STEVEN MADDEN, LTD.
Form DEFA14A
April 08, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934 (Amendment No. __)

Filed by the Registrant þ

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

o Definitive Proxy Statement

þ Definitive Additional Materials

o Soliciting Material Pursuant to §240.14a-12

Steven Madden, Ltd.
(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

þ No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:
(2) Aggregate number of securities to which transaction applies:
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
(4) Proposed maximum aggregate value of transaction:
(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:
(2) Form, Schedule or Registration Statement No.:
(3) Filing Party:
(4) Date Filed:

***** Exercise Your *Right* to Vote *****
Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on May 24, 2019.

STEVEN MADDEN, LTD.

Meeting Information

Meeting Type: Annual Meeting
For holders as of: March 29, 2019
Date: May 24, 2019
Time: 10:00 AM EDT
Location: Company's Showroom 1370 Avenue of the Americas 14th Floor New York, New York 10019

STEVEN MADDEN, LTD.
ATTN: ARVIND DHARIA
52-16 BARNETT AVENUE
LONG ISLAND CITY, NY 11104

You are receiving this communication because you hold shares in the company named above.

This is not a ballot. You cannot use this notice to vote these shares. This communication presents only an overview of the more complete proxy materials that are available to you on the Internet. You may view the proxy materials online at *www.proxyvote.com* or easily request a paper copy (see reverse side).

We encourage you to access and review all of the important information contained in the proxy materials before voting.

See the reverse side of this notice to obtain proxy materials and voting instructions.

E72431-P22114

Before You Vote

How to Access the
Proxy Materials

Proxy Materials Available to VIEW or RECEIVE:

1. NOTICE AND PROXY STATEMENT 2. ANNUAL REPORT WITH 10-K

How to View Online:

Have the information that is printed in the box marked by the arrow è XXXX XXXX XXXX XXXX (located on the following page) and visit: *www.proxyvote.com.*

How to Request and Receive a PAPER or E-MAIL Copy:

If you want to receive a paper or e-mail copy of these documents, you must request one. There is NO charge for requesting a copy. Please choose one of the following methods to make your request:

1) *BY INTERNET*: www.proxyvote.com
2) *BY TELEPHONE*: 1-800-579-1639
3) *BY E-MAIL**: sendmaterial@proxyvote.com

* If requesting materials by e-mail, please send a blank e-mail with the information that is printed in the box marked by the arrow è XXXX XXXX XXXX XXXX (located on the following page) in the subject line. Requests, instructions and other inquiries sent to this e-mail address will NOT be forwarded to your investment advisor. Please make the request as instructed above on or before May 10, 2019 to facilitate timely delivery.

How To Vote

Please Choose One of the Following Voting Methods

Vote In Person: Many stockholder meetings have attendance requirements including, but not limited to, the possession of an attendance ticket issued by the entity holding the meeting. Please check the meeting materials for any special requirements for meeting attendance. At the meeting, you will need to request a ballot to vote these shares.

Vote By Internet: To vote now by Internet, go to *www.proxyvote.com*. Have the information that is printed in the box marked by the arrow è XXXX XXXX XXXX XXXX (located on the following page) available and follow the instructions.

Vote By Mail: You can vote by mail by requesting a paper copy of the materials, which will include a proxy card.

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Voting Items

The Board of Directors recommends you vote FOR the following:

1. Election of Directors

   Nominees:

01) Edward R. Rosenfeld	06) Ravi Sachdev
02) Mitchell S. Klipper	07) Thomas H. Schwartz
03) Rose Peabody Lynch	08) Robert Smith
04) Peter Migliorini	09) Amelia Newton Varela
05) Richard P. Randall	

The Board of Directors recommends you vote FOR proposals 2, 3, 4 and 5.

2. TO APPROVE AN AMENDMENT TO THE COMPANY'S CERTIFICATE OF INCORPORATION TO INCREASE THE TOTAL NUMBER OF AUTHORIZED SHARES OF THE COMPANY'S COMMON STOCK, $0.0001 PAR VALUE, FROM 135,000,000 SHARES TO 245,000,000 SHARES.

3. TO APPROVE THE STEVEN MADDEN, LTD. 2019 INCENTIVE COMPENSATION PLAN.

4. TO RATIFY THE APPOINTMENT OF EISNERAMPER LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2019.

5. TO APPROVE, BY NON-BINDING ADVISORY VOTE, THE EXECUTIVE COMPENSATION DESCRIBED IN THE STEVEN MADDEN, LTD. PROXY STATEMENT.

The Board of Directors recommends you vote AGAINST proposal 6.

6. TO CONSIDER AND VOTE UPON A STOCKHOLDER PROPOSAL, IF PROPERLY PRESENTED, REGARDING A HUMAN RIGHTS RISK ASSESSMENT REPORT.

NOTE: In their discretion, the proxies are authorized to vote upon such other business as may properly be presented at the meeting or any adjournments or postponements thereof.

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Customer Contracts	611,119	92,818	518,301	10
Sensum+® License	234,545	38,227	196,318	10
Vesele® trademark	25,287	2,304	22,983	10
Novalere Mfg Contract	4,681,000	184,975	4,496,026	10
Total	$5,969,549	$357,482	$5,612,067	

December 31, 2014	Amount	Accumulated Amortization	Net Amount	Useful Lives (years)
Patent & Trademarks	$264,321	$23,671	$240,650	7 - 15
Customer Contracts	611,119	62,262	548,857	10
Sensum+® license	272,545	31,250	241,295	10
Vesele® trademark	25,287	717	24,570	10
Total	$1,173,272	$117,900	$1,055,372	

Expected amortization at June 30, 2015 is approximately $589,000 for each of the next five years and $2,667,000 thereafter.

Goodwill

The Novalere purchase price allocation was based upon an analysis of the fair value of the assets and liabilities acquired from Novalere. The final purchase price may be adjusted up to one year from the date of the acquisition. Identifying the fair value of the tangible and intangible assets and liabilities acquired required the use of estimates by management and were based upon currently available data, as noted below (See Note 5).

The Company allocated the excess of purchase price over the identifiable intangible and net tangible assets to goodwill. Such goodwill is not deductible for tax purposes and represents the value placed on entering new markets and expanding market share.

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The Company tests its goodwill for impairment annually, or whenever events or changes in circumstances indicates an impairment may have occurred, by comparing its reporting unit's carrying value to its implied fair value. Impairment may result from, among other things, deterioration in the performance of the acquired business, adverse market conditions, adverse changes in applicable laws or regulations and a variety of other circumstances. If the Company determines that an impairment has occurred, it is required to record a write-down of the carrying value and charge the impairment as an operating expense in the period the determination is made. In evaluating the recoverability of the carrying value of goodwill, the Company must make assumptions regarding estimated future cash flows and other factors to determine the fair value of the acquired assets. Changes in strategy or market conditions could significantly impact those judgments in the future and require an adjustment to the recorded balances. The goodwill was recorded as part of the acquisition of Semprae that occurred on December 24, 2013, and the acquisition of Novalere that occurred on February 5, 2015. There was no impairment of goodwill for the six months ended June 30, 2015 or the year ended December 31, 2014.

Long-Lived Assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. The Company evaluates assets for potential impairment by comparing estimated future undiscounted net cash flows to the carrying amount of the asset. If the carrying amount of the assets exceeds the estimated future undiscounted cash flows, impairment is measured based on the difference between the carrying amount of the assets and fair value.

Financial Instruments

If a conversion feature of conventional convertible debt is not accounted for separately as a derivative instrument and provides for a rate of conversion that is below market value, this feature is characterized as a Beneficial Conversion Feature (“BCF”). A BCF is recorded by the Company as a debt discount. The Company amortizes the discount to interest expense over the life of the debt using the effective interest rate method. The Company’s February 2014 Convertible Debenture and September 2014 Convertible Debenture each contain a BCF (See Note 7).

Income Taxes

Income taxes are provided for using the asset and liability method whereby deferred tax assets and liabilities are recognized using current tax rates on the difference between the financial statement carrying amounts and the respective tax basis of the assets and liabilities. The Company provides a valuation allowance on deferred tax assets when it is more likely than not that such assets will not be realized.

The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting this standard, the amount recognized in the financial statements is the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement with the relevant tax authority. There were no uncertain tax positions at June 30, 2015.

Revenue Recognition, Trade Receivables and Deferred Revenue

The Company generates revenues from product sales and the licensing of the rights to market and commercialize its products.

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The Company recognizes revenue in accordance with Accounting Standards Codification ("ASC") 605, Revenue Recognition. Revenue is recognized when all of the following criteria are met: (1) persuasive evidence of an arrangement exists; (2) title to the product has passed or services have been rendered; (3) price to the buyer is fixed or determinable and (4) collectability is reasonably assured.

Product Sales: The Company ships product to its wholesale and retail customers pursuant to purchase agreements or orders. Revenue from sales transactions where the buyer has the right to return the product is recognized at the time of sale only if (1) the seller's price to the buyer is substantially fixed or determinable at the date of sale, (2) the buyer has paid the seller, or the buyer is obligated to pay the seller and the obligation is not contingent on resale of the product, (3) the buyer's obligation to the seller would not be changed in the event of theft or physical destruction or damage of the product, (4) the buyer acquiring the product for resale has economic substance apart from that provided by the seller, (5) the seller does not have significant obligations for future performance to directly bring about resale of the product by the buyer and (6) the amount of future returns can be reasonably estimated.

