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

FORM 10-K

(mark one)

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

For the fiscal year ended September 30, 2016

or

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

For the transition period from _______________ to _______________

Commission file number 001-35527

MYnd Analytics, Inc.

(Exact name of registrant as specified in its charter)

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

26522 La Alameda, Suite 290
Mission Viejo, CA 92691
(Address of Principal Executive Offices)(Zip Code)

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

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

None

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

Common Stock, $0.001 par value

(Title of Class)

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ☒ No ☐

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

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

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

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

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant on March 31, 2016, the last business day of the registrant's most recently completed second fiscal quarter was $1,048,800 (calculated based on the price at which the registrant's common stock was last sold on that date).

As of December 21, 2016, the registrant had 2,229,061 shares of Common Stock, $0.001 par value, issued and outstanding.

MYND ANALYTICS, INC.

2016 FORM 10-K ANNUAL REPORT

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PART I

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K for the fiscal year ended September 30, 2016, including the sections entitled “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business,” contain “forward-looking statements” that include information relating to future events, future financial performance, strategies, expectations, competitive environment, regulation and availability of resources. These forward-looking statements include, without limitation, statements regarding: proposed new products or services; our statements concerning litigation or other matters; statements concerning projections, predictions, expectations, estimates or forecasts for our business, financial and operating results and future economic performance; statements of management’s goals and objectives; trends affecting our financial condition, results of operations or future prospects; our financing plans or growth strategies; and other similar expressions concerning matters that are not historical facts. Words such as “may,” “will,” “should,” “could,” “would,” “predicts,” “potential,” “continue,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes” and “estimates” and similar expressions, as well as statements in future tense, identify forward-looking statements.

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

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

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

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

Special Note Regarding Reverse Stock-split

UNLESS OTHERWISE INDICATED, ALL STOCK-BASED AMOUNTS APPEARING IN THIS ANNUAL REPORT (INCLUDING HISTORICAL AMOUNTS) HAVE BEEN ADJUSTED TO GIVE EFFECT TO THE 1-FOR-200 REVERSE STOCK-SPLIT EFFECTED SEPTEMBER 21, 2016.

ITEM 1. The Business

MYnd Analytics, Inc. (the "Company"), is a predictive analytics company that has developed a decision support tool to help physicians reduce trial and error treatment in mental health and provide more personalized care to patients. The Company provides objective clinical decision support to mental healthcare providers for the personalized treatment of behavioral disorders, including depression, anxiety, bipolar disorder, post-traumatic stress disorder ("PTSD") and other non-psychotic disorders. The Company uses its proprietary neurometric platform, PEER Online, to generate Psychiatric EEG Evaluation Registry ("PEER") Reports to predict the likelihood of response by an individual to a range of medications prescribed for the treatment of behavioral disorders.

The Market for Predictive Medicine

Analysts have identified predictive medicine as one of the fastest-growing markets in healthcare, particularly, healthcare startups using advanced machine learning algorithms for medical imaging & diagnostics, remote patient monitoring, and risk prediction. The global healthcare analytics market is expected to reach USD 42.8 billion by 2024, according to a new report by Grand View Research, Inc. Efforts to reduce the spiraling healthcare costs are facilitating the usage of healthcare analytics. Additionally, the benefits of HA include the improvement of patient access to customized care, the furthering of transparent operations to enable better public oversight, and innovation in patient care delivery and services. Practical examples include Google's $1 billion Baseline project to collect outcome data on 10,000 employees over the next 5 years, IBM Watson's brain initiative, and Myriad Genetics' recent acquisition of Assurex Health.

With the recent publication of its military results, and 42 independent, confirming studies reported in Biological Psychiatry in September, the Company now intends to move its focus to commercialization and growth.

The Challenge and the Opportunity

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

Currently, due to the lack of objective neurophysiological data available to physicians of brain function, physicians regularly make prescribing decisions based on incomplete symptomatic factors. Consequently, the underlying pathology and physiology of behavioral disorders are often not analyzed effectively by treating physicians and treatment for the patient is often ineffective, costly and may require multiple different courses of treatment before an effective medication is identified, if at all. To address this unmet medical need, we offer our PEER Online technology to analyze an individual's digital Quantitative EEG ("QEEG"), correlating the individual's QEEG features with medication outcomes in our proprietary database of over 10,000 unique patients to predict the efficacy of psychotropic medications by class and individual medication. The output of this analysis — the PEER Report — has been used as adjunctive information by physicians for over a decade on approximately 12,000 patients suffering from behavioral disorders including depression, anxiety disorders, obsessive-compulsive disorder ("OCD"), bipolar disorder, PTSD, addiction and eating disorders, including anorexia.

