

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended **September 30, 2015**

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: **333-202959**

**BALANCE LABS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction  
of incorporation or organization)

**47-1146785**

(I.R.S. Employer Identification No.)

**1111 Lincoln Road, 4<sup>th</sup> Floor**

**Miami Beach, Florida**

(Address of principal executive offices)

**33139**

(Zip Code)

Registrant's telephone number, including area code **305-907-7600**

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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 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. (Check one):

Large accelerated filer

Accelerated filer

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

Smaller reporting company

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

As of November 12, 2015, the registrant had 20,620,000 shares of common stock, \$0.0001 par value per share, issued and outstanding.

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**BALANCE LABS, INC.**  
**FORM 10-Q**  
**FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2015**  
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**BALANCE LABS, INC.**

**Condensed Balance Sheets**

	<b>September 30 2015 (Unaudited)</b>	<b>December 31, 2014</b>
<b>Assets</b>		
Current Assets:		
Cash	\$ 43,085	\$ 66,158
Prepaid expenses	3,151	—
Total Current Assets	46,236	66,158
Investment - related party	500	500
Total Assets	\$ 46,736	\$ 66,658
<b>Liabilities and Stockholders' Deficit</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 6,053	\$ 2,000
Accounts payable - related parties	176,500	70,000
Accrued interest - related party	536	—
Short term advances - related parties	120	1,105
Total Liabilities	183,209	73,105
Commitments and contingencies		
Stockholders' Deficit:		
Preferred stock, \$0.0001 par value; Authorized, 50,000,000 shares; none issued and outstanding at September 30, 2015 and December 31, 2014	—	—
Common stock, \$0.0001 par value; Authorized, 500,000,000 shares; 20,620,000 and 20,000,000 shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively	2,062	2,000
Additional paid-in capital	109,978	—
Accumulated deficit	(248,513)	(8,447)
Total Stockholders' Deficit	(136,473)	(6,447)
Total Liabilities and Stockholders' Deficit	\$ 46,736	\$ 66,658

See the accompanying notes to these unaudited condensed financial statements

**BALANCE LABS, INC.**

**Unaudited Condensed Statements of Operations**

	For The Three Months Ended September 30,		For The Nine Months Ended	For The Period from June 5, 2014 (Inception) to
	<u>2015</u>	<u>2014</u>	<u>September 30, 2015</u>	<u>September 30, 2014</u>
<b>Revenues - related party</b>	\$ —	\$ 46,500	\$ 39,000	\$ 46,500
<b>Operating Expenses</b>				
General and administrative expenses	47,031	9,505	143,530	10,010
General and administrative expenses - related parties	<u>45,000</u>	<u>55,000</u>	<u>135,000</u>	<u>60,000</u>
Total Operating Expenses	<u>92,031</u>	<u>64,505</u>	<u>278,530</u>	<u>70,010</u>
Loss From Operations	<u>(92,031)</u>	<u>(18,005)</u>	<u>(239,530)</u>	<u>(23,510)</u>
<b>Other Expense</b>				
Interest expense	<u>(496)</u>	<u>—</u>	<u>(536)</u>	<u>—</u>
Total Other Expense	<u>(496)</u>	<u>—</u>	<u>(536)</u>	<u>—</u>
<b>Net Loss</b>	<u>\$ (92,527)</u>	<u>\$ (18,005)</u>	<u>\$ (240,066)</u>	<u>\$ (23,510)</u>
Net Loss Per Share - Basic and Diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.00)</u>
Weighted Average Number of Common Shares Outstanding - Basic and Diluted	<u>20,388,497</u>	<u>20,000,000</u>	<u>20,431,086</u>	<u>20,000,000</u>

See the accompanying notes to these unaudited condensed financial statements

BALANCE LABS, INC.

Unaudited Condensed Statement of Changes in Stockholders' Deficit  
For The Nine Months Ended September 30, 2015

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total
	Shares	Amount			
Balance - December 31, 2014	20,000,000	\$ 2,000	\$ —	\$ (8,447)	\$ (6,447)
Stock-based compensation	400,000	40	—	—	40
Common stock and warrants issued for cash	220,000	22	109,978	—	110,000
Net loss	—	—	—	(240,066)	(240,066)
<b>Balance - September 30, 2015</b>	<b>20,620,000</b>	<b>\$ 2,062</b>	<b>\$ 109,978</b>	<b>\$ (248,513)</b>	<b>\$ (136,473)</b>

See the accompanying notes to these unaudited condensed financial statements

**BALANCE LABS, INC.**

**Unaudited Condensed Statements of Cash Flows**

	<b>For The Nine Months Ended September 30, 2015</b>	<b>For The Period from June 5, 2014 (Inception) to September 30, 2014</b>
<b>Cash Flows From Operating Activities</b>		
Net loss	\$ (240,066)	\$ (23,510)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Stock-based compensation	40	—
Issuance of founders' shares	—	2,000
Changes in operating assets and liabilities:		
Accounts receivable	—	(6,500)
Prepaid expenses	(3,151)	—
Accounts payable and accrued expenses	4,053	—
Accounts payable - related parties	106,500	60,000
Accrued interest - related party	536	—
<b>Total Adjustments</b>	<b>107,978</b>	<b>55,500</b>
<b>Net Cash (Used In) Provided By Operating Activities</b>	<b>(132,088)</b>	<b>31,990</b>
<b>Cash Flows From Investing Activities</b>		
Investment in related party	—	(500)
<b>Net Cash Used In Investing Activities</b>	<b>—</b>	<b>(500)</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from short term advances - related parties	37,340	1,105
Repayments of short term advances - related parties	(38,325)	—
Sales of common stock and warrants for cash	110,000	—
<b>Net Cash Provided By Financing Activities</b>	<b>109,015</b>	<b>1,105</b>
<b>Net (Decrease) Increase In Cash</b>	<b>(23,073)</b>	<b>32,595</b>
<b>Cash - Beginning of Period</b>	<b>66,158</b>	<b>—</b>
<b>Cash - End of Period</b>	<b>\$ 43,085</b>	<b>\$ 32,595</b>
<b>Supplemental Disclosures of Cash Flow Information:</b>		
Interest paid	\$ —	\$ —
Income taxes paid	\$ —	\$ —

See the accompanying notes to these unaudited condensed financial statements

## BALANCE LABS, INC.

### Notes to Unaudited Condensed Financial Statements

#### Note 1 – Organization, Operations and Basis of Presentation

##### Organization and Operations

Balance Labs, Inc. (“Balance Labs” or the “Company”) was incorporated on June 5, 2014 under the laws of the State of Delaware. Balance Labs is a consulting firm that provides business development and consulting services to start up and development stage businesses. The Company offers services to help businesses in various industries improve and fine tune their business models, sales and marketing plans and internal operations as well as make introductions to professional services such as business plan writing, accounting firms and legal service providers.

The Company leverages its knowledge in developing businesses with entrepreneurs and start up companies’ management whereby it creates a customized plan for them to overcome obstacles so that they can focus on marketing their product(s) and/or service(s) to their potential customers.

##### Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, such statements include all adjustments (consisting only of normal recurring items) which are considered necessary for a fair presentation of the unaudited condensed financial position of Balance Labs as of September 30, 2015 and the unaudited condensed results of its operations and cash flows for the nine months ended September 30, 2015. The unaudited condensed results of operations for the three and nine months ended September 30, 2015 are not necessarily indicative of the operating results for the full year. It is recommended that these unaudited condensed financial statements be read in conjunction with the audited financial statements and related disclosures of the Company for the period from June 5, 2014 (inception) to December 31, 2014 which were filed with the Securities and Exchange Commission (“SEC”) on Amendment No. 3 to Form S-1 on June 5, 2015.

#### Note 2 – Going Concern and Management’s Plans

As of September 30, 2015, the Company had a working capital deficiency and stockholders’ deficit of \$136,973 and \$136,473, respectively. For the three and nine months ended September 30, 2015, the Company reported a net loss of \$92,527 and \$240,066, respectively. As of September 30, 2015, with regards to the Company’s professional service agreement that provided 100% of the Company’s revenues since inception, the Company and its client have fully satisfied their professional service and payment obligations under the agreement, respectively. The Company is actively pursuing new client relationships. The Company has not yet achieved profitability and the Company will need to add clients and generate additional revenues to achieve profitability. These conditions raise substantial doubt about the Company’s ability to continue as a going concern.

The Company may require additional capital to implement its business plan and support its operations. Currently, the Company has no established bank-financing arrangements. Therefore, depending on the revenue growth rate, the Company may need to seek additional financing through a future private offering of its equity or debt securities, or through strategic partnerships and other arrangements with corporate partners. The Company believes it will be successful in these efforts; however, there can be no assurance the Company will meet its internal revenue forecasts or, if necessary, be successful in raising additional debt or equity financing to fund its operations on terms agreeable to the Company. These matters raise substantial doubt about the Company’s ability to continue as a going concern. The condensed financial statements do not include any adjustments that might be necessary if the Company were unable to continue as a going concern. The Company presently has enough cash on hand to sustain its operations on a month-to-month basis. The Company anticipates the receipt of funding within such period, but there can be no assurance that it will occur. If the Company is unable to meet its internal revenue forecasts or obtain additional financing on a timely basis, the Company may have to delay vendor payments and/or initiate cost reductions, which would have a material adverse effect on the Company’s business, financial condition and results of operations, and ultimately the Company could be forced to discontinue its operations, liquidate, and/or seek reorganization under the U.S. bankruptcy code.

## BALANCE LABS, INC.

### Notes to Unaudited Condensed Financial Statements

#### Note 3 – Summary of Significant Accounting Policies

##### Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Estimates may include those pertaining to accruals, stock-based compensation and income taxes. Actual results could materially differ from those estimates.

##### Concentrations and Credit Risk

One related party provided 100% of revenues during the nine months ended September 30, 2015, the three months ended September 30, 2014 and for the period from June 5, 2014 (inception) to September 30, 2014. See Note 5 – Related Party Transactions for additional details.

##### Revenue Recognition

The Company recognizes revenue related to its professional services to its customers when (i) persuasive evidence of an arrangement exists; (ii) delivery has occurred or services have been rendered; (iii) the sales price is fixed or determinable; and (iv) collectability is reasonably assured.

##### Investment – Related Party

Investment – related party is recorded at cost.

##### Net Loss Per Common Share

Basic and diluted loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding during the period.

The following securities are excluded from the calculation of weighted average dilutive common shares because their inclusion would have been anti-dilutive:

	September 30,	
	2015	2014
Warrants	220,000	—
Total potentially dilutive shares	220,000	—

##### Stock-Based Compensation

The Company measures the cost of services received in exchange for an award of equity instruments based on the fair value of the award. For employees, the fair value of the award is measured on the grant date and for non-employees, the fair value of the award is generally re-measured on vesting dates and interim financial reporting dates until the service period is complete. The fair value amount is then recognized over the period during which services are required to be provided in exchange for the award, usually the vesting period. Awards granted to directors are treated on the same basis as awards granted to employees.

The Company has computed the fair value of warrants granted using the Black-Scholes option pricing model. The expected term used for warrants is the contractual life. Since the Company's stock has not been publicly traded for a sufficiently long period of time, the Company is utilizing an expected volatility figure based on a review of the historical volatilities, over a period of time, equivalent to the expected life of the instrument being valued, of similarly positioned public companies within its industry. The risk-free interest rate was determined from the implied yields from U.S. Treasury zero-coupon bonds with a remaining term consistent with the expected term of the instrument being valued.

##### Fair Value of Financial Instruments

The Company measures the fair value of financial assets and liabilities based on the guidance of ASC 820 "Fair Value Measurements and Disclosures" which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.



## BALANCE LABS, INC.

### Notes to Unaudited Condensed Financial Statements

#### Note 3 – Summary of Significant Accounting Policies – Continued

##### Fair Value of Financial Instruments – Continued

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

Level 1 — quoted prices in active markets for identical assets or liabilities

Level 2 — quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3 — inputs that are unobservable (for example, cash flow modeling inputs based on assumptions)

The carrying amounts of cash, accounts payable, and accrued liabilities approximate fair value due to the short-term nature of these instruments.

##### Reclassifications

Certain prior period amounts have been reclassified for comparative purposes to conform to the fiscal 2015 presentation. These reclassifications have no impact on the previously reported net loss.

##### Recently Issued Accounting Pronouncements

The Company has evaluated all new accounting standards that are in effect and may impact its condensed consolidated financial statements and does not believe that there are any other new accounting standards that have been issued that might have a material impact on its financial position or results of operations.

#### Note 4 – Stockholders' Deficit

##### Common Stock and Warrant Offering

On September 17, 2015, the Company issued an aggregate of 220,000 shares of common stock at \$0.50 per unit to investors for aggregate gross proceeds of \$110,000. In connection with the purchases, the Company issued three-year warrants to purchase an aggregate of 220,000 shares of common stock at an exercise price of \$2.00 per share. The warrants had an aggregate grant date fair value of \$54,010, which was computed using the following assumptions: expected volatility of 282%, risk-free rate of 1.00%, expected term of 3.00 years, and expected dividends of 0.00%.

##### Stock Warrants

See Note 4 – Stockholders' Deficit – Common Stock and Warrant Offering for details associated with the issuance of warrants during the nine months ended September 30, 2015. The weighted average estimated fair value of the warrants granted during the three and nine months ended September 30, 2015 was \$0.25 per share.

As of September 30, 2015, warrants to purchase an aggregate of 220,000 shares of common stock at an exercise price of \$2.00 per share were outstanding and exercisable. The warrants had a weighted average remaining life of 2.97 years and had no intrinsic value.

##### Stock-Based Compensation

On January 15, 2015, the Company's Board of Directors approved the issuance of 250,000 and 150,000 shares of the Company's common stock to the Company's then-Chief Executive Officer, plus the Secretary, respectively. The common stock had de minimus issuance date fair value.

## BALANCE LABS, INC.

### Notes to Unaudited Condensed Financial Statements

#### Note 5 – Related Party Transactions

On August 22, 2014, the Company entered into a one-year agreement to provide business development and corporate planning services to Bang Holdings Corporation (“Bang Holdings”), in which the Company’s Chairman of the Board and, effective September 11, 2015, the Company’s Chief Executive Officer (“CEO”) has an indirect 19% interest. Bang Holdings shall pay the Company \$150,000 over the term of the agreement. During the three and nine months ended September 30, 2015, the Company recognized \$0 and \$39,000, respectively, of revenues related to the agreement. During the three months ended September 30, 2014 and during the period from June 4, 2014 (inception) to September 30, 2014, the Company recognized \$46,500 of revenues related to the agreement. Pursuant to the agreement, the Company received 500,000 shares of common stock of Bang Holdings as consideration for a \$500 investment in cash recorded at cost. The agreement expired on August 22, 2015.