The license agreements the Company enters into normally generate three separate components of revenue: 1) An initial payment due on signing or when certain specific conditions are met; 2) Royalties that are earned on an ongoing basis as sales are made or a pre-agreed transfer price and 3) Milestone payments that are earned when cumulative sales reach certain levels. Revenue from the initial payments or licensing fee is recognized when all required conditions are met. Royalties are recognized as earned based on the licensee's sales. Revenue from the milestone payments is recognized when the cumulative revenue levels are reached. ASC 605-28, Milestone Method, is not used by the Company as these milestones are sales-based and similar to a royalty and the achievement of the sales levels is neither based, in whole or in part, on the vendor's performance nor is a research or development deliverable.

Sales Allowances

The Company accrues for product returns, volume rebates and promotional discounts in the same period the related sale is recognized.

The Company's product returns accrual is primarily based on estimates of future product returns over the period customers have a right of return, which is in turn based in part on estimates of the remaining shelf-life of products when sold to customers. Future product returns are estimated primarily based on historical sales and return rates. The Company estimates its volume rebates and promotional discounts accrual based on its estimates of the level of inventory of its products in the distribution channel that remain subject to these discounts. The estimate of the level of products in the distribution channel is based primarily on data provided by the Company's customers.

In all cases, judgment is required in estimating these reserves. Actual claims for rebates and returns and promotional discounts could be materially different from the estimates.

The Company provides a customer satisfaction warranty on all of its products to customers for a specified amount of time after product delivery. Estimated return costs are based on historical experience and estimated and recorded when the related sales are recognized. Any additional costs are recorded when incurred or when they can reasonably be estimated.

The estimated reserve for sales returns and allowances, which is included in accounts receivable, was approximately $26,000 at June 30, 2015 and $24,000 at December 31, 2014.

Cost of Product Sales

Cost of product sales includes the cost of inventory, royalties and inventory reserves. The Company is required to make royalty payments based upon the net sales of three of its marketed products, Zestra®, Sensum+® and Vesele®.

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Research and Development Costs

Research and development ("R&D") costs, including research performed under contract by third parties, are expensed as incurred. Major components of R&D expenses consist of testing, post marketing clinical trials, material purchases and regulatory affairs.

Stock-based Compensation

The Company accounts for stock-based compensation in accordance with ASC 718, Stock Based Compensation, which requires the recognition of the fair value of stock-based compensation as an expense in the calculation of net income. ASC 718 requires that stock-based compensation expense be based on awards that are ultimately expected to vest. Stock-based compensation for the six months ended June 30, 2015 and 2014 have been reduced for estimated forfeitures. When estimating forfeitures, voluntary termination behaviors, as well as trends of actual option forfeitures, are considered. To the extent actual forfeitures differ from the Company's current estimates, cumulative adjustments to stock-based compensation expense are recorded.

Except for transactions with employees and directors that are within the scope of ASC 718, all transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable.

Equity Instruments Issued to Non-Employees for Services

Issuances of the Company's equity for services are measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. The measurement date for the fair value of the equity instruments issued to consultants is determined at the earlier of (a) the date at which a commitment for performance to earn the equity instruments is reached (a "performance commitment" which would include a penalty considered to be of a magnitude that is a sufficiently large disincentive for nonperformance) or (b) the date at which performance is complete, and is based upon the quoted market price of the common stock at the date of issuance (See Note 9).

Comprehensive Loss

Comprehensive loss consists of net loss and other gains and losses affecting stockholders' equity that, under U.S. GAAP, are excluded from net loss. Comprehensive loss was the same as net loss for the six months ended June 30, 2015 and 2014, as the Company has no other comprehensive income.

Loss per Share

Basic loss per share is computed by dividing net loss by the weighted average number of common shares outstanding during the period presented. Diluted loss per share is computed using the weighted average number of common shares outstanding during the periods plus the effect of dilutive securities outstanding during the periods. For the six months ended June 30, 2015 and 2014, basic earnings per share are the same as diluted earnings per share as a result of the Company's common stock equivalents being anti-dilutive.

The following table shows the anti-dilutive shares excluded from the calculation of basic and diluted loss per common share attributable to the Company as of June 30, 2015 and 2014:

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	As of June 30,	
	2015	2014
Gross number of shares excluded:		
Restricted Stock units	19,033,482	7,937,791
Stock options	134,000	62,000
Convertible Notes	2,281,128	825,000
Warrants	1,630,973	630,973
Total	23,079,583	9,455,764

The above table does not include the ANDA Consideration Shares related to the Novalere acquisition, as they are considered contingently issuable (See Note 5).

Recent Accounting Pronouncements

In July 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (ASU) No. 2015-11, Inventory (Topic 330): Simplifying the Measurement of Inventory. Topic 330, Inventory, currently requires an entity to measure inventory at the lower of cost or market. Market could be replacement cost, net realizable value, or net realizable value less an approximately normal profit margin. The amendments do not apply to inventory that is measured using last-in, first-out (LIFO) or the retail inventory method. The amendments apply to all other inventory, which includes inventory that is measured using first-in, first-out (FIFO) or average cost. An entity should measure in scope inventory at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Subsequent measurement is unchanged for inventory measured using LIFO or the retail inventory method. The amendments in this Update more closely align the measurement of inventory in GAAP with the measurement of inventory in International Financial Reporting Standards. For public business entities, the amendments are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. The amendments should be applied prospectively with earlier application permitted as of the beginning of an interim or annual reporting period. The Company is currently in the process of evaluating whether the adoption of this update will have a material effect on its condensed consolidated financial statements and related disclosures.

In April 2015, the FASB has issued Accounting Standards Update (ASU) No. 2015-03, Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs. The amendments in this ASU require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this ASU. For public business entities, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption of the amendments is permitted for financial statements that have not been previously issued. The amendments should be applied on a retrospective basis, wherein the balance sheet of each individual period presented should be adjusted to reflect the period-specific effects of applying the new guidance. Upon transition, an entity is required to comply with the applicable disclosures for a change in an accounting principle. These disclosures include the nature of and reason for the change in accounting principle, the transition method, a description of the prior-period information that has been retrospectively adjusted, and the effect of the change on the financial statement line items (i.e., debt issuance cost asset and the debt liability). The Company is currently in the process of evaluating whether the adoption of this update will have a material effect on its condensed consolidated financial statements and related disclosures.

In November 2014, the FASB issued Accounting Standards Update (“ASU”) No. 2014-16, Derivatives and Hedging (Topic 815): Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share is More Akin to Debt or to Equity. This update clarifies how current guidance should be interpreted in evaluating the economic characteristics and risks of a host contract in a hybrid financial instrument that is issued in the form of a share. In addition, it clarifies that in evaluating the nature of a host contract, an entity should assess the substance of the relevant terms and features (that is, the relative strength of the debt-like or equity-like terms and features given the facts and circumstances) when considering how to weight those terms and features. The effects of initially adopting the new standard should be applied on a modified retrospective basis to existing hybrid financial instruments issued in a form of a share as of the beginning of the fiscal year for which the amendments are effective. Retrospective application is permitted to all relevant prior periods. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted. The Company is currently in the process of evaluating whether the adoption of this update will have a material effect on its condensed consolidated financial statements and related disclosures.

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In August 2014, the FASB issued ASU No. 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. This update provide guidance in generally accepted accounting principles about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide footnote disclosures. The amendments require management to assess an entity's ability to continue as a going concern by incorporating and expanding upon certain principles that are currently in the applicable standards. Specifically, the amendments (1) provide a definition of the term substantial doubt, (2) require an evaluation every reporting period including interim periods, (3) provide principles for considering the mitigating effect of management's plans, (4) require certain disclosures when substantial doubt is alleviated as a result of consideration of management's plans, (5) require an express statement and other disclosures when substantial doubt is not alleviated, and (6) require an assessment for a period of one year after the date that the financial statements are issued (or available to be issued). The amendments in the update are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted. The adoption of the update has been applied to these financial statements and resulted in no impact on the Company's financial position or results of operations.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers. This update states a core principle in that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve the core principle, an entity should apply the following steps: 1) identify the contract(s) with the customer; 2) identify the performance obligations in the contract; 3) determine the transaction price; 4) allocate the transaction price to the performance obligation in the contract; and 5) recognize revenue when (or as) the entity satisfies a performance obligation. The amendments in the update are effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early application is not permitted.

NOTE 4 – RECENT LICENSE AGREEMENTS

OZ Biogenics Agreement

In April, 2015, the Company entered into an exclusive license and distribution agreement with Oz Biogenics, based in Australia, under which Innovus has granted to Oz Biogenics an exclusive ten-year distribution right to market and sell Innovus' products in Myanmar and Vietnam, including Zestra®, EjectDelay® for treating premature ejaculation, Sensum+®, Vesele® and Zestra Glide® is a. Under the ten-year term of this agreement, annual minimum orders are approximately $86,000 and total minimum orders are approximately $860,000.

The Company has not recognized any revenue for the six months ended June 30, 2015 pursuant to this agreement.

