of Directors.

Michal Votruba, Director

Michal Votruba joined our Board of Directors on July 30, 2015. Since 2013, Mr. Votruba has been the Director of the Gradus/RSJ Life Sciences Fund, the largest dedicated fund in Central Europe with a portfolio of companies in Europe and the United States. Since 2010, he has served as a member of the board of PrimeCell Therapeutics a.s. as the Director of Global Business Development overseeing the expansion of the largest regenerative medicine company operating in Central Europe. In 2009, the Czech Academy of Sciences solicited Mr. Votruba's expertise for the first successful privatization project of the Institute of Experimental Medicine in Prague: the newly created protocol established a precedent for future privatization projects in the Czech Republic. Mr. Votruba graduated as a Clinical Psychiatrist from the Medical Faculty of Charles University in Prague in 1989. Shortly thereafter, he emigrated from Czechoslovakia and developed his professional career in Canada and the USA. Since 2005, Mr. Votruba combined his theoretical and clinical experience in the field of Competitive Intelligence serving the global pharmaceutical industry for eight years as an industry analyst advising senior leaders of companies including Amgen, Novartis, Eli Lilly, Allergan, EMD, Serono and Sanofi. Mr. Votruba brings valuable expertise to the Board of Directors as a clinical psychiatrist and broad experience in the international marketing of innovative medical technologies.

Zachary McAdoo, Director

Zachary McAdoo joined our Board of Directors on November 21, 2011. Mr. McAdoo is the president of McAdoo Capital, Inc., a New York based investment firm founded in 2009 that focuses on investing in small and micro-cap public companies. McAdoo Capital, Inc. is the investment manager to the Zanett Opportunity Fund, Ltd., a Bermuda-based company. Mr. McAdoo was formerly the Chairman and Chief Executive Officer of Radioio, Inc. (OTCQB: RAIO), a publicly traded internet radio company, from August 2013 to April, 2015. From 2005 through 2008, Mr. McAdoo was an analyst and portfolio manager with the Zanett Group, a New York based family office. Prior to joining The Zanett Group, Mr. McAdoo worked for seven years for two other small cap investment firms. Mr. McAdoo graduated from McGill University in 1995 with a Bachelor of Arts degree in Psychology. In 2004 he became a CFA charter holder. In addition to his experience investing in healthcare services, diagnostics and medical device companies, Mr. McAdoo brings a direct-to-consumer marketing perspective to the Board of Directors through his experience of investing in companies across many industries that use direct marketing methods.

George Carpenter, President and Chief Executive Officer

George Carpenter has been serving as our Chief Executive Officer since April 10, 2009, served as our President from October 1, 2007 until April 10, 2009 and was reappointed our President on April 29, 2011. As President until 2009, Mr. Carpenter's primary responsibility involved developing strategy and commercializing our rEEG technology. Mr. Carpenter also served as a director from April 2009 until November 2012. From 2002 until he joined CNS in October 2007, Mr. Carpenter was the President and CEO of WorkWell Systems, Inc., a national physical medicine firm that manages occupational health programs for Fortune 500 employers. Prior to his position at WorkWell Systems, Mr. Carpenter founded and served as Chairman and CEO of Core, Inc., a company focused on integrated disability management and work-force analytics. He served in those positions from 1990 until Core was acquired by Assurant, Inc. in 2001. From 1984 to 1990, Mr. Carpenter was a Vice President of Operations with Baxter Healthcare, served as a Director of Business Development and as a strategic partner for Baxter's alternate site businesses. Mr. Carpenter began his career at Inland Steel where he served as a Senior Systems Consultant in manufacturing process control. Mr. Carpenter holds an M.B.A. in Finance from the University of Chicago and a B.A. with Distinction in International Policy & Law from Dartmouth College.

Paul Buck, Chief Financial Officer and Secretary

Paul Buck was appointed to the position of Chief Financial Officer effective February 18, 2010. Mr. Buck had been working with us as an independent consultant since December 2008, assisting management with finance and accounting matters as well as our filings with the U.S. Securities and Exchange Commission. Prior to joining us, Mr. Buck worked as an independent consultant since 2004 and has broad experience with a wide variety of public companies. His projects have included forensic accounting, restatements, acquisitions, interim management and system implementations. Mr. Buck, a Swiss national, was raised in Southern Africa and holds a B.Sc. degree in Chemistry and a B.Com degree, both from the University of Cape Town, South Africa. He started his career with Touche Ross & Co. in Cape Town and qualified as a Chartered Accountant. In 1985, Mr. Buck joined the Los Angeles office of Touche Ross & Co. where he was an audit manager. In 1991 he joined the American Red Cross Biomedical Services as the CFO of the Southern Californian Region. After five years with the organization, he returned to Deloitte & Touche as a manager in the Solutions Consulting Group. In 1998, Mr. Buck was recruited back to the American Red Cross Biomedical Services as CFO and became the Director of Operations for the Southern California Region until 2003. Mr. Buck works full-time for CNS.

Significant Employees

Brian MacDonald, Chief Technology Officer

Brian MacDonald, age 54, is a co-founder of CNS Response, Inc. (California) and has been with the Company since its inception in 2000. Mr. MacDonald is the developer of the PEER algorithms that match Quantitative EEG features to similar features of known responders to psychotropic medications. Mr. MacDonald also leads the development of the PEER Online system that enables physicians to access the PEER algorithms from anywhere in the world through a secure web-based portal. Prior to CNS Response, Mr. MacDonald was a principal and co-founder of Mill City Venture Development that consulted for the predecessor company to CNS Response. Prior to this he was a consultant for Deloitte & Touche Management Consulting, KPMG Strategic Services and in private consulting practice. His focus throughout his consulting career has been the area of operations and information systems. Mr. MacDonald received a BS in Chemical Engineering from the University of Alabama and received his MBA from The Wharton School of the University of Pennsylvania in 1990.

R. Stewart Navarre. Vice President, Government Accounts

R. Stewart Navarre, age 61, has served as our Vice President, Government Accounts since February 2011. Prior to joining us, he served as Director, Federal Sector Pursuits at Bethel Services Incorporated, a Native American company, from March to September 2010 and Managing Director, Project Management, at CB Richard Ellis from August 2007 to March 2010. Mr. Navarre retired from the United States Marine Corps during July 2007. Colonel Navarre served as a Marine infantry officer for over 30 years, culminating in command of the 5th Marine Regiment, headquartered at Camp Pendleton, California, and deploying in support of Operation Iraqi Freedom during 2003 - 2005. His final tour on active duty was as Chief of Staff for the Marine Corps bases west of the Mississippi. Colonel Navarre received his B.S. in Biology and Chemistry and his commission as a Marine lieutenant at the United States Naval Academy in 1976. He holds a MBA from the University of Evansville, Indiana.

Board Composition, Committees and Director Independence.

Our Board of Directors currently consists of seven members: Robin Smith, John Pappajohn, Zachary McAdoo, Robert Follman, Andrew Sassine, Michal Votruba and Geoffrey Harris. Messrs. Pappajohn, McAdoo, Follman and Sassine were elected at our annual meeting of stockholders held on May 13, 2014, and will serve until our next annual meeting or until his successor is duly elected and qualified. John Pappajohn was originally elected at our annual meeting of stockholders held on April 27, 2010. Zachary McAdoo was appointed to the Board at a meeting on November 21, 2011 following the resignation of Dr. Jerome Vaccaro on October 30, 2010. Walter Schindler was appointed to the Board at a meeting on December 10, 2012 following the resignation of Dr. Henry Harbin on November 18, 2012. Former directors George Carpenter, David Jones, Maurice De Wald and George Kallins all resigned on November 30, 2012 and Robert Follman, Thomas Tierney, Richard Turner and Andrew Sassine were nominated to the Board on December 10, 2012 and were empaneled on February 25, 2013, 10 days after the completion of the mailing to all stockholders of the information statement pursuant to Section 14(f) of the Securities Exchange Act of 1934. Subsequently, Mr. Tierney resigned on May 22, 2015, and at a Board Meeting on May 29, 2015, the size of the Board was reduced to five members. Mr. Schindler resigned on June 11, 2015. At a Board Meeting on July 30, 2015, the size of the Board was increased to nine members and Michal Votruba and Geoffrey Harris joined the Board. On August 20, 2015, Dr. Robin Smith joined the Board and was elected to be its Chair.

The Company's securities are not listed on a national securities exchange or an inter-dealer quotation system that requires a majority of the Board of Directors to be independent. We nonetheless use the definition of "independence" under Rule 5602 of the NASDAQ Stock Market Rules, as applicable and as may be modified or supplemented from time to time and the interpretations thereunder, to determine if the members of our Board are independent. In making this determination, our Board considers, among other things, transactions and relationships between each director and his immediate family and the Company, including those reported under the caption "Certain Relationships and Related Transactions." The purpose of this review is to determine whether any such relationships or transactions are material and, therefore, inconsistent with a determination that the directors are independent. On the basis of such review and its understanding of such relationships and transactions, all our Board members are "independent" directors as that term is defined in the NASDAQ Stock Market Rules.

Board Committees

Our Board of Directors established an audit committee and a compensation committee at a Board meeting held on March 3, 2010, and a governance and nominations committee at a Board meeting held on March 22, 2012. Each committee has its own charter, which is available on our website at www.MYndAnalytics.com. Information contained on our website is not incorporated herein by reference. Each of the Board committees has the composition and responsibilities described below.

Audit Committee

We have a separately designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act of 1934, as amended (the "Exchange Act"). Mr. Harris (Chair), Mr. Sassine and Mr. McAdoo are the members of the audit committee. They are "independent" within the meaning of Rule 10A-3 under the Exchange Act and the NASDAQ Stock Market Rules. Our Board has determined that Mr. Harris serves as the "audit committee financial expert," as such term is defined in Item 407(d)(5) of Regulation S-K. In his roles as Audit Committee Chair of another public company, as Managing Partner of a money management and healthcare advisory firm, as a senior investment banker, portfolio manager and health care research analyst, Mr. Harris has gained over 25 years of experience analyzing the financial statements of public companies, assessing the use of accounting methods employed by those companies and the financial acumen of their management.

The audit committee oversees our accounting and financial reporting processes and oversees the audit of our financial statements and the effectiveness of our internal control over financial reporting. The specific functions of this committee include:

- selecting and recommending to our Board of Directors the appointment of an independent registered public accounting firm and overseeing the engagement of such firm;
- approving the fees to be paid to the independent registered public accounting firm;
- helping to ensure the independence of our independent registered public accounting firm;
- overseeing the integrity of our financial statements;
- preparing an audit committee report as required by the SEC to be included in our annual proxy statement;
- reviewing major changes to our auditing and accounting principles and practices as suggested by our Company's independent registered public accounting firm, internal auditors (if any) or management;
- reviewing and approving all related party transactions; and
- overseeing our compliance with legal and regulatory requirements.

Audit Committee Report [1]

In fulfilling its responsibilities for the financial statements for fiscal year 2015, the audit committee of the Board of Directors:

- Reviewed and discussed the audited financial statements for the year ended September 30, 2015 with management and Anton & Chia, LLP (the "Auditors"), the Company's independent auditors; and

- Received written disclosures and the letter from the Auditors regarding their independence as required by Independence Standards Board Standard No. 1. The audit committee discussed with the Auditors their independence.

In fulfilling its responsibilities for the financial statements for fiscal year 2015, the audit committee discussed with the Auditors the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit. The audit committee also considered the status of other areas of oversight relating to the financial reporting and audit process that it determined appropriate.

Based on the audit committee's review of the audited financial statements and discussions with management and the Auditors, the audit committee recommended to the Board of Directors the inclusion of the audited financial statements in the Company's Annual Report on Form 10-K for the year ended September 30, 2015 for filing with the Securities and Exchange Commission. The audit committee has considered whether the provision of non-audit services is compatible with maintaining the principal accountant's independence.

Audit Committee of the Board of Directors
Geoffrey Harris

(1) The material in this Audit Committee Report is not "soliciting material" and is not deemed "filed" with the SEC and is not to be incorporated by reference in any of our filings under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

Compensation Committee

Our compensation committee assists the Board of Directors in the discharge of its responsibilities relating to the compensation of the Board of Directors and our executive officers. Messrs. Pappajohn (Chair) and Votruba are the members of our compensation committee. The Board is expected to determine that both Mr. Pappajohn and Mr. Votruba are "independent" within the meaning of the NASDAQ Stock Market Rules and both members qualify as "non-employee directors" under Rule 16b-3 of the Exchange Act.

The committee's compensation-related responsibilities include:

- assisting our Board of Directors in developing and evaluating potential candidates for executive positions and overseeing the development of executive succession plans;
- reviewing and approving, on an annual basis, the corporate goals and objectives with respect to compensation for our chief executive officer;
- reviewing, approving and recommending to our Board of Directors on an annual basis the evaluation process and compensation structure for our other executive officers;
- providing oversight of management's decisions concerning the performance and compensation of other Company officers, employees, consultants and advisors;
- reviewing our incentive compensation and other stock-based plans and recommending changes in such plans to our Board of Directors as needed, and exercising all the authority of our Board of Directors with respect to the administration of such plans;
- reviewing and recommending to our Board of Directors the compensation of independent directors, including incentive and equity-based compensation; and

- selecting, retaining and terminating such compensation consultants, outside counsel and other advisors as it deems necessary or appropriate.

Governance and Nominations Committee

The purpose of the governance and nominations committee is to recommend to the Board nominees for election as directors and persons to be elected to fill any vacancies on the Board, develop and recommend a set of corporate governance principles and oversee the performance of the Board. Messrs. Follman, Sassine and Ms. Smith (Chair) are the members of our governance and nominations committee. The Board is expected to determine that they are "independent" within the meaning of the NASDAQ Stock Market Rules.

The committee's responsibilities include:

- *Selecting director nominees.* The governance and nominations committee recommends to the Board of Directors nominees for election as directors at any meeting of stockholders and nominees to fill vacancies on the Board. The governance and nominations committee would consider candidates proposed by stockholders and will apply the same criteria and follow substantially the same process in considering such candidates as it does when considering other candidates. The governance and nominations committee may adopt, at its discretion, separate procedures regarding director candidates proposed by our stockholders. Director recommendations by stockholders must be in writing, include a resume of the candidate's business and personal background and include a signed consent that the candidate would be willing to be considered as a nominee to the Board and, if elected, would serve. Such recommendation must be sent to the Company's Secretary at the Company's executive offices. When it seeks nominees for directors, our governance and nominations committee takes into account a variety of factors including (a) ensuring that the Board, as a whole, is diverse and consists of individuals with various and relevant career experience, relevant technical skills, industry knowledge and experience, financial expertise (including expertise that could qualify a director as a "financial expert," as that term is defined by the rules of the SEC), local or community ties and (b) minimum individual qualifications, including strength of character, mature judgment, familiarity with the Company's business and industry, independence of thought and an ability to work collegially. The Company is of the view that the continuing service of qualified incumbents promotes stability and continuity in the Board room, contributing to the ability of the Board of Directors to work as a collective body, while giving the Company the benefit of the familiarity and insight into the Company's affairs that its directors have accumulated during their tenure. Accordingly, the process of the governance and nominations committee for identifying nominees reflects the Company's practice of re-nominating incumbent directors who continue to satisfy the committee's criteria for membership on the Board of Directors, whom the committee believes continue to make important contributions to the Board of Directors and who consent to continue their service on the Board of Directors. The Board has not adopted a formal policy with respect to its consideration of diversity and does not follow any ratio or formula to determine the appropriate mix; rather, it uses its judgment to identify nominees whose backgrounds, attributes and experiences, taken as a whole, will contribute to the high standards of Board service. The governance and nominations committee may adopt, and periodically review and revise as it deems appropriate, procedures regarding director candidates proposed by stockholders.

