

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of Earliest Event Reported): **September 19, 2016**

MYND ANALYTICS, INC.

(Exact name of Company as specified in its charter)

Delaware
(State or other
jurisdiction of
incorporation)

001-35527

(Commission File No.)

87-0419387
(I.R.S. Employer
Identification No.)

26522 La Alameda, Suite 290

Mission Viejo, CA 92691

(Address of principal executive offices)

(949) 420-4400

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

As previously reported in its Current Reports on Form 8-K filed with the Securities and Exchange Commission (the "SEC") on December 30, 2015, August 9, 2016 and August 19, 2016, MYnd Analytics, Inc. (the "Company") entered into a Second Amended and Restated Note and Warrant Purchase Agreement (the "Second Amended and Restated Note and Warrant Purchase Agreement"), dated as of December 23, 2015, with certain investors (including affiliates), providing for the issuance and sale of notes (together with all notes that may be purchased and sold, from time to time in the future, pursuant to the Second Amended and Restated Note and Warrant Purchase Agreement, as amended or modified, the "Notes") in the aggregate principal amount of up to \$6.0 million, in one or more closings not to occur later than September 1, 2016.

On September 19, 2016, the Company entered into a Second Omnibus Amendment (the "Second Omnibus Amendment"), with each of 21 accredited investors, thereby amending: (i) the Notes, (ii) the Second Amended and Restated Note and Warrant Purchase Agreement and (iii) the warrants ("Warrants") issued pursuant to the Second Amended and Restated Note and Warrant Purchase Agreement. Pursuant to the Second Omnibus Amendment, the Company has the option, exercisable at any time after September 1, 2016, to mandatorily convert all Notes into shares of the Company's common stock at \$0.025 per share (adjusted to \$5.00 following the reverse stock split described below) (the "Mandatory Conversion").

The also Company exercised the Mandatory Conversion on September 19, 2016, and: (i) converted the entire outstanding principal balance and accrued interest on all of the Notes (the "Conversion Amount") into a number of shares of the Company's common stock equal to the quotient of the Conversion Amount divided by a conversion price of \$0.025 per share (adjusted to \$5.00 following the reverse stock split described below) and (ii) cancelled all Warrants.

The foregoing descriptions of the Second Amended and Restated Note and Warrant Purchase Agreement, the Notes and the Warrants do not purport to be complete and are qualified in their entirety by reference to the full text of the respective document. The foregoing description of the Second Omnibus Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the document, which is filed as Exhibit 10.1 hereto and incorporated herein by this reference.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On September 19, 2016, the Company filed a Certificate of Amendment (the "Amendment") to its Certificate of Incorporation, as amended (the "Certificate of Incorporation") to effect a 1-for-200 reverse stock split ("reverse split") of its common stock, par value \$0.001 per share (the "Common Stock"), to be effective at 8:00 a.m. Eastern Time (the "Effective Time") on September 21, 2016 (the "Effective Date"). Because the Amendment does not reduce the number of authorized shares of Common Stock available for issuance under the Company's Certificate of Incorporation, the effect of the Amendment is to increase the number of shares of Common Stock available for issuance relative to the number of shares issued and outstanding.

As previously disclosed, at the Company's 2015 annual meeting of stockholders held on October 28, 2015, the stockholders approved a proposal authorizing the Board of Directors of the Company (the "Board") to amend the Certificate of Incorporation to implement the reverse split at a specific ratio of not less than 1-for-10 and not more than 1-for-200, and authorizing the Board to determine, at its discretion, the timing of the Amendment and the specific ratio of the reverse split. On August 24, 2016, the Board approved a reverse split ratio of 1-for-200 to be effective as of the Effective Date.