BroadMed SAL Agreement

In April, 2015, the Company entered into an exclusive license and distribution agreement with BroadMed SAL, a Lebanese company, under which Innovus granted to BroadMed an exclusive license to market and sell in Lebanon Innovus Pharma's Sensum+® to increase penile sensitivity. Under the agreement, Innovus PharmaIn addition, the Company is eligible to receive up to $11.1 million dollars in upfront and sales milestone payments. For the six months ended June 30, 2015, the Company received and recognized $5,000 in upfront payments under this agreement.

Tabuk Pharmaceuticals Agreement

On March 17, 2015, the Company entered into an exclusive license agreement with Tabuk Pharmaceuticals, a Saudi Arabian company ("Tabuk"), with large commercial operations in the Middle East and North Africa, under which the Company granted to Tabuk an exclusive license to market and sell the Company's topical treatment for Premature Ejaculation, EjectDelay®, Sensum+ ® product for increasing penile sensitivity and Vesele ® product to increase sexual and cognitive health in the Kingdom of Saudi Arabia, Iraq, Sudan, Tunisia, Morocco (for the Vesele product only), Libya, Algeria, Jordan, Kuwait, UAE, Qatar, Oman, Yemen and Egypt (collectively the "Territory").

Under the agreement, Innovus will receive an upfront payment and is eligible to receive up to approximately $86.5 million U.S. dollars upon and subject to the achievement of sales milestones based on cumulative supplied units of the licensed products in the Territory plus royalties based on Tabuk's net sales.

The Company did not recognize any revenue for the six months ended June 30, 2015 pursuant to this agreement.

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NOTE 5 - BUSINESS ACQUISITIONS

Acquisition of Novalere

On February 5, 2015 (the "Closing Date") the Company, Innovus Pharma Acquisition Corporation, a Delaware corporation and a wholly-owned subsidiary of Innovus ("Merger Subsidiary I"), Innovus Pharma Acquisition Corporation II, a Delaware corporation and a wholly-owned subsidiary of the Company ("Merger Subsidiary II"), Novalere FP, Inc., a Delaware corporation ("Novalere FP") and Novalere Holdings, LLC, a Delaware limited liability company ("Novalere Holdings"), as representative of the shareholders of Novalere (the "Novalere Stockholders"), entered into an Agreement and Plan of Merger (the "Merger Agreement"), pursuant to which Merger Subsidiary I merged into Novalere and then Novalere merged with and into Merger Subsidiary II (the "Merger"), with Merger Subsidiary II surviving as a wholly-owned subsidiary of the Company. Pursuant to the articles of merger effectuating the Merger, Merger Subsidiary II changed its name to Novalere, Inc.

With the Merger, Innovus acquired the worldwide rights to market and sell the Fluticare™ brand (Fluticasone propionate nasal spray) and the related manufacturing agreement from Novalere FP. Innovus anticipates that the ANDA filed in November 2014 by the manufacturer with the U.S. Food and Drug Administration ("FDA ") will be approved by the end of 2015 or in the first half of 2016, which will allow the Company to market and sell Fluticare™ over the counter. An ANDA is an application for a U.S. generic drug approval for an existing licensed medication or approved drug.

Under the terms of the Merger Agreement, at the Closing Date, the Novalere Stockholders received 50% of the Consideration Shares (the "Closing Consideration Shares") and the remaining 50% of the Consideration Shares (the "ANDA Consideration Shares") will be delivered only if an Abbreviated New Drug Application of Fluticasone Propionate Nasal Spray of Novalere Manufacturing Partners (the "Target Product") is approved by the Food and Drug Administration (the "ANDA Approval"). A portion of the Closing Consideration Shares and, if ANDA Approval is obtained prior to the 18 month anniversary of the Closing Date, a portion of the ANDA Consideration Shares, will be held in escrow for a period of 18 months from the Closing Date to be applied towards any indemnification claims by Innovus pursuant to the Merger Agreement.

In addition, the Novalere Stockholders are entitled to receive, if and when earned, earn-out payments (the "Earn-Out Payments"). For every $5 million in Net Revenue (as defined in the Merger Agreement) realized by sales of Fluticare™ , the Novalere Stockholders will be entitled to receive, on a pro rata basis, $500,000, subject to cumulative maximum Earn-Out Payments of $2.5 million.

The closing price of the Company's common stock on the Closing Date was $0.20 per share. The Company issued 12,947,657 Closing Consideration Shares of its common stock at the Closing Date, the Fair Market Value, ('FMV") of the Closing Consideration Shares was $2,071,625 as of the Closing Date. 12,280,796 shares were placed in escrow to cover any potential claims that the Company might have with respect to disclosures made by the Novalere.

The fair value of the contingent consideration is based on preliminary cash flow projections and other assumptions for the ANDA Consideration shares and the Earn-Out Payments, future changes in the estimate of such contingent consideration will be recognized as a charge to operations expense.

Issuance of the 12,947,655 ANDA Consideration Shares is subject to milestones, achievement of which is uncertain. The FMV of the ANDA Consideration Shares was established to account for the uncertainty in the future value of the shares. The value of the shares as derived using the options pricing model was then weighted based on the probability of achieving the milestones to determine the FMV of the ANDA Consideration Shares and estimated potential share prices at such dates. Based on the aforementioned calculation the fair market value of the ANDA Consideration shares was determined to be $1,657,300.

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The total fair market value of the considerations issued and to be issued for the transaction are as follows:

	Shares	FMV
Closing Consideration Shares	12,947,657	$2,071,625
ANDA Consideration Shares	12,947,655	1,657,300
Total	25,895,312	$3,728,925

Based on the assumptions, the fair market value of the Earn Out Payments was determined to be $1,205,000. The preliminary fair values of the future earn out payments was determined by applying the income approach, using several significant unobservable inputs for projected cash flows and a discount rate. These inputs are considered Level 3 inputs under the fair value measurements and disclosure guidance.

The total purchase price is summarized as follows:

Cash Consideration	$43,124
Common Stock issued at closing	2,071,625
ANDA Consideration Shares	1,657,300
Fair Market Value of Future Earn Out Payments	1,205,000
Total	$4,977,049

The fair values of acquired assets and liabilities are based on preliminary cash flow projections and other assumptions. The preliminary fair values of acquired intangible assets were determined using several significant unobservable inputs for projected cash flows and a discount rate. These inputs are considered Level 3 inputs under the fair value measurements and disclosure guidance. The transaction has been accounted for as a business combination under the acquisition method of accounting. Accordingly, the tangible assets and identifiable intangible assets acquired and liabilities assumed have been recorded at fair value, with the remaining purchase price recorded as goodwill.

The fair values of assets acquired and liabilities assumed at the transaction date are summarized below:

Cash	$43,124
Prepaid expenses and other current assets	25,906
Total Tangible Assets	69,030
Product rights and related Manufacturing agreement	4,681,000
Trademarks	150,000
Total identifiable Intangible Assets	4,831,000
Goodwill	120,143
Total Acquired Assets	5,020,173
Other current liabilities	(43,124)
Total Assumed Liabilities	(43,124)
Acquired Assets Net of Assumed Liabilities	$4,977,049

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The carrying value of current assets and liabilities and fixed assets in Novalere's financial statements are considered to be a proxy for the fair value of those assets and liabilities. Novalere is a pre-commercial organization specializing in selling and marketing nasal steroid products; most of the value in Novalere is applicable to the product rights and related manufacturing agreement. Novalere holds a non-exclusive, worldwide, royalty-free license to market, promote, sell, offer for sale, import and distribute the product. This business relationship is contractual in nature and meets the separability criterion and as a result is considered an identifiable intangible asset recognized separately from goodwill. The value of the business relationship is included in goodwill under US GAAP. Goodwill is calculated as the difference between the fair value of the consideration expected to be transferred and the values assigned to the identifiable tangible assets acquired and liabilities assumed. The acquired goodwill presented in the above table reflects the estimated goodwill from the preliminary purchase price allocation. The cash acquired was used to pay amounts due to shareholders, thus was received by the Company

The purchase price allocation is subject to completion of our analysis of the fair value of the assets and liabilities of Novalere as of the date of the acquisition. These adjustments could be material. The final valuation is expected to be completed as soon as practicable but no later than one year from the consummation of the Merger. The establishment of the fair value of the consideration for a Merger, and the allocation to identifiable tangible and intangible assets and liabilities, requires the extensive use of accounting estimates and management judgment. The fair values assigned to the assets acquired and liabilities assumed are based on estimates and assumptions from data currently available.

Supplemental Pro Forma Information for 2015 Acquisition (unaudited)

The following unaudited supplemental pro forma information for the three and six months ended June 30, 2014 and 2015, assumes the contribution of Novalere had occurred as of January 1, 2014, giving effect to purchase accounting adjustments. The pro forma data is for informational purposes only and may not necessarily reflect the actual results of operations had Novalere been operated as part of the Company since January 1, 2014.

	Six Months Ended June 30, 2015		Six Months Ended June 30, 2014	
	As Reported	Pro Forma (unaudited)	As Reported	Pro Forma (unaudited)
Revenue	$ 380,325	$ 380,325	$ 279,872	$ 289,732
Net Loss	$ (2,366,031)	$ (2,682,161)	$ 2,525,029	$ (4,139321)
Loss per Common Share-basic and diluted	$ (0.06)	$ (0.07)	$ (0.11)	$ (0.11)
Shares used in computed net loss per common share	37,909,664	40,413,334	23,191,829	36,139,486

Purchase of Semprae Laboratories, Inc.