In connection with services performed related to the above business development agreement, the Company’s CEO earned \$10,000 per month. The following compensation was recorded within general and administrative expenses - related parties on the condensed statements of operations: \$30,000 and \$90,000 during the three and nine months ended September 30, 2015, respectively, \$40,000 during the three months ended September 30, 2014 and \$40,000 during the period from June 4, 2014 (inception) to September 30, 2014. As of September 30, 2015, \$156,500 of compensation was unpaid and was included in accounts payable – related parties on the condensed balance sheet.

During the three and nine months ended September 30, 2015, the Company paid \$5,000 per month (\$15,000 and \$45,000 during the three and nine months ended September 30, 2015, respectively, and \$15,000 and \$20,000 during the three months ended September 30, 2014 and during the period from June 4, 2014 (inception) to September 30, 2014, respectively) to Balance Holdings LLC, an entity controlled by the Company’s CEO, for rent and office services, which was included in general and administrative expenses – related party in the condensed statement of operations. As of September 30, 2015, \$20,000 was unpaid and was included in accounts payable – related parties on the condensed balance sheet.

During the nine months ended September 30, 2015, the Company’s CEO provided the Company unsecured short-term advances aggregating \$37,340. The advances earn interest at a rate of 8% per annum and are payable on demand. During the nine months ended September 30, 2015, the Company repaid an aggregate of \$38,325 of short-term advances to the Company’s CEO and entities controlled by the Company’s CEO (\$37,220 to the Company’s CEO, \$600 to The Farkas Group, Inc. and \$550 to Balance Holdings LLC) to fund the Company’s early formation expenses. As of September 30, 2015, there was \$120 of short term advances outstanding.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

*The following discussion and analysis of the condensed results of operations and financial condition of Balance Labs, Inc. ("Balance Labs" or the "Company") as of September 30, 2015 and December 31, 2014, for the three and nine months ended September 30, 2015, for the three months ended September 30, 2014 and for the period from June 4, 2014 (inception) to September 30, 2014 should be read in conjunction with our condensed financial statements and the notes thereto that are included elsewhere in this Quarterly Report on Form 10-Q. References in this Management's Discussion and Analysis of Financial Condition and Results of Operations to "us," "we," "our," and similar terms refer to Balance Labs. This Quarterly Report includes forward-looking statements, as that term is defined in the federal securities laws, based upon current expectations that involve risks and uncertainties, such as plans, objectives, expectations and intentions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors. Words such as "anticipate," "estimate," "plan," "continuing," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could," and similar expressions are used to identify forward-looking statements. We caution you that these statements are not guarantees of future performance or events and are subject to a number of uncertainties, risks and other influences, many of which are beyond our control, which may influence the accuracy of the statements and the projections upon which the statements are based. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of certain risk factors discussed in our registration statement on Amendment No. 3 to Form S-1 (the "Risk Factors") filed with the Securities and Exchange Commission (the "SEC") on June 5, 2015 and declared effective by the SEC on June 15, 2015. Any one or more of these uncertainties, risks and other influences could materially affect our results of operations and whether forward-looking statements made by us ultimately prove to be accurate. Our actual results, performance and achievements could differ materially from those expressed or implied in these forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether from new information, future events or otherwise.*

### **Overview**

We were incorporated on June 5, 2014 under the laws of the State of Delaware. We are a consulting firm that provides business development and consulting services to startup and development-stage businesses. Our company provides businesses in various industries with customized consulting services to meet their business needs and help them improve their business models, sales and marketing plans and internal operations, as well as introduce the businesses to experienced professional contacts that would be vital to the success of these businesses.

Our business focuses on providing advice to entrepreneurs and assisting business owners so that their ideas can be fully developed and implemented. Due to limited resources, lack of experienced management and competing priorities, startup and developmental stage companies are not operating as efficiently as they can be, and therefore would benefit from an outside party that could assist in developing and executing certain strategies. We utilize our knowledge in developing businesses, share practical experiences with our clients and introduce the business owners to experienced professionals who could help these inexperienced entrepreneurs further implement their ideas. Startups and development stage businesses across all industries commonly experience certain "growing pains".

### **Plan of Operations**

Our plan is to prepare our clients for the many inevitable challenges they will encounter and to develop a customized plan for them to overcome these obstacles, so that they can focus on marketing their product(s) and/or service(s) to their potential customers.

Although we've only worked with one client since inception, our goal is to add and service a minimum of two to three new clients between now and the end of 2015. We're marketing our services through both personal contact and online by (a) mining our existing network of professional contacts via personal outreach programs, which will also target international prospects that may wish to enter the US market; (b) expanding our network by attending targeted conferences and professional gatherings; and (c) utilizing our website at [www.balancelabs.co](http://www.balancelabs.co), plus engaging potential clients on social media, including LinkedIn, Facebook and Twitter. However, because we have a limited budget allocated for our year one on-line marketing campaign, we anticipate that professionals within our professional network and personal referrals from companies that are satisfied with our professional services are likely to be our most significant and efficient near-term form of marketing.

We believe that we can support our year one clients with our existing full-time staff, supplemented with part-time sub-contracted professionals and service providers, as necessary. Importantly, between now and the end of 2015, we intend to formalize our relationships with these sub-contractors so that we can offer our clients turn-key business development products and services.

Our primary requirement for funding is for working capital in order to accommodate temporary imbalances between cash receipts and cash expenditures (see "Liquidity and Capital Resources").

## **Recent Developments**

On September 11, 2015, Raphael Perez (“Former CEO”) tendered his resignation as the President, CEO, Chief Financial Officer (“CFO”) and Director of the Company by providing a notice to the Company’s Board of Directors.

Effective September 11, 2015, the Board of Directors appointed Michael D. Farkas (“CEO”), the Company’s Chairman of the Board, as the President, CEO and CFO of the Company.

Effective September 11, 2015, the Board of Directors appointed Aviv Hillo as a director of the Company.

On September 17, 2015, we issued an aggregate of 220,000 shares of common stock at \$0.50 per unit to investors for aggregate gross proceeds of \$110,000. In connection with the purchases, we issued three-year warrants to purchase an aggregate of 220,000 shares of common stock at an exercise price of \$2.00 per share.

## **Results of Operations**

### **Three Months Ended September 30, 2015 Compared With Three Months Ended September 30, 2014**

#### *Overview*

We reported a net loss of \$92,527 and \$18,005 for the three months ended September 30, 2015 and 2014, respectively, an increase of \$74,522, or 414%, primarily due to a \$46,500 reduction in revenues and increased operating expenses of \$27,526.

#### *Revenues*

For the three months ended September 30, 2014, we generated \$46,500 of revenues which resulted from our professional service agreement with an entity in which our CEO has an indirect 19% interest. We had no revenues during the three months ended September 30, 2015.

#### *General and administrative expenses*

General and administrative expenses were \$92,031 and \$64,505 for the three months ended September 30, 2015 and 2014, respectively, an increase of \$27,526, or 43%, primarily due to an increase of approximately \$14,000 of professional fees associated with our filings with the Securities and Exchange Commission (“SEC”) and an increase of approximately \$17,000 of payroll expenses.