On the Effective Date, immediately and without further action by the Company's stockholders, every 200 shares of the Company's Common Stock issued and outstanding immediately prior to the Effective Time were automatically combined into one share of Common Stock. In the event the reverse split left a stockholder with a fraction of a share, the number of shares due to the stockholder would be rounded up. Further, any options, warrants and rights outstanding as of the Effective Time on the Effective Date that were subject to adjustment were adjusted in accordance with the terms thereof. These adjustments may include, without limitation, changes to the number of shares of Common Stock that may be obtained upon exercise or conversion of these securities, and changes to the applicable exercise or purchase price. As a result of the reverse split, a "D" will be placed at the end of the Common Stock's ticker symbol for 20 business days. Holders of certificated shares of Common Stock will be required to transmit their certificates to the Company's transfer agent, in accordance with the letter of transmittal to be provided to such holders, and will receive the post-reverse split shares to which they are entitled in electronic, book-entry form.

This summary is qualified in its entirety by reference to the Amendment to the Certificate of Incorporation of the Company, filed as Exhibit 3.1 hereto and incorporated by reference herein.

Item 7.01 Regulation FD

On September 21, 2016, the Company issued a press release of its letter to its stockholders. The letter is attached as Exhibit 99.2 hereto.

In accordance with General Instruction B.2. of Form 8-K, the information under this Item 7.01, including the attached Exhibit 99.2, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 8.01. Other Events.

On September 20, 2016, the Company issued a press release announcing the reverse split, along with the Mandatory Conversion of the Notes and cancellation of the Warrants. The press release is filed as Exhibit 99.1 hereto and is incorporated by reference herein.

The Company's post-reverse split common stock will have a new CUSIP number of 62857N202.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
3.1	Certificate of Amendment to the Certificate of Incorporation, as amended, of MYnd Analytics, Inc.
10.1	Second Omnibus Amendment
99.1	Press release dated September 20, 2016.
99.2	Letter to Stockholders dated September 21, 2016.

SIGNATURES

Pursuant to the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MYnd Analytics, Inc.

September 21, 2016

By: /s/ Paul Buck
Paul Buck
Chief Financial Officer

**CERTIFICATE OF AMENDMENT OF
CERTIFICATE OF INCORPORATION OF
MYND ANALYTICS, INC.**

MYnd Analytics, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware does hereby certify:

FIRST: That at a meeting of the Board of Directors (the "Board") of MYnd Analytics, Inc. (formerly known as CNS Response, Inc.) (the "Corporation") on September 2, 2015, resolutions were duly adopted setting forth a proposed amendment of the Certificate of Incorporation of the Corporation (the "Charter") approving of a reverse stock split by a ratio of not less than 1-for-10 and not more than 1-for-200 (the "Range"), as determined at the sole discretion of the Board (the "Reverse Split"), and, declaring said amendment (hereinafter the "Amendment"), to be advisable and calling for consent of the stockholders of the Corporation for consideration thereof. The resolutions setting forth the proposed Amendment is substantially as follows:

RESOLVED, that the Board declares it advisable and in the best interests of the Corporation to amend the Charter to effect the Reverse Split, at a ratio with the Range, as determined by the Board, at its discretion; and be it further

RESOLVED, that the Certificate of Incorporation of the Corporation be amended by amending and restating Article IV thereof relating to the capital stock of the Corporation, so that, as amended and restated, Article IV shall be and read in its entirety, as follows:

"ARTICLE IV

CAPITAL STOCK

The amount of total authorized capital stock of this Corporation is Five Hundred Thousand Dollars (\$500,000) divided into 500,000,000 shares of \$0.001 par value each. All shares shall be designated as Common Stock. Stockholders shall not have preemptive rights or be entitled to cumulative voting in connection with the shares of the Company's Common Stock.