- *Reviewing requisite skills and criteria for new Board members and Board composition*. The governance and nominations committee reviews with the entire Board of Directors, on an annual basis, the requisite skills and criteria for Board candidates and the composition of the Board as a whole.

- *Hiring of search firms to identify director nominees*. The governance and nominations committee has the authority to retain search firms to assist in identifying Board candidates, approve the terms of the search firm's engagement, and cause the Company to pay the engaged search firm's engagement fee.

- *Selection of committee members.* The governance and nominations committee recommends to the Board of Directors, on an annual basis, the directors to be appointed to each committee of the Board of Directors.

- *Evaluation of the Board of Directors.* The governance and nominations committee will oversee an annual self-evaluation of the Board of Directors and its committees to determine whether it and its committees are functioning effectively.

- *Development of Corporate Governance Guidelines.* The governance and nominations committee will develop and recommend to the Board a set of corporate governance guidelines applicable to the Company.

The governance and nominations committee may delegate any of its responsibilities to subcommittees as it deems appropriate. The governance and nominations committee is authorized to retain independent legal and other advisors, and conduct or authorize investigations into any matter within the scope of its duties.

Committee Memberships and Meetings

The following table below sets forth the membership of each Committee:

Name of Director	Audit Committee	Compensation Committee	Governance and Nominations Committee
Robin Smith	Member	Member	Chair
John Pappajohn		Chair	
Zachary McAdoo	Member		
Robert Follman			Member
Andrew Sassine			Member
Michal Votruba		Member	
Geoffrey Harris	Chair		

Governance Agreements

On March 28, 2015, the Company entered into a separate termination agreement with each of Equity Dynamics, Inc. ("EDI") and SAIL Capital Partners ("SAIL"), in each case to immediately terminate the respective November 28, 2012 governance agreement (collectively, the "Governance Agreements") that the Company had entered into with each of EDI and SAIL (collectively, the "Termination Agreements"). EDI is an entity owned by Mr. Pappajohn, a director of the Company, and SAIL is one of the Company's principal stockholders of which a former director, Mr. Schindler, is the managing partner. Pursuant to the Governance Agreements, the Company had agreed, subject to providing required notice to stockholders, to appoint four individuals nominated by EDI and three individuals nominated by SAIL to the Company's Board of Directors, and to create vacancies for that purpose, if necessary. In addition, at each meeting of stockholders of the Company at which directors were nominated and elected, the Company had agreed to nominate for election the four designees of EDI and the three designees of SAIL, and further had agreed to take all necessary action to support such election, and to oppose any challenges to such designees. The Governance Agreements also restricted the Company's ability to increase the number of directors to more than seven without the consent of EDI and SAIL. Pursuant to the Termination Agreements, the Governance Agreements were terminated in their entirety as of March 28, 2015, and are of no further force or effect.

Board Meetings

During the fiscal year ended September 30, 2015, the Board held ten meetings and the Board Committees held a total of five meetings. Each incumbent director, except for Mr. Turner, due to illness, attended 75% or more of the total number of meetings of the Board and the Board Committees of which they were a member during the period they served as a director in fiscal year 2015. The Board of Directors did not meet in executive session during the fiscal year ended September 30, 2015.

The Company has not yet established a policy with respect to Board members' attendance at its annual meetings.

Board Leadership Structure

To assure effective and independent oversight of management, our Board of Directors operates with the roles of Chief Executive Officer and Chairman of the Board separated in recognition of the differences between these two roles in the management of the Company. The Chairman of the Board is an independent, non-management role.

Our Board of Directors believes that this leadership structure provides the most effective leadership model for our Company. By permitting more effective monitoring and objective evaluation of the Chief Executive Officer's performance, this structure increases the accountability of the Chief Executive Officer. A separation of the Chief Executive Officer and Chairman roles also prevents the former from controlling the Board's agenda and information flow, thereby reducing the likelihood that the Chief Executive Officer would abuse his power.

Board Oversight of Risk Management

Our Board of Directors believes that overseeing how management manages the various risks we face is one of its most important responsibilities to the Company's stakeholders. Our Board believes that, in light of the interrelated nature of the Company's risks, oversight of risk management is ultimately the responsibility of the full Board; however, it has delegated this responsibility to the audit committee with respect to financial risk. The audit committee meets before each quarterly filing on Form 10-Q or the annual filing on Form 10-K with management and the independent registered public accounting firm to review the Company's major financial risk exposures and the steps taken to monitor and control such exposures. Our Board meets regularly to discuss the strategic direction and the issues and opportunities facing our Company. Throughout the year, our Board provides guidance to management regarding our strategy and helps to refine our plans to implement our strategy. The involvement of the Board in setting our business strategy is critical to the determination of the types and appropriate levels of risk undertaken by the Company.

Stockholder Communications

Interested parties may communicate with any and all members of our Board of Directors by transmitting correspondence addressed to one or more directors by name at the address appearing on the cover page of this Information Statement. Communications from our stockholders to one or more directors will be collected and organized by our Corporate Secretary and will be forwarded to the Chairman of the Board of Directors or to the identified director(s) as soon as practicable. If multiple communications are received on a similar topic, the Corporate Secretary may, at his discretion, forward only representative correspondence. The Chairman of the Board of Directors will determine whether any communication addressed to the entire Board of Directors should be properly addressed by the entire Board of Directors or a committee thereof. If a communication is sent to the Board of Directors or a Committee, the Chairman of the Board of Directors or the Chairman of that committee, as the case may be, will determine whether a response to the communication is warranted.

Conflicts of Interest

We are not aware of any current conflicts of interest between our officers and directors, and us. However, certain potential conflicts of interests may arise in the future.

From time to time, one or more of our affiliates may form or hold an ownership interest in and/or manage other businesses both related and unrelated to the type of business that we own and operate or may own and operate in the future. These persons may continue to form, hold an ownership interest in and/or manage additional other businesses which may compete with ours with respect to operations, including financing and marketing, management time and services and potential customers. These activities may give rise to conflicts between or among our interests and other businesses with which our affiliates are associated. Our affiliates are in no way prohibited from undertaking such activities, and neither we nor our stockholders will have any right to require participation in such other activities.

Further, because we may transact business with some of our officers, directors and affiliates, as well as with firms in which some of our officers, directors or affiliates have a material interest, potential conflicts may arise between the respective interests of us and these related persons or entities. We believe that such transactions will be effected on terms at least as favorable to us as those available from unrelated third parties.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors and executive officers and the holders of more than 10% of our Common Stock to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of our equity securities. Based solely on our review of the copies of the forms received by us and written representations from certain reporting persons that they have complied with the relevant filing requirements, we believe that, during the year ended September 30, 2015, all of our executive officers, directors and the holders of 5% or more of our Common Stock complied with all Section 16(a) filing requirements.

Code of Ethics

Our Board of Directors has adopted a Code of Ethical Conduct (the "Code of Conduct") which constitutes a "code of ethics" as defined by applicable SEC rules and a "code of conduct" as defined by applicable NASDAQ rules. We require all employees, directors and officers, including our principal executive officer and principal financial officer to adhere to the Code of Conduct in addressing legal and ethical issues encountered in conducting their work. The Code of Conduct requires that these individuals avoid conflicts of interest, comply with all laws and other legal requirements, conduct business in an honest and ethical manner and otherwise act with integrity and in our best interest. The Code of Conduct contains additional provisions that apply specifically to our Chief Executive Officer, Chief Financial Officer and other finance department personnel with respect to full and accurate reporting. The Code of Conduct is available on our website at www.MYndAnalytics.com and is also filed as an exhibit to our Annual Report on Form 10-K. The Company will post any amendments to the Code of Conduct, as well as any waivers that are required to be disclosed by the rules of the SEC on such website.

ITEM 11. Executive Compensation

Overview of Compensation Practices

Our executive compensation program is administered by the compensation committee.

Compensation Philosophy

Generally, we compensate our executive officers with a compensation package that is designed to drive Company performance to maximize stockholder value while meeting our needs and the needs of our executives. The following are objectives we consider:

- Alignment — to align the interests of executives and stockholders through equity-based compensation awards;
- Retention — to attract, retain and motivate highly qualified, high performing executives to lead our growth and success; and
- Performance — to provide, when appropriate, compensation that is dependent upon the executive's achievements and the Company's performance.

In order to achieve the above objectives, our executive compensation philosophy is guided by the following principles:

- Rewards under incentive plans are based upon our short-term and longer-term financial results and increasing stockholder value;
- Executive pay is set at sufficiently competitive levels to attract, retain and motivate highly talented individuals who are necessary for us to achieve our goals, objectives and overall financial success;
- Compensation of an executive is based on such individual's role, responsibilities, performance and experience; and

- Annual performance of our Company and the executive are taken into account in determining annual bonuses with the goal of fostering a pay-for-performance culture.

Compensation Elements

We compensate our executives through a variety of components, which may include a base salary, annual performance-based incentive bonuses, equity incentives, and benefits and perquisites, in order to provide our executives with a competitive overall compensation package. The mix and value of these components are impacted by a variety of factors, such as responsibility level, individual negotiations and performance and market practice. The purpose and key characteristics for each component are described below.

Base Salary

Base salary provides executives with a steady income stream and is based upon the executive's level of responsibility, experience, individual performance and contributions to our overall success, as well as negotiations between the Company and such executive officer. Competitive base salaries, in conjunction with other pay components, enable us to attract and retain talented executives. The Board typically sets base salaries for our executives at levels that it deems to be competitive, with input from our Chief Executive Officer.

Annual Incentive Bonuses

Annual incentive bonuses are a variable performance-based component of compensation. The primary objective of an annual incentive bonus is to reward executives for achieving corporate and individual goals and to align a portion of total pay opportunities for executives to the attainment of our Company's performance goals. Annual incentive awards, when provided, act as a means to recognize the contribution of our executive officers to our overall financial, operational and strategic success.

Equity Incentives

Equity incentives are intended to align executive and stockholder interests by linking a portion of executive pay to long-term stockholder value creation and financial success over a multi-year period. Equity incentives may also be provided to our executives to attract and enhance the retention of executives and to facilitate stock ownership by our executives. The Board considers individual and Company performance when determining long-term incentive opportunities.

Health and Welfare Benefits

The executive officers participate in health and welfare and paid time-off benefits which we believe are competitive in the marketplace. Health and welfare and paid time-off benefits help ensure that we have a productive and focused workforce.

Severance and Change of Control Arrangements

We do not have a formal plan for severance or separation pay for our employees, but we typically include a severance provision in the employment agreements of our executive officers that have written employment agreements with us. Generally, such provisions are triggered in the event of involuntary termination of the executive without cause or in the event of a change in control. Please see the description of our employment agreements with each of George Carpenter and Paul Buck below for further information.

Other Benefits

In order to attract and retain highly qualified executives, we may provide our executive officers with automobile allowances, consistent with current market practices.

Accounting and Tax Considerations

We consider the accounting and tax implications of all aspects of our executive compensation strategy and, so long as doing so does not conflict with our general performance objectives described above, we strive to achieve the most favorable accounting and tax treatment possible to the Company and our executive officers.

Process for Setting Executive Compensation; Factors Considered

When making pay determinations for named executive officers, the Board considers a variety of factors including, among others: (1) actual Company performance as compared to pre-established goals, (2) individual executive performance and expected contribution to our future success, (3) changes in economic conditions and the external marketplace, (4) prior years' bonuses and long-term incentive awards, and (5) in the case of executive officers, other than Chief Executive Officer, the recommendation of our Chief Executive Officer, and in the case of our Chief Executive Officer, his negotiations with our Board. No specific weighting is assigned to these factors nor are particular targets set for any particular factor. Ultimately, the Board uses its judgment and discretion when determining how much to pay our executive officers and sets the pay for such executives by element (including cash versus non-cash compensation) and in the aggregate, at levels that it believes are competitive and necessary to attract and retain talented executives capable of achieving the Company's long-term objectives.

Summary Compensation Table

The following table provides disclosure concerning all compensation paid for services to us in all capacities for our fiscal years ending September 30, 2015 and 2014 provided by (i) each person serving as our principal executive officer ("PEO") or acting in a similar capacity during our fiscal year ended September 30, 2015, (ii) our two most highly compensated executive officers other than our PEO who were serving as executive officers on September 30, 2015 and whose total compensation exceeded $100,000 (collectively with the PEO referred to as the "named executive officers" in this Executive Compensation section).

Name and Principal Position	Fiscal Year Ended September 30,	Salary ($) [1]	Bonus ($)	Option Awards ($) [2]	All Other Compensation ($) [3]	Total ($)
George Carpenter	2015	270,000	–	–	19,500	289,500
(President and Chief Executive Officer)	2014	270,000	–	93,200	19,800	383,000
Paul Buck	2015	208,000	–	–	17,600	225,600
(Chief Financial Officer and Secretary)	2014	208,000	–	100,700	18,100	326,800

(1) Salaries for the fiscal years ended September 30, 2015 and 2014 which were accrued and paid as follows:

- Mr. Carpenter's salary for the fiscal year 2015 was $270,000 of which $168,300 was paid and 101,700 was accrued. For the pay period starting February 16, 2015 through to July 31, 2015, a portion of the salary was voluntarily deferred with a cash payout limited to $4,000 per month, the balance being accrued. Mr. Carpenter elected to defer a portion of his salary as noted to allow additional cash to remain in the Company during a period of limited cash resources.

- Pursuant to the Employment Compensation Forfeiture and Exchange Agreement dated December 16, 2013, $98,000 of Mr. Carpenter's salary for fiscal year 2014 was forfeited in lieu of receiving options to purchase 435,000 shares of Common Stock at an exercise price of $0.25 per share (see below). During fiscal year 2014, Mr. Carpenter was paid $98,000 from accrued salary of which $52,500 had been accrued in fiscal year 2013 and $45,500 had been accrued in fiscal year 2012. As of September 2014, there was no accrued and unpaid salary owing to Mr. Carpenter.

- Mr. Buck's salary for the fiscal year 2015 was $208,000 of which $134,700 was paid and 73,300 was accrued. For the pay period starting February 16, 2015 through to July 31, 2015, a portion of the salary was voluntarily deferred with a cash payout limited to $4,000 per month, the balance being accrued. Mr. Buck elected to defer a portion of his salary as noted to allow additional cash to remain in the Company during a period of limited cash resources.

- Pursuant to the Employment Compensation Forfeiture and Exchange Agreement dated December 16, 2013, $106,500 of Mr. Buck's salary for fiscal year 2014 was forfeited in lieu of receiving options to purchase 470,000 shares of Common Stock at an exercise price of $0.25 per share (see below). During fiscal year 2014, Mr. Buck was paid $106,500 from accrued salary of which $40,400 had been accrued in fiscal year 2013 and $66,100 had been accrued through fiscal year 2012. As of September 2014, there was no accrued and unpaid salary owing to Mr. Buck.