#### *Interest expense*

Interest expense for the three months ended September 30, 2015 and 2014 was \$496 and \$0, respectively, which was attributable to the short term advances provided by our CEO.

### **Nine Months Ended September 30, 2015**

#### *Overview*

We reported a net loss of \$240,066 for the nine months ended September 30, 2015, which resulted primarily from operating expenses of \$278,530, partially offset by revenues of \$39,000.

#### *Revenues*

Our revenues for the nine months ended September 30, 2015 were \$39,000, which resulted from our professional service agreement with an entity in which our CEO has an indirect 19% interest.

### *General and administrative expenses*

General and administrative expenses were \$278,530 for the nine months ended September 30, 2015, which were primarily comprised of \$90,000 attributable to compensation earned by our CEO in connection with services performed related to our client, approximately \$55,000 of professional fees associated with the filing of our registration statement and other SEC filings, approximately \$61,000 of payroll expenses and approximately \$45,000 of rent and office services expense related to an entity controlled by our CEO.

### *Interest expense*

Interest expense for the nine months ended September 30, 2015 was \$536 which was attributable to the short term advances provided by our CEO.

### **Period from June 5, 2014 (Inception) to September 30, 2014**

#### *Overview*

We reported a net loss of \$23,510 for the period from June 5, 2014 (inception) to September 30, 2014, which resulted primarily from operating expenses of \$70,010, partially offset by revenues of \$46,500.

#### *Revenues*

Our revenues for the period from June 5, 2014 (inception) to September 30, 2014 were \$46,500, which resulted from our professional service agreement with an entity in which our CEO has an indirect 19% interest.

#### *General and administrative expenses*

General and administrative expenses were \$70,010 during the period from June 5, 2014 (inception) to September 30, 2014, of which \$40,000 was attributable to compensation earned by our CEO in connection with services performed related to our client and \$20,000 was related to rent and office services expense paid to an entity controlled by our CEO.

### **Liquidity and Capital Resources**

#### *Liquidity*

We measure our liquidity in a number of ways, including the following:

	<u>September 30, 2015</u> (Unaudited)	<u>December 31, 2014</u>
Cash	\$ 43,085	\$ 66,158
Working capital deficiency	\$ (136,973)	\$ (6,947)

#### *Availability of Additional Funds*

Except for the monthly consulting fee to our CEO and Chairman of the Board and the month-to-month lease of our office space, as described elsewhere in this Quarterly Report, we currently do not have any material commitments for capital expenditures. In addition, as of September 30, 2015, with regards to our professional service agreement that provided 100% of our revenues since inception, we and our client have fully satisfied our professional service and payment obligations under the agreement, respectively. We are actively pursuing new client relationships. Even if we were to add a new client(s), due to our current lack of a diversified client base, there could be temporary imbalances between cash receipts and cash operating expenditures, which means that we may need to raise additional capital in order to have sufficient working capital in reserve. The engagement revenues associated with most client engagements will self-fund the in-house and sub-contractor services we need in order to supply products and services to our clients. If there are significant delays in bringing in new clients before we raise additional capital, it may be necessary to delay our vendor payments to related parties. If we're not successful in obtaining new clients, we may exhaust our capital reserves and need to suspend our operations until we obtain sufficient funding.

Currently, we have no established bank-financing arrangements. Therefore, depending on the revenue growth rate, we may need to seek additional financing through a future private offering of our equity or debt securities, or through strategic partnerships and other arrangements with corporate partners. We believe we will be successful in these efforts; however, there can be no assurance we will meet our internal revenue forecasts or, if necessary, be successful in raising additional debt or equity financing to fund our operations on terms agreeable to us. These matters raise substantial doubt about our ability to continue as a going concern, as was noted by our independent auditors in their audit opinion associated with our December 31, 2014 financial statements. If we are unable to meet our internal revenue forecasts or obtain additional financing on a timely basis, we may have to delay vendor payments and/or initiate cost reductions, which would have a material adverse effect on our business, financial condition and results of operations, and ultimately we could be forced to discontinue our operations, liquidate, and/or seek reorganization under the U.S. bankruptcy code.

Our condensed financial statements included elsewhere in this Quarterly Report have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate our continuation as a going concern and the realization of assets and satisfaction of liabilities in the normal course of business. The carrying amounts of assets and liabilities presented in the financial statements do not necessarily purport to represent realizable or settlement values. The condensed financial statements do not include any adjustment that might result from the outcome of this uncertainty.

During the nine months ended September 30, 2015, our sources and uses of cash were as follows:

#### **Net Cash Used in Operating Activities**

We experienced negative cash flow from operating activities for the nine months ended September 30, 2015 in the amount of \$132,088. The net cash used in operating activities was primarily due to cash used to fund a net loss of \$240,066 adjusted for non-cash expenses of \$40, partially offset by \$107,938 of net cash provided by changes in working capital balances, primarily due to an increase in accrued expenses and other current liabilities.

#### **Net Cash Provided by Financing Activities**

Net cash provided by financing activities during the nine months ended September 30, 2015 was \$109,015 related to \$110,000 of proceeds from the sale of common stock and warrants and \$37,340 of proceeds from short term advances from related parties partially offset by the repayment of \$38,325 of short term advances from related parties.

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

We do not have any off-balance sheet arrangements.

#### **Critical Accounting Policies and Estimates**

There are no material changes from the critical accounting policies set forth in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our registration statement on Amendment No. 3 to Form S-1 which was filed with the SEC on June 5, 2015 and declared effective by the SEC on June 15, 2015. Please refer to that document for disclosures regarding the critical accounting policies related to our business.

#### **Recent Accounting Standards**

We have implemented all new accounting standards that are in effect and may impact our financial statements and do not believe that there are any other new accounting standards that have been issued that might have a material impact on our financial position or results of operations.

#### **Item 3. Quantitative And Qualitative Disclosures About Market Risk.**

Not applicable.

#### **Item 4. Controls and Procedures.**

##### *Disclosure Controls and Procedures*

Disclosure controls are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), such as this Quarterly Report, is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls are also designed with the objective of ensuring that such information is accumulated and communicated to our management, including the Principal Executive and Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Internal controls are procedures which are designed with the objective of providing reasonable assurance that (1) our transactions are properly authorized, recorded and reported; and (2) our assets are safeguarded against unauthorized or improper use, to permit the preparation of our condensed financial statements in conformity with United States generally accepted accounting principles.

In connection with the preparation of this Quarterly Report on Form 10-Q for the quarter ended September 30, 2015, management, with the participation of our Principal Executive and Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)). Based upon that evaluation, our Principal Executive and Financial Officer concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures were effective.

*Changes in Internal Controls*

There have been no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 or 15d-15 under the Exchange Act that occurred during the quarter ended September 30, 2015 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

*Limitations of the Effectiveness of Control*

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. Because of the inherent limitations of any control system, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected.

## PART II – OTHER INFORMATION

### Item 1. Legal Proceedings.

We are currently not aware of any such legal proceedings or claims that we believe will have a material adverse effect on our business, financial condition or operating results. From time to time, we may become involved in various lawsuits and legal proceedings, which arise, in the ordinary course of business. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters that may harm our business could arise from time to time.