Upon the effectiveness of the amendment to the Certificate of Incorporation adding this paragraph thereto (the "Effective Time"), each 200 shares of outstanding Common Stock, par value \$0.001 per share (for purposes of this Article IV "Old Common Stock"), of the Corporation issued and outstanding immediately prior to the Effective Time shall be, without any action of the holder thereof, automatically combined into one (1) validly issued, fully paid and non-assessable share of Common Stock, par value \$0.001 per share (for purposes of this Article IV, the "New Common Stock") of the Corporation (the "Reverse Split"). Each stock certificate that, immediately prior to the Effective Time, represented shares of Old Common Stock shall, from and after the Effective Time, automatically and without the necessity of presenting the same for exchange, represent that number of whole shares of New Common Stock into which the shares of Old Common Stock represented by such certificate shall have been combined. No fractional shares of Common Stock will be issued as a result of the Reverse Split. In the event the Reverse Split leaves a stockholder with a fraction of a share, the number of shares due to the stockholder shall be rounded up. For example, if the Reverse Split leaves an individual stockholder with one and one half shares, the stockholder will be issued, post Reverse Split, two whole shares."

SECOND: That thereafter, pursuant to resolution of its Board of Directors, an annual meeting of the stockholders of the Corporation was duly called and held on October 28, 2015 upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware, pursuant to which a majority of each class of stockholders voted in favor of the Amendment.

THIRD: That said Amendment was duly adopted on August 24, 2016 in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

FOURTH: That the capital of said Corporation shall not be reduced under or by reason of said Amendment.

FIFTH: The foregoing Amendment shall be effective as of September 21, 2016, at 8:00 a.m. Eastern Time.

SIXTH: Except as set forth in this Amendment, the Certificate of Incorporation, as previously amended, remains in full force and effect.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Amendment of the Certificate of Incorporation of MYnd Analytics, Inc. as of September 19, 2016.

MYND ANALYTICS, INC.

By: /s/ George Carpenter
Name: George Carpenter
Title: President

SECOND OMNIBUS AMENDMENT

This SECOND OMNIBUS AMENDMENT (this "*Amendment*"), dated as of September 19, 2016, hereby amends: (i) the Second Amended and Restated Note and Warrant Purchase Agreement, dated as of December 23, 2015 (the "*Agreement*"), by and among MYND ANALYTICS, INC., f/k/a CNS Response, Inc., a Delaware corporation (the "*Company*"), and the investors listed on Schedule A thereto (each, an "*Investor*," and together, the "*Investors*"), (ii) the Secured Convertible Promissory Notes purchased and sold pursuant to the Agreement (individually, a "*Note*" and collectively, the "*Notes*") and (iii) the Warrants issued pursuant to the Agreement (individually, a "*Warrant*" and collectively, the "*Warrants*"), in each case as set forth below. Certain capitalized terms used but not defined herein have the meanings assigned to them in the Agreement.

WHEREAS, Section 4.3 of the Agreement provides for the amendment of the Agreement in accordance with the terms set forth therein;

WHEREAS, Section 8(d) of the Notes provides for the amendment of any term of the Notes in accordance with the terms set forth therein;

WHEREAS, Section 11 of the Warrants provides for the amendment of any term of the Warrants in accordance with the terms set forth therein;

WHEREAS, the Company and the Majority Holders desire to amend the Agreement, the Notes and the Warrants to provide that (i) the Company shall be permitted at any time to mandatorily convert the entire outstanding principal balance and accrued interest on all of the Notes (the "*Conversion Amount*") into a number of shares of Common Stock equal to the quotient of the Conversion Amount divided by a conversion price of \$0.025 per share (as adjusted for stock splits, stock dividends, combinations or the like affecting the Company's common stock (the "*Mandatory Conversion*") and (ii) upon the election of the Company to effect a Mandatory Conversion, each outstanding Warrant shall automatically be cancelled and be of no further legal force or effect and shall no longer be exercisable for any shares of Common Stock;

WHEREAS, the Investors executing this Amendment constitute the Majority Holders by virtue of holding Notes whose aggregate principal amount represents a majority of the total outstanding principal amount of all then outstanding Notes under the Agreement, which includes RSJ Private Equity investiční fond s proměnným základním kapitálem, a.s. f/k/a RSJ Private Equity uzavreny investicni fond a.s.;