(2) On October 8, 2013, the Board granted the following options to purchase shares of the Company's Common Stock pursuant to the 2012 Option Plan at an exercise price of $0.25 per share which vested pro-rata over 12 months starting from the date of grant.

- Mr. Carpenter was granted options to purchase 435,000 shares of Common Stock, valued at $93,200 using the Black-Scholes Model. This was pursuant to the Employment Compensation Forfeiture and Exchange Agreement dated December 16, 2013, whereby the option grant was in lieu of receiving the first $98,000 of his fiscal year 2014 salary.

- Mr. Buck was granted options to purchase 470,000 shares of Common Stock, valued at $100,700 using the Black-Scholes Model. This was pursuant to the Employment Compensation Forfeiture and Exchange Agreement dated December 16, 2013 whereby the option grant was in lieu of receiving the first $106,000 of his fiscal year 2014 salary.

(3) Relates to healthcare insurance premiums and Health Savings Account contributions paid on behalf of executive officers by the Company.

Narrative Disclosure to Summary Compensation Table

On October 8, 2013, the Board granted to the Company's two executive officers, Mr. Carpenter and Mr. Buck and two senior managers (combined the "Managers") options to purchase shares of its Common Stock pursuant to the 2012 Option Plan, at an exercise price of $0.25 per share as follows: George Carpenter 435,000 shares, Paul Buck 470,000 shares, Stewart Navarre 385,000 shares and Brian MacDonald 310,000 shares. These options vested evenly over 12 months starting from the date of grant. The four managers had agreed to forego a portion of their salaries in fiscal year 2014 as follows: George Carpenter $98,000, Paul Buck $106,500, Stewart Navarre $83,600 and Brian MacDonald $66,700. These executive officers and managers were paid their salaries which had been earned and accrued during fiscal years 2013 and 2012. The accruals which were paid were equivalent to the fiscal year 2014 salaries which they had agreed to forego in lieu of receiving the options pursuant to the Employment Compensation Forfeiture and Exchange Agreement dated December 16, 2013.

During the fiscal year 2015, the Managers, mentioned below, voluntarily elected to defer their respective salaries to $4,000 per month for the period starting mid-February, 2015, through to the end of July, 2015, in order to help bridge the Company through a period with limited cash resources. The balance of the unpaid salaries were accrued as follows: George Carpenter $101,750, Paul Buck $73,300, Stewart Navarre $55,000 shares and Brian MacDonald 63,300 shares

Since the Company had limited cash and cash equivalent resources as of September 30, 2015 and 2014, no bonuses were paid or accrued for our executive officers during the fiscal years ended September 30, 2015 and 2014.

Please refer to the footnotes to the Summary Compensation Table for a description of the components of All Other Compensation received by the named executive officers.

The following are summaries of employment agreements that we have entered into with respect to our two named executive officers. These summaries include, where applicable, a description of all payments the Company is required to make to such named executive officers at, following or in connection with the resignation, retirement or other termination of such named executive officers, or a change in control of our company or a change in the responsibilities of such named executive officers following a change in control.

Employment Agreements

George Carpenter

On October 1, 2007, we entered into an employment agreement with George Carpenter pursuant to which Mr. Carpenter began serving as our President. During the period of his employment, Mr. Carpenter received a base salary of no less than $180,000 per annum, which was subject to upward adjustment at the discretion of the Chief Executive Officer or our Board of Directors. On March 3, 2010, the Board of Directors increased the annual base salary of Mr. Carpenter to $270,000, with the increase in salary having retroactive effect to January 1, 2010. In addition, pursuant to the terms of his initial employment agreement, on October 1, 2007, Mr. Carpenter was granted an option to purchase 32,297 shares of our Common Stock at an exercise price of $26.70 per share pursuant to our 2006 Stock Incentive Plan. In the event of a change of control transaction, a portion of Mr. Carpenter's unvested options equal to the number of unvested options at the date of the corporate transaction multiplied by the ratio of the time elapsed between October 1, 2008 and the date of the corporate transaction over the vesting period (48 months) will automatically accelerate, and become fully vested. Mr. Carpenter is entitled to four weeks' vacation per annum, health and dental insurance coverage for himself and his dependents, and other fringe benefits that we offer our employees from time to time.

Mr. Carpenter's employment is on an "at-will" basis, and Mr. Carpenter may terminate his employment with us for any reason or for no reason. Similarly, we may terminate Mr. Carpenter's employment with or without cause. If we terminate Mr. Carpenter's employment without cause or Mr. Carpenter involuntarily terminates his employment with us (an involuntary termination includes changes, without Mr. Carpenter's consent or pursuant to a corporate transaction, in Mr. Carpenter's title or responsibilities so that he is no longer the President of our company), Mr. Carpenter shall be eligible to receive as severance his salary and benefits for a period equal to six months payable in one lump sum upon termination. If Mr. Carpenter is terminated by us for cause, or if Mr. Carpenter voluntarily terminates his employment, he will not be entitled to any severance.

As of April 10, 2009, Mr. Carpenter was named Chief Executive Officer and a director of the Company and, on April 29, 2011, became our President again. This was a position he had held from the time that he had joined the Company in October 2007 through to April 10, 2009 when he was named Chief Executive Officer and Chairman of the Board. Mr. Carpenter resigned from the Board of Directors on November 30, 2012, and remains the President and Chief Executive Officer of the Company.

Paul Buck

On February 18, 2010, we entered into an employment agreement with Paul Buck pursuant to which Mr. Buck began serving as our Chief Financial Officer on an "at will" basis and was to be paid a salary of no less than $208,000 per annum, which is subject to upward adjustment at the discretion of the Chief Executive Officer or the Board of Directors of our company. Pursuant to his employment agreement, Mr. Buck also received an option to purchase 15,000 shares of our Common Stock on March 3, 2010, which options vest in 48 equal installments commencing on March 3, 2010. The options have an exercise price of $16.50 per share and were granted under our 2006 Stock Incentive Plan. In the event of a change of control transaction, a portion of Mr. Buck's unvested options equal to the number of unvested options at the date of the corporate transaction multiplied by the ratio of the time elapsed between March 3, 2010 and the date of the corporate transaction over the vesting period (48 months) will automatically accelerate, and become fully vested. In the event of a change of control transaction, a portion of Mr. Buck's unvested options equal to the number of unvested options at the date of the corporate transaction multiplied by the ratio of the time elapsed between option grant date and the date of the corporate transaction over the vesting period (48 months) will automatically accelerate, and become fully vested. Mr. Buck is entitled to four weeks' vacation per annum, health and dental insurance coverage for himself and his dependents, and other fringe benefits that we offer our employees from time to time. As Mr. Buck's employment is on an "at-will" basis, he may terminate his employment with us for any reason or for no reason. Similarly, we may terminate Mr. Buck's employment with or without cause. If we terminate Mr. Buck's employment without cause or Mr. Buck involuntarily terminates his employment with us, Mr. Buck shall be eligible to receive as severance his salary and benefits for a period equal to six months payable in one lump sum upon termination. If Mr. Buck is terminated by us for cause, or if Mr. Buck voluntarily terminates his employment, he will not be entitled to any severance.

2006 Stock Incentive Plan

On August 3, 2006, CNS California adopted the CNS California 2006 Stock Incentive Plan (the "2006 Option Plan"). On March 7, 2007, in connection with the closing of the merger transaction with CNS California, we assumed the CNS California stock option plan and all of the options granted under the plan at the same price and terms. Subsequently, we amended the 2006 Option Plan on March 3, 2010 to increase the number of shares of Common Stock reserved for issuance under the 2006 Option Plan from 333,334 to 666,667 shares and increased the limit on shares underlying awards granted within a calendar year to any eligible employee or director from 100,000 to 133,334 shares of Common Stock. The amendment was approved by our stockholders at the annual meeting held on April 27, 2010. The following is a summary of the 2006 Option Plan, as amended, which we use to provide equity compensation to employees, directors and consultants to our company.

The 2006 Option Plan provides for the issuance of awards in the form of restricted shares, stock options (which may constitute incentive stock options (ISO) or nonstatutory stock options (NSO)), stock appreciation rights and stock unit grants and is administered by the Board of Directors. The option price for each share of stock subject to an option shall be (i) no less than the fair market value of a share of stock on the date the option is granted, if the option is an ISO, or (ii) no less than 85% of the fair market value of the stock on the date the option is granted, if the option is a NSO; provided, however, if the option is an ISO granted to an eligible employee who is a 10% stockholder, the option price for each share of stock subject to such ISO shall be no less than 110% of the fair market value of a share of stock on the date such ISO is granted. Stock options have a maximum term of ten years from the date of grant, except for ISOs granted to an eligible employee who is a 10% stockholder, in which case the maximum term is five years from the date of grant. ISOs may be granted only to eligible employees.

We have adopted ASC 718-20 (formerly, SFAS No. 123R — revised 2004, "Share-Based Payment"), and related interpretations. Under ASC 718-20, share-based compensation cost is measured at the grant date based on the calculated fair value of the award. We estimate the fair value of each option on the grant date using the Black-Scholes model. Stock-based compensation expense is recognized over the employees' or service provider's requisite service period, generally the vesting period of the award.

Originally, a total of 333,334 shares of Common Stock were reserved for issuance under the 2006 Option Plan. The 2006 Option Plan also originally provided that in any calendar year, no eligible employee or director shall be granted an award to purchase more than 100,000 shares of stock. On March 3, 2010, the Board of Directors approved an amendment to the 2006 Option Plan which increased the number of shares of Common Stock reserved for issuance under the 2006 Option Plan from 333,334 to 666,667 shares and increased the limit on shares underlying awards granted within a calendar year to any eligible employee or director from 100,000 to 133,334 shares of Common Stock. The amendment was approved by stockholders at the annual meeting held on April 27, 2010.

As of September 30, 2015, options to purchase 70,825 shares of Common Stock were exercised and there were options to purchase 501,924 shares of Common Stock and 6,132 restricted shares outstanding under the amended 2006 Option Plan, leaving 87,786 shares of Common Stock which have not been awarded. The 2006 Option Plan has been frozen and replaced by the 2012 Omnibus Incentive Compensation Plan.

2012 Omnibus Incentive Compensation Plan

On March 22, 2012, the MYnd Analytics, Inc. 2012 Omnibus Incentive Compensation Plan (the "2012 Option Plan"), was approved by our Board of Directors and was approved by stockholders at the Company's annual meeting held on May 23, 2013. The 2012 Option Plan replaced the Company's abovementioned 2006 Option Plan. The 2012 Option Plan provides for the grant of options (including nonqualified options and incentive stock options), restricted stock, performance units, performance shares, deferred stock, restricted stock units, dividend equivalents, bonus shares and other stock-based awards to directors, officers, employees and/or consultants of the Company. The plan provides for the grant of awards pursuant to which up to 15,000,000 shares of our Common Stock may be issued.

On December 10, 2012, the Board approved the amendment of the Company's 2012 Option Plan to increase the shares authorized for issuance under the 2012 Option Plan from 333,334 shares to 5,500,000 shares. Additionally, on March 26, 2013, the Board approved the amendment of the Company's 2012 Option Plan to increase the shares authorized for issuance under the 2012 Option Plan from 5,500,000 shares to 15,000,000 shares.

On October 8, 2013, the Board granted to the Company's two executive officers, Mr. Carpenter and Mr. Buck and two senior managers (combined "managers") options to purchase shares of its Common Stock pursuant to the 2012 Omnibus Incentive Compensation Plan, as amended, at an exercise price of $0.25 per share as follows: George Carpenter 435,000 shares, Paul Buck 470,000 shares, Stewart Navarre 385,000 shares and Brian MacDonald 310,000 shares. These options vest evenly over 12 months starting from the date of grant. The four managers agreed to forego a portion of their salaries in fiscal year 2014 as follows: George Carpenter $98,000, Paul Buck $106,500, Stewart Navarre $83,600 and Brian MacDonald $66,700. These executive officers and managers will be paid out of the salaries which were earned and accrued during fiscal year 2013 and fiscal year 2012. The accruals to be paid out are equivalent to the fiscal year 2014 salaries that they have agreed to forego in lieu of receiving the options pursuant to the Employment Compensation Forfeiture and Exchange Agreement dated December 16, 2014.

On November 8, 2013, the Board granted 700,000 options to purchase shares of its Common Stock pursuant to the 2012 Plan, at an exercise price of $0.25 per share to select consultants and staff, excluding the managers. The staff options vest evenly over 48 months starting on the date of grant; consultant options vest evenly over 36 months starting on the date of grant.

On July 31, 2014, the Board granted 425,000 options to purchase shares of its Common Stock pursuant to the 2012 Plan, at an exercise price of $0.26 per share to select consultants. These options vest evenly over 36 months starting on the date of grant.

On January 8, 2015, the Board granted an option to purchase 250,000 shares of its Common Stock pursuant to the 2012 Plan, at an exercise price of $0.25 per share to a consultant. The option vesting is contingent upon the achievement of agreed upon goals.

On August 20, 2015, the Board approved an award of options to purchase 250,000 shares of the Company's common stock for each of the Company's directors. The options are exercisable at a price per share of $0.055, the closing price of the Company's common stock on the date of grant, and will vest pro-rata over 36 months.

As of September 30, 2015, no options were exercised and options to purchase 13,728,087 shares of Common Stock were outstanding and 750,000 restricted shares were issued and outstanding under the 2012 Option Plan, as amended, leaving 521,913 shares which are available to be awarded.

Outstanding Equity Awards at Fiscal Year-End

The following table presents information regarding outstanding options held by our named executive officers as of September 30, 2015.

	Number of Securities Underlying Unexercised Options (#)		Option Exercise Price ($)	Option Expiration Date
Name	**Exercisable**	**Unexercisable**		
George Carpenter [1]				
	435,000	—	0.25	October 8, 2023
	1,225,000	—	0.04718	December 10, 2022
	133,334	—	16.50	March 2, 2020
	32,297	—	26.70	October 1, 2017
Paul Buck [2]				
	470,000	—	0.25	October 8, 2023
	1,400,000	—	0.04718	December 10, 2022
	15,000	—	16.50	March 2, 2020

(1) On October 8, 2013, Mr. Carpenter was granted options to purchase shares 435,000 shares of Common Stock. The options are exercisable at $0.25 per share and vested evenly over 12 months starting from the date of grant. Mr. Carpenter agreed to forego $98,000 of his salary in fiscal year 2014 pursuant to the Employment Compensation Forfeiture and Exchange Agreement dated December 16, 2013. Mr. Carpenter was paid out of accrued salary earned, but not paid, during fiscal years 2013 and 2012. The accrued salary paid out was equivalent to the fiscal year 2014 salary that he had agreed to forego in lieu of receiving the options.

On December 10, 2012, Mr. Carpenter was granted options to purchase 1,200,000 shares of Common Stock. The options are exercisable at $0.04718 per share and vested in increments of 12.5% at the beginning of each quarter starting from the date of grant. Mr. Carpenter was also granted 25,000 fully vested shares of Common Stock for his prior services on the Board. These options are also exercisable at a price of $0.04718.

On March 3, 2010, Mr. Carpenter was granted options to purchase 133,334 shares of Common Stock. The options are exercisable at $16.50 per share and vested equally over 48 months starting on March 3, 2010.