### Item 1A. Risk Factors.

Smaller reporting companies are not required to provide the information required by this item.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

On September 17, 2015, we issued an aggregate of 220,000 shares of common stock at \$0.50 per unit to investors for aggregate gross proceeds of \$110,000. In connection with the purchases, we issued three-year warrants to purchase an aggregate of 220,000 shares of common stock at an exercise price of \$2.00 per share.

We relied on the exemption from registration provided by section 4(a)(2) of the Securities Act of 1933, as amended.

### Item 3. Defaults Upon Senior Securities.

None.

### Item 4. Mine Safety Disclosures.

Not applicable.

### Item 5. Other Information.

None.

### Item 6. Exhibits.

<b>Exhibit Number</b>	<b>Description</b>
4.1	* Form of Warrant dated September 17, 2015 to Purchase Common Stock
10.1	* Form of Securities Purchase Agreement dated September 17, 2015, by and between Balance Labs, Inc. and certain investors
31.1	* Certification of President, Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	* Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	* 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.INS	* XBRL Instance Document
101.SCH	* XBRL Schema Document
101.CAL	* XBRL Calculation Linkbase Document
101.DEF	* XBRL Definition Linkbase Document
101.LAB	* XBRL Label Linkbase Document
101.PRE	* XBRL Presentation Linkbase Document
	* Filed herewith.
	** In accordance with the SEC Release 33-8238, deemed being furnished and not filed.



**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 hereunto duly authorized.

**BALANCE LABS, INC.**

Dated: November 16, 2015

By: /s/ Michael D. Farkas

Name: Michael D. Farkas

Title: President, Chief Executive Officer  
and Chief Financial Officer  
(Principal Executive and Financial  
Officer)

NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

**COMMON STOCK PURCHASE WARRANT**

**BALANCE LABS, INC.**

Warrant Shares: \_\_\_\_\_

Issue Date: September 17, 2015

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, [\_\_\_\_\_] or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or prior to the close of business on September 16, 2018 (the "Termination Date") but not thereafter, to subscribe for and purchase from Balance Labs, Inc., a Delaware corporation (the "Company"), up to \_\_\_\_\_ shares (as subject to adjustment hereunder, the "Warrant Shares") of Common Stock. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in that certain Securities Purchase Agreement (the "Agreement"), dated September 17, 2015, between the Company and the Holder.

Section 2.      Exercise.

a)      Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or before the Termination Date by delivery to the Company (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Company) of a duly executed facsimile copy of the Notice of Exercise in the form annexed hereto and within three (3) Trading Days of the date said Notice of Exercise is delivered to the Company, the Company shall have received payment of the aggregate Exercise Price of the shares thereby purchased by wire transfer or cashier's check drawn on a United States bank or, if available, pursuant to the cashless exercise procedure specified in Section 2(c) below. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise form be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Business Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

b )      Exercise Price. The exercise price per share of the Common Stock under this Warrant shall be \$2.00, subject to adjustment hereunder (the "Exercise Price").

c)      Mechanics of Exercise.

i .      Delivery of Warrant Shares Upon Exercise. Warrant Shares purchased hereunder shall be issued by the Transfer Agent to the Holder.

ii.      Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii.      No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

iv. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for processing of any Notice of Exercise.

d) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). The "Beneficial Ownership Limitation" shall be 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The Holder, upon not less than 61 days' prior notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(d), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon exercise of this Warrant held by the Holder and the provisions of this Section 2(d) shall continue to apply. Any such increase or decrease will not be effective until the 61<sup>st</sup> day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(d) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

Section 3. Certain Adjustments.

a ) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b ) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

c) Notice to Holder.

i . Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly mail to the Holder a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

i i . Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be mailed to the Holder at its last address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

a ) Transferability. This Warrant and all rights hereunder are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date the Holder delivers an assignment form to the Company assigning this Warrant full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b ) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the Issue Date and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c ) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

d ) Transfer Restrictions. If, at the time of the surrender of this Warrant in connection with any transfer of this Warrant, the transfer of this Warrant shall not be either (i) registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws or (ii) eligible for resale pursuant to Rule 144.

e ) Representation by the Holder. The Holder, by the acceptance hereof, represents and warrants that it is acquiring this Warrant and, upon any exercise hereof, will acquire the Warrant Shares issuable upon such exercise, for its own account and not with a view to or for distributing or reselling such Warrant Shares or any part thereof in violation of the Securities Act or any applicable state securities law, except pursuant to sales registered or exempted under the Securities Act.

Section 5. Call. Notwithstanding anything herein to the contrary, the Company, at its option, may call up to one hundred percent (100%) of this Warrant at an exercise price of \$2.00 per Warrant Share by providing the Holder ten (10) day written notice if (A) the per share market value of the Common Shares is equal to or greater than \$4.00 (as may be adjusted for any stock splits or combinations of the Common Stock) for consecutive fifteen (15) trading days ("Lookback Period") and (B) the average daily trading volume for the Common Stock exceeds 50,000 shares during the Lookback Period.

Section 6. Miscellaneous.

a ) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2, except as expressly set forth in Section 3.

b ) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

d) Authorized Shares.

The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.



Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

- e ) Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be determined in accordance with the provisions of the Agreement.
- f) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies, notwithstanding the fact that all rights hereunder terminate on the Termination Date. If the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.
- g) Notices. Any notice, request or other document required or permitted to be given or delivered to the Holder by the Company shall be delivered in accordance with the notice provisions of the Agreement.
- h) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.
- i ) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.
- j) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

k ) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

l ) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

m ) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

**BALANCE LABS, INC.**

By: \_\_\_\_\_

Name:

Title:

**NOTICE OF EXERCISE**

TO: BALANCE LABS, INC.

(1) The undersigned hereby elects to purchase \_\_\_\_\_ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

in lawful money of the United States; or

the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

\_\_\_\_\_

The Warrant Shares shall be delivered to the following address:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
[SIGNATURE OF HOLDER]

Name of Investing Entity: \_\_\_\_\_

*Signature of Authorized Signatory of Investing Entity:* \_\_\_\_\_

Name of Authorized Signatory: \_\_\_\_\_

Title of Authorized Signatory: \_\_\_\_\_

Date: \_\_\_\_\_

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ASSIGNMENT FORM

*(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)*

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: \_\_\_\_\_  
(Please Print)

Address: \_\_\_\_\_  
(Please Print)

Dated: \_\_\_\_\_, \_\_\_\_\_

Holder's Signature: \_\_\_\_\_

Holder's Address: \_\_\_\_\_

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## SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (the "Agreement"), dated as of September 17, 2015, is entered into by and among Balance Labs, Inc., a Delaware corporation (the "Company"), and \_\_\_\_\_ (the "Purchaser").

## WITNESSETH:

WHEREAS, the Company and the Purchaser are executing and delivering this Agreement in accordance with and in reliance upon the exemption from securities registration for offers and sales to accredited investors afforded, *inter alia*, by Rule 506 under Regulation D ("Regulation D"), to foreign investors afforded by Regulation S ("Regulation S"), as promulgated by the United States Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Securities Act"), and/or Section 4(2) of the Securities Act; and

WHEREAS, the Purchaser wishes to purchase certain Units of the Company consists of shares of Company's Common Stock and Warrants, subject to and upon the terms and conditions of this Agreement and acceptance of this Agreement by the Company, on the terms and conditions referred to herein.