The reliability of QEEG data as a predictor of medication outcomes has been well established in over 100 published studies involving more than 6,000 patients. Addressing the unmet clinical need for effective prescribing is crucial in overcoming the low efficacy, side-effects and high relapse rates of the current trial and error method of prescribing which we believe leads to treatment discontinuation, prolonged patient suffering and billions of dollars of additional healthcare costs to payers for patients with behavioral disorders.

Competitive Advantages of MYnd Technology

MYnd technologies utilizes what is believed to be 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:

- **Higher Efficacy** — Findings presented at the Military Health Services Research Symposium in August, 2016 included pooled results from all four 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 had three times higher medication efficacy than physicians treating as usual without the benefit of PEER.
- **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 pharmacotherapy based on information provided by PEER.
- **Machine learning** — A core attribute of the PEER Registry approach is that it "learns", using machine learning algorithms to 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 from 86% to 91%.
- **Pharmacogenomics** — Currently, we believe that the most proven targets for pharmacogenomics are in the liver — i.e. CYP450 drug metabolism — which apply to less than 15% of Americans. 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 — specifically, we expect data from the SMART-MD trial to 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 trial we commenced at the Walter Reed National Military Medical Center ("Walter Reed") and Fort Belvoir Community Hospital ("Fort Belvoir") (collectively, the "Walter Reed PEER Trial") is the fourth randomized, controlled trial of PEER technology, and was designed to be one of the largest psychiatric treatment trials in recent history, with 1,922 subjects originally contemplated for enrollment. The protocol was designed as a randomized, double-blind, multi-site controlled clinical trial for military patients with a primary diagnosis of depression, and allowed for comorbid diagnoses such as PTSD, mTBI and other behavioral disorders. 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. The protocol was designed to produce reportable results at several points during the study, with interim results to be assessed when the study reached 10%, 25%, and 50% of targeted enrollment. However, in May 2014, following enrollment of 150 evaluable patients in the trial and the interim analysis and submission of the initial results of those patients, the Walter Reed Institutional Review Board (the "Walter Reed IRB") suspended enrollment of new patients in order to conduct an internal review. We do not expect to recommence the Walter Reed PEER Trial.

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.

The most important clinical finding of the interim results based on the first 10% of trial enrollment of the Walter Reed PEER Trial, was 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 Walter Reed PEER Trial were disruptive, as 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 revealing "no significant concerns".

We expect additional publications around our study results and were included in a major Biological Psychiatry review article published in September, which summarized our clinical trials and 42 independent, controlled clinical trials which confirmed the utility of EEG in guiding pharmacologic interventions in mental health.

Current Research

Just as we have validated our data from the Walter Reed PEER Trial, 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 Walter Reed PEER 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 quantitative EEG ("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, military and veterans possess the ability to sustain demand and need for intervention. Dr. David J. Shulkin, the Veterans Administration Undersecretary for Health stated in July 2016, that "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 has commenced, 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 potentially result in PEER being adopted as a standard of care by Health Canada.

3. **Payer and Health System Pilots.** Centers for Medicare & Medicaid Services ("CMS"), part of the Department of Health and Human Services ("HHS"), which administers programs including Medicare and Medicaid, is moving 50% of reimbursement to become 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. Management's goal is to implement payer pilot programs which demonstrate the clinical and economic efficacy of using PEER to get patients on appropriate mental health medications, thereby lowering utilization of health care costs and improving outcomes. Technology assessment/coverage submissions are underway with all multiple commercial health plans and managed care organizations. The first MYnd Center received CMS certification as an Independent Diagnostic Testing Facility (IDTF) in September 2016, and management intends to proceed with a submission to CMS for a national coverage determination. No assurance can be given as to whether or when such a determination will be granted.

4. **Provider group marketing.** 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, multi-center and multi-physician groups.

Intellectual Property

PEER Online Patent

We have 22 issued patents, of which nine are in the U.S., which cover the process involved in our PEER Online service. Our patents will expire between September 2017 and July 2022. In addition, we believe these patents cover the analytical methodology we use with any form of neurophysiology measurement including SPECT (Single Photon Emission Computed Tomography), fMRI (Functional Magnetic Resonance Imaging), PET (Positron Emission Tomography), CAT (Computerized Axial Tomography), and MEG (Magnetoencephalography). We do not currently have data on the use of such alternate measurements, but we believe they may, in the future, prove to be useful to guide therapy in a manner similar to referenced-EEG. We have been issued patents in the following countries and regions: Canada (three patents), Europe (two patents), Australia (three patents), Mexico (two patents), Japan (two patents) and Israel (one patent). We also have filed multiple additional patent applications for our technology in the U.S., Europe and Canada.

One US patent approval was for a distinctly new patent estate, covering internet transmission of neurometric information. This new allowance under its basic methods patent portfolio, patent number 8,239,013, covers remote or web-based transmission of neurometric data. In the event that use of neurometric data or algorithms becomes widespread, this patent could make it necessary for major equipment manufacturers to license rights from the Company in order to transmit such information for use in medication response prediction.