On December 24, 2013 (the "Semprae Closing Date"), the Company, obtained 100% of the outstanding shares of Semprae in exchange for the issuance of 3,201,776 shares of the Company's common stock. In addition, the Company agreed to pay the former shareholders an annual royalty ("Royalty") equal to five percent (5%) of the net sales from Zestra® and Zestra® Glide and any second generation products derived primarily therefrom ("Semprae Target Product") up until the time that a generic version of such Semprae Target Product is introduced worldwide by a third party.

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NOTE 6 – RELATED PARTY TRANSACTIONS

CEO Promissory Note

On January 29, 2014, the Company issued an 8% note, in the amount of $25,000, to the Company's President and Chief Executive Officer. The principal amount and interest are payable on January 22, 2015. This note has been amended to extend the maturity date until January 22, 2016 (See Note 8).

Board Member Debenture

On May 30, 2014, the Company issued an 8% debenture, in the amount of $50,000, to a member of the Company's Board of Directors. The principal amount and interest were payable on May 30, 2015 (See Note 8). On May 29, 2015 the repayment date was extended to May 30, 2016. On August 5, 2015 the debenture was converted into common shares (See Note 10).

On August 25, 2014, the Company issued an 8% debenture, in the amount of $25,000, to a member of the Company's Board of Directors. The principal amount and interest were payable on August 25, 2015 (See Note 8). On August 5, 2015 the debenture was converted into common shares (See Note 10).

Former CFO Debenture

On June 17, 2014, the Company issued an 8% debenture, in the amount of $50,000, to the Company's former Chief Financial Officer. The principal and interest were payable on June 16, 2015 (See Note 8) and were repaid on July 31, 2015.

Convertible Debentures

The Company had several convertible debentures, along with the LOC Convertible Debenture (See Note 8).

January 2015 Non-Convertible Debenture - Former CFO

On January 21, 2015, the Company entered into a securities purchase agreement with the Company's former Chief Financial Officer whereby the Company issued and sold a promissory note in the principal face amount of $55,000 and warrants to purchase up to 250,000 shares of the Company's common stock for gross proceeds of $50,000. This note was repaid on July 29, 2015 (See Note 8).

Accrued Compensation-Related Party

Accrued compensation includes accruals for employee wages and vacation pay. The components of accrued compensation are as follows:

	June 30, 2015	December 31, 2014
Wages	$1,115,922	$791,987
Vacation	160,155	114,941

Total accrued compensation	$1,276,077	$906,928

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Accrued employee wages relate primarily to wages owed to the Company's Chief Executive Officer and President. Under the terms of his employment agreement, wages are to be accrued but no payment made for so long as payment of such salary would jeopardize the Company's ability to continue as a going concern.

In July, 2015, the Company paid the entire accrued amount due, of approximately $72,000, to its former Chief Financial Officer.

NOTE 7 – NOTES PAYABLE

The following table summarizes the outstanding unsecured (non-related party) notes payable at June 30, 2015 and December 31, 2014:

	June 30, 2015	December 31, 2014
Current notes payable:		
January 2015 Non-Convertible Debenture	$110,000	$-
February 2014 Convertible Debenture	330,000	330,000
August 2014 Debenture	40,000	40,000
Total current notes payable	480,000	370,000
Less: Debt discount, net of accretion (current)	(120,085)	(55,982)
	$359,915	$314,018
Long-term notes -payable		
September 2014 Convertible Debenture	$-	$92,000
Less: Debt discount, net of accretion (long-term)	-	(67,726)
	$-	$24,274

February 2014 Convertible Debenture

On February 13, 2014, the Company entered into a securities purchase agreement with an unrelated third party accredited investor pursuant to which the Company issued a convertible debenture in the aggregate principal amount of $330,000 (issued at an original issue discount of 10%) (the "February 2014 Convertible Debenture") and a warrant to purchase 250,000 shares of the Company's common stock ("Warrant Agreement").

The February 2014 Convertible Debenture bears interest at the rate of 10% per annum and the principal amount and interest are payable on March 13, 2015. The effective interest rate will be calculated considering the original issue discount, the BCF and the Warrant Agreement. The February 2014 Convertible Debenture may be converted in whole or in part at any time prior to March 13, 2015, by the holder at a conversion price of $0.40 per share, subject to adjustment. The Company has the option to redeem the February 2014 Convertible Debenture before its maturity by payment in cash of 125% of the then outstanding principal amount plus accrued interest and other amounts due.

The February 2014 Convertible Debenture was issued with an original issue discount of $30,000. The original issue discount was included in the balance sheet as a discount to the related debt security and is being accreted as non-cash interest expense over the expected term of the loan.

The Warrant Agreement provides the holder with the right to acquire up to 250,000 shares of common stock at an exercise price of $0.50 per share, subject to certain adjustments as described in the Warrant Agreement, at any time through the fifth anniversary of its issuance date. The allocated relative fair value of the Warrant Agreement of $96,533 has been included in the balance sheet as a discount to the related debt security and is being accreted as non-cash interest expense over the expected term of the loan.

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On March 12, 2015, the Company entered into an amendment agreement whereby the February 2014 Convertible Debenture was amended. Pursuant to the Agreement, the maturity date of the Debenture was amended from March 13, 2015 to September 13, 2015. In addition, the Debenture was amended so that the Company may prepay the Debenture at its option without penalty.

In connection with the execution of the Agreement, the Company issued 250,000 shares of the Company's common stock and amended and restated the warrant. The Warrant was originally exercisable until February 13, 2019 for 250,000 shares of Common Stock at an exercise price of $0.50 per share, subject to anti-dilution protection. The Warrant, as amended and restated, has been increased to 500,000 shares and is exercisable until March 12, 2020 at an exercise price of $0.30 per share of Common Stock. The Warrant, as amended and restated, contains certain anti-dilution protection provisions.

The February 2014 Convertible Debenture contained a BCF. The intrinsic value of the BCF at the date of issuance was determined by measuring the difference between the accounting conversion price and the intrinsic value of the stock at the commitment date. The Company recorded a debt discount for the intrinsic value of the BCF, which was limited to the proceeds with an offsetting increase to paid-in-capital. The BCF of $179,032, along with the original issue discount of $30,000, has been fully accreted as non-cash interest expense using the effective interest method to the maturity date of March 13, 2015.

The amendment to the February 2014 Convertible Debenture was considered to be an extinguishment of debt as the terms of the debt instruments immediately before and after the amendment were considered to be substantially different as defined in the accounting guidance. In accordance with debt extinguishment accounting requirements, the new debt instrument was recorded at its fair value as determined on the amendment date. The estimated fair value of the note payable was $260,542, net of related debt discount of $69,458, which has been recorded in the consolidated balance sheet. In addition, the warrants associated with the February 2014 Convertible Debenture have a down-round that has been accounted for as a derivative. The Company valued the derivative using a Probability Weighted Black-Scholes Option-Pricing Model and the following inputs, stock price on the day of issuance $0.14, 100% volatility, the term of the warrants (5 years) and the risk-free interest rate 1.51 %. These unobservable inputs represent a Level 3 measurement within the fair value hierarchy. The estimated fair value of the warrants as of the date of issuance was $76,299 which has been recorded as a derivative liability in the consolidated balance sheet. The estimated fair value of the warrant liability will be revalued on a quarterly basis and any resulting increases or decreases in the estimated fair value will be recorded as an adjustment to operating earnings. (See Note 9)

The 2015 Amendment resulted in a net difference of $32,500 has been recorded as an extinguishment loss and is recorded in the other income (expense), net line item of the consolidated statements of operations and other comprehensive loss.

August 2014 Debenture

On August 30, 2014, the Company issued an 8% debenture to an unrelated third party investor in the principal amount of $40,000 (the "August 2014 Debenture"). The August 2014 Debenture bears interest at the rate of 8% per annum. The principal amount and interest were payable on August 29, 2015. On July 21, 2015, the Company received an additional $30,000 from the investor and amended and restated this agreement to a new principle balance of $73,200 (including accrued interest) and a new maturity date of July 21, 2016. (See Note 10)

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September 2014 Convertible Debenture

On September 29, 2014, the Company issued a convertible promissory note (the "Note") to an unrelated third party accredited investor for $50,000. The Note had a principal face amount of $92,000, did not accrue interest and was due on March 28, 2016 (the "Maturity Date"). The Note carries the right to convert any part of the principal amount under the Note into shares of common stock at a conversion price of $0.40 per share (the "Conversion Price"). On the Maturity Date, any outstanding principal due under the Note will be automatically converted into common stock at the Conversion Price. The Note holder is prohibited from converting the Note to the extent that, as a result of such conversion, it beneficially owns more than 9.99%, in the aggregate, of the issued and outstanding shares of common stock calculated immediately after giving effect to the issuance of shares of common stock upon the conversion of the Note. The September 2014 Convertible Debenture contained a BCF. The intrinsic value of the BCF at the date of issuance was determined by measuring the difference between the accounting conversion price and the intrinsic value of the stock at the commitment date. The Company recorded a debt discount for the intrinsic value of the BCF, which was limited to the proceeds with an offsetting increase to paid-in-capital. The BCF of $37,400, along with the original issue discount of $42,000, has been included in the balance sheet at June 30, 2015 as a discount to the related debt security and is being accreted as non-cash interest expense over the expected term of the September 2014 Convertible Debenture using the effective interest method. The implicit interest rate was 41%.