On October 1, 2007 Mr. Carpenter was granted options to purchase 32,297 shares of Common Stock. The options are exercisable at an exercise price of $26.70 and vested as follows: 4,037 shares vested immediately with the remaining 28,260 shares vesting equally over 42 months commencing April 30, 2008.

(2) On October 8, 2013, Mr. Buck was granted options to purchase shares 470,000 shares of Common Stock. The options are exercisable at $0.25 per share and vest evenly over 12 months starting from the date of grant. Mr. Buck agreed to forego $106,500 of his salary in fiscal year 2014 pursuant to the Employment Compensation Forfeiture and Exchange Agreement. Mr. Buck was paid out of accrued salary earned, but not paid, during fiscal years 2013 and 2012. The accrued salary paid out was equivalent to the fiscal year 2014 salary that he agreed to forego in lieu of receiving the options.

On December 10, 2013, Mr. Buck was granted options to purchase 1,400,000 shares of Common Stock. The options are exercisable at $0.04718 per share and vested in increments of 12.5% at the beginning of each quarter starting from the date of grant.

On March 3, 2010, Mr. Buck was granted options to purchase 15,000 shares of Common Stock. The options are exercisable at $16.50 per share and vested equally over 48 months starting on March 3, 2010.

Director Compensation

During our fiscal year ended September 30, 2015, non-employee directors did not receive any cash compensation but did receive grants of options to purchase Common Stock for their service on our Board of Directors or committees thereof. The Chairman also received a grant of fully-vested restricted Common Stock for her services as Chairman of the Board. The values of the option and restricted share grants were determined using the Black-Scholes Model and the closing price of the stock on the day of grant.

Non-Employee Director Compensation

Name	Option Awards ($)	All Other Compensation ($)	Total ($)
Robin Smith[1]	10,800	41,200	52,000
John Pappajohn [2]	10,800	-	10,800
Zachary McAdoo [3]	10,800	-	10,800
Robert Follman [4]	10,800	-	10,800
Andrew Sassine [4]	10,800	-	10,800
Geoffrey Harris [5]	10,800	-	10,800
Michal Votruba [5]	10,800	-	10,800
Walter Schindler [6]	-	-	-
Thomas Tierney [7]	-	-	-
Richard Turner [8]	-	-	-

(1) Dr. Robin Smith joined our Board on August 20, 2015. On August 20, 2015, for her services as a Director, Dr. Smith was granted an option, vesting over 36 months, to purchase 250,000 shares of common stock at an exercise price of $0.055 per share. On the same day, for her service as Chairman of the Board, Dr. Smith was granted 750,000 shares of restricted Common Stock on at $0.055 per share, which fully vested as of October 28, 2015.

The aggregate number of option awards outstanding for Dr. Smith at September 30, 2015 was 250,000 options having an exercise price of $0.055 per share.

(2) Mr. Pappajohn joined our Board on August 26, 2009. On August 20, 2015, for his services as a Director, Mr. Pappajohn was granted an option, vesting over 36 months, to purchase 250,000 shares of common stock at an exercise price of $0.055 per share.

The aggregate number of option awards outstanding for Mr. Pappajohn at September 30, 2015 was 508,334. Of these 8,334 options have an exercise price of $16.50 per share, 250,000 options have an exercise price of $0.04718 and 250,000 options have an exercise price of $0.055 per share.

(3) Mr. McAdoo joined our Board on November 21, 2011. On August 20, 2015, for his services as a Director, Mr. McAdoo was granted an option, vesting over 36 months, to purchase 250,000 shares of common stock at an exercise price of $0.055 per share.

The aggregate number of option awards outstanding for Mr. McAdoo at September 30, 2015 was 508,334. Of these 8,334 options have an exercise price of $16.50 per share, 250,000 options have an exercise price of $0.04718 and 250,000 options have an exercise price of $0.055 per share.

(4) Messrs. Follman and Sassine joined our Board on February 25, 2013. On August 20, 2015, for their respective services as Directors, Messrs. Follman and Sassine were each granted an option, vesting over 36 months, to purchase 250,000 shares of common stock at an exercise price of $0.055 per share.

Each has an aggregate number of option awards outstanding at September 30, 2014 of 250,000 options with an exercise price of $0.04718 per share and 250,000 options with an exercise price of $0.055 per share.

(5) Messrs. Harris and Votruba joined our Board on July 20, 2015. On August 20, 2015, for their respective services as Directors, Messrs. Harris and Votruba were each granted an option, vesting over 36 months, to purchase 250,000 shares of common stock at an exercise price of $0.055 per share.

Each has an aggregate number of option awards outstanding at September 30, 2015 of 250,000 options with an exercise price of $0.055 per share.

(6) Mr. Schindler had joined our Board on December 10, 2015 and resigned from it on June 11, 2015. The aggregate number of option awards outstanding for Mr. Schindler at September 30, 2015 was 215,280 options with an exercise price of $0.04718 per share.

(7) Mr. Tierney had joined our Board on February 25, 2013, and resigned from our Board on May 22, 2015 and served as its Chairman through such date. The aggregate number of option awards outstanding for Mr. Tierney at September 30, 2015 was 395,840 of which 208,336 options have an exercise price of $0.04718 per share and 187,504 options have an exercise price of $0.25 per share.

(8) Mr. Turner had joined our Board on February 25, 2013, and passed away on April 12, 2015. The aggregate number of option awards outstanding for Mr. Turner at September 30, 2015 was 201,392 options with an exercise price of $0.04718 per share.

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

The following table sets forth information regarding beneficial and other ownership of the shares of our Common Stock as of December 31, 2015:

- Each person whom we know to be the beneficial owner of 5% or more of our outstanding Common Stock;
- Each of our executive officers;
- Each of our current directors; and
- All of our executive officers and directors as a group.

Applicable percentage ownership interest as of December 31, 2015 is based on 102,417,409 shares of issued and outstanding Common Stock. This does not include: (i) up to 80 million shares of Common Stock issuable if the aggregate $4.0 million of principal value of our Notes are converted into Common Stock at $0.05 per share either: (A) automatically, upon the closing of a qualified equity offering of not less than $5 million, or (B) voluntarily, within 15 days prior to their December 31, 2017 date of maturity, and (ii) up to approximately 10.8 million shares of Common Stock which will be issuable on approximately $540,000 of accrued interest at 5% per annum payable on the aggregate principal $4.0 million of the Notes if held through maturity at December 31, 2017. Approximately $3.5 million of the aggregate principal amount of such Notes are held by certain of our directors and affiliates. See *"Transactions with Related Persons, Promoters or Certain Control Persons—Certain Relationships and Related Transactions"* for additional information about the Second Amended and Restated Note & Warrant Purchase Agreement, pursuant to which the Notes and Warrants were issued.

Unless otherwise indicated in the table, the persons and entities named in the table have sole voting and sole investment power with respect to the shares set forth opposite the stockholder's name, subject to community property laws, where applicable. Beneficial ownership is determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended. For purposes of such calculation, shares of our Common Stock subject to options, warrants and convertible promissory notes issued by us (and convertible interest on those notes) that are currently exercisable or convertible, or exercisable or convertible within sixty days from December 31, 2015, are deemed to be outstanding and to be beneficially owned by the person holding the options, warrants or convertible promissory notes, as applicable, for the purpose of computing the percentage ownership of that person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated, the address of each of the executive officers and directors and 5% or more stockholders named below is c/o MYnd Analytics, Inc., 85 Enterprise, Suite 410, Aliso Viejo, CA 92656. There are no shares of any other class or series of stock issued and outstanding.

Name of Beneficial Owner	Shares Beneficially Owned as of December 31, 2015	
	Number of Shares Beneficially Owned	Percentage of Shares Outstanding
Executive Officers, Directors and Director Nominees:		
George Carpenter [1] President and Chief Executive Officer	3,216,429	3.09%
Paul Buck [2] Chief Financial Officer and Secretary	2,569,867	2.46%
Robin L. Smith [3] Chairman of the Board of Directors	1,998,608	1.93%
John Pappajohn [4] Director	30,166,899	26.53%
Robert J. Follman [5] Director	11,789,918	10.95%
Zachary McAdoo [6] Director	2,055,662	2.00%
Andrew H. Sassine [7] Director	4,346,829	4.23%
Michal Votruba [8] Director	48,608	*
Geoffrey E. Harris [9] Director	48,608	*
Directors and officers as a group (9 persons) [10]	56,241,428	45.11%
Non-Director 5%+ Stockholders:		
RSJ PE [11]	37,000,000	26.54%
Thomas T. and Elizabeth C. Tierney Trust [12]	20,599,189	18.13%
Mark & Jill Oman [13]	10,900,212	10.24%

* Less than 0.1%

(1) Consists of (a) 1,390,799 shares of Common Stock, and (b) 1,825,630 shares of Common Stock issuable upon the exercise of vested and exercisable options. Mr. Carpenter has been our Chief Executive Officer since April 2009 and our President since April 29, 2011.

(2) Consists of (a) 684,867 shares of Common Stock, and (b) 1,885,000 shares of Common Stock issuable upon the exercise of vested and exercisable options. Mr. Buck has been our Chief Financial Officer since February 18, 2010.

(3) Consists of (a) 750,000 shares of Common Stock, (b) 48,608 shares of Common Stock issuable upon the exercise of vested and exercisable options, and (c) 1,200,000 shares issuable upon the exercise of Warrants. Does not include the potential conversion of a $60,000 Note, or the interest accrued thereon. Dr. Smith has been the Chairman of the Board since August 20, 2015.

(4) Consists of (a) 18,859,957 shares of Common Stock, (b) 306,942 shares of Common Stock issuable upon the exercise of vested and exercisable options, and (c) 11,000,000 shares issuable upon the exercise of Warrants. Does not include the potential conversion of $550,000 of Notes, or the interest accrued thereon. Mr. Pappajohn has been a member of the Board since August 26, 2009.

(5) Consists of (a) 6,491,310 shares of Common Stock held under the Declaration of Trust of Robert J. Follman and Carole A. Follman, dated August 14, 1979 (the "Follman Trust"), of which Mr. Follman is a trustee, (b) 298,608 shares of Common Stock issuable upon the exercise of vested and exercisable options, and (c) 5,000,000 shares issuable upon the exercise Warrants held by the Follman Trust. Does not include the potential conversion of $250,000 of Notes, or the interest accrued thereon, held by the Follman Trust. Mr. Follman has been a member of the Board since February 25, 2013.

(6) Consists of (a) 1,748,720 shares of Common Stock held by the Zanett Opportunity Fund, Ltd., a Bermuda corporation, for which McAdoo Capital, Inc. is the investment manager, of which Mr. McAdoo is the president and owner, and (b) 306,942 shares of Common Stock issuable upon the exercise of vested and exercisable options. Mr. McAdoo has been a member of the Board Since November 21, 2011.

(7) Consists of (a) 4,048,221 shares of Common Stock and (b) 298,608 shares of Common Stock issuable upon the exercise of vested and exercisable options. Mr. Sassine has been a member of the Board since February 25, 2013.

(8) Consists of 48,608 shares of Common Stock issuable upon the exercise of vested and exercisable options. Mr. Votruba is an affiliate of RSJ PE, please refer to *footnote (11) below*. Mr. Votruba has been a member of the Board since July 30, 2015.

(9) Consists of 48,608 shares of Common Stock issuable upon the exercise of vested and exercisable options. Mr. Harris has been a member of the board since July 30, 2015.

(10) Consists of (a) 33,973,874 shares of Common Stock, (b) 5,067,555 shares of Common Stock issuable upon the exercise of vested and exercisable options, and (c) 17,200,000 shares of Common Stock issuable upon the exercise of Warrants. Does not include the potential conversion of $860,000 of Notes, or the interest accrued thereon, held by certain directors.

(11) Consists of 37,000,000 shares of Common Stock issuable upon the exercise of Warrants. Does not include the potential conversion of $1,850,000 in Notes, or the interest accrued thereon. The address of RSJ PE is Na Florenci 2116/15, 110 00 Prague 1, Czech Republic.

(12) Consists of (a) 9,403,349 shares of Common Stock, (b) 395,840 shares of Common Stock issuable upon the exercise of vested and exercisable options, and (c) 10,800,000 shares of Common Stock issuable upon the exercise of Warrants. The shares of Common Stock and Warrants are held in the name of the Thomas T. and Elizabeth C. Tierney Family Trust (the “Tierney Family Trust”) of which Mr. Tierney is a trustee. Does not include the potential conversion of $540,000 of Notes, or the interest accrued thereon, held by the Tierney Family Trust. The address of Mr. Tierney is 23111 Maravilla Lane, Coto De Caza, CA 92679. Mr. Tierney was a member and Chairman of the Board from February 25, 2013 until May 22, 2015.

(13) Consists of (a) 6,900,212 shares of Common Stock, of which, 6,700,212 shares are held in the name of Mark Oman & Jill Oman, Tenants in Common, and 200,000 shares are held by Mark & Jill Oman Enterprises, LLC, and (b) 4,000,000 shares issuable upon the exercise of Warrants. Does not include the potential conversion of a $200,000 Note or the interest accrued thereon, held by Oman Ventures LLC., of which, Mr. Oman is the President. The address of Mr. & Mrs. Oman is 1588 Burr Oaks Dr. West Des Moines, IA 50266.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth certain information regarding our equity compensation plans as of September 30, 2015.

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 (c)
2006 Equity compensation plan approved by security holders	501,924	$ 18.29	—(1)
2012 Equity compensation plan approved by security holders	14,478,087(2)	$ 0.10	521,913(2)
Equity compensation plans not approved by security holders	—	$ —	—
Total	14,980,011	$ 0.75	521,913

(1) The 2006 Stock Incentive Plan, as amended, has been frozen and replaced by the 2012 Option Plan.

(2) Includes 750,000 restricted shares issued under the plan

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

Except as follows, since October 1, 2013, there has not been, nor is there currently proposed, any transaction or series of similar transactions to which we are or will be a party:

- in which the amount involved exceeds the lesser of $120,000 or 1% of the average of our total assets at year-end for the last two completed fiscal years; and
- in which any director, executive officer, or other stockholder of more than 5% of our Common Stock or any member of their immediate family had or will have a direct or indirect material interest.

On October 8, 2013, the Board granted to the Company's two executive officers and two senior managers (collectively, the "Managers") options to purchase shares of its Common Stock pursuant to the 2012 Option Plan at an exercise price of $0.25 per share as follows: George Carpenter 435,000 shares, Paul Buck 470,000 shares, Stewart Navarre 385,000 shares and Brian MacDonald 310,000. These options vested pro-rata over 12 months starting from the date of grant. Pursuant to the Employment Compensation Forfeiture and Exchange Agreement dated December 16, 2013, the Managers agreed to forego a portion of their salaries in fiscal year 2014 as follows: George Carpenter $98,000, Paul Buck $106,500, Stewart Navarre $83,600 and Brian MacDonald $66,700. These Managers were paid out of the salaries earned and accrued during fiscal years 2012 and 2013. The accruals to be paid out were equivalent to the fiscal year 2014 salaries that each of the Managers agreed to forego in lieu of receiving options to purchase shares.