WHEREAS, in accordance with Section 4.2 of the Agreement, Section 8(d) of the Notes and Section 11 of the Warrants, the Company and the Investors executing this Amendment now desire to amend the Agreement, the Notes and the Warrants in accordance with the terms set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Investors executing this Amendment agree as follows:

1 . Amendment to Section 3 of the Notes and Form of Note Section 3 of the Notes and Section 3 of the form of Note which is attached as Exhibit A to the Agreement is hereby amended and restated in its entirety as follows

“3. Voluntary Conversion; Mandatory Conversion.

(a) **Voluntary Conversion.** Within the period of fifteen (15) days prior to the Maturity Date the Holder shall have an option to convert this Note into shares of Common Stock at a price equal to \$0.05 per share (as adjusted for stock splits, stock dividends, combinations or the like affecting the Common Stock).

(b) **Mandatory Conversion.** At any time after September 1, 2016, the Company shall have the right to convert this Note along with all of the other Notes into shares of Common Stock at a conversion price of \$0.025 per share (as adjusted for stock splits, stock dividends, combinations or the like affecting the Common Stock). To exercise this right of Conversion, the Company shall provide the Holders with a notice of conversion which shall state the date upon which the conversion of the Notes shall be effective (the “**Mandatory Conversion Date**”). On the Mandatory Conversion Date, the Conversion Amount shall automatically convert in whole without any further action by the Holders into a number of shares of Equity Securities equal to the quotient of the Conversion Amount divided by a conversion price of \$0.025 per share (as adjusted for stock splits, stock dividends, combinations or the like affecting the Common Stock). Any resulting fraction of a share shall be rounded to the nearest whole share (with 0.5 being rounded up). On the Mandatory Conversion Date, the Warrant issued to the Holder pursuant to the Second Amended and Restated Note and Warrant Purchase Agreement (the “**Warrant**”) shall automatically be cancelled, without any requirement for any further action by the Company or the Holder, and be of no further legal force or effect and shall no longer be exercisable for any shares of Common Stock.

2 . New Warrant Section 17. The Warrants and the form of Warrant which is attached as Exhibit B to the Agreement are hereby amended by adding the following new Section 17:

“17. Termination of Warrant.

Upon the mandatory conversion of the Note in accordance with Section 3(b) of the Note, this Warrant shall automatically be cancelled, without any requirement for any further action by the Company or the Holder, and be of no further legal force or effect and shall no longer be exercisable for any shares of Common Stock.”

3 . Effect of Amendment. This Amendment shall amend and form a part of the Agreement, the Notes and the Warrants for all purposes and is expressly incorporated into the Agreement, the Notes and the Warrants, and the Company and each party hereto shall be bound hereby. From and after the execution of this Amendment by the parties hereto, any references to the Agreement, the Notes or the Warrants shall be deemed a reference to Agreement, the Notes or the Warrants as amended hereby. This Amendment shall be deemed to be in full force and effect from and after the execution of this Amendment by the parties hereto. To the extent that any term or provision of this Amendment may be deemed expressly inconsistent with any term or provision in the Agreement, the Notes or the Warrants, the terms and provisions of this Amendment shall control.

4. Other Provisions. The following sections of the Agreement are hereby incorporated by reference into, and made applicable to, this Amendment as if set forth herein: Section 4.3 (Amendments and Waivers); Section 4.4 (Notices); Section 4.6 (Governing Law); Section 4.7 (Severability) and Section 4.8 (Binding Effect; Assignment).

(Signature Page Follows)

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their proper and duly authorized officers as of the date first written above.

MYND ANALYTICS, INC.