The September 2014 Convertible Debenture was converted into 230,000 shares common stock according to the terms of the note, by the investor on March 30, 2015. As such, the Company recorded the conversion of the note and the remaining BCF was charged to interest expense.

January 2015 Non-Convertible Debenture

On January 21, 2015, the Company entered into a securities purchase agreement with an unrelated third party accredited investor whereby the Company issued and sold a promissory note in the principal face amount of $110,000 and warrants to purchase up to 500,000 shares of the Company's common stock for gross proceeds of $100,000.

The Note is due on July 31, 2015 and accrued a one-time interest charge of 8% on the closing date. The warrants are exercisable for five years from the closing date at an exercise price of $0.30 per share of Common Stock. The warrants contain anti-dilution protection, including protection upon dilutive issuances.

The Warrants issued in connection with the January 2015 notes are measured at fair value and classified as a liability because these warrants contain anti-dilution protection and therefore cannot be considered indexed to the Company's own stock which is a requirement for the scope exception as outlined under ASC 815. The estimated fair value of the warrants was determined using Probability Weighted Black-Scholes Option-Pricing Model, resulting in a value of $99,999 on the date they were issued. The Debt was recorded using the residual method, at $1, net of a debt discount of $109,999. The discount has been included in the balance sheet at June 30, 2015 as a discount to the related debt security and is being accreted as non-cash interest expense over the expected term of the January 2015 Non-Convertible Debenture using the effective interest method. The fair value will be affected by changes in inputs to that model including our stock price, expected stock price volatility, the contractual term and the risk-free interest rate. The Company will continue to classify the fair value of the warrants as a liability until the warrants are exercised, expire or are amended in a way that would no longer require these warrants to be classified as a liability, whichever comes first. The anti-dilution protection for the warrants survives for the life of the warrants which ends in January 2020. (See Note 9)

Interest Expense

The Company recognized interest expense on the unsecured (non-related party) notes payable, including amortization of debt discount of $43,642 and 184,379 for the three and six months ended June 30, 2015, respectively.

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NOTE 8 –DEBENTURES – RELATED PARTIES

The following table summarizes the outstanding debentures to related parties at June 30, 2015 and December 31, 2014. Certain of the debentures outstanding for the year ended December 31, 2013 were converted in 2014 and were no longer outstanding at June 30, 2015.

	June 30, 2015	December 31, 2014
LOC Convertible Debenture	$424,192	$424,078
January 2015 Non-Convertible Debenture-CFO	55,000	
2014 Non-Convertible Notes-Related Party	150,000	150,000
Total	629,192	574,078
Less : Debt Discount, net of accretion	(98,310)	(76,492)
Sub-Total	530,882	497,586
Less: Current Portion	(150,108)	-
Total	$380,774	$497,586

January 2015 Non-Convertible Debenture - Former CFO

On January 21, 2015, the Company entered into a securities purchase agreement with the Company’s former Chief Financial Officer whereby the Company issued and sold a promissory note in the principal face amount of $55,000 and warrants to purchase up to 250,000 shares of the Company’s common stock for gross proceeds of $50,000.

The Note is due on July 31, 2015 and accrued a one-time interest charge of 8% on the closing date. The warrants are exercisable for five years from the closing date at an exercise price of $0.30 per share of Common Stock. The warrants contain anti-dilution protection, including protection upon dilutive issuances. The note was repaid on July 31, 2015.

The Warrants issued in connection with the January 2015 Non-Convertible Debenture-CFO are measured at fair value and classified as a liability because these warrants contain anti-dilution protection and therefore, cannot be considered indexed to the Company’s own stock which is a requirement for the scope exception as outlined under ASC 815. The estimated fair value of the warrants was determined using Probability Weighted Black-Scholes Option-Pricing Model, resulting in a value of $49,999 on the date they were issued. The Debt was recorded using the residual method, at $1, net of a debt discount of $54,999. The discount has been included in the balance sheet at June 30, 2015 as a discount to the related debt security and is being accreted as non-cash interest expense over the expected term of the January 2015 Non-Convertible Debenture using the effective interest method. The fair value will be affected by changes in inputs to that model including our stock price, expected stock price volatility, the contractual term and the risk-free interest rate. The Company will continue to classify the fair value of the warrants as a liability until the warrants are exercised, expire or are amended in a way that would no longer require these warrants to be classified as a liability, whichever comes first. The anti-dilution protection for the warrants survives for the life of the warrants which ends in January 2020. (See Note 9)

Line of Credit – Convertible Debenture

In January 2013, the Company entered into a line of credit convertible debenture with its President and Chief Executive Officer (the "LOC Convertible Debenture"). Under the terms of its original issuance: (1) the Company could request to borrow up to a maximum principal amount of $250,000 from time to time; (2) amounts borrowed bore an annual interest rate of 8%; (3) the amounts borrowed plus accrued interest were payable in cash at the earlier of January 14, 2014 or when the Company completes a Financing; and (4) the holder had sole discretion to determine whether or not to make an advance upon the Company's request.

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During 2013, the LOC Convertible Debenture was further amended to: (1) increase the maximum principal amount borrowable to $1 million; and (2) change the holder's funding commitment to automatically terminate on the earlier of either (a) when the Company completes a financing with minimum net proceeds of at least $4 million, or (b) July 1, 2016. The securities to be issued upon automatic conversion will be either the Company's securities that are issued to the investors in the Financing or, if the Financing does not occur by July 1, 2016, shares of the Company's common stock based on a conversion price of $0.312 per share. The LOC Convertible Debenture continues to bear interest at a rate of 8% per annum. The other material terms of the LOC Convertible Debenture were not changed.

During the year ended December 31, 2013, the Company borrowed $448,475 pursuant to the LOC Convertible Debenture. The LOC Convertible Debenture contained a BCF of $98,335, which was included in the balance sheet at December 31, 2013 as a discount to the related debt security and accreted as non-cash interest expense over the expected term of the loan using the effective interest method.

On February 19, 2014, the Company agreed with the holder of the LOC Convertible Debenture to convert the then outstanding principal and interest owed as of such date into shares of the Company's common stock at a conversion price of $0.40 per share. The principal and interest amount owed under the LOC Convertible Debenture immediately prior to conversion was $476,165, which was converted into 1,190,411 shares of the Company's common stock. The debt discount of $89,452 related to the BCF for the converted portion was recorded as interest expense.

On July 22, 2014, the Company agreed with the holder of the LOC Convertible Debenture to increase the principal amount that may be borrowed from up to $1,000,000 to up to $1,500,000. On August 12, 2015, the principal amount that may be borrowed was increased to $2,000,000 and the automatic termination date described above was extended to October 1, 2016.

During the six months ended June 30, 2015, the Company borrowed $113 under the LOC Convertible Debenture. The $113 borrowed under the LOC Convertible Debenture along with the accrued interest resulted in a BCF of $4,154. As of June 30, 2015, the Company owed a balance of $424,192 in principal amount under the LOC Convertible Debenture and there was approximately $1.1 million remaining available to use (increased to $1.6 million available on August 12, 2015 - Note 10).

2014 Non-Convertible Notes-Related Party

On January 29, 2014, the Company issued an 8% note, in the amount of $25,000, to the Company's President and Chief Executive Officer. The principal amount and interest are payable on January 22, 2015. This note was amended to extend the maturity date until January 22, 2016.

On May 30, 2014, the Company issued an 8% debenture, in the amount of $50,000, to a member of the Company's Board of Directors. The principal amount and interest were payable on May 30, 2015 and the repayment date has been extended to May 30, 2016. On August 5, 2015 the debenture was converted into common shares (Note 10).

On June 17, 2014, the Company issued an 8% debenture, in the amount of $50,000, to the Company's former Chief Financial Officer. The principal and interest were payable on June 16, 2015 and were repaid off in July, 2015.

On August 25, 2014, the Company issued an 8% debenture, in the amount of $25,000, to a member of the Company's Board of Directors. The principal amount and interest were payable on August 25, 2015. In July, 2015 the repayment date was extended to May 30, 2016 (See Note 10). On August 5, 2015 the debenture was converted into common shares (Note 10).

Interest Expense

The Company recognized interest expense on the outstanding debentures to related parties including amortization of the discount, of 27,629 and 58,781 for the three and six months ended June 30, 2015, respectively and $2,043 and $154,219 for the three and six months ended June 30, 2014.

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NOTE 9 – SHAREHOLDERS' EQUITY

Capital Stock

The Company is authorized to issue 150.0 million shares, all of which are common stock with a par value of $.001 per share.