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

Transcranial Magnetic Stimulation

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

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

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

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

Trademarks

"Referenced-EEG", "rEEG", PEER Online and our MYnd Analytics logo are registered trademarks of the Company in the United States. We will continue to expand our brand names and our proprietary trademarks worldwide as our operations expand.

PEER Online Database

The PEER Online database consists of over 38,000 clinical outcomes for over 10,200 unique patients with psychiatric or addictive problems. The PEER Online database is maintained in two parts:

1. The QEEG Database

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

2. The PEER Outcomes Database

The PEER Outcomes Database consists of physician-provided assessments of the clinical long-term outcomes of patients and their associated medications. The clinical outcomes of patients are recorded using an industry-standard outcome rating scale, the Clinical Global Impression-Improvement scale ("CGI-I"). The CGI-I allows a clinician to rate how much the patient's illness has improved or worsened relative to a baseline state. A patient's illness is compared to change over time and rated as: very much improved, much improved, minimally improved, no change, minimally worse, much worse, or very much worse. The format of the data is standardized and that standard is enforced at the time of capture by a software application. Outcome data is input into the database by the treating physician or their office staff. Each physician has access to their patient data through the software tool that captures the clinical outcome data.

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

Competition

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

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

ASSURERx, GENOMIND, and HARMONYX are representative of CLIA lab companies focused on a genomic lab-based test for medication response, based primarily on their individual metabolism of medications. All have achieved varying levels of reimbursement for their tests from insurers. We consider such tests to be related and complementary. AssureRx was recently acquired by Myriad Genetics (MYGN).

VERILY, a wholly-owned subsidiary of Alphabet Inc. (a division formerly known as Google Life Sciences) is currently pursuing a $1 billion, 5-year Baseline Project to develop biometric and pharmacogenomic biomarkers using machine learning.

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

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

Government Regulation

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

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

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

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

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

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

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

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

The Walter Reed PEER Trial was designed to generate real-world, generalizable evidence with an anticipated significant statistical sample of almost 2,000 subjects using our PEER Interactive technology. The protocol was designed as a randomized, double-blind, multi-site controlled clinical trial for military patients with a primary diagnosis of depression, and allowed for comorbid diagnoses such as PTSD, mTBI and other behavioral disorders. The protocol was designed to produce reportable results at several points during the study, with interim results to be assessed when the study reached 10%, 25%, and 50% of targeted enrollment. A post-hoc analysis was performed to evaluate the predictiveness of the database for the entire evaluable patient population, including the control subjects (i.e. did the physicians, in both the experimental and control groups, whose prescriptions matched medications rated highly in the PEER Reports do better than physicians whose prescriptions did not match up with the medications rated highly by the reports).

In April 2014, based on an interim analysis of less than 10% of the planned clinical trial enrollees, statistically significant results were achieved for ten of the twelve endpoints of the Walter Reed PEER Trial. In May 2014, following the interim analysis, the Walter Reed IRB suspended enrollment of new patients into the study in order to conduct an internal review. In December 2014, the review was completed and the protocol, with minor amendments, was resubmitted by the interim Principal Investigator to the Walter Reed IRB for approval. The leadership had expressed interest in continuing the trial and, if clinical utility is demonstrated, the significant potential impact that the PEER Interactive technology could have in the treatment of depression. The leadership had also expressed its desire to devote time and attention to the trial to make it a successful endeavor. The Company does not intend to recommence the trial at Walter Reed.

In February 2016, the Company hosted a five day on-site FDA inspection at its headquarters in California. The inspection focused solely on procedures, processes, communications and data associated with the Walter Reed PEER Trial. Subsequently, we received a letter, dated June 9, 2016, the purpose of which was to inform the Company that the FDA inspection conducted at the Company from February 3, 2016, to February 11, 2016, revealed no significant concerns and as a result, no response to the FDA letter was necessary.

The Company further validated data collected in the Walter Reed PEER Trial by performing source document verification, post-hoc sample tests and cross validation exercises. For example, new outcomes for approximately 1,500 unique patients – or ten times the number reported in the Walter Reed PEER Trial interim results — have been added to the PEER Registry since the inception of our work with Walter Reed, and these outcomes were consistent with our findings in the Walter Reed PEER Trial interim report.

Following the FDA's inspection and further validation of its data, the Company published its results of the PEER Trial in the Journal of Neuropsychiatric Disease and Treatment on August 25, 2016.

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

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

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

Environmental Compliance

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

Employees

As of September 30, 2016, our Neurometric Services operation had six full-time employees and three part-time independent contractors. We believe that our relations with our employees are good. None of our employees belong to a union.