Termination of Governance Agreements

On March 28, 2015, the Company entered into a separate termination agreement with each of Equity Dynamics and SAIL, in each case to immediately terminate the respective November 28, 2012 governance agreement (collectively, the "Governance Agreements") that the Company had entered into with each of Equity Dynamics and SAIL (collectively, the "Termination Agreements"). Equity Dynamics is an entity owned by John Pappajohn, a director of the Company, and SAIL is one of the Company's principal stockholders of which former director, Walter Schindler, was the managing partner. Pursuant to the Governance Agreements, the Company had agreed, subject to providing required notice to stockholders, to appoint four individuals nominated by Equity Dynamics and three individuals nominated by SAIL to the Company's Board of Directors, and to create vacancies for that purpose, if necessary. In addition, at each meeting of stockholders of the Company at which directors were nominated and elected, the Company had agreed to nominate for election the four designees of Equity Dynamics and the three designees of SAIL, and further had agreed to take all necessary action to support such election, and to oppose any challenges to such designees. The Governance Agreements also restricted the Company's ability to increase the number of directors to more than seven without the consent of Equity Dynamics and SAIL. Pursuant to the Termination Agreements, the Governance Agreements were terminated in their entirety as of March 28, 2015, and are of no further force or effect.

Note Purchase Agreement, Notes and Omnibus Amendment

Between September 22, 2014, and July 20, 2015, the Company entered into a the Original Note Purchase Agreement in connection with a bridge financing, with nine accredited investors, including lead investor RSJ PE. Pursuant to the Original Note Purchase Agreement, the Company issued fifteen September 2014 Note in the aggregate principal amount of $2.27 million. Of this amount, RSJ PE purchased a September 2014 Note for $750,000. The September 2014 Notes were also purchased by the following affiliates of the Company or entities under their control: RSJ PE, of which Michal Votruba is a director, which purchased a September 2014 Note for $750,000; the Company's director, John Pappajohn, purchased three September 2014 Notes for $400,000; the Follman Family Trust of which Robert Follman, a director of the Company, is a trustee, purchased a September 2014 Note for $100,000; The Tierney Family Trust, which is a greater than 5% shareholder of the Company, purchased four September 2014 Notes for $540,000, of which Thomas Tierney, a former director and Chairman of the Board of the Company, is a trustee; and Oman Ventures, of which Mark Oman, a greater than 5% stockholder of the Company, is the President, purchased a September 2014 Note for $200,000. Michal Votruba joined our Board on July 30, 2015.

The Original Note Purchase Agreement provided for the issuance and sale of September 2014 Notes in the aggregate principal amount of up to $2.5 million, in one or more closings to occur over a six-month period beginning September 22, 2014. The Original Note Purchase Agreement also provided that the Company and the holders of the September 2014 Notes enter into a registration rights agreement covering the registration of the resale of the shares of the Common Stock underlying the September 2014 Notes.

On April 14, 2015, the Company entered into Amendment No. 1 with the majority of the noteholders in principal, dated as of April 14, 2015, pursuant to which: (i) the aggregate principal amount of notes provided for issuance was increased by $0.5 million to a total of $3.0 million, and (ii) the period to raise the $3.0 million was extended to September 30, 2015. The Company subsequently amended and restated the Note Purchase Agreement solely to update for the changes made pursuant to Amendment No. 1.

On September 14, 2015, the Company entered into an Omnibus Amendment to the Note Purchase Agreement and the notes purchased and sold pursuant thereto, with the majority of the noteholders to include the Fixed Conversion Price (i) automatically, in the event of a qualified financing of not less than $5 million, or (ii) voluntary, within 15 days prior to the maturity date of the note. The Omnibus Amendment also amended the form of note attached to the Note Purchase Agreement to reflect the Fixed Conversion Price.

Subsequently thereto, on September 14, 15 and 24, 2015, the Company entered into a Note Purchase Agreement, as amended by the Omnibus Amendment, with each of six accredited investors, in connection with a bridge financing. Pursuant to these Note Purchase Agreements, the Company issued an aggregate principal amount of $710,000 of secured convertible September 2015 Notes, which amount also represents the gross proceeds to the Company from the September 2015 Notes. Four of the six September 2015 Notes were purchased by affiliates of the Company, or an entity under such affiliate's control, as follows: (i) Dr. Robin Smith, Chairman of the Board of Directors of the Company, purchased a Note for $60,000; (ii) the Follman Family Trust, of which, Robert Follman, a director of the Company, is a trustee, purchased a Note for $150,000; (iii) John Pappajohn, a director of the Company, purchased a Note for $100,000 and (iv) RSJ PE, purchased a Note for $350,000.

Second Amended Note & Warrant Agreement

On December 23, 2015, the Company entered into a Second Amended Note & Warrant Agreement, with each of 16 accredited investors, pursuant to which (i) the aggregate principal amount of Notes available for issuance was increased from $3.0 million to up to $6.0 million, (ii) the maturity date of currently outstanding Notes was extended from March 21, 2016 to December 31, 2017; (iii) the time during which Notes may be issued was extended and (iv) certain warrants were issued to holders of both previously issued and newly issued Notes.

Pursuant to the Second Amended Note & Warrant Agreement, on December 23 and December 28, 2015, the Company issued to the two purchasers thereof, who are both affiliates of the Company, (i) an aggregate principal amount of $1,000,000 of December 2015 Notes, which amount also represents the gross proceeds to the Company from the December 2015 Notes, and (ii) a Note Warrant to each holder of December 2015 Notes to purchase the Company's Common Stock, in an amount equal to 100% of the shares underlying their December 2015 Note. Each Note Warrant is exercisable, in whole or in part, during the period beginning on the date of its issuance, and ending on the earlier of (i) December 31, 2020 and (ii) the date that is forty-five (45) days following the date on which the daily closing price of shares of the Company's Common Stock quoted on the OTCQB Venture Marketplace (or other bulletin board or exchange on which the Company's Common Stock is traded or listed) exceeds $0.25 for at least ten (10) consecutive trading days. In connection therewith, the Company will promptly notify the Note Warrant holders in the event that the daily closing price of the Company's shares of Common Stock so exceeds $0.25 for at least ten (10) consecutive trading days.

Also on December 23, 2015, in consideration for the agreement to extend the maturity date of the Notes, the Company issued to holders of all Notes outstanding prior to the date of the Second Amended Note & Warrant Agreement, warrants to purchase an aggregate of 60,000,000 shares of Common Stock (the "Extension Warrants", together with the Note Warrants, the "Warrants"). All Warrants have identical terms. Each such holder was issued an Extension Warrant to purchase Common Stock in an amount equal to 100% of the shares underlying each such holder's previously outstanding Notes. Extension warrants were issued to affiliates as follows:

5-Year Extension Warrants with an non-cashless exercise price of $0.05	**Warrants to purchase Shares of Common Stock**
RSJ Private Equity	22,000,000
Robin L. Smith	1,200,000
John Pappajohn	6,000,000
Tierney Family Trust	10,800,000
Oman Ventures	4,000,000
Follman Family Trust	5,000,000
Total Secured Convertible Promissory Notes	**49,000,000**

Pursuant to the Second Amended and Restated Note and Warrant Agreement, all Notes: (i) mature on December 31, 2017 (subject to earlier conversion or prepayment), (ii) earn interest at a rate of 5% per annum with interest payable at maturity, and (iii) are convertible into shares of Common Stock (A) automatically upon the closing of a qualified offering of no less than $5 million, at a conversion price of $0.05 per share or (B) voluntarily, within 15 days prior to maturity, at a conversion price of $0.05 per share. No Note may be prepaid without the prior written consent of the holder of such Note. The Notes are secured by a security interest in the Company's intellectual property, as detailed in the amended and restated security agreement. Upon a change of control of the Company (as described in the Notes), the holder of a Note will have the option to have the Note repaid with a premium equal to 50% of the outstanding principal.

Director and Officer Indemnification Agreement

On December 7, 2015, the Company entered into indemnification agreements with each of its Directors and Executive Officers. The agreements provide for, among other things: the indemnification of these Directors and Officers by the Company to the fullest extent permitted by the laws of the State of Delaware; the advancement to such persons by the Company of certain expenses; related procedures and presumptions of entitlement; and other related matters.

Transactions with John Pappajohn, Director

On September 22, 2014, March 18, 2015, June 2, 2015 and September 15, 2015, Mr. Pappajohn purchased four Notes for $200,000, $100,000, $100,000 and $100,000 respectively. Pursuant to the Omnibus Amendment, the Notes are convertible into shares of Common Stock at $0.055 per share: (i) automatically upon the closing of a qualified offering of not less than $5 million or (ii) voluntarily within 15 days prior to maturity.

On September 6, 2015, Mr. Pappajohn irrevocably assigned $200,000 in principal of his September 2014 Notes to four outside parties in the amount of $50,000 each.

On September 15, 2015, Mr. Pappajohn purchased a September 2015 Note for $100,000. The September 2015 Notes are convertible into share of Common Stock (i) automatically, in the event of a qualified financing of not less than $5 million, or (ii) voluntary, within 15 days prior to the maturity date of the note. The Omnibus Amendment also amended the form of note attached to the Note Purchase Agreement to reflect the Fixed Conversion Price, such that the conversion price of all notes will be $0.05 per share (as adjusted for stock splits, stock dividends, combinations or the like affecting the Common Stock).

On December 23, 2015, Mr. Pappajohn purchased a December 2015 Note for $250,000 pursuant to the abovementioned Second Amended Note & Warrant Purchase Agreement. Additionally, in connection with the Second Amended and Restated Note & Warrant Purchase Agreement, Mr. Pappajohn was issued Warrants to purchase an aggregate of 11,000,000 shares of Common Stock at $0.05 per share, consisting of a Note Warrant to purchase 5,000,000 shares of Common Stock, and an Extension Warrant to purchase 6,000,000 shares of Common Stock.

Transactions with Robert J. Follman, Director

On October 19, 2012, an October 2012 Note in the aggregate principal amount of $200,000 was issued in exchange for cash to the Trust of Robert J. Follman and Carole A. Follman, dated August 14, 1979 (the "Follman Trust"), an accredited investor, of which Robert J. Follman is a trustee. As of February 25, 2013, Mr. Follman was elected as a Director of the Company. On June 14, 2013, the Follman Trust converted their October 2012 Note and interest thereon into 4,491,310 shares of Common Stock at a conversion price $0.04718 per share.

The Follman Trust made multiple additional investments pursuant to a series of subscription agreements all of which were the result of private placements of unregistered stock at $0.25 per share. All individual transactions were in tranches of $100,000 for the purchase of 400,000 shares and the Company received gross cash proceeds of $100,000 on each occasion. These transactions occurred on the following dates: August 16 and September 11 of 2013 and January 17, February 14 and July 8 of 2014. In aggregate the Follman Trust has purchased 2,000,000 shares at $0.25 per share for $500,000 gross cash proceeds to the Company.

On March 17, 2015 and September 15, 2015, the Follman Trust purchased Notes for $100,000 and $150,000, respectively. Pursuant to the Omnibus Amendment, these Notes are convertible into shares of Common Stock at $0.05 per share: (i) automatically, upon the closing of a qualified offering of not less than $5 million or (ii) voluntarily, within 15 days prior to maturity.

Additionally, on December 23, 2015, in connection with the Second Amended and Restated Note & Warrant Purchase Agreement, the Follman Trust was issued an Extension Warrant to purchase 5,000,000 shares of Common Stock at $0.05 per share.

Transaction with Robin L. Smith, Chairman

On September 14, 2015, Dr. Smith, our Chairman of the Board of Directors, purchased a Note for $60,000. Pursuant to the Omnibus Amendment, such Notes are convertible into shares of Common Stock at $0.05 per share: (i) automatically, upon the closing of a qualified offering of not less than $5 million, or (ii) voluntarily, within 15 days prior to maturity.

Additionally, on December 23, 2015, in connection with the Second Amended and Restated Note & Warrant Purchase Agreement, Dr. Smith was issued an Extension Warrant to purchase 1,200,000 shares of Common Stock at $0.05 per share.

Transactions with George Carpenter, President and Chief Executive Officer

On September 25, 2013, the Board approved a consulting agreement effective May 1, 2013, for marketing services provided by Decision Calculus Associates, an entity operated by Mr. Carpenter's spouse, Jill Carpenter. For the period from May 1, 2013 through to February 28, 2015, we have paid $210,000 to Decision Calculus Associates and have an accounts payable balance of a further $10,000. For the period from March through July of 2015, DCA was not engaged by the Company. Effective August 2015 DCA has been re-engaged and paid at $10,000 per month.

On January 28, 2014, Mr. and Mrs. Carpenter invested $50,000 for 200,000 shares of Common Stock at $0.25 per share pursuant to a subscription agreement for which the Company received gross cash proceeds of $50,000.

On July 11, 2014, Mr. and Mrs. Carpenter invested $12,500 for 50,000 shares of Common Stock at $0.25 per share pursuant to a subscription agreement for which the Company received gross cash proceeds of $12,500.

Transactions with Paul Buck, Chief Financial Officer and Secretary

On February 12, 2014, Mr. Buck invested $25,000 for 100,000 shares of unregistered Common Stock at $0.25 per share, in a private placement pursuant to a subscription agreement for which the Company received gross cash proceeds of $25,000.

On July 8, 2014, Mr. Buck invested $12,500 for 50,000 shares of Common Stock at $0.25 per share, in a private placement pursuant to a subscription agreement for which the Company received gross cash proceeds of $12,500.

Transactions with the SAIL Capital Partners and SAIL Holdings

Mr. Schindler served as a Director between November 29, 2012 and June 11, 2015, and was the Managing Partner of SAIL Capital Partners, which was a greater than 5% shareholder of the Company, and is the general partner of all the SAIL entities except for SAIL Holding, LLC which is controlled directly by Mr. Schindler.

On July 11, 2014, SAIL Pre-Exit Acceleration fund, L.P., an entity managed by Mr. Schindler, entered into a subscription agreement, pursuant to a private placement, to purchase 40,000 shares of Common Stock at $0.25 per share for which the Company received gross cash proceeds of $10,000.

On January 5, 2015, the Company entered into a three-month long consulting engagement with Dr. Eric Warner, Managing Partner, Europe, Middle East & Africa, SAIL Capital Partners Ltd. The objectives of the engagement include the establishment of a revenue-generating licensing agreement in the United Kingdom (U.K.) and initiation a pilot study of our PEER Online technology. Dr. Warner has been paid $10,000 per month for a total of $30,000. On January 8, 2015, the Board granted Dr. Warner an option to purchase 250,000 shares of Common Stock with an exercise price of $0.25 per share; the option vesting is conditioned on the execution of a licensing agreement and a PEER Online pilot study. The fair value of the option, which was determined using the Black-Scholes model, was $28,300 and was expensed over the term of the engagement.

Transactions with Tierney Family Trust, Greater than 5% Stockholder

Mr. Tierney, who resigned from the Board on May 22, 2015, had served on the Board since February 2013, and had served as Chairman of the Board since March 2013. Mr. Tierney is a trustee of the Thomas T. and Elizabeth C. Tierney Family Trust (the "Tierney Family Trust"), which is a greater than 5% stockholder.