By: /s/ Paul Buck
Name: Paul Buck
Title: Chief Financial Officer

RSJ Private Equity investiční fond s proměnným základním kapitálem, a.s., a Czech joint stock corporation registered in the Commercial Register maintained by the Municipal Court of Prague under section B, file number 16313, identification number 24704415, with its registered office at Na Florenci 2116/15, Nové Město, 110 00 Praha 1, Czech Republic and acting in respect of its sub-fund (podfond) RSJ Gradus podfond, RSJ Private Equity investiční fond s proměnným základním kapitálem, a.s. and its assigns

By: /s/ Jan Vyhnalek
Name: Jan Vyhnalek
Title: Statutory Director

By: /s/ John Pappajohn
Name: John Pappajohn
Title: Investor

THOMAS T AND ELIZABETH C. TIERNEY FAMILY TRUST

By: /s/ Thomas T. Tierney
Name: Thomas Tierney
Title: Trustee

DECLARATION OF TRUST OF ROBERT J. FOLLMAN AND CAROLE A. FOLLMAN, DATED AUGUST 14, 1979

By: /s/ Robert J. Follman
Name: Robert Follman
Title: Trustee

By: /s/ Robin L. Smith
Name: Robin L. Smith M.D.
Title: Investor

By: /s/ George Carpenter /s/ Jill Carpenter
Name: George & Jill Carpenter
Title: Investors

By: /s/ Geoffrey Harris
Name: Geoffrey Harris
Title: Investor



MYnd Analytics Announces

Conversion of Outstanding Notes Following Closing on Last Tranche of \$6.0 Million Financing and Recapitalization Including a Reverse Stock Split and Elimination of 99% of Outstanding Warrants

Mission Viejo, CA – September 20, 2016 – MYnd Analytics, Inc. (OTCQB: CNSO) today announced that a reverse split of the Company's common stock, at a ratio of one share for every 200 shares of common stock outstanding, will become effective at 8:00 a.m., Eastern Time, on Wednesday, September 21, 2016.

At the effective time of the reverse split, immediately and without further action by the Company's stockholders, every 200 shares of the Company's common stock issued and outstanding will automatically be combined into one share of common stock. In the event the reverse split leaves a stockholder with a fraction of a share, the number of shares due to the stockholder will be rounded up. Further, any options, warrants and rights outstanding as of the effective time that are subject to adjustment will be adjusted in accordance with the terms thereof. The Company's common stock will trade under a new CUSIP number after the reverse split. Holders of certificated shares of Common Stock will be required to transmit their certificates to the Company's transfer agent, in accordance with the letter of transmittal to be provided to such holders, and will receive the post-reverse split shares to which they are entitled in electronic, book-entry form.

As a result of the reverse split, a "D" will be placed at the end of the common stock's ticker symbol for 20 business days.

Having recently closed a note round resulting in an aggregate of \$6.0 million in proceeds, the Company also announced today that it exercised an option to mandatorily convert such notes, in the aggregate principal amount of \$6.0 million dollars (plus accrued interest), into shares of the Company's common stock at \$5.00 per share, after giving effect to the reverse split (\$0.025 pre-split).

The Company exercised this mandatory conversion right pursuant to an amendment (the "Amendment"), dated September 19, 2016, to its Second Amended and Restated Note and Warrant Purchase Agreement (the "Agreement"), which amended: (i) notes in the aggregate principal amount of \$6.0 million issued pursuant thereto; (ii) the Agreement and (iii) the warrants issued pursuant to the Agreement. Pursuant to the Amendment, upon its exercise of the mandatory conversion, the Company: (i) converted the entire \$6.0 million outstanding principal balance into 1,200,000 shares at a post-split conversion price of \$5.00 per share (pre-split \$0.025 per share) along with the accrued interest earned on all of the notes which were converted at the same conversion price and (ii) cancelled all warrants issued pursuant to the Agreement.

The Amendment was entered into by more than 80% of the existing note and warrant holders and became binding upon all other holders in accordance with its terms. The mandatory conversion reduces the Company's debt outstanding, simplifies the Company's capital structure and improves the Company's working capital position.