Corporate Background

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

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

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

Our current address is 26522 La Alameda, Suite 290, Mission Viejo, California 92691. Our telephone number is (949) 420-4400 and we maintain a website at www.MYndAnalytics.com. The reference to our web address does not constitute incorporation by reference of the information contained at this site.

ITEM 1A. Risk Factors

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

Risks Related to Our Company

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

We have not generated significant revenues or become profitable, may never do so and may not generate sufficient working capital to cover costs of operations. Our continued operating losses and limited capital raise substantial doubt about our ability to continue as a going concern. Historically, we have been unable to pay other obligations as they become due and have been in arrears on paying certain of our larger creditors. We have a history of insolvency that requires us to immediately secure additional funds to continue our operations. Until we can generate a sufficient amount of revenues to finance our operations and capital expenditures, we are required to finance our cash needs primarily through public or private equity offerings, debt financings, borrowings or strategic collaborations. As of September 30, 2016 we had approximately $0.32 million in cash and cash equivalents at hand. As of December 21, 2016 we had approximately $1,038,000 in cash and cash equivalents on hand. We will therefore need additional funds to continue our operations and will need substantial additional funds before we can increase demand for our PEER Online services.

On December 6, 2016, we entered into a common stock purchase agreement with Aspire Capital Fund, LLC ("Aspire Capital"), which provides that, upon the terms and subject to the conditions and limitations set forth therein, Aspire Capital is committed to purchase up to an aggregate of $10 million of our shares of Common Stock over the approximately 30-month term of the purchase agreement. The extent to which we utilize the purchase agreement with Aspire Capital as a source of funding will depend on a number of factors, including the prevailing market price of our Common Stock, the volume of trading in our Common Stock and the extent to which we are able to secure funds from other sources. The number of shares that we may sell to Aspire Capital under the purchase agreement on any given day and during the term of the agreement is limited. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Private Placement Transactions—The Aspire Capital Equity Line" for additional information. Additionally, we and Aspire Capital may not effect any sales of shares of our Common Stock under the purchase agreement during the continuance of an event of default or on any trading day that the closing sale price of our Common Stock is less than $0.50 per share. Even if we are able to access the full $10 million under the purchase agreement, we will still need additional capital to fully implement our business, operating and development plans.

When we elect to raise additional funds or additional funds are required, we may raise such funds from time to time through public or private equity offerings, debt financings, corporate collaboration and licensing arrangements or other financing alternatives, as well as through sales of Common Stock to Aspire Capital under the purchase agreement. Additional equity or debt financing or corporate collaboration and licensing arrangements may not be available on acceptable terms, if at all. If we are unable to raise additional capital in sufficient amounts or on terms acceptable to us, we will be prevented from pursuing acquisition, licensing, development and commercialization efforts and our ability to generate revenues and achieve or sustain profitability will be substantially harmed.

We are currently exploring additional sources of capital; however, we do not know whether additional funding will be available on acceptable terms, or at all, especially given the economic conditions that currently prevail. Furthermore, any additional equity funding will likely result in significant dilution to existing stockholders, and, if we incur additional debt financing in the future, a substantial portion of our operating cash flow may be dedicated to the payment of principal and interest on such indebtedness, thus limiting funds available for our business activities. If adequate funds are not available, it would have a material adverse effect on our business, financial condition and/or results of operations and could cause us to be required to cease operations. Our financial statements include an opinion of our auditors that our continued operating losses and limited capital raise substantial doubt about our ability to continue as a going concern.

Our liabilities exceed our assets; we have a working capital deficit.

As of September 30, 2016, we had liabilities of $1.58 million and assets of only $1.32 million. We had a working capital deficiency of $0.33 million. Our inability to take advantage of opportunities in the industry because of capital constraints may have a material adverse effect on our business and our prospects.

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

We are a company with a limited operating history. Since our inception, we have incurred significant operating losses. As of September 30, 2016, our accumulated deficit was approximately $68.53 million. Our future capital requirements will depend on many factors, such as the risk factors described in this section, including our ability to maintain our existing cost structure and to execute our business and strategic plans as currently conceived. Even if we achieve profitability, we may be unable to maintain or increase profitability on a quarterly or annual basis.

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

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

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

Our belief in the efficacy of our PEER Online technology is based on a finite number of successful studies. Such results may not be statistically significant in future studies and may not be indicative of the long-term future efficacy of the information we provide. Controlled scientific studies, including those that have already been announced and that are planned for the future, may yield results that are unfavorable or demonstrate that our services, including our PEER Reports, are not clinically useful. While we have not experienced such problems to date, if the initially indicated results cannot be successfully replicated or maintained over time, utilization of services based on our PEER Online technology, including the delivery of our PEER Reports, may not increase as we anticipate, which would harm our operating results and stock price. In addition, if we fail to upgrade our PEER Online database to account for new medications that are now available on the market, psychiatrists and other physicians may be less inclined to utilize our services if they believe that our reports only provide information about older treatment options, which would further harm our operating results and stock price. In August, 2016, we commenced enrolling patients into a new clinical trial and anticipate commencing a second clinical trial in the first half of 2017. The trials are designed as a double-blind trial for military patients with a primary diagnosis of depression and other psychological co-morbidity. We do not know whether the ultimate results of the trial will be successful. There are many factors beyond our control that could affect the success of the trials, including difficulty in registering more subjects, failures of investigators to follow the proper protocol, external factors affecting patient health, among others. If we fail to receive significant positive results for these trials, doctors may not be willing to use our services and our ability to generate revenue and to continue the PEER Online program, if at all, could be limited.