The Tierney Family Trust has made multiple additional investments pursuant to a series of subscription agreements all of which were the result of private placements of unregistered stock at $0.25 per share. All individual transactions were in tranches of $100,000 for the purchase of 400,000 shares and the Company received gross cash proceeds of $100,000 on each occasion. During the fiscal year 2014, these transactions occurred on the following dates: January 13, February 12 and July 8, of 2014. In aggregate the Tierney Family Trust has purchased 1,200,000 shares at $0.25 per share for $300,000 gross cash proceeds to the Company.

On September 22, 2014, January 8, 2015, March 17, 2015, June 3, 2015 and July 3, 2015 the Tierney Family Trust purchased five Notes for $200,000, $100,000, $115,000, $100,000 and $25,000, respectively, for an aggregate total of $540,000. Pursuant to the Omnibus Amendment, all such Notes are convertible into shares of Common Stock at $0.05 per share: (i) automatically, upon the closing of a qualified offering of not less than $5 million, or (ii) voluntarily, within 15 days prior to maturity.

Additionally, on December 23, 2015, in connection with the Second Amended and Restated Note & Warrant Purchase Agreement, the Tierney Family Trust was issued an Extension Warrant to purchase 10,800,000 shares of Common Stock at $0.05 per share.

Transactions with Mark and Jill Oman, Greater than 5% Stockholder

On September 22, 2014, Oman Ventures LLC, of which Mr. Oman, a greater than 5% stockholder is the President, purchased a Note for $200,000. Pursuant to the Omnibus Amendment, such Notes are convertible into shares of Common Stock at $0.05 per share: (i) automatically, upon the closing of a qualified offering of not less than $5 million, or (ii) voluntarily, within 15 days prior to maturity.

Additionally, on December 23, 2015, in connection with the Second Amended and Restated Note & Warrant Purchase Agreement, Oman Ventures LLC was issued an Extension Warrant to purchase 4,000,000 shares of Common Stock at $0.05 per share.

Transactions with RSJ PE

Michal Votruba joined our Board on July 30, 2015. Mr. Votruba is a director of RSJ PE, which acted as the lead investor in the private placement financing of September 2014 Notes.

On September 26, 2014, and September 24, 2015, investor RSJ PE purchased a two Notes for $750,000 and $350,000 respectively. Pursuant to the Omnibus Amendment, such Notes are convertible into shares of Common Stock at $0.05 per share: (i) automatically, upon the closing of a qualified offering of not less than $5 million, or (ii) voluntarily, within 15 days prior to maturity.

On December 28, 2015, RSJ PE purchased a December 2015 Note for $750,000 pursuant to the abovementioned Second Amended Note & Warrant Purchase Agreement. Additionally, in connection with the Second Amended Note & Warrant Purchase Agreement, RSJ PE was issued Warrants to purchase an aggregate of 37,000,000 shares of Common Stock at $0.05 per share, consisting of a Note Warrant to purchase 15,000,000 shares of Common Stock and an Extension Warrant to purchase 22,000,000 shares of Common Stock.

Director Independence

The information required by Item 407(a) of Regulation S-K is incorporated herein by reference to "Directors, Executive Officers and Corporate Governance — Board Composition, Committees and Director Independence."

ITEM 14. Principal Accounting Fees and Services

Audit Fees

The aggregate fees billed for professional services rendered by Anton & Chia, LLP, and Cacciamatta Accountancy Corporation prior to their merger, for professional services rendered for the audit of our annual financial statements and review of the financial statements included in our Form 10-Qs or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for fiscal years 2015 and 2014 were $110,000 and $110,000, respectively.

Audit-Related Fees

Anton & Chia, LLP, and Cacciamatta Accountancy Corporation prior to their merger, billed us $0 and $1,200 in fees for assurance and related services related to the performance of the audit or review of our financial statements for the fiscal years ended September 30, 2015 and 2014, respectively.

Tax Fees

The aggregate fees billed by Anton & Chia, LLP, and Cacciamatta Accountancy Corporation prior to their merger, for professional services rendered for tax compliance, tax advice, and tax planning during our fiscal years ending September 30, 2015, and September 30, 2014, were $9,000 and $11,900 respectively.

All Other Fees

None.

Audit Committee Policies and Procedures

Our Audit Committee is directly responsible for interviewing and retaining our independent accountant, considering the accounting firm's independence and effectiveness, and pre-approving the engagement fees and other compensation to be paid to, and the services to be conducted by, the independent accountant. During each of the fiscal years ended September 30, 2015 and 2014, respectively, our Audit Committee pre-approved 100% of the audit as described above.

PART IV

ITEM 15. Exhibits, Financial Statement Schedules.

(a) 1. The information required by this item is included in Item 8 of Part II of this Annual Report.
2. The information required by this item is included in Item 8 of Part II of this Annual report.
3. Exhibits: See Exhibit Index following the signature pages to this Annual Report, which is incorporated by reference in this Item.

The Exhibits listed in the accompanying Exhibit Index are filed or incorporated by reference as part of this Annual Report.

(b) Exhibits. See Exhibit Index, which is incorporated by reference in this Item. The Exhibits listed in the accompanying Exhibit Index are filed or incorporated by reference as part of this Annual Report.

(c) Not applicable.

SIGNATURES

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

MYND ANALYTICS, INC.

By: /s/ George Carpenter
George Carpenter
Chief Executive Officer

Date: January 5, 2016

POWER OF ATTORNEY

The undersigned directors and officers of MYnd Analytics, Inc. do hereby constitute and appoint George Carpenter and Paul Buck with full power of substitution and resubstitution, as their true and lawful attorneys and agents, to do any and all acts and things in their name and behalf in their capacities as directors and officers and to execute any and all instruments for them and in their names in the capacities indicated below, which said attorneys and agents, may deem necessary or advisable to enable said corporation to comply with the Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission, in connection with this Annual Report on Form 10-K, including specifically but without limitation, power and authority to sign for them or any of them in their names in the capacities indicated below, any and all amendments hereto, and they do hereby ratify and confirm all that said attorneys and agents, or either of them, may lawfully do or cause to be done by virtue hereof.

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/George Carpenter George Carpenter	Chief Executive Officer (Principal Executive Officer)	January 5, 2016
/s/Paul Buck Paul Buck	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	January 5, 2016
/s/Robin Smith MD Robin Smith MD	Chairman of the Board	January 5, 2016
/s/John Pappajohn John Pappajohn	Director	January 5, 2016
/s/Robert Follman Robert Follman	Director	January 5, 2016
/s/Zachary McAdoo Zachary McAdoo	Director	January 5, 2016
/s/Andrew Sassine Andrew Sassine	Director	January 5, 2016
/s/Geoffrey Harris Geoffrey Harris	Director	January 5, 2016
/s/Michal Votruba Michal Votruba	Director	January 5, 2016

EXHIBIT INDEX

Exhibit Number	Description
2.1	Agreement and Plan of Merger by and among Strativation, Inc., CNS Merger Corporation and CNS Response, Inc. dated as of January 16, 2007. Incorporated by reference to Exhibit No. 10.1 to the Registrant's Current Report on Form 8-K filed on January 22, 2007.
2.2	Amendment No. 1 to Agreement and Plan of Merger by and among Strativation, Inc., CNS Merger Corporation, and CNS Response, Inc. dated as of February 28, 2007. Incorporated by reference to Exhibit No. 10.1 to the Registrant's Current Report on Form 8-K filed on March 1, 2007.
3.1	Certificate of Incorporation, as amended. Incorporated by reference to Exhibit No. 3.1 to the Registrant's Form 10-K for the fiscal year ended September 30, 2011 filed on December 22, 2011.
3.1.1	Certificate of Amendment to the Certificate of Incorporation, as amended. Incorporated by reference to Exhibit No. 3.1 to the Registrant's Form 8-K filed on April 2, 2012.
3.1.2	Certificate of Amendment to the Certificate of Incorporation, Incorporated by reference to Exhibit 3.1.2 to the Registrant's Quarterly Report on Form 10-Q filed on August 14, 2013.
3.1.3	Certificate of Amendment to the Certificate of Incorporation.
3.2	Bylaws. Incorporated by reference to Exhibit No. 3.1 to the Registrant's Form 8-K filed on March 28, 2012.
4.1†	Amended and Restated 2006 Stock Incentive Plan. Incorporated by reference to Appendix A to the Registrant's Definitive Proxy Statement on Schedule 14A filed on April 1, 2010.
4.2†	2012 Omnibus Incentive Compensation Plan (Subject to stockholder approval). Incorporated by reference to Exhibit 4.2 to the Registrant's Amendment No. 4 to Registration Statement on Form S-1 (File No. 333-173934) filed with on April 25, 2011.
4.3	Sample Stock Certificate. Incorporated by reference to Exhibit 4.4 to the Registrant's Amendment No. 4 to Registration Statement on Form S-1 (File No. 333-173934) filed on April 25, 2012.
4.4	Form of Secured Convertible Promissory Note. Incorporated by reference to Exhibit 4.4 to the Registrant's Annual Report on Form 10-K filed on December 29, 2015.
10.1†	Employment Agreement by and between the Registrant and George Carpenter dated October 1, 2007. Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on October 3, 2007.

10.2	Stock Purchase Agreement by and among Colorado CNS Response, Inc., Neuro-Therapy, P.C. and Daniel A. Hoffman, M.D. dated January 11, 2008. Incorporated by reference to the Registrant's Annual Report on Form 10-K filed on January 13, 2009.
10.3	Senior Secured Convertible Promissory Note, dated March 30, 2009, by and between the Company and Brandt Ventures, GP. Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on April 3, 2009.
10.4	Form of Warrant to Purchase Shares. Incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on May 20, 2009.
10.5†	Employment Agreement by and between the Registrant and Paul Buck effective as of February 18, 2010. Incorporated by reference to Exhibit 10.23 to the Registrant's Registration Statement on Form S-1/A (File No. 333-164613) filed on July 6, 2010.
10.6	Form of Placement Agent Warrant issued to Monarch Capital Group, LLC. Incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K filed on October 27, 2010.
10.7	Form of Agreement to Amend Placement Agent Warrants, dated as of June 3, 2011, between the Registrant and the holders of the Placement Agent Warrants issued pursuant to the September 30, 2010 and January 19, 2011 engagement agreements between the Registrant and Monarch Capital Group LLC and the April 15, 2011 engagement agreement between the Registrant and Antaeus Capital, Inc. Incorporated by reference to Exhibit 10.51 to the Registrant's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-173934) filed on June 20, 2011.
10.8	Form of Agreement to Amend Warrants issued to staff members of Equity Dynamics for consulting and support services, dated as of June 8, 2011. Incorporated by reference to Exhibit 10.52 to the Registrant's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-173934) filed on June 20, 2011.
10.9	Form of Amendment to Stock Option Agreement. Incorporated by reference to Exhibit 10.53 to the Registrant's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-173934) filed on June 20, 2011.
10.10	Form of Governance Agreement with Equity Dynamics, Inc. Incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on December 4, 2012.
10.11	Form of Governance Agreement with SAIL Capital Partners. Incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on December 4, 2012.
10.12	Form of Subscription Agreement (common stock), made as of February 20, 2013, by and between the Company and the investor(s) signatory thereto. Incorporated by reference to Exhibit 10.78 to the Registrant's Quarterly Report on Form 10-Q filed on August 14, 2013.
10.13	Form of Subscription Agreement (common stock), made as of May 23, 2013, by and between the Company and the investor(s) signatory thereto. Incorporated by reference to Exhibit 10.79 to the Registrant's Quarterly Report on Form 10-Q filed on August 14, 2013.
10.14	Form of Omnibus Amendment to the October 2010 Notes, January 2011 Notes, October 2011 Notes and February 2012 Note, made as of August 12, 2013, by and among the Company and the other parties listed on the signature pages thereto. Incorporated by reference to Exhibit 10.80 to the Registrant's Quarterly Report on Form 10-Q filed on August 14, 2013.

10.15	2012 Omnibus Incentive Compensation Plan, as amended and approved by the Company’s stockholders. Incorporated by reference to Exhibit 10.81 to the Registrant's Quarterly Report on Form 10-Q filed on August 14, 2013.
10.16	Form of Subscription Agreement (common stock), made as of October 4, 2014, by and between the Company and the investor(s) signatory thereto. Incorporated by reference to Exhibit 10.85 to the Registrant's Quarterly Report on Form 10-Q filed on February 13, 2014.
10.17	Form of Employment Compensation Forfeiture and Exchange Agreement entered into as of December 16, 2013 by and among the Company and its senior employees. Incorporated by reference to Exhibit 10.86 to the Registrant's Quarterly Report on Form 10-Q filed on February 13, 2014.
10.18	Form of Subscription Agreement (common stock), made as of January 8, 2014, by and between the Company and the investor(s) signatory thereto. Incorporated by reference to Exhibit 10.87 to the Registrant's Quarterly Report on Form 10-Q filed on February 13, 2014.
10.19	Form of Subscription Agreement (common stock), made as of July 3, 2014, by and between the Company and the investor(s) signatory thereto. Incorporated by reference to Exhibit 10.88 to the Registrant's Quarterly Report on Form 10-Q filed on August 14, 2014.
10.20	Form of Note Purchase Agreement. Incorporated by reference to Exhibit 10.89 to the Registrant's Annual Report on Form 10-K filed on December 29, 2015.
10.21	Form of Security Agreement. Incorporated by reference to Exhibit 10.90 to the Registrant's Annual Report on Form 10-K filed on December 29, 2015.
10.22	Form of Registration Rights Agreement made as of September 22, 2014, by and between the Company and the investor(s) signatory thereto. Incorporated by reference to Exhibit 10.91 to the Registrant's Annual Report on Form 10-K filed on December 29, 2015.
10.23	Form of Termination Agreement by and between the Company and Equity Dynamics, Inc. Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on March 30, 2015.
10.24	Form of Termination Agreement by and between the Company and SAIL Capital Partners. Incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on March 30, 2015.
10.25	Form of Amended and Restated Note Purchase Agreement.
10.26	Form of Omnibus Amendment to Amended and Restated Note Purchase Agreement.
21.1	Subsidiaries of the Registrant. Incorporated by reference to Exhibit 21.1 to the Registrant’s Annual Report on Form 10-K filed on December 22, 2011.
23.1	Consent of Independent Registered Public Accounting Firm.
31.1	Certification by Principal Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended.
31.2	Certification by Principal Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended.

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.
32.1	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.
101	The following financial statements and footnotes from the CNS Response, Inc. Annual Report on Form 10-K for the fiscal year ended September 30, 2015 formatted in Extensible Business Reporting Language (XBRL):

101.INS XBRL Instance Document

101.SCH XBRL Taxonomy Extension Schema

101.CAL XBRL Taxonomy Extension Calculation Linkbase

101.DEF XBRL Taxonomy Extension Definition Linkbase

101.LAB XBRL Taxonomy Extension Label Linkbase

101.PRE XBRL Taxonomy Extension Presentation Linkbase

Exhibit 3.1.3

CERTIFICATE OF AMENDMENT OF
CERTIFICATE OF INCORPORATION OF
CNS RESPONSE, INC.