Issuances of Common Stock

On January 17, 2013, the Company entered into an investor relations agreement with a third party pursuant to which the Company agreed to issue over the term of the agreement 250,000 shares of Company common stock in exchange for investor relations' services to be rendered. On September 18, 2013, the Company extended the term of the agreement and agreed to issue an additional aggregate of 300,000 shares of common stock in exchange for services to be rendered. The term was further extended in April 2014 and the Company agreed to issue an additional 300,000 shares of common stock in exchange for services to be rendered over the term of the agreement.

During the six months ended June 30, 2015 and 2014, the Company issued 175,000 and 300,000 shares of Company common stock and recognized $26,600 and $82,500 of investor relations expense, respectively, under this agreement. This agreement was terminated in June, 2015

On March 17, 2015, the Company entered into a consulting agreement for investor relations services. In consideration of such services, the Company issued 28,125 shares of Company common stock to the consultant on said date and valued them at $3,938 based on the closing price of the stock on the date of issuance.

On August 27, 2014, the Company agreed to issue 200,000 shares of Company common stock pursuant to a consulting contract with a third party for marketing and public relations services. The Company issued 100,000 shares of stock pursuant to this agreement on September 2, 2014. The remaining 100,000 shares were issued on November 4, 2014. The Company extended the consulting contract in January of 2015 and agreed to issue an additional 200,000 shares. The issued shares have been valued at the closing price of the Company's common stock on the date of issuance and are expensed over the period that the services are rendered. The Company recognized $19,000 and $0 during the six months ended June 30, 2015 and 2014, respectively, related to services provided.

On March 12, 2015, the Company entered into an amendment agreement with the holder of the February 2014 Convertible Debenture. Pursuant to the Agreement, the maturity date of the Debenture was amended from March 13, 2015 to September 13, 2015. In connection with the execution of the Agreement, the Company issued 250,000 shares of the Company's common stock (See Note 7).

The September 2014 Convertible Debenture (See Note 7) was converted, according to the terms of the note, by the investor on March 30, 2015 and the Company issued 230,000 shares of its common stock pursuant to this conversion.

On January 23, 2015, the Company entered into a settlement agreement with CRI whereby CRI returned 200,000 shares of Company stock. The share return was in consideration for the Company completing certain product development and regulatory efforts relating to the sale of the product in foreign territories (See Note 4).

The Company issued an additional 137,500 and 85,000 shares of common stock and expensed $25,900 and $37,900 respectively, during the six months ended June 30, 2015 and 2014, to other consultants. The shares were issued under the Company's 2013 Equity Incentive Plan (the "Incentive Plan") or under the corresponding S-8 Plan, as filed with the Securities Exchange Commission. All issued shares have been valued at the closing price of the Company's common stock on the date of issuance.

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2013 Equity Plan

The Company has issued share-based stock, stock unit and option awards to employees, non-executive directors and outside consultants under the Incentive Plan, which was approved by the Company's Board of Directors in February of 2013. The Incentive Plan allows for the issuance of up to 10,000,000 shares of the Company's common stock to be issued in the form of stock options, stock awards, stock unit awards, stock appreciation rights, performance shares and other share-based awards. The exercise price for all equity awards issued under the Incentive Plan is based on the fair market value of the common stock. Currently, because the Company's common stock is quoted on the OTCQB, the fair market value of the common stock is equal to the last-sale price reported by the OTCQB as of the date of determination, or if there were no sales on such date, on the last date preceding such date on which a sale was reported. Generally, each vested stock unit entitles the recipient to receive one share of Company common stock which is eligible for settlement at the earliest of their termination, a change in control of the Company or a specified date. Stock units can vest according to a schedule or immediately upon award. Stock options generally vest over a three-year period, first year cliff vesting with quarterly vesting thereafter on the three-year awards, and have a ten-year life. Stock options outstanding are subject to time-based vesting as described above and thus are not performance-based.

As of June 30, 2015, there 8,345,239 stock units and 134,000 shares subject to options outstanding, the Company issued 1,071,772 shares as payments for services, and 448,989 shares were available for future grants under the Incentive Plan.

2014 Equity Plan

The Company has issued share-based stock, stock unit and option awards to employees, non-executive directors and outside consultants under the Incentive Plan, which was approved by the Company's Board of Directors in November 2014. The Incentive Plan allows for the issuance of up to 20,000,000 shares of the Company's common stock to be issued in the form of stock options, stock awards, stock unit awards, stock appreciation rights, performance shares and other share-based awards. The exercise price for all equity awards issued under the Incentive Plan is based on the fair market value of the common stock. Currently, because the Company's common stock is quoted on the OTCQB, the fair market value of the common stock is equal to the last-sale price reported by the OTCQB as of the date of determination, or if there were no sales on such date, on the last date preceding such date on which a sale was reported. Generally, each vested stock unit entitles the recipient to receive one share of Company common stock which is eligible for settlement at the earliest of their termination, a change in control of the Company or a specified date. Stock units can vest according to a schedule or immediately upon award. Stock options generally vest over a three-year period, first year cliff vesting with quarterly vesting thereafter on the three-year awards and have a ten-year life. Stock options outstanding are subject to time-based vesting as described above and thus are not performance-based.

As of June 30 2015, there were 10,390,000 stock units outstanding, the Company issued 10,390,000 shares to employees and consultants and 9,630,000 shares were available for future grants under the Incentive Plan.

Stock-based Compensation

The stock-based compensation expense for the three and six months ended June 30, 2015 was $121,554 and $751,710 for the issuance of stock units and stock options. The stock-based compensation expense for the three and six months ended June 30, 2014 was $361,938, and $926,164. The Company calculates the fair value of the stock units based upon the quoted market value of the common stock at the date of grant. The Company calculates the fair value of each stock option award on the date of grant using the Black-Scholes Option-Pricing Model. For the six months ended June 30, 2015, the following weighted average assumptions were utilized for the stock option granted during the period:

Expected life (in years)	6.0	
Expected volatility	219.31	%
Average risk free interest rate	1.54	%
Dividend yield	0	%

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The dividend yield of zero is based on the fact that the Company has never paid cash dividends and has no present intention to pay cash dividends. Expected volatility is based on the historical volatility of the Company's common shares over the period commensurate with the expected life of the options. Expected life in years is based on the "simplified" method as permitted by ASC Topic 718. The Company believes that all stock options issued under its stock option plans meet the criteria of "plain vanilla" stock options. The Company uses a term of six years for all employee stock options. The risk free interest rate is based on average rates for five and seven year treasury notes as published by the Federal Reserve.

The following table summarizes the number of options outstanding and the weighted average exercise price:

	Options	Weighted average exercise price	Weighted remaining contractual life (years)	Aggregate intrinsic value
Outstanding at December 31, 2014	113,000	$0.37	9.5	$-
Granted	21,000	$0.13	10.0	-
Exercised	-	-	-	-
Cancelled	-	-	-	-
Forfeited	-	-	-	-
Outstanding at June 30, 2015	134,000	$0.29	9.6	-
Vested at June 30, 2015	134,000	$0.29	9.6	$-

The aggregate intrinsic value is calculated as the difference between the exercise price of all outstanding options and the quoted price of the Company's common shares that were in the money at June 30, 2015. At June 30, 2015 and December 31, 2014, the aggregate intrinsic value of all outstanding options was $0.

The Company granted 21,000 and 92,000 options during the six months ended June 30, 2015 and the year ended December 31, 2014, respectively. The weighted average grant date fair value per share of options granted during the six months ended June 30, 2015 and the year ended December 31, 2014 was $0.13 and $0.31, respectively.

Stock Units

The following table summarizes the number of stock units outstanding under both plans:

	Restricted Stock Units
Outstanding at December 31, 2014	8,270,239
Granted	10,763,243
Exercised	-
Cancelled	-
Outstanding at June 30, 2015	19,033,482
Vested at June 30, 2015	12,758,910

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The vested stock units at June 30, 2015 have not settled and are not showing as issued and outstanding shares of the Company. Settlement of these vested stock units will occur on the earliest of (i) the date of termination of service of the employee or consultant, (ii) change of control of the Company, or (iii) 10 years from date of issuance. Settlement of vested stock units may be made in the form of (i) cash, (ii) shares, or (iii) any combination of both, as determined by the board of directors.

On February 15, 2013, the Company entered into a stock unit agreement with its President and Chief Executive Officer pursuant to his employment agreement. Under the terms of the agreement, the Company issued 6,000,000 stock units, 2,000,000 of the units vested immediately, while the remaining 4,000,000 vest in eight equal quarterly installments until January 1, 2015, subject to his continued service to the Company as of the vesting date. As of June 30, 2015, all of the stock units have vested under this agreement. There were 500,000 stock units which vested during the three and six months ended June 30, 2015 and the Company recognized expense of $210,000 which corresponds to the service period.

On February 15, 2013, the Company entered into a stock unit agreement with a consultant. Under the terms of the agreement, the Company issued 300,000 stock units, with one thirty-sixth of the units vesting on the 7th day of each month beginning on March 7, 2013, subject to the consultant’s continued service to the Company as of the vesting date. At June 30, 2015, 224,993 shares have vested under this agreement. There were 41,667 stock units which vested during the six months ended June 30, 2015 and the Company expensed $11,667.