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

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

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

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

In December 2010 and again in September 2011, the Company met with Center officials to determine whether FDA had or would soon be developing a coherent regulatory pathway for clinical decision support services such as PEER Reports. In 2011, the Company introduced its PEER Outcome database as a published, transparent repository of individual medication response reports which reference known electrophysiology variables. Following a meeting with the FDA, the Company successfully registered its PEER Outcome database as a Class I Exempt Device within the category of Medical Device Data System, Section 860.6310. The Company continued its engagement with Center staff over the potential for a regulatory pathway for PEER Online as a Class II medical device, based on the Center's recommendation that military use of PEER Online move forward under an Investigational Device Exemption ("IDE") in order to provide additional data to support a successful 510(k) filing. In March 2012, the FDA responded to our proposal for a clinical trial of an Investigational Device, PEER Interactive, designed to support physicians in identifying the best treatments for certain mental illnesses. In response to the comments provided by the FDA, we revised the protocol to partner with military physicians treating 2,000 patients diagnosed with mental health conditions such as depression, PTSD, mTBI and several other disorders.

In August 2012, the FDA issued a determination that the Walter Reed PEER Trial was considered a Non-Significant Risk (NSR) clinical trial and did not require an IDE application. On November 30, 2012, the Walter Reed IRB approved the protocol for research to be conducted at Walter Reed and Fort Belvoir. On January 23, 2013, the Company received a memorandum from the Commander of Walter Reed, which officially confirmed the approval of the protocol and permission to conduct the clinical trial. The project title of the clinical trial is "Use of PEER Interactive to inform the prescription of psychotropic medications to patients with behavioral disorders." Subsequently, the same protocol was also approved by the IRB at Fort Belvoir. New enrollment into the Walter Reed PEER Trial was suspended by the Walter Reed IRB in May 2014 in order to conduct an internal review of the trial. Patients in the already in the trial were permitted to continue with their course of treatment. Subsequently, it was determined by us from information received as a result of our FOIA requests that the halt to the trial was due to administrative reasons. Walter Reed has not supported the publication of the interim trial results which were consistent with our previous clinical trials.

In February 2016, the Company hosted a five day on-site FDA inspection at its headquarters in California. The inspection focused solely on procedures, processes, communications and data associated with the Walter Reed PEER Trial. Subsequently, we received a letter, dated June 9, 2016, the purpose of which was to inform the Company that the FDA inspection conducted at the Company from February 3, 2016, to February 11, 2016, revealed no significant concerns and as a result, no response to the FDA letter was necessary.

The Company further validated data collected in the Walter Reed PEER Trial by performing source document verification, post-hoc sample tests and cross validation exercises. For example, new outcomes for approximately 1,500 unique patients – or ten times the number reported in the Walter Reed PEER Trial interim results — have been added to the PEER Registry since the inception of our work with Walter Reed, and these outcomes were consistent with our findings in the Walter Reed PEER Trial interim report.

Following the FDA's inspection and further validation of its data, the Company published itsresults of the Walter Reed PEER Trial in the Journal of Neuropsychiatric Disease and Treatment on August 25, 2016.

The Company is proceeding with two clinical trials based substantially on the Walter Reed PEER Trial protocol in an effort to replicate and expand the result achieved during the Walter Reed PEER Trial. One clinical trial with the Canadian Armed Forces has commenced enrollment of patients in August, 2016. A second clinical trial with a large provider group has been through the training phase of the trial and is expected to commence enrolling patients in the next few months. At this time we cannot predict the results or the success of any of these trials. We can offer no assurances that the FDA will not insist on pre-market approval in the future, or that the data, which will be included in our future submissions to the FDA, do not raise any important new issues that could materially affect safety or effectiveness of our PEER service. The inability to enroll sufficient subjects or the receipt of inconclusive results from our new clinical trials would have a material adverse effect on our ability to expand our operations. We currently intend to continue marketing as a non-device cloud-based neurometric service branded as PEER Reports, under our Class I registration, while we pursue the additional clinical trials and consider submission of a Class II device premarket application in the future. If we continue to market our PEER Reports and the FDA determines that we should be subject to further FDA regulation as a Class II medical device, it could seek enforcement action against us based upon its position that our PEER Reports constitute a medical device as a result of which we could be forced to cease our marketing activities and pay fines and penalties, which would have a material adverse impact on us.