NOW THEREFORE, in consideration of the premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**1. AGREEMENT TO PURCHASE; PURCHASE PRICE.**

**a. Purchase.**

(i) Subject to the terms and conditions of this Agreement and Transaction Documents, the Purchaser hereby agrees to purchase from the Company, and the Company hereby agrees to sell and issue to the Purchaser, \_\_\_\_\_ Units (as defined below), at a purchase price of \$0.50 per Unit (the "Unit Price"), for an aggregate purchase price of \$ \_\_\_\_\_ (the "Purchase Price"), on the Closing Date (as defined below).

(ii) In consideration for the Purchaser agreeing to purchase the Shares, the Company agrees to issue to the Purchaser the Warrants in the form of **Exhibit A** hereto. Additional provisions relating to the Warrants are provided below.

(iii) The issuance of the Shares and Warrants and the other transactions contemplated hereby are sometimes referred to herein and in the other Transaction Documents as the purchase and sale of the Securities (as defined below), and are referred to collectively as the "Transactions".

**b. Certain Definitions.** As used herein, each of the following terms has the meaning set forth below, unless the context otherwise requires:

“Common Stock” means the Company’s common stock, par value \$0.0001 per share.

“Closing Date” means the date of the closing of the issuance of Shares and Warrants.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Holder” means the Person holding the relevant Securities at the relevant time.

“Material Adverse Effect” means an event or combination of events, which individually or in the aggregate, would reasonably be expected to (w) adversely affect the legality, validity or enforceability of the Securities or any of the Transaction Documents, (x) have or result in a material adverse effect on the results of operations, assets, prospects, or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole, (y) adversely impair the Company's ability to perform fully on a timely basis its obligations under any of the Transaction Documents or the transactions contemplated thereby, or (z) materially and adversely affect the value of the rights granted to the Purchaser in the Transaction Documents.

“Person” means any living person or any entity, such as, but not necessarily limited to, a corporation, partnership or trust.

“Preferred Stock” means the Company’s preferred stock, par value \$0.0001 per share.

“Securities” means the Shares, the Warrants, the Warrant Shares, and any shares of Common Stock of the Company that may be issued to the Purchaser in connection with any other agreements between the parties.

“State of Incorporation” means Delaware.

“Share” means one (1) share of Company’s Common Stock.

“Subsidiary” means any subsidiary of the Company.

“Transfer Agent” means, at any time, the transfer agent for the Company’s Common Stock.

“Transaction Documents” means this Agreement, the Warrants, and all ancillary documents referred to in those agreements.

“Unit” means one Share and one Warrant.

“Warrant” means one (1) warrant to purchase one (1) share of the Common Stock at the Warrant Exercise Price, exercisable for three years from the executed date hereof.

“Warrant Exercise Price” means \$2.00 per share.

“Warrant Shares” means shares of Common Stock underlying the Warrants.

**c. Form of Payment; Delivery of Securities.**

(i) On the Closing Date, the Purchaser shall pay the Purchase Price by delivering immediately available funds in United States Dollars to the Company. The Company shall deliver the Shares and Warrants, duly executed on behalf of the Company to the Purchaser.

(iii) By signing this Agreement, the Purchaser and the Company agree to all of the terms and conditions of the Transaction Documents, all of the provisions of which are incorporated herein by this reference as if set forth in full.

**2. PURCHASER REPRESENTATIONS, WARRANTIES, ETC.; ACCESS TO INFORMATION; INDEPENDENT INVESTIGATION.**

The Purchaser represents and warrants to, and covenants and agrees with, the Company as follows:

**a .** Without limiting Purchaser's right to sell the Securities pursuant to an effective registration statement, if applicable, or otherwise in compliance with the Securities Act, the Purchaser is purchasing the Securities for its own account for investment only and not with a view towards the public sale or distribution thereof and not with a view to or for sale in connection with any distribution thereof.

**b .** In the event that the Purchaser is deemed as a “U.S. Person” under the Securities Act, the Purchaser is (i) an "accredited investor" as that term is defined in Rule 501 of the General Rules and Regulations under the Securities Act by reason of Rule 501(a)(3), (ii) experienced in making investments of the kind described in this Agreement and the related documents, (iii) able, by reason of the business and financial experience of its officers (if an entity) and professional advisors (who are not affiliated with or compensated in any way by the Company or any of its affiliates or selling agents), to protect its own interests in connection with the transactions described in this Agreement, and the related documents, and to evaluate the merits and risks of an investment in the Securities, and (iv) able to afford the entire loss of its investment in the Securities.

**c.** All subsequent offers and sales of the Securities by the Purchaser shall be made pursuant to registration of the relevant Securities under the Securities Act or pursuant to an exemption from registration.



d . The Purchaser understands that the Securities are being offered and sold to it in reliance on specific exemptions from the registration requirements of the Securities Act and state securities laws and that the Company is relying upon the truth and accuracy of, and the Purchaser's compliance with, the representations, warranties, agreements, acknowledgments and understandings of the Purchaser set forth herein in order to determine the availability of such exemptions and the eligibility of the Purchaser to acquire the Securities.

e . The Purchaser and its advisors, if any, have been furnished with or have been given access to all materials relating to the business, finances and operations of the Company and materials relating to the offer and sale of the Securities which have been requested by the Purchaser, including those set forth on in any annex attached hereto. The Purchaser and its advisors, if any, have been afforded the opportunity to ask questions of the Company and its management and have received complete and satisfactory answers to any such inquiries.

f. The Purchaser understands that its investment in the Securities involves a high degree of risk.

g . The Purchaser hereby represents that, in connection with its purchase of the Securities, it has not relied on any statement or representation by the Company or any of its officers, directors and employees or any of their respective attorneys or agents, except as specifically set forth herein.

h . The Purchaser understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Securities.

i . This Agreement and the other Transaction Documents to which the Purchaser is a party, and the transactions contemplated thereby, have been duly and validly authorized, executed and delivered on behalf of the Purchaser and are valid and binding agreements of the Purchaser enforceable in accordance with their respective terms, subject as to enforceability to general principles of equity and to bankruptcy, insolvency, moratorium and other similar laws affecting the enforcement of creditors' rights generally.

3. **COMPANY REPRESENTATIONS, ETC.** The Company represents and warrants to the Purchaser as of the date hereof and as of the closing.

a. **Rights of Others Affecting the Transactions.** There are no preemptive rights of any shareholder of the Company, as such, to acquire the Shares, the Warrants, or any shares of the Company's Common Stock that may be issued to the Purchaser in connection with any other agreements between the parties, in the event such shares are issued.

b. **Status.** The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Incorporation and has the requisite corporate power to own its properties and to carry on its business as now being conducted. The Company is duly qualified as a foreign corporation to do business and is in good standing in each jurisdiction where the nature of the business conducted or property owned by it makes such qualification necessary, other than those jurisdictions in which the failure to so qualify would not have or result in a Material Adverse Effect.

**c. Authorized Shares.**

(i) The authorized capital stock of the Company consists of (i) 500,000,000 shares of Common Stock, of which 20,400,000 and 20,000,000 shares are issued and outstanding as of the date hereof; and (ii) 50,000,000 shares of Preferred Stock, none of which are outstanding as of the date hereof. No options or warrants are issued and outstanding.

(ii) The Company has sufficient authorized and unissued shares of Preferred Stock as may be necessary to effect the issuance of the Shares on the Closing Date.