In connection with the appointment of Ms. Dillen as Executive Vice President and Chief Financial Officer, the Company entered into an employment letter with her on February 6, 2014. Under the terms of the employment letter, Ms. Dillen received 600,000 stock units. 200,000 of the units vested after six months of employment, while the remaining 400,000 vest in eight equal quarterly installments until August 6, 2016, subject to her continued service to the Company as of the vesting date. Ms. Dillen is also eligible to receive a grant of 100,000 stock units when the Company’s shares of common stock are listed on Nasdaq, all subject to Ms. Dillen’s continued employment. As of June 30, 2015, 350,000 stock units have vested under this agreement. The Company recognized a total expense of $149,915 which corresponds to the service period.

On February 6, 2014, the Company issued 852,273 stock units to the President and CEO in lieu of cash for the annual bonus.

In May 2014, the Company issued an additional 75,000 restricted stock units to an employee, which vest according to the Company’s standard vesting plan. The Company recognized expense of $27,750 for the three and six months ended June 30, 2015 which corresponds to the service period.

During the three and six months ended June 30, 2015, the Company issued 85,714 and 171,428 stock units to its Board of Directors, related to Board Compensation and recognized $12,000 and $24,000 of expense related to the stock units.

On March 31, 2015, the Company issued 10,370,000 restricted stock units to employees, board members and consultants, which vest one-third on the issuance date and then monthly for the next 2 years. For the three and six months ended June 30, 2015, the Company recognized $120,983 and $604,916 of expense for the vested units.

The Company recognized total compensation expense for the three and six months ended June 30, 2015 of $120,983 and $748,999 for the vested portion of the stock units related to employees. As of June 30, 2015, compensation expense related to unvested shares not yet recognized in the income statement was $649,476 and is expected to be recognized over an average remaining period of 2 years.

Warrants

On December 7, 2011, the Company entered into a promissory note with Dawson James Securities, Inc. (“DJS”) whereby, as compensation for consulting services rendered, the Company agreed to pay DJS a sum of $50,000 at a rate of 8.0% per annum. On January 28, 2013, the Company paid DJS $54,548, which represents the principal and accrued interest due on the note, discharging the note in full. The Company issued 380,973 warrants in connection with the Dawson James notes. The warrants have an exercise price of $0.10 and expire December 6, 2018.

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The Company issued 250,000 warrants in connection with the February 2014 Convertible Debentures. The warrants had an exercise price of $0.50 and expire February 13, 2019 (See Note 4). On March 6, 2015 the Company entered into an agreement with the note holder to extend the February 2014 Convertible Debentures for six months. As consideration for the extension, the Company granted the note holder an additional 250,000 warrants and reduced the exercise price of the warrants from $0.50 to $0.30 (See Note 7).

The Company issued 750,000 warrants in connection with the January 2015 Non-Convertible Debentures. The warrants are exercisable for five years from the closing date at an exercise price of $0.30 per share of Common Stock. The warrants contain anti-dilution protection, including protection upon dilutive issuances (See Notes 7 and 8).

At June 30, 2015, there are 1,630,973 fully vested warrants outstanding.

Warrant Derivative Liability

The Warrants issued in connection with the January 2015 Non-Convertible Debentures and the February 2014 Convertible Debenture are measured at fair value and classified as a liability because these warrants contain anti-dilution protection and therefore, cannot be considered indexed to the Company’s own stock which is a requirement for the scope exception as outlined under ASC 815. The estimated fair value of the warrants was determined using the Black-Scholes Option-Pricing Model, resulting in a value of $235,736, which was limited to the value of the debt of $150,000 in accordance with the relative fair value method, and $76,299 respectively, on the date they were issued. The fair value will be affected by changes in inputs to that model including our stock price, expected stock price volatility, the contractual term and the risk-free interest rate. The Company will continue to classify the fair value of the warrants as a liability until the warrants are exercised, expire or are amended in a way that would no longer require these warrants to be classified as a liability, whichever comes first. The anti-dilution protection for the warrants survives for the life of the warrants which ends in January 2020 and March 2020 (See Note 8).

The assumptions for the Black-Scholes Option-Pricing Model are represented in the table below for the warrants issued with the January 2015 Non-Convertible Notes and the February 2014 Convertible Debenture, reflected on a per share common stock equivalent basis.

	June 30, 2015	
Expected life (in years)	6.0	
Expected volatility	100.00	
Average risk free interest rate	1.54	%
Dividend yield	0	%

The following table presents the changes in fair value of our warrants measured at fair value on a recurring basis for each reporting period-end.

	June 30, 2015
Beginning Balance	$-
Value of Derivative Liability with January 2015 Non-Convertible Debentures	149,998
Value of Derivative Liability with the February 2014 Convertible Debentures	76,299
Change in Fair Value	(47,929)

Ending Balance	$178,368

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NOTE 10– SUBSEQUENT EVENTS

Exclusive License Agreement

On July 4, 2015, the Company announced that it had entered into an exclusive license agreement with Elis Pharmaceuticals, an emirates company ("Elis"), under which Innovus Pharma granted to Elis an exclusive license to market and sell to market and sell Innovus Pharma's topical product Zestra® for female sexual dysfunction, treatment for premature ejaculation EjectDelay®, its product Sensum+® to increase penile sensitivity, Vesele® to increase sexual and cognitive health and Zestra Glide®, its high viscosity water-based lubricant in Turkey and select African and gulf countries. Under the agreement, Innovus Pharma is eligible to receive up to $35.5 million dollars in sales milestone payments plus an agreed-upon transfer price.

Note Repayment and Extension Agreement

On January 21, 2015, Innovus Pharmaceuticals, Inc. (the "Company") entered into securities purchase agreements (the "Vista Securities Purchase Agreements") with Vista Capital Investments, LLC ("Vista") (the "Investors") whereby the Company issued and sold to the Investors promissory notes (the "Vista Notes") in the aggregate principal face amount of $110,000 and warrants (the "Vista Warrants") to purchase up to 500,000 shares of the Company's Common Stock (defined below) for gross proceeds of $100,000; as more fully described in the 8-K previously filed by the Company on January 23, 2015. On July 30, 2015, the Company and Vista entered into an "Amendment to the $110,000 Promissory Note dated January 21, 2015" (the "Vista Note Amendment") and amended the Vista Note to reflect the following new due dates:

- $50,000 shall be paid by Company to Holder on July 31, 2015 (which amount has been paid)
- $22,933 shall be paid by Company to Holder on September 1, 2015
- $22,933 shall be paid by Company to Holder on October 1, 2015
- $22,933 shall be paid by Company to Holder on November 1, 2015.

In consideration for the Vista Note Amendment, the Company issued 100,000 restricted shares of Common Stock to Vista.

Securities Purchase Agreement

On July 15, 2015, and July 28, 2015, Innovus Pharmaceuticals Inc. (the "Company"), entered into Securities Purchase Agreements with one (1) accredited investor (the "Buyer"), pursuant to which the Company has received aggregate gross proceeds up to $500,000.00 (the "Offering") pursuant to which it sold:

(i) Notes. Two (2) Convertible Promissory Notes of the Company, each in the form attached hereto as Exhibit 4.3, each in the principal amount of $275,000.00 (each a "Note" and collectively the "Notes") (the Notes were sold at a 10% original issue discount, and the Company received an aggregate total of $500,000.00 in funds thereunder). The Notes and accrued interest are convertible into shares of common stock, $0.001 par value per share, of the Company (the "Common Stock") at a conversion price of $0.15 per share. In its Form 8-K filed on August 3, 2015 there was a ministerial error and the conversion price was listed as $0.30 in the body of the report. The actual Note attached to the Form 8-K was correct. The maturity date of the first Note is August 15, 2016, and the maturity date of the second Note is August 28, 2016. The Notes bear interest on the unpaid principal amount at the rate of five percent

(5%) per annum from the date of issuance until the same becomes due and payable, whether at maturity or upon acceleration or by prepayment or otherwise. Notwithstanding the foregoing, upon the occurrence of an Event of Default as defined in such Note, the principal amount outstanding of each Note shall automatically double and the conversion price shall adjust as detailed in the Note.

The Company may prepay the Notes at any time on the terms set forth in the Notes at the rate of 115% of the then outstanding balance of the Notes. Under the terms of the Notes, the Company shall not effect certain corporate and business actions during the term of the Notes, although some may be done with proper notice. Pursuant to the Purchase Agreement, with certain exceptions, the Note holder has a right of participation during the term of the Notes; additionally, the Company granted the Note holder piggy-back registration rights for the shares of Common Stock underlying the Notes.

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(ii) Issuance Shares. Pursuant to the Purchase Agreement, the Company issued 750,000 restricted shares of Common Stock to the Buyer as additional consideration for the purchase of the Notes by the Buyer (the "Issuance Shares").

(iii) Warrant. Concurrent with the signing of the Securities Purchase Agreements, the Company issued a Common Stock Purchase Warrant to the Buyer, which allows it to purchase 500,000 shares of common stock, $0.001 par value per share, of the Company at an exercise price of $0.30. A copy of the Warrant is attached as Exhibit 4.4.

(iv) Registration Rights. In addition, a Registration Rights Agreement was signed that commits the Company to file an Initial Registration Statement within 45 calendar days day following the sale, and receipt of proceeds, of an aggregate of $500,000 of Notes to the Buyer and/or third party investors on the same terms and conditions set forth in the Purchase Agreement. A copy of the form Registration Rights Agreement is attached as Exhibit 4.5.