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

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

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

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

Billing complexities associated with obtaining payment or reimbursement for our tests may negatively affect our revenue, cash flow and profitability.

Substantially all of the Company's current revenue is derived from the PEER Report process, which includes the EEG, the QEEG, and the PEER Report, for which we bill on a fee-for-service basis, including reimbursements by third-party payors, such as Medicare, Medicaid and other governmental payor programs, hospitals, private insurance plans and managed care organizations and direct payments from individual patients. Billing for PEER Report testing services is generally highly complex. We conduct our own internal billing and work closely with third-party providers to ensure accuracy of billing, timely collections, and resolution of appeals and billing discrepancies.

Depending on our billing arrangement with each third-party payor and applicable law, we are often obligated to bill in the specific manner prescribed by the various payors, each of which may have different requirements. Among the potential factors complicating our billing of third-party payors are:

- disputes among payors regarding which party is responsible for payment;
- disparity in coverage among various payors;
- different process, information and billing requirements among payors; and
- incorrect or missing billing information.

We also face risks in our collection efforts, including potential write-offs of doubtful accounts and long collection cycles for accounts receivable.

Additionally, from time to time, payors change processes that may affect timely payment. These changes may result in uneven cash flow or impact the timing of revenue recognized with these payors. With respect to payments received from governmental programs, factors such as a prolonged government shutdown could cause significant regulatory delays or could result in attempts to reduce payments made to us by government healthcare programs. These billing complexities, and the related uncertainty in obtaining payment for PEER Report testing services, could negatively affect our revenue, cash flow and profitability. In addition, increases in write-offs of doubtful accounts, delays in receiving payments or potential retroactive adjustments and penalties resulting from audits by payors could adversely affect our business, results of operations and financial condition.

Changes in laws, regulations, payor policies or contracting arrangements with payors may adversely affect coverage or reimbursement for PEER Report services, which may decrease our revenue and adversely affect our results of operations and financial condition.

Governmental payors, as well as private insurers, and other private payors have implemented and will continue to implement measures to control the cost, utilization and delivery of healthcare services, including laboratory services. Congress has from time to time considered and implemented changes to laws and regulations governing healthcare service providers, including specialized diagnostic service providers. These changes have adversely affected and may in the future adversely affect coverage for laboratory services, including the PEER Report and PGx testing services we provide. We also believe that healthcare professionals may not use the PEER Report if third-party payors do not provide adequate coverage and reimbursement for them.

Reimbursement to healthcare providers, such as specialized analytic service providers, are subject to continuing change in policies by governmental payors, such as Medicare and Medicaid, private insurers, including managed care organizations, and other private payors, such as hospitals and private medical groups.

As a Medicare-participating independent diagnostic testing Facility based in California, we bill Noridian Healthcare Solutions, or Noridian, the Medicare Administrative Contractor, or MAC, for California, and are subject to Noridian's local coverage and reimbursement policies. Reductions in coverage could decrease our average Medicare reimbursement rate per sample.

In addition, reimbursement from governmental payors is subject to statutory and regulatory changes, retroactive rate adjustments and administrative rulings, and other policy changes, all of which could materially decrease the range of services for which we are reimbursed or the reimbursement rates paid for PEER Report services.

Finally, some private insurers and other third-party payors link their rates to Medicare's reimbursement rates, and a reduction in Medicare reimbursement rates for PEER Report services could result in a corresponding reduction in the reimbursements we receive from such third-party payors. Any reductions in reimbursement levels for the PEER Report would decrease our revenue and adversely affect our results of operations and financial condition.

Operating as a non-contracting provider with certain payors may adversely affect our results of operations and financial condition, and contracting with those payors may be disadvantageous to us.

We are currently considered to be an out-of-network or "non-contracting provider" by a number of third-party payors because we have not entered into a specific contract to provide PEER Report services to their insured patients at specified rates of reimbursement. We were generally subject to reimbursement as a non-contracting provider. As a non-contracting provider, many payors pay us a smaller percentage of our charges that they recognize to be reasonable, and expect us to collect greater coinsurance or copayments from our patients. Rather than collecting these higher coinsurance and copayment amounts from these patients, when permitted by law to do so, we may instead choose to charge them only the lower coinsurance and copayments amounts that would have applied to them if we had been contracted with their payor, which results in decreased revenues. In instances where we may be prohibited by law from treating these patients as if we were in-network, thus requiring these patients to pay higher coinsurance or copayments to us, our customers may decide to reduce or avoid prescribing PEER Report services for such patients, which could adversely affect our results of operations and financial condition.