(iii) As of the Closing Date, the Shares shall have been duly authorized by all necessary corporate action on the part of the Company, and, when issued pursuant to the relevant provisions of the Transaction Documents, in each case in accordance with their respective terms, will be duly and validly issued, fully paid and non-assessable and will not subject the Holder thereof to personal liability by reason of being such Holder.

**d. Transaction Documents and Stock.** This Agreement and each of the other Transaction Documents, and the transactions contemplated thereby, have been duly and validly authorized by the Company, this Agreement has been duly executed and delivered by the Company and this Agreement is, and the Warrants, and each of the other Transaction Documents, when executed and delivered by the Company, will be, valid and binding agreements of the Company enforceable in accordance with their respective terms, subject as to enforceability to general principles of equity and to bankruptcy, insolvency, moratorium, and other similar laws affecting the enforcement of creditors' rights generally.

**e. Non-contravention.** The execution and delivery of this Agreement and each of the other Transaction Documents by the Company, the issuance of the Securities, and the consummation by the Company of the other transactions contemplated by this Agreement, each of the Warrants, and the other Transaction Documents do not and will not conflict with or result in a breach by the Company of any of the terms or provisions of, or constitute a default under (i) the certificate of incorporation or by-laws of the Company, each as currently in effect, (ii) any indenture, mortgage, deed of trust, or other material agreement or instrument to which the Company is a party or by which it or any of its properties or assets are bound, including any listing agreement for the Common Stock except as herein set forth, or (iii) to its knowledge, any existing applicable law, rule, or regulation or any applicable decree, judgment, or order of any court, United States federal or state regulatory body, administrative agency, or other governmental body having jurisdiction over the Company or any of its properties or assets, except such conflict, breach or default which would not have or result in a Material Adverse Effect.

**f. Approvals.** No authorization, approval or consent of any court, governmental body, regulatory agency, self-regulatory organization, or stock exchange or market or the shareholders of the Company is required to be obtained by the Company for the issuance and sale of the Securities to the Purchaser as contemplated by this Agreement, except such authorizations, approvals and consents that have been obtained.

**g. Absence of Litigation.** There is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending or, to the knowledge of the Company, threatened against or affecting the Company before or by any governmental authority or nongovernmental department, commission, board, bureau, agency or instrumentality or any other person, wherein an unfavorable decision, ruling or finding would have a Material Adverse Effect or which would adversely affect the validity or enforceability of, or the authority or ability of the Company to perform its obligations under, any of the Transaction Documents. The Company is not aware of any valid basis for any such claim that (either individually or in the aggregate with all other such events and circumstances) could reasonably be expected to have a Material Adverse Effect. There are no outstanding or unsatisfied judgments, orders, decrees, writs, injunctions or stipulations to which the Company is a party or by which it or any of its properties is bound, that involve the transaction contemplated herein or that, alone or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

**h. Dilution.** Any shares of the Company's Common issued to the Purchaser in connection with any agreements between the parties hereto, in the event such shares are issued may have a dilutive effect on the ownership interests of the other shareholders (and Persons having the right to become shareholders) of the Company. The Company's executive officers and directors have studied and fully understand the nature of the Securities being sold hereby and recognize that they have such a potential dilutive effect. The board of directors of the Company has concluded, in its good faith business judgment, that such issuance is in the best interests of the Company.

**i. Authorization; Enforcement.** The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by each of the Transaction Documents and otherwise to carry out its obligations thereunder. The execution and delivery of each of the Transaction Documents by the Company and the consummation by it of the transactions contemplated thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company in connection therewith. Each Transaction Agreement has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

**j. Tax Status.** Except for matters that would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect, the Company has no knowledge of a tax deficiency which has been asserted or threatened against the Company or any Subsidiary.

#### 4. CERTAIN COVENANTS AND ACKNOWLEDGMENTS.

a. **Transfer Restrictions.** The Purchaser acknowledges that (1) the Securities have not been and are not being registered under the provisions of the Securities Act and may not be transferred unless (A) subsequently registered thereunder or (B) the Purchaser shall have delivered to the Company an opinion of counsel, reasonably satisfactory in form, scope and substance to the Company, to the effect that the Securities to be sold or transferred may be sold or transferred pursuant to an exemption from such registration; (2) any sale of the Securities made in reliance on Rule 144 promulgated under the Securities Act ("Rule 144") may be made only in accordance with the terms of said Rule and further, if said Rule is not applicable, any resale of such Securities under circumstances in which the seller, or the Person through whom the sale is made, may be deemed to be an underwriter, as that term is used in the Securities Act, may require compliance with some other exemption under the Securities Act or the rules and regulations of the SEC thereunder; and (3) neither the Company nor any other Person is under any obligation to register the Securities under the Securities Act or to comply with the terms and conditions of any exemption thereunder.

b. **Restrictive Legend.** The Purchaser acknowledges and agrees that the certificates and other instruments representing any of the Securities shall bear a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of any such Securities):

"THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES OR AN OPINION OF COUNSEL OR OTHER EVIDENCE ACCEPTABLE TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED."

c. **Filings.** The Company undertakes and agrees to make all necessary filings in connection with the sale of the Securities to the Purchaser under any United States laws and regulations applicable to the Company, or by any domestic securities exchange or trading market, and to provide a copy thereof to the Purchaser promptly after such filing.

d. **Publicity, Filings, Releases, Etc.** Except for disclosure required by the SEC, each of the parties agrees that it will not disseminate any information relating to the Transaction Documents or the transactions contemplated thereby, including issuing any press releases, holding any press conferences or other forums, or filing any reports (collectively, "Publicity"), without giving the other party reasonable advance notice and an opportunity to comment on the contents thereof. Neither party will include in any such Publicity any statement or statements or other material to which the other party reasonably objects, unless in the reasonable opinion of counsel to the party proposing such statement, such statement is legally required to be included.

## **5. TRANSFER AGENT INSTRUCTIONS.**

**a.** The Company warrants that, with respect to the Securities, other than the stop transfer instructions to give effect to Section 4(a) hereof, it will give its transfer agent no instructions inconsistent with instructions to issue the Shares to the Holder as contemplated in the Transaction Documents. Nothing in this Section shall affect in any way the Purchaser's obligations and agreement to comply with all applicable securities laws upon resale of the Securities. If the Purchaser provides the Company with an opinion of counsel reasonably satisfactory to the Company that registration of a resale by the Purchaser of any of the Securities in accordance with clause (1) (B) of Section 4(a) of this Agreement is not required under the Securities Act, the Company shall (except as provided in clause (2) of Section 4(a) of this Agreement) permit the transfer or issuance of the Common Stock upon conversion of the Shares and/or exercise of the Warrants represented by one or more certificates for Common Stock without legend (or where applicable, by electronic registration) in such name and in such denominations as specified by the Purchaser.

**b.** The Company will authorize the Transfer Agent to give information relating to the Company directly to the Holder or the Holder's representatives upon the request of the Holder or any such representative, to the extent such information relates to (i) the status of shares of Common Stock issued or claimed to be issued to the Holder in connection with a Notice of Exercise, or (ii) the aggregate number of outstanding shares of Common Stock of all shareholders (as a group, and not individually) as of a current or other specified date. At the request of the Holder, the Company will provide the Holder with a copy of the authorization so given to the Transfer Agent.