CNS Response, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify:

FIRST: That at a meeting of the Board of Directors (the "Board") of CNS Response, Inc. (the "Corporation") on September 2, 2015, resolutions were duly adopted setting forth a proposed amendment of the Certificate of Incorporation of the Corporation:(i) approving of an increase in the number of authorized shares which the Corporation is authorized to issue from 180,000,000 to 500,000,000 (the "Share Increase"), and (ii) approving the change of the Corporation's name from CNS Response, Inc. to MYnd Analytics, Inc., and, declaring said amendments, as reflected in a single amendment (hereinafter the "Amendment"), to be advisable and calling for separate approvals of the stockholders of the Corporation for consideration thereof. The resolutions setting forth the proposed Amendment are substantially as follows:

RESOLVED, that the Certificate of Incorporation of the Corporation be amended by amending and restating the Article I thereof relating to the name change of the Corporation, so that, as amended and restated, Article I shall be and read in its entirety, as follows:

ARTICLE I

The name of the Corporation is MYnd Analytics, Inc.

RESOLVED, that the Certificate of Incorporation of the Corporation be amended by amending and restating the Article IV thereof relating to the authorized shares of the Corporation, so that, as amended and restated, Article IV shall be and read in its entirety, as follows:

ARTICLE IV

CAPITAL STOCK

Section 4.A. The total number of shares of stock which the Corporation shall have authority to issue is Five Hundred Fifteen Million (515,000,000).

Section 4.B. Common Stock. The total number of shares of common stock which the Corporation shall have authority to issue is Five Hundred Million (500,000,000) shares, with a par value of $0.001 per share. Stockholders shall not have preemptive rights or be entitled to cumulative voting in connection with the shares of the Corporation's Common Stock.

Section 4.C. Blank-Check Preferred Stock. The total number of shares of undesignated preferred stock which the Corporation shall have the authority to issue is Fifteen Million (15,000,000) shares, with a par value of $0.001 per share. The Board of Directors is hereby expressly authorized to provide, out of the unissued shares of preferred stock, for one or more series of preferred stock and, with respect to each such series, to fix the number of shares constituting such series and the designation of such series, the voting powers, if any, of the shares of such series, and the preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, of the shares of such series. The powers, preferences and relative, participating, optional and other special rights of each series of preferred stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

SECOND: That thereafter, pursuant to resolution of its Board of Directors, an annual meeting of the stockholders of the Corporation was duly called and held on October 28, 2015 upon notice in accordance with section 222 of the General Corporation Law of the State of Delaware, pursuant to which a majority of each class of stockholders voted in favor of the Amendment.

THIRD: That said Amendment was duly adopted on October 28, 2015 in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

FOURTH: That the capital of said Corporation shall not be reduced under or by reason of said Amendment.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Amendment of the Certificate of Incorporation of CNS Response, Inc. as of November 2, 2015.

CNS RESPONSE, INC.

By: /s/ George C. Carpenter IV
Name: George C. Carpenter IV
Title: President & Chief Executive Officer

Exhibit 10.25

AMENDED AND RESTATED NOTE PURCHASE AGREEMENT

THIS AMEDNED AND RESTATED NOTE PURCHASE AGREEMENT (this "**Agreement**") is made as of June 2, 2014 by and among CNS Response, Inc., a Delaware corporation (the "**Company**"), and the investors listed on Schedule A hereto (each, an "**Investor**" and together, the "**Investors**").

RECITALS

WHEREAS, the Company entered into that certain Note Purchase Agreement, dated as of September 22, 2014, with those certain investors named therein (the "**Original Agreement**");

WHEREAS, the Company entered into that certain Amendment No. 1 to the Note Purchase Agreement, dated as of April 14, 2015,with those certain investors named therein ("**Amendment No. 1**"), to increase the aggregate amount of notes issuable thereunder, and extend the period of time by which the Company was permitted to complete such fundraising; and

WHEREAS, this Agreement amends and restates the Original Agreement solely to update for the revisions provided by Amendment No. 1.

NOW, THEREFORE, in consideration for the mutual promises and covenants herein, the parties agree as follows:

AGREEMENT

SECTION 1 – PURCHASE AND SALE OF NOTES

1.1 Purchase and Sale of Notes. The Company has authorized the issuance and sale, in accordance with the terms hereof, of Secured Convertible Promissory Notes in the amended aggregate principal amount of up to $3,000,000 (the "**Note Cap Amount**"), substantially in the form attached as Exhibit A hereto (individually, a "**Note**" and, collectively, the "**Notes**"). On the terms and subject to the conditions set forth in this Agreement, at the Closings (as defined below) the Company agrees to issue to each Investor, and each Investor agrees to purchase from the Company, a Note in the principal amount set forth on Schedule A hereto for the aggregate consideration set forth opposite such Investor's name on Schedule A hereto. The financing pursuant to which the Company is issuing the Notes is hereinafter referred to as the "**Financing**".

1.2 Closings.

(a) Initial Closing. The initial purchase and sale of the Notes shall take place at a closing (the "**Initial Closing**") which shall take place remotely via exchange of documents and signatures at such time and place as may be agreed to among the Company and the Investors. At the Initial Closing, the Company shall deliver to each of the Investors purchasing Notes for cash at such closing a Note in the face amount set forth opposite such Investor's name on Schedule A under the column entitled "Purchase Price / Principal Amount of Note (Initial Closing)" against receipt of a check subject to collection or a wire transfer in immediately available funds of the purchase price, to an account designated by the Company.

(b) Additional Closings. The Company shall have the right, on one or more occasions, to hold additional closings (each, an "**Additional Closing**", and collectively with the Initial Closing, the "**Closings**", and individually, a "**Closing**"), pursuant to which it shall have the right to issue and sell additional Notes to additional Investors or existing Investors (provided that no Additional Closings shall take place later than September 30, 2015). At each Additional Closing, the Company shall deliver to each Investor purchasing Notes for cash at such closing a Note in the face amount of the purchase price paid by such Investor for such Note, against receipt of a check subject to collection or a wire transfer in immediately available funds of the purchase price, to an account designated by the Company. By receiving a Note at an Additional Closing, each Investor receiving such Notes represents that its representations and warranties contained in Section 3 are true and correct as of the date of such Additional Closing. The aggregate amount of Notes that may be issued at Closings hereunder shall in no event exceed the Note Cap Amount. The Company shall have the right to update Schedule A in order to add information regarding Additional Closings, which shall not be deemed to be an amendment to this Agreement.

The obligation of each Investor to purchase and pay for the Notes to be delivered at a Closing is, unless waived by such Investor, subject to the condition that the Company's representations and warranties contained in Section 2 are true, complete and correct on and as of such Closing date. The obligation of the Company to sell and issue Notes to be delivered at a Closing is, unless waived by the Company, subject to the condition that the relevant Investor's representations and warranties contained in Section 3 are true, complete and correct on and as of the applicable Closing date.

1.3 Security Agreement. At the Initial Closing, the Company shall execute and deliver to the Investors a Security Agreement substantially in the form of Exhibit B attached hereto (the "**Security Agreement**").

1.4 Registration Rights Agreement. At the Initial Closing, the Company shall execute and deliver to the Investors a Registration Rights Agreement substantially in the form of Exhibit C attached hereto (the "**Registration Rights Agreement**").

SECTION 2 - REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to each Investor as follows:

2.1 Organization, Good Standing and Qualification. The Company is a corporation duly organized and validly existing under the laws of the State of Delaware. The Company has the requisite corporate power to own and operate its properties and assets and to carry on its business as now conducted and as proposed to be conducted.

2.2 Authority to Execute. The execution, delivery and performance by the Company of (i) this Agreement, (ii) the Notes to be issued pursuant to the terms of this Agreement, (iii) the Security Agreement, (iii) the Registration Rights Agreement, and (iv) any financing statements thereunder (collectively, the "**Loan Documents**") are within the Company's corporate powers, have been duly authorized by all necessary corporate action, do not and will not conflict with any provision of law or organizational document of the Company (including its Certificate of Incorporation or Bylaws) or of any agreement or contractual restrictions binding upon or affecting the Company or any of its property and need no further stockholder or creditor consent.

2.3 No Stockholder Approval Required. No approval of the Company's stockholders is required for (i) the entry by the Company into this Agreement, (ii) the issuance of the Notes contemplated by this Agreement, or (iii) the issuance of any shares of stock upon conversion of the Notes.

2.4 Valid Issuance. The shares of stock to be issued upon conversion of the Notes contemplated by this Agreement (the "**Conversion Securities**" and together with the Notes, the "**Securities**") will be, upon conversion and exercise in accordance with the terms of the Notes, as applicable, validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under the Loan Documents, the documents entered into by the investors and other parties in the financing giving rise to repayment of the Notes, applicable state and federal securities laws and liens or encumbrances created by or imposed by the Investor. Assuming the accuracy of the representations of the Investor in Section 3 of this Agreement, the Securities will be issued in compliance with all applicable federal and state securities laws.

2.5 Binding Obligation. This Agreement is, and the other Loan Documents when delivered hereunder will be, legal, valid and binding obligations of the Company enforceable against the Company in accordance with their respective terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles.

2.6 Litigation. Other than as disclosed in the Company's SEC Reports (as defined below), no litigation or governmental proceeding is pending or threatened against the Company which may have a materially adverse effect on the financial condition, operations or prospects of the Company, and to the knowledge of the Company, no basis therefore exists.

2.7 Intellectual Property. The Company owns or possesses sufficient legal rights to all patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information and other proprietary rights and processes ("**Intellectual Property**") necessary for its business as now conducted and as presently proposed to be conducted, without any infringement of the rights of others. Schedule B contains an accurate and complete list of all Intellectual Property owned by the Company or any of its subsidiaries. The use by the Company or its subsidiaries of Intellectual Property owned or purported to be owned by the Company or its subsidiaries and the general conduct and operations of the business of the Company and its subsidiaries does not violate, infringe, misappropriate or misuse any Intellectual Property rights of any third party. To the knowledge of the Company, no third party is currently infringing, misappropriating or otherwise violating, or has infringed or misappropriated or otherwise violated, rights of any of the Company or its subsidiaries in any Intellectual Property owned, licensed, used, or held for us by the Company or its subsidiaries. There are no outstanding options, licenses or agreements of any kind relating to the foregoing proprietary rights, nor is the Company bound by or a party to any options, licenses or agreements of any kind with respect to the patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information and other proprietary rights and processes of any other person or entity other than such licenses or agreements arising from the purchase of "off the shelf" or standard products.

2.8 SEC Reports. The Company has timely filed all forms, reports, schedules, proxy statements, registration statements and other documents (including all exhibits thereto) required to be filed by it with the Securities and Exchange Commission (the "**SEC**") pursuant to the federal securities laws and the SEC rules and regulations thereunder, together with all certifications required pursuant to the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**") (as they have been amended since the time of their filing, including all exhibits thereto, the "**SEC Reports**"). Each of the SEC Reports complied in all material respects with the applicable requirements of the Securities Act of 1933, as amended (the "**Securities Act**") and the Securities Exchange Act of 1934, as amended, the Sarbanes-Oxley Act and the rules and regulations of the SEC under all of the foregoing. None of the SEC Reports contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

SECTION 3 - REPRESENTATIONS AND WARRANTIES OF THE INVESTORS

Each Investor represents and warrants to the Company as follows:

3.1 Authorization; Binding Obligations. The Investor has full power and authority to enter into this Agreement and each of the other Loan Documents to which he, she or it is a party, and this Agreement and each other Loan Document constitutes a valid and legally binding obligation of each Investor, enforceable against each Investor in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles.

3.2 Accredited Investor. The Investor is an "accredited investor" within the meaning of SEC Rule 501 of Regulation D promulgated under the Securities Act.

3.3 Investment for Own Account. Each Investor represents that it (i) is acquiring the Securities solely for its own account and beneficial interest for investment and not with a view to, or for resale in connection with, any distribution or public offering thereof within the meaning of the Securities Act, and (ii) has no present intention of selling (in connection with a distribution or otherwise), granting any participation in, or otherwise distributing the same, and does not presently have reason to anticipate a change in such intention.

3.4 Information and Sophistication. Without limiting the representations and warranties of the Company set forth in Section 3, each Investor hereby: (a) acknowledges that it has received all the information it has requested from the Company and it considers necessary or appropriate for deciding whether to acquire the Securities, (b) represents that it has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Securities and to obtain any additional information necessary to verify the accuracy of the information given the Investor and (c) further represents that it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risk of this investment.

3.5 Ability to Bear Economic Risk. Each Investor acknowledges that investment in the Securities involves a high degree of risk, and represents that it is able, without materially impairing its financial condition, to hold the Securities for an indefinite period of time and to suffer a complete loss of its investment.

3.6 U.S. Person. Each Investor is a U.S. Person as defined under Regulation S under the Securities Act, as amended, which definitions are attached hereto as Appendix I, or such Investor will make such representations and warranties, and agree to such covenants and restrictions as set forth in Section 3.7 below.

3.7 Representations and Warranties of Non-US Investors; Covenants of and Restrictions Thereon.

(a) Representations and Warranties. If Investor cannot represent and warrant that it is a U.S. Person (as defined in Appendix I hereto), such Investor (a "**Foreign Investor**") hereby represents and warrants to the Company as follows:

(i) The Securities being purchased are being acquired for investment for Foreign Investor's own account, not as a nominee or agent, and not for the account or benefit of, a U.S. Person (as defined in Appendix I hereto), and not with a view to the resale or distribution of any part thereof in the United States (as defined in Appendix I hereto) or to a U.S. Person, and that Foreign Investor has no present intention of selling, granting any participation in, or otherwise distributing such Securities.

(ii) Foreign Investor does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person in the United States or to a U.S. Person, or any hedging transaction with any third person in the United States or to a United States resident, with respect to any of the Securities.

(iii) Foreign Investor understands that the Securities are not registered under the Securities Act on the ground that the sale provided for in this Agreement and the issuance of securities hereunder is exempt from registration under the Securities Act pursuant to Regulation S thereof, and that the Company's reliance on such exemption is predicated on the Foreign Investors' representations set forth herein.

(iv) Foreign Investor is a person or entity that is not a U.S. Person

(b) Covenants. Each Foreign Investor hereby agrees that:

(i) Foreign Investor will not, directly or indirectly, offer, sell, pledge, transfer or otherwise dispose of (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of) any of the Securities purchased hereunder except in compliance with the Securities Act, applicable blue sky laws, and the rules and regulations promulgated thereunder; provided that in a transaction exempt from registration under the Securities Act, such Foreign Investor shall, prior to effecting such disposition, provide notice to the Company of such proposed disposition and if reasonably requested by the Company submit to the Company an opinion of counsel in form and substance reasonably satisfactory to the Company to the effect that the proposed transaction is in compliance with the Securities Act.

(c) Legend Requirements. Each certificate representing the Securities issued to a Foreign Investor shall (unless otherwise permitted by the provisions of the Agreement) be stamped or otherwise imprinted with a legend substantially similar to the following (in addition to any legend required under applicable state securities laws or as provided elsewhere in this Agreement):

> "THE SECURITIES REPRESENTED HEREBY HAVE BEEN ACQUIRED PURSUANT TO REGULATION S OF THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE SOLD, MORTGAGED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE THEREWITH, PURSUANT TO A REGISTRATION UNDER THE ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. IN ADDITION, NO HEDGING TRANSACTION MAY BE CONDUCTED WITH RESPECT TO THESE SECURITIES UNLESS SUCH TRANSACTIONS ARE IN COMPLIANCE WITH THE ACT."

(d) Stop-Transfer Restrictions. The Company hereby agrees, for the benefit of the Investors, that it will not register any transfer of the Securities not made in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act, or pursuant to an available exemption from registration.