Should any of the third-party payors with whom we are not contracted insist that we enter into a contract for the PEER Report services we provide, the resulting contract may contain pricing and other terms that are materially less favorable to us than the terms under which we currently operate. If revenue from a particular payor grows, there is heightened risk that such a third-party payor will insist that we enter into contractual arrangements that contain such terms. If we refuse to enter into a contract with such a third-party payor, they may refuse to cover and reimburse for PEER Report services, which may lead to a decrease in report volume and a corresponding decrease in our revenues. If we contract with such a third-party payor, although our report volume may increase as a result of the contract, our revenue per report under the contractual agreement and gross margin may decrease. The overall net result of contracting with third-party payors may adversely affect our business, results of operations and financial condition.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Certain of our patents will expire in the near future, and we may have difficulties protecting our proprietary rights and technology and we may not be able to ensure their protection.

Our ability to stop third parties from developing processes and commercializing products similar or identical to ours is dependent upon the extent to which we have rights under valid and enforceable patents or trade secrets that cover these activities. As we describe elsewhere in this Annual Report, we currently have 22 issued patents, of which nine are in the U.S., covering the process involved in our PEER Online service. Our current patent portfolio includes US6,622,036, US7,754,190 and US8,562,951, which cover methods for (1) treating, classifying and analyzing brain imbalances, (2) predicting a drug response and (3) classifying an individual's QEEG data. These three patents will expire over the next two years, beginning in September 2017, at which point we can no longer enforce our rights under these patents against third parties to prevent them from developing processes and commercializing products similar or identical to ours. Because our efforts to achieve broader market acceptance of our PEER Online service may take a substantial period of time, our patents (and particularly our patents expiring in September 2017 and over the next two years) may expire or provide only a short period of protection, if any, following such broader market acceptance. This could expose us to substantially more competition and have a material adverse impact on our business and our ability to commercialize or license our technology and products. Our asset is our PEER Online Database and we will continue to encrypt and protect it.

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

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

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

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

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

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

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

The liability of our directors and officers is limited.

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

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

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

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

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

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

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

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

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

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

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

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

Risks Related To Our Industry

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Risks Relating To An Investment In Our Common Stock

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

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

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

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

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

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

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

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

Recent and future sales of common stock or derivative securities by us in private placements or public offerings could result in substantial dilution to our existing stockholders. For example, the conversion of our $6 million in secured convertible debt at $5.00 per share, plus the interest thereon, which we privately placed between September 2014 and August 2016, resulted in the issuance of 1,263,406 additional shares. In addition, our business strategy may include expansion through internal growth, by acquiring complementary businesses, by acquiring or licensing additional products and services, or by establishing strategic relationships with targeted customers and suppliers. In order to do so, or to finance the cost of our other activities, we may issue additional equity securities that could dilute our stockholders' stock ownership. We may also assume additional debt and incur impairment losses related to goodwill and other tangible assets if we acquire another company and this could negatively impact our earnings and results of operations.

The sale of our Common Stock to Aspire Capital may cause substantial dilution to our existing stockholders and the sale of the shares of Common Stock acquired by Aspire Capital could cause the price of our Common Stock to decline.

Under the Purchase Agreement, we are obligated to register for sale the Commitment Shares that we have issued and additional shares that we may sell to Aspire Capital under the Purchase Agreement. It is anticipated that the shares thereby registered will be sold over a period of up to approximately thirty months from the date of the related prospectus. The number of shares ultimately offered for sale by Aspire Capital under such prospectus will be dependent upon the number of shares we elect to sell to Aspire Capital under the Purchase Agreement. Depending on a variety of factors, including market liquidity of our Common Stock, the sale of shares under the Purchase Agreement may cause the trading price of our Common Stock to decline.

Aspire Capital may ultimately purchase all, some or none of the $10 million of Common Stock that, together with the Commitment Shares, we are required to register. Aspire Capital may sell all, some or none of our shares that it holds or comes to hold under the Purchase Agreement. Sales by Aspire Capital of shares acquired pursuant to the Purchase Agreement under an effective registration statement, may result in dilution to the interests of other holders of our Common Stock. The sale of a substantial number of shares of our Common Stock by Aspire Capital, or anticipation of such sales, could cause the trading price of our Common Stock to decline or make it more difficult for us to sell equity or equity-related securities in the future at a time and at a price that we might otherwise desire. However, we have the right under the Purchase Agreement to control the timing and amount of sales of our shares to Aspire Capital, and the Purchase Agreement may be terminated by us at any time at our discretion without any penalty or cost to us.

Were our common stock to be considered penny stock, and therefore become subject to the penny stock rules, U.S. broker-dealers may be discouraged from effecting transactions in shares of our common stock.