## **6. CONDITIONS TO THE COMPANY'S OBLIGATION TO SELL.**

The Purchaser understands that the Company's obligation to sell the Securities to the Purchaser pursuant to this Agreement on a closing date is conditioned upon:

**a.** The execution and delivery of this Agreement by the Purchaser;

**b.** Delivery by the Purchaser to the Company the Purchase Price;

**c.** The accuracy in all material respects on the applicable closing date of the representations and warranties of the Purchaser contained in this Agreement, each as if made on such date;

**d.** There shall not be in effect any law, rule or regulation prohibiting or restricting the transactions contemplated hereby, or requiring any consent or approval which shall not have been obtained; and

**e.** For additional closing, the Purchaser shall satisfy the conditions from (b) to (d) above.

## 7. CONDITIONS TO THE PURCHASER'S OBLIGATION TO PURCHASE.

The Company understands that the Purchaser's obligation to purchase any Securities and its acceptance of any shares of the Company's Common Stock that may be issued in connection with any agreements between the parties hereto on a closing date is conditioned upon:

- a. The execution and delivery of this Agreement and the other Transaction Documents by the Company;
- b. Delivery by the Company to the Purchaser of the Shares and the Warrants on the applicable closing date in accordance with this Agreement or any other agreements between the parties;
- c. The accuracy in all material respects on the applicable closing date of the representations and warranties of the Company contained in this Agreement, each as if made on such date, and the performance by the Company on or before such date of all covenants and agreements of the Company required to be performed on or before such date;
- d. There shall not be in effect any law, rule or regulation prohibiting or restricting the transactions contemplated hereby, or requiring any consent or approval which shall not have been obtained;
- e. From and after the date hereof to and including the applicable closing date, each of the following conditions will remain in effect: there shall not have been any Material Adverse Effect in regards to the Company; and
- f. For additional closing, the Company shall satisfy the conditions from (a) to (e) above.

**8. ANTI-DILUTION.** For a period of ninety (90) days following the Closing Date, the Company agrees that it will not, without the consent of the Purchaser, conduct an offering of securities at a price per share less than the Purchase Price. In addition, other than in connection with (i) full or partial consideration in connection with a strategic merger, acquisition, consolidation or purchase of substantially all of the securities or assets of a corporation or other entity so long as such issuances are not for the purpose of raising capital and which holders of such securities or debt are not at any time granted registration rights, (ii) the Company's issuance of securities in connection with a bona fide strategic agreements and other partnering arrangements with an independent third party in a similar business as the Company so long as such issuances are not for the purpose of raising capital and which holders of such securities or debt are not at any time granted registration rights, (iii) the Company's issuance of Common Stock or the issuances or grants of options to purchase Common Stock of up to 10% of the Company's outstanding shares to employees, directors, and consultants, pursuant to an approved employee benefit plan, and (iv) as a result of the conversion of the exercise of Warrants which are issued or granted pursuant to this Agreement (collectively, the foregoing (i) through (iv) are "Excepted Issuances"), if for a period of ninety (90) days following the Closing Date, the Company shall agree to or issue (the "Lower Price Issuance") any Common Stock or securities convertible into or exercisable for shares of Common Stock (or modify any of the foregoing which may be outstanding) to any person or entity at a price per share or conversion or exercise price per share which shall be less than the conversion or exercise price in effect at such time without the consent of the Purchaser, then the conversion or exercise price shall be reduced to such lower price.

**9. JURY TRIAL WAIVER.** The Company and the Purchaser hereby waive a trial by jury in any action, proceeding or counterclaim brought by either of the Parties hereto against the other in respect of any matter arising out or in connection with the Transaction Documents.

**10. GOVERNING LAW.** This Agreement will be governed by and construed and enforced under the laws of the State of New York, without reference to principles of conflict of laws or choice of laws.

**11. CONSENT TO JURISDICTION.** Each of the Company and the Purchaser (i) hereby irrevocably submits to the jurisdiction of the United States District Court sitting in the Southern District of New York and the courts of the State of New York located in New York county for the purposes of any suit, action or proceeding arising out of or relating to this Agreement and (ii) hereby waives, and agrees not to assert in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such court, that the suit, action or proceeding is brought in an inconvenient forum or that the venue of the suit, action or proceeding is improper. Each of the Company and the Purchaser consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address set forth in Section 14 hereof and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing in this Section 13 shall affect or limit any right to serve process in any other manner permitted by applicable law.

**12. NOTICES.** Any notices and other communications required or permitted under this Agreement shall be in writing and shall be delivered (i) personally by hand or by courier, (ii) mailed by United States first-class mail, postage prepaid or (iii) sent by facsimile or other electronic transmission directed to the address or facsimile number or other address for electronic transmission set forth below. All such notices and other communications shall be deemed given upon (i) receipt or refusal of receipt, if delivered personally, (ii) three (3) days after being placed in the mail, if mailed, or (iii) confirmation of facsimile transfer or other electronic transmission, if faxed or emailed.

If to the Company:

Balance Labs, Inc.  
1111 Lincoln Road, 4th Floor  
Miami Beach, FL 33139  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_  
Attention: \_\_\_\_\_

If to the Purchaser:

\_\_\_\_\_  
\_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

**13. SURVIVAL OF REPRESENTATIONS AND WARRANTIES** . The Company's and the Purchaser's representations and warranties herein shall survive for a period of six (6) months after the execution and delivery of this Agreement, and shall inure to the benefit of the Purchaser and the Company and their respective successors and assigns.

**14. SUCCESSORS AND ASSIGNS.** The terms and conditions of this Agreement will inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties. The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Purchaser. Purchaser may assign its rights under this Agreement to any person to whom the Purchaser assigns or transfers any of the Shares, provided that such transferee agrees in writing to be bound by the terms and provisions of this Agreement, and such transfer is in compliance with the terms and provisions of this Agreement and permitted by federal and state securities laws.

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IN WITNESS WHEREOF, this Agreement has been duly executed by the Purchaser and the Company as of the date set first above written.

**COMPANY:**

**Balance Labs, Inc.**

By: \_\_\_\_\_  
Name: Michael Farkas  
Title: Founder/Chairman

**PURCHASER:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_

**Exhibit A**  
**Form of the Warrant**

**CERTIFICATION  
OF PRESIDENT, CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER  
PURSUANT TO SECTION 302  
OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael D. Farkas, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Balance Labs, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) [Omitted pursuant to Exchange Act Rule 13a-14 of the Securities Exchange Act of 1934];
  - 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. [Omitted pursuant to Exchange Act Rule 13a-14 of the Securities Exchange Act of 1934]:
  - a) [Omitted pursuant to Exchange Act Rule 13a-14 of the Securities Exchange Act of 1934]; and
  - b) [Omitted pursuant to Exchange Act Rule 13a-14 of the Securities Exchange Act of 1934].

Date: November 16, 2015

/s/ Michael D. Farkas

Michael D. Farkas  
President, Chief Executive Officer and Chief Financial Officer  
(Principal Executive & Financial Officer)

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**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), the undersigned officers of Balance Labs, Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report for the quarter ended September 30, 2015 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 16, 2015

By: /s/ Michael D. Farkas

Michael D. Farkas  
Chief Executive Officer  
(Principal Executive Officer)

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**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), the undersigned officers of Balance Labs, Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report for the quarter ended September 30, 2015 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 16, 2015

By: /s/ Michael D. Farkas

Michael D. Farkas  
Chief Financial Officer  
(Principal Accounting Officer)

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