About MYnd Analytics

MYnd Analytics, Inc. (www.myndanalytics.com) provides a unique set of reference data and analytic tools for clinicians and researchers in psychiatry. While treatment for mental disorders has doubled in the last 20 years, it is estimated that 17 million Americans have failed two or more medication therapies for their mental disorders. The Company's Psychiatric EEG Evaluation Registry, or PEER Online, is a new registry and reporting platform that allows medical professionals to exchange treatment outcome data for patients referenced to objective neurophysiology data obtained through a standard electroencephalogram (EEG). Based on the Company's original physician-developed database, there are now more than 38,000 outcomes for over 10,000 unique patients in the PEER registry. The goal of PEER Online is to provide objective, personalized data to assist physicians in the selection of appropriate medications.

To read more about the benefits of this patented technology for patients, physicians and payers, please visit www.myndanalytics.com.

Forward-looking Statements

Except for the historical information contained herein, the matters discussed are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. These forward-looking statements involve risks and uncertainties, including the Company's ability to timely implement the reverse split, the ability of the note conversion to substantially reduce outstanding debt, the ability of the conversion to improve the Company's working capital position, as well as those risks and uncertainties set forth in the Company's filings with the Securities and Exchange Commission. These risks and uncertainties could cause actual results to differ materially from any forward-looking statements made herein.



September 21, 2016

To our shareholders:

We appreciate your continued support. We have produced disruptive results for one of the most challenging problems in medicine: reducing trial and error treatment in mental health. I'm pleased to report that we've now built the largest clinical registry in Psychiatry, the most predictive algorithms, and have achieved unprecedented clinical trial results in real-world military and civilian clinical trials.

The market for predictive medicine

Analysts have identified predictive medicine as one of the hottest investment markets in healthcare, "particularly, healthcare startups using advanced machine learning algorithms for medical imaging & diagnostics, remote patient monitoring, and risk prediction."¹ Predictive analytics to improve treatment response are projected to become a \$4 billion market by 2020. We see it in Google's \$1 billion Baseline project to collect outcome data on 10,000 employees over the next 5 years, in IBM Watson's brain initiative, and in Myriad Genetics' recent acquisition of Assurex Health. The market for personalized treatment prediction is arriving, and we have put MYnd Analytics in the middle of it.

With the recent publication of our military results, and the 42 independent, confirming studies being reported in this month's Biological Psychiatry, we now move our focus to commercialization and growth. Here's our summary of how we intend to do that.

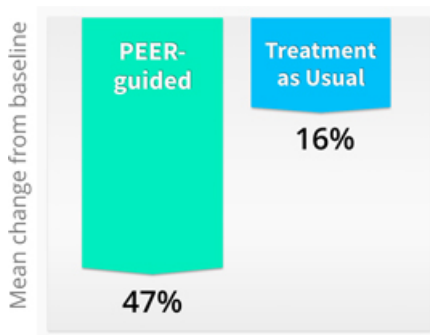
Our competitive advantage

Our product utilizes the largest database of longitudinal patient outcomes, collected from our subscribing physicians and patients over more than a decade. Because our data "learns", we are uniquely positioned to build the gold standard for personalizing treatment in mental health. PEER offers practical advantages to physicians and patients, including:

¹ CB Insights, Artificial Intelligence Sub-Industries Heatmap: Healthcare Emerges As Hottest Area Of Investment, 6/18/16

- **Higher Efficacy** - Findings just presented at the MHSR Symposium included pooled results from all 4 randomized trials of PEER, with an average 47% improvement (mean change from baseline) for PEER-guided treatments, compared to only 16% average improvement in the standard of care group. In other words, physicians with PEER information have three times higher medication efficacy than physicians treating as usual without the benefit of PEER.