3.8 Further Assurances. Each Investor agrees and covenants that at any time and from time to time it will promptly execute and deliver to the Company such further instruments and documents and take such further action as the Company may reasonably require in order to carry out the full intent and purpose of this Agreement and to comply with state or federal securities laws or other regulatory approvals.

SECTION 4 - MISCELLANEOUS

4.1 Conditions Precedent. The obligation of each Investor to consummate the transactions contemplated hereby is subject, at the option of each Investor, to the fulfillment of the following conditions, any one or more of which may be waived by each Investor:

(a) execution of the Notes at each Closing;

(b) approval of the Company's Board of Directors of the transactions contemplated hereby and all other actions necessary for the consummation of the transactions contemplated hereby at the Initial Closing;

(d) the Company and each Investor shall have entered into the Registration Rights Agreement and the Security Agreement; and

(e) the Company shall have completed the filing of a UCC-1 financing statement with respect to the Collateral (as defined in the Security Agreement) at the Initial Closing.

4.2 No Waiver; Cumulative Remedies. No failure or delay on the part of any party to any Loan Document in exercising any right or remedy under, or pursuant to, any Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy or power preclude other or further exercise thereof, or the exercise of any other right, remedy or power. The remedies in the Loan Documents are cumulative and are not exclusive of any remedies provided by law.

4.3 Amendments and Waivers. Except as otherwise expressly set forth in this Agreement, any term of this Agreement may be amended (either retroactively or prospectively) with the written consent of (x) the Company and (y) and those Investors holding Notes whose aggregate principal amount represents a majority of the total outstanding principal amounts of all then outstanding Notes under this Agreement, which includes RSJ Private Equity uzavreny investicni fond a.s. ("**RSJ**") for so long as RSJ is the holder of an outstanding Note (collectively, the "**Majority Holders**"); provided that no such amendment may discriminate against a holder of Notes in a manner different from the other holders without such holder's written consent. Any amendment effected in accordance with this Section 4.3 shall be binding upon each Investor, each future holder of Securities and the Company.

4.4 Notices. Except as may be otherwise provided herein, all notices, requests, waivers and other communications made pursuant to this Agreement shall be in writing and shall be conclusively deemed to have been duly given (a) when hand delivered to the other party; (b) when sent by telecopier, facsimile or email transmission to the contact information set forth below if sent between 8:00 a.m. and 5:00 p.m. recipient's local time on a Business Day (as defined below), or on the next Business Day if sent by telecopier, facsimile or email transmission to the contact information set forth below if sent other than between 8:00 a.m. and 5:00 p.m. recipient's local time on a Business Day; (c) two Business Days after deposit in the U.S. mail with first class or certified mail receipt requested postage prepaid and addressed to the other party at the address set forth below its name on the signature page hereto; or (d) the next Business Day after deposit with a national overnight delivery service, postage prepaid, addressed to each of the parties as set forth below its name on the signature page hereto with next Business Day delivery guaranteed, provided that the sending party receives a confirmation of delivery from the delivery service provider:

If to the Company, to:

CNS Response, Inc.

85 Enterprise, Suite 410
Attention: Paul Buck, Chief Financial Officer
Fax: (866) 294-2611
eMail: pbuck@cnsresponse.com

If to an Investor, to the contact information provided in Schedule A.

A party may change or supplement its address for notice, or designate additional addresses, for purposes of this Section 4.4 by giving the other parties written notice of the new address in the manner set forth above. For purposes of this Section 4.4, "**Business Day**" shall mean any day which is not a Saturday or Sunday or a legal holiday on which banks are authorized or required to be closed in Los Angeles, California or Czech Republic.

4.5 Costs and Expenses. The Company and each Investor agree to be responsible for their own costs and expenses incurred in connection with the preparation of the Loan Documents. If any litigation, contest, dispute, suit, proceeding or action is instituted between or among any of the parties hereto regarding the enforcement or interpretation of this Agreement or any of the Exhibits hereto, the prevailing party shall be entitled to reimbursement from the other party or parties for all reasonable expenses, costs, charges and other fees (including legal fees) incurred in connection with or related to such dispute.

4.6 Governing Law. The Loan Documents shall be governed by and construed in accordance with the laws of the State of California, without regard to the conflicts of law provisions of the State of California or of any other state. The Company and each Investor consent to personal jurisdiction in Orange County, California.

4.7 Severability. If any term in this Agreement is held to be illegal or unenforceable, the remaining portions of this Agreement shall not be affected, and this Agreement shall be construed and enforced as if this Agreement did not contain the term held to be illegal or unenforceable.

4.8 Binding Effect; Assignment. The Loan Documents shall be binding upon and inure to the benefit of the Company and each Investor and their respective successors and assigns. The Company may not assign its rights or interest under the Loan Documents without the prior written consent of the Majority Holders.

4.9 Transfer of Securities. Notwithstanding the legend required to be placed on the Securities by applicable law, no registration statement or opinion of counsel shall be necessary: (a) for a transfer of Securities to the respective estate of each Investor or for a transfer of Securities by gift, will or intestate succession of each Investor to his or her spouse or to the siblings, lineal descendants or ancestors each Investor or his or her spouse, if the transferee agrees in writing to be subject to the terms hereof to the same extent as if he or she were the original Investor hereunder; or (b) for a transfer of Securities pursuant to SEC Rule 144 or any successor rule, or for a transfer of Securities pursuant to a registration statement declared effective by the SEC under the Securities Act relating to the Securities.

4.10 Survival of Representations and Warranties. The representations and warranties of the parties contained in or made pursuant to this Agreement shall survive the execution and delivery of this Agreement indefinitely, and shall in no way be affected by any investigation of the subject matter thereof made by or on behalf of the other parties.

4.11 California Commissioner of Corporations. THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF THE SECURITIES OR PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION FOR SUCH SECURITIES PRIOR TO THE QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATIONS BY SECTION 25100, 25102 OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the date first written above.

CNS RESPONSE, INC.

By: _____

Name: Paul Buck
Title: Chief Financial Officer

[SIGNATURE PAGE TO AMENDED AND RESTATED NOTE PURCHASE AGREEMENT]

INVESTOR:

By: _____

Name:
Title:

[SIGNATURE PAGE TO AMENDED AND RESTATED NOTE PURCHASE AGREEMENT]

SCHEDULE A

Investor	***Purchase Price / Principal Amount of Note***
Name:	
Address:	
Fax:	$_____
Email:	
Tax ID:	
TOTAL:	**$**_____

EXHIBIT A

FORM OF NOTE

EXHIBIT B

SECURITY AGREEMENT

EXHIBIT C

REPRESENTATIVE SECURED PARTY AGREEMENT

EXHIBIT D

REGISTRATION RIGHTS AGREEMENT

APPENDIX I

CERTAIN DEFINITIONS

As used in the Agreement, the following terms shall have the meanings indicated:

"**U.S. Person**":

(a) "**U.S. person**" means:

(i) Any natural person resident in the United States;

(ii) Any partnership or corporation organized or incorporated under the laws of the United States;

(iii) Any estate of which any executor or administrator is a U.S. person;

(iv) Any trust of which any trustee is a U.S. person;

(v) Any agency or branch of a foreign entity located in the United States;

(vi) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;

(vii) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and

(viii) Any partnership or corporation if:

(A) Organized or incorporated under the laws of any foreign jurisdiction; and

(B) Formed by a U.S. person principally for the purpose of investing in securities not registered under the Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in §230.501(a)) who are not natural persons, estates or trusts.

(b) The following are not "U.S. persons":

(i) Any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States;

(ii) Any estate of which any professional fiduciary acting as executor or administrator is a U.S. person if:

(A) An executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate; and

(B) The estate is governed by foreign law;

(iii) Any trust of which any professional fiduciary acting as trustee is a U.S. person, if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settler if the trust is revocable) is a U.S. person;

(iv) An employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;

(v) Any agency or branch of a U.S. person located outside the United States if:

(A) The agency or branch operates for valid business reasons; and

(B) The agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and

(vi) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.

"**United States**": the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.

Exhibit 10.26

OMNIBUS AMENDMENT

This OMNIBUS AMENDMENT (this "Amendment"), dated as of September 14, 2015, hereby amends: (i) the Note Purchase Agreement, made as of September 22, 2014, as amended by Amendment No. 1 to the Note Purchase Agreement on April 14, 2015 (the "Agreement"), by and among CNS Response, Inc., a Delaware corporation (the "Company"), and the investors listed on Schedule A thereto (each, an "Investor," and together, the "Investors"), and (ii) the Secured Convertible Promissory Notes purchased and sold pursuant to the Agreement (individually, a "Note" and, collectively, the "Notes"); each as set forth below. Certain capitalized terms used but not defined herein have the meanings assigned to them in the Agreement.

WHEREAS, Section 4.2 of the Agreement provides for the amendment of the Agreement in accordance with the terms set forth therein; and

WHEREAS, Section 8(d) of the Notes provides for the amendment of the any term of the Notes in accordance with the terms set forth therein; and

WHEREAS, the Company desires to amend the Agreement and the Notes to set the conversion price of all Notes purchased and sold pursuant to the Agreement, both those that have been purchased and sold before the date of this Amendment and those that may be purchased and sold at any time thereafter, in the event of a qualified financing conversion or a voluntary conversion, at $0.05 per share (as adjusted for stock splits, stock dividends, combinations or the like affecting the Common Stock); and

WHEREAS, the Investors executing this Amendment constitute the Majority Holders and hold Notes whose aggregate principal amount represents a majority of the total outstanding principal amounts of all the current outstanding Notes under the Agreement, including RSJ Private Equity uzavreny investicni fond a.s.; and

WHEREAS, in accordance with Section 8(d) of the Notes and Section 4.2 of the Agreement, the Company and the Investors executing this Amendment now desire to amend the Agreement and the Notes in accordance with the terms set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Investors executing this Amendment agree as follows:

Section 1.1 Amendment to Section 2. Section 2 of the Notes and Section 2 of the form of Note which is attached as Exhibit A to the Agreement (the "Form Note") is hereby amended by replacing the first sentence as follows:

"In the event that Company issues and sells shares of its Equity Securities (as defined below) to investors (the "**Investors**") on or before the Maturity Date in an equity financing with total proceeds to the Company of not less than $5,000,000 (excluding the conversion of the Notes, other convertible indebtedness or other debt) (a "**Qualified Financing**"), then the outstanding principal balance and accrued interest of this Note (together, the "**Conversion Amount**") shall automatically convert in whole without any further action by the Holders into a number of shares of Equity Securities equal to the quotient of the Conversion Amount divided by a conversion price of $0.05 per share (as adjusted for stock splits, stock dividends, combinations or the like affecting the Company's common stock ("**Common Stock**"))."

Section 1.2 Amendment to Section 3. Section 3 of the Notes and Section 3 of the Form Note is hereby amended and restated in its entirety as follows:

"3. Voluntary Conversion. Within the period of fifteen (15) days prior to the Maturity Date the Holder shall have an option to convert this Note into shares of Common Stock at a price equal to $0.05 per share (as adjusted for stock splits, stock dividends, combinations or the like affecting the Common Stock)."

Section 1.3 No Further Amendment. Except as expressly amended by this Amendment, the Agreement and the Notes are in all respects ratified and confirmed and all the terms, conditions, and provisions thereof shall remain in full force and effect. This Amendment is limited precisely as written and shall not be deemed to be an amendment to any other term or condition of the Agreement, of the Notes or any of the documents referred to therein.

Section 1.4 Effect of Amendment. This Amendment shall amend and form a part of the Agreement and the Notes for all purposes and is expressly incorporated into the Agreement and the Notes, and the Company and each party hereto shall be bound hereby. From and after the execution of this Amendment by the parties hereto, any references to the Agreement or the Notes shall be deemed a reference to the Agreement or the Notes as amended hereby. This Amendment shall be deemed to be in full force and effect from and after the execution of this Amendment by the parties hereto. To the extent that any term or provision of this Amendment may be deemed expressly inconsistent with any term or provision in the Agreement or the Notes, the terms and provisions of this Amendment shall control.

Section 1.5 Entire Agreement. Subject to Section 1.4 of this Amendment, the Agreement and the Notes, as amended by this Amendment, constitute the complete understanding of the Company and the Investors, regarding the subject matter hereof and supersede any and all other agreements, either oral or in writing, between the Company and the Investors with respect to the subject matter hereof and thereof, and no other statement or promise relating to the subject matter hereof or thereof which is not contained herein or therein, shall be valid or binding.

Section 1.6 Other Provisions. The following sections of the Agreement are hereby incorporated by reference into, and made applicable to, this Amendment as if set forth herein, *mutatis mutandis*: Section 4.2 (Amendments and Waivers); Section 4.3 (Notices); Section 4.5 (Governing Law); Section 4.6 (Severability) and Section 4.7 (Binding Effect; Assignment).

[*Signature Page Follows*]

The Company and the Investors below named have caused this Amendment to be executed by their respective officers thereunto duly authorized, in each case as of the date first written above.

CNS Response, Inc.

By: _____

Name: Paul Buck
Title: Chief Financial officer

MAJORITY HOLDERS:

By: _____

Name:
Title:

[*Signature Page to Omnibus Amendment*]

Exhibit 23.1

CERTIFIED PUBLIC ACCOUNTANTS

Consent of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders
of MYnd Analytics, Inc.
85 Enterprise, Suite 410
Aliso Viejo, CA 92656

We hereby consent to the incorporation by reference in the Registration Statement on Form S8 No. 333-166394 of CNS Response, Inc. of our report dated January 5, 2016, relating to the consolidated financial statements which appear in this Form 10-K .

/s/ Anton & Chia, LLP
Newport Beach, California
January 5, 2016

Exhibit 31.1

Certification of Principal Executive Officer
Pursuant to SEC Rule 13a-14(a)/15d-14(a)

I, George Carpenter, certify that:

1. I have reviewed this Form 10-K of CNS Response, Inc. for the fiscal year ended September 30, 2015;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

January 5, 2016

/s/ George Carpenter
Name: **George Carpenter**
Title: **Chief Executive Officer (Principal Executive Officer)**

Exhibit 31.2

Certification of Principal Financial Officer
Pursuant to SEC Rule 13a-14(a)/15d-14(a)

I, Paul Buck, certify that that:

1. I have reviewed this Form 10-K of CNS Response, Inc. for the fiscal year ended September 30, 2015;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

January 5, 2016

/s/ Paul Buck
Name: **Paul Buck**
Title: **Chief Financial Officer (Principal Financial Officer)**

Exhibit 32.1

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Annual Report on Form 10-K of CNS Response, Inc. (the "Company") for the fiscal year ended September 30, 2015, as filed with the Securities and Exchange Commission (the "Report"), I, George Carpenter, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ George Carpenter
George Carpenter
Chief Executive Officer (Principal Executive Officer)
January 5, 2016

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

This certification is being furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

Exhibit 32.2

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Annual Report on Form 10-K of CNS Response, Inc. (the "Company") for the fiscal year ended September 30, 2015, as filed with the Securities and Exchange Commission (the "Report"), I, Paul Buck, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ Paul Buck
Paul Buck
Chief Financial Officer (Principal Financial Officer)
January 5, 2016

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

This certification is being furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.