(v) Share Issuance Agreement. As further consideration for the purchase of the Note by the Buyer and the fact the Buyer was an early investor, the Company issue the Buyer an additional 500,000 restricted shares of Common Stock to the Buyer pursuant to the Share Issuance Agreement dated July 27, 2015 (the "Share Issuance Agreement"), a copy of which is attached as Exhibit 4.6.

The shares of Common Stock, including the shares underlying the Notes, issued in the Offering were not registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state, and were offered and sold in reliance on the exemption from registration afforded by Section 4(a)(2) and Regulation D (Rule 506(b)) under the Securities Act and corresponding provisions of state securities laws, which exempt transactions by an issuer not involving any public offering. The Buyer is an "accredited investor" as such term is defined in Regulation D promulgated under the Securities Act.

The Company agreed to use the net proceeds from the Offering for general working capital purposes. The Buyer agreed to allow the Company to raise a total of $1,500,000.00 on the same terms and conditions as the Offering.

Pursuant to the Purchase Agreement, the Company agreed to pay Garden State Securities, Inc., who acted as a placement agent for the Offering, a cash fee of 10% of the gross proceeds from the Offering and issue it that number of shares of common stock equal to 8% of the number of shares that the Notes are convertible into at the Conversion Price on an as converted basis.

The Purchase Agreement contains representations and warranties by the Company and the investors which are customary for transactions of this type such as, with respect to the Company: organization, good standing and qualification to do business; capitalization; subsidiaries, authorization and enforceability of the transaction and transaction documents; valid issuance of stock, consents being obtained or not required to consummate the transaction; litigation; compliance with securities laws; and no brokers used; and with respect to the investors: authorization, accredited investor status and investment intent.

Amendment to Debt Agreements

On May 30, 2014, the Company issued an 8% debenture, in the amount of $50,000, to a member of the Company's Board of Directors. The principal amount and interest were payable on May 30, 2015 (See Note 8). On May 29, 2015 the repayment date was extended to May 30, 2016. On August 5, 2015 the debenture was converted into common shares.

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On August 25, 2014, the Company issued an 8% debenture, in the amount of $25,000, to a member of the Company's Board of Directors. The principal amount and interest were payable on August 25, 2015 (See Note 8). On August 5, 2015 the debenture was converted into common shares.

On July 22, 2014, the Company agreed with the holder of the LOC Convertible Debenture to increase the principal amount that may be borrowed from up to $1,000,000 to up to $1,500,000. On August 12, 2015, the principal amount that may be borrowed was increased to $2,000,000 and the automatic termination date described above was extended to October 1, 2016.

On August 30, 2014, the Company issued an 8% debenture to an unrelated third party investor in the principal amount of $40,000 (the “August 2014 Debenture”). The August 2014 Debenture bears interest at the rate of 8% per annum. The principal amount and interest were payable on August 29, 2015. On July 21, 2015, the Company received an additional $30,000 from the investor and amended and restated this agreement to a new principle balance of $73,200 (including accrued interest) and a new maturity date of July 21, 2016.

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PART II: INFORMATION NOT REQUIRED IN PROSPECTUS

INDEMNIFICATION OF OFFICERS AND DIRECTORS

None of our directors will have personal liability to us or any of our stockholders for monetary damages for breach of fiduciary duty as a director involving any act or omission of any such director since provisions have been made in the Articles of Incorporation limiting such liability. The foregoing provisions shall not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to us or our stockholders, (ii) for acts or omissions not in good faith or, which involve intentional misconduct or a knowing violation of law, (iii) under applicable Sections of the Nevada Revised Statutes, (iv) the payment of dividends in violation of Section 78.300 of the Nevada Revised Statutes or, (v) for any transaction from which the director derived an improper personal benefit.

Our Articles of Incorporation provide that the Company will indemnify its Directors and Officers to the fullest extent permissible under Nevada Law. Nevada Revised Statutes Section 78.7502 discusses indemnification of directors, officers or others by a Nevada Corporation. It generally provides that they may be indemnified if they acted in good faith and in a manner which they reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful.

The Bylaws provide for indemnification of the directors, officers and employees of Innovus in most cases for any liability suffered by them or arising out of their activities as directors, officers and employees of Innovus if they were not engaged in willful misfeasance or malfeasance in the performance of his or his duties; provided that in the event of a settlement the indemnification will apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the Corporation. The Bylaws, therefore, limit the liability of directors to the maximum extent permitted by Nevada law (Section 78.751).

Our officers and directors are accountable to us as fiduciaries, which mean they are required to exercise good faith and fairness in all dealings affecting us. In the event that a stockholder believes the officers and/or directors have violated their fiduciary duties to us, the stockholder may, subject to applicable rules of civil procedure, be able to bring a class action or derivative suit to enforce the stockholder's rights, including rights under certain federal and state securities laws and regulations to recover damages from and require an accounting by management. Stockholders, who have suffered losses in connection with the purchase or sale of their interest in Innovus in connection with such sale or purchase, including the misapplication by any such officer or director of the proceeds from the sale of these securities, may be able to recover such losses from us.

OTHER EXPENSES OF REGISTRATION.

The following table sets forth the costs and expenses to be paid in connection with the sale of the shares of common stock being registered hereby. All amounts are estimates except for the Securities and Exchange Commission registration fee.

	Amounts
Accounting and audit	$8,000
Legal	$20,000
EDGAR Filing Fees	$2,000
Securities and Exchange Commission registration fee	$204
Total	$30,204

RECENT SALES OF UNREGISTERED SECURITIES

For the six months ended June 30 2015, the Company issued 2,205,828 shares of its common stock valued at $959,725 in exchange for investor relations services under the Company’s existing investor relations agreements with a third parties.

On March 12, 2015, the Company entered into an amendment agreement with the holder of the February 2014 Convertible Debenture. Pursuant to the Agreement, the maturity date of the Debenture was amended from March 13, 2015 to September 13, 2015 In connection with the execution of the Agreement, the Company issued 250,000 shares of the Company’s common stock valued at $32,500.

The securities described above were offered and sold in reliance on Section 3(a)(9) or 4(a)(2) of the Securities Act of 1933 or Rule 506 of Regulation D promulgated thereunder. The Company relied on the investor’s written representations, including a representation that such investor is an “accredited investor” as that term is defined in Rule 501(a) under the Securities Act. The investor also represented that it was acquiring the securities for investment only and not with a view toward resale or distribution. The Company will request our stock transfer agent to affix appropriate restrictive legends to the stock certificates when issued. Neither the Company nor anyone acting on the Company’s behalf offered or sold the securities by any form of general solicitation or general advertising.

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EXHIBITS

The Exhibits required by Item 601 of Regulation S-K, and an index thereto, are attached.

UNDERTAKINGS

The undersigned registrant hereby undertakes to:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) (§230.424(b) of this chapter) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, that:

(A) Paragraphs (a)(1)(i) and (a)(1)(ii) of this section do not apply if the registration statement is on Form S-8 (§239.16b of this chapter), and the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) that are incorporated by reference in the registration statement; and

(B) Paragraphs (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) of this section do not apply if the registration statement is on Form S-3 (§239.13 of this chapter) or Form F-3 (§239.33 of this chapter) and the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) (§230.424(b) of this chapter) that is part of the registration statement.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in San Diego, California, on October 23, 2015.

Innovus Pharmaceuticals, Inc.

By: /s/ Bassam Damaj
Bassam Damaj, President and Chief Executive Officer
and Principal Financial Officer

Pursuant to the requirement of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Bassam Damaj Bassam Damaj	President and Chief Executive Officer	October 23, 2015
/s/ Bassam Damaj Bassam Damaj	Director	October 23, 2015
/s/ Bassam Damaj Bassam Damaj	Principal Executive Officer	October 23, 2015
/s/ Bassam Damaj Bassam Damaj	Principal Financial Officer	October 23, 2015
/s/ Bassam Damaj Bassam Damaj	Principal Accounting Officer	October 23, 2015
/s/ Randy Berholtz Randy Berholtz	Secretary	October 23, 2015

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Financial Statements and Exhibits

(a) Documents filed as part of this Report

1. Financial Statements:

A. INDEX TO FINANCIAL STATEMENTS

(b) Exhibits

EXHIBIT INDEX

		Incorporated by reference		
Exhibit	Description	Form	Exhibit	Filing date
3(i)(a)	Amended and Restated Articles of Incorporation of Innovus Pharmaceuticals, Inc.	8-K	3.3	12/11/2011
3(ii)(a)	Bylaws of Innovus Pharmaceuticals, Inc.	10-K	3.2	12/2/2007
5*	Opinion of Weintraub Law Group			
10.1	Form of Securities Purchase Agreement	8-K	4.1	9/2/2015
10.2	Form of Convertible Promissory Note	8-K	4.2	9/2/2015
10.3	Form of Common Stock Purchase Warrant Agreement	8-K	4.3	9/2/2015
10.4	Form of Registration Agreement	8-K	4.4	9/2/2015
10.5	Form of Share Issuance Agreement	8-K	4.5	9/2/2015
10.6*	Garden State Securities Engagement Agreement			

23.1*	Consent of EisnerAmper, LLP

* Filed herewith

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