Pooled Results of Randomized Clinical Trials



- **Clinical utility** — PEER results are available same-day and provide objective, actionable data to support treating physicians. A retrospective study by Medco found that 92% of physicians changed therapies based on information provided by PEER.
- **A Learning System** — a core attribute of the PEER Registry approach is that it “learns”, meaning that machine learning algorithms improve the accuracy of recommendations as outcomes are added to the database. In the last three years, an additional 1,500 patients were added to the PEER Registry, improving overall predictive accuracy ranging from 86% to 91%.

Machine learning offers an extraordinary opportunity to extract the most salient predictive features from large EEG datasets.

The advantage of PEER is the ability to predict response with a variety of medications, not just the restricted groups of anti-depressants ... tested by other researchers.

Daniel Iosifescu, MD, *Biological Psychiatry*, 9/16

- **Pharmacogenomics** — Currently, the most proven targets for pharmacogenomics are in the liver — i.e. CYP450 drug metabolism — which apply to less than 15% of Americans.² Conversely, PEER is based on functional brain activity and therefore, is more broadly applicable. Accordingly, we executed testing agreements this year with two national laboratories to include pharmacogenomic testing in our approved SMART-MD protocol. Outcome data from genomic testing may further improve the accuracy of PEER: the data from the SMART-MD trial should pinpoint the contribution of each modality to predictive accuracy and we will continue to look for strategic relationships with genomic partners.

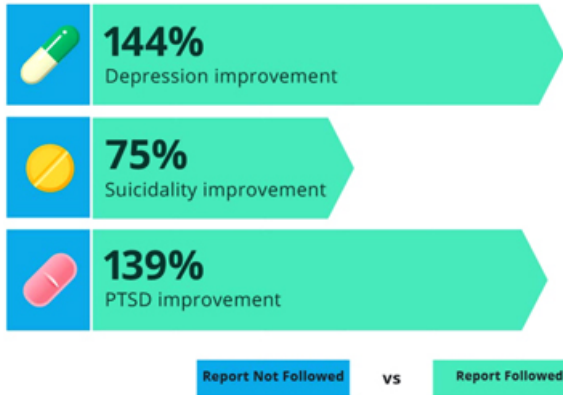
Latest Clinical Results

The Walter Reed PEER Interactive Trial is the fourth randomized, controlled trial of PEER technology, designed to be one of the largest psychiatric treatment trials in recent history, with 1,922 subjects. Reflecting the military’s need for a generalizable, real-world evidence trial we consequently included patients with active suicidal ideation, although in most drug trials these suicidal ideation patients would have been specifically excluded.

² Verbeurgt P1, Mamiya T, Oesterheld J. *How common are drug and gene interactions? Prevalence in a sample of 1143 patients with CYP2C9, CYP2C19 and CYP2D6 genotyping.* *Pharmacogenomics.* 2014 Apr;15(5):655-65. doi: 10.2217/pgs.14.6.

Statistically significant results were obtained sooner than expected, at 150 patients, and interim results were prepared at the request of Congress in April, 2014. Ten of the study's twelve endpoints had been achieved at this early stage in the study, leaving the possibility that the entire study may be completed with little more than 50 additional subjects.

Improvement Over Standard of Care



The most important clinical finding indicated a 75% greater reduction in suicidality when military physicians followed PEER recommendations. No other military studies have achieved this level of improvement, simply by improved targeting of current therapies. By comparison, a 1% increase in suicidality among children and young adults was sufficient to cause the addition of black box warning labels by the FDA for all antidepressants.

Finally, treatments which followed PEER recommendations resulted in 2.5 times greater adherence to therapy, with a median of 5 follow-up visits for subjects on PEER-recommended therapies, compared with 2 visits for those on non-PEER treatments.

The findings of the PEER Interactive Trial were clearly disruptive: the study data has been validated and revalidated by internal and external groups and has not changed in two years. The military reported to Congress that "no quality or safety issues" had been present in the course of the study, and in 2016, the FDA completed a full on-site inspection of study data and procedures which "revealed no significant concerns".

We expect additional publications around our study results and to be included in a Biological Psychiatry review article being published this month: the article summarizes 42 independent, controlled clinical trials using EEG and pharmacologic interventions in mental health.

Current research

Just as we have validated our military data, we have also committed to rapidly replicate our findings and grow our database asset:

- Canadian Armed Forces this year began their own clinical trial (n = 150) with a substantially similar protocol to that used in the U.S. Military's PEER Interactive Trial. Additional NATO partners may join the clinical trial in 2017.
- The SMART-MD trial was IRB approved and is expected to include 468 people. Plans are underway to begin enrollment in Southern California and North Carolina. This will be the first prospective trial to study the individual contributions of pharmacogenomics and QEEG, as well as providing useful data for updating of PEER classifiers.
- The beta version of the MYnd Mobile App has launched, making outcome data collection easier and more granular for patients whose doctors use PEER.

Commercial strategy

We plan to drive adoption of our technology and secure sustained profitability through the following four-pronged plan:

- 1) **Military and veterans:** due to the high visibility of their problem, their ability to bring sustained demand and their need for intervention. As Dr. David J. Shulkin, the Veterans Administration Undersecretary for Health said in July: "One veteran suicide is one too many, and this collaborative effort provides both upside and comprehensive data that allows us to make better informed decisions on how to prevent this national tragedy."
 - 2) **Commercial growth strategy outside of the US:** the Canadian Armed Forces trial is now underway, which will provide both NATO and Health Canada (single payer system) experience with our PEER technology. It will also increase the size of our data base, and, hopefully, move toward PEER being adopted as a standard of care by Health Canada.
 - 3) **Payer and self-insured markets:** management's goal is to have one payer pilot program implemented before year end to collect clinical and economic data showing the efficacy of using PEER as a tool to get mental health patients on the appropriate medication quicker, thereby lowering utilization of health care costs and improving outcomes. Technology assessment/coverage submissions are underway with multiple commercial health plans and managed care organizations.
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CMS, the largest US payer, is moving 50% of reimbursement to be value-based by 2018. With this trend, and growing enforcement of Mental Health Parity, the payer market has changed in ways which favor our product. Our PEER technology focuses on patient outcomes.

- 4) **Market entry of provider groups:** We've seen significant growth in formation of outpatient psychiatric groups, which concentrate both risk and purchasing power. We are actively pursuing group purchasing agreements with a number of outpatient, multicenter and multi physician groups. Provider certification with CMS is in process, and we will move forward with submission for national coverage determination.

Capital structure

In order to make it more attractive for investors to purchase its stock on the open market, we have recently: 1) extinguished our \$6m dollars of debt, 2) reduced the number of issued and outstanding shares, 3) eliminated 99% of issued and outstanding warrants, 4) eliminated the need for complex derivative accounting, and 5) settled a legal dispute with the former CEO.

On August 24, 2016, our Board approved and subsequently a majority of over 80% of note holders agreed to the conversion into common stock of \$6 million (plus interest) of noteholder debt, along with the cancellation of all warrants issued to these noteholders. The cancelled warrants comprised 99% of all previously issued warrants issued. Furthermore, the Company undertook a 1:200 reverse stock-split, following which there are outstanding approximately 1,800,000 common shares, 7,700 warrants and options to purchase 79,400 shares with a strike price significantly out of the money and which expire by 2021 and 2026 respectively (see SEC filings for more details with link to 8k).

We look forward to keeping you apprised of our progress in commercializing our product as well as adding new shareholders to MYnd by telling our story at investor conferences, by receiving media coverage from our more recent clinical trial and by capitalizing on an exciting and growing sector of health care. Our PEER technology can provide help to the large number of people suffering from anxiety, depression, PTSD and multiple other non-psychotic behavioral disorders, both domestic and worldwide.