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

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

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

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

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

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

Our officers, directors and principal stockholders (greater than 5% stockholders) collectively control approximately 64% of our issued and outstanding common stock and 59% on a fully diluted basis. As a result, these stockholders are able to affect the outcome of, or exert significant influence over, all matters requiring stockholder approval, including the election and removal of directors and any change in control. This concentration of ownership of our common stock could have the effect of delaying or preventing a change of control of us or otherwise discouraging or preventing a potential acquirer from attempting to obtain control of us. This, in turn, could have a negative effect on the market price of our common stock. It could also prevent our stockholders from realizing a premium over the market prices for their shares of common stock. Moreover, the interests of this concentration of ownership may not always coincide with our interests or the interests of other stockholders, and accordingly, they could cause us to enter into transactions or agreements that we would not otherwise consider.

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

Our officers, directors and principal stockholders (greater than 5% stockholders) collectively control approximately 64 % of our issued and outstanding common stock and 59% on a fully diluted basis. Subsequent sales of our shares by these stockholders could have the effect of lowering our stock price. In connection with our offering and sale of convertible notes which, upon conversion, resulted in the issuance of 1,263,406 additional shares of common stock, we agreed to file a registration statement under certain circumstances covering the resale of shares of common stock. The perceived risk associated with the possible sale of a large number of shares by these stockholders, or the adoption of significant short positions by hedge funds or other significant investors, could cause some of our stockholders to sell their stock, thus causing the price of our stock to decline. In addition, actual or anticipated downward pressure on our stock price due to actual or anticipated sales of stock by our directors or officers could cause other institutions or individuals to engage in short sales of our common stock, which may further cause the price of our stock to decline.

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

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

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

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

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

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

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

ITEM 1B. Unresolved Staff Comments

Not applicable.

ITEM 2. Properties

The Company has its Headquarters and Neurometric services business premises at 26522 La Alameda, Suite 290, Mission Viejo, CA 92691, which is 2,290 sqft in size. We signed a 24 month lease for this location on January 22, 2016. The lease period commenced on February 1, 2016 and terminates on January 31, 2018. The rent for the first four months was $2,290 per month, which was abated by 50%; for months 5 through 12 the rent increased to $4,580 per month and for the final 12 months the rent will increase by 5% to $4,809 per month.

On February 2, 2016, we signed a 23.5 month lease for 1,092 sqft of office space to house our EEG testing center. The premises are located at 25201 Paseo De Alicia, Laguna Hills, CA 92653. The lease period commenced on February 15, 2016 and terminates on January 31, 2018. The rent for first half month of February was prorated at $928.20; for the next 11 months the rent is $1,856 per month, and for the remaining twelve months the rent will increase by 3% to $1,911 per month. The landlord abated the rent for March 2016.

ITEM 3. Legal Proceedings

Litigation

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

Set forth below is a description of a legal proceeding that was terminated in the fourth quarter of the fiscal year ended September 30, 2016.

On August 15, 2016, the Company approved the entry into a Settlement Agreement and Mutual General Release ("Settlement Agreement"), dated as of August 8, 2016, with Leonard J. Brandt and Brandt Ventures, GP. The Settlement Agreement is a mutual release of all claims between the parties, including claims that were raised or could have been raised in litigation with Leonard J. Brandt and Brandt Ventures, GP in a number of civil actions in multiple venues, including litigation in the Superior Court for the State of California, Orange County, captioned Leonard J. Brandt and Brandt Ventures, GP v. CNS Response, Inc., Sail Venture Partners and David Jones, Superior Court for the State of California, Orange County, case no. 30-2011-00465655-CU-WT-CJC, and the Court of Chancery of the State of Delaware, captioned Leonard J. Brandt v. CNS Response, Inc., C.A. No. 7652-VGS, respectively. The Settlement Agreement terms included a cash payment of $225,000 paid on August 16, 2016, along with the issuance of a $50,000 Note (as defined herein) convertible into 5,000 shares of our common stock at $10.00 per share and a Note Warrant (as defined herein) for the purchase of 5,000 shares at $10.00 per share. The terms of the Note and the Note Warrant were substantially the same as the Notes and Warrants (as defined herein) issued pursuant to the Second Amended Note and Warrant Purchase Agreement described in *Note 3. Convertible Debt and Equity Financing*, and include a Security Agreement and Registration Rights Agreement.

On September 19, 2016, the Company entered into a Second Omnibus Amendment to amend the Notes, the Second Amended Note and Warrant Purchase Agreement and the Warrants. *(refer to Note 3. Convertible Debt and Equity Financings of the Consolidated Financial Statements).*

ITEM 4. Mine Safety Disclosures.

Not applicable .

PART II

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

Common Stock

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

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

	High	Low
Fiscal Year Ended September 30, 2015		
First Quarter	$ 54.00	$ 24.00
Second Quarter	$ 44.00	$ 34.00
Third Quarter	$ 34.00	$ 14.00
Fourth Quarter	$ 16.00	$ 10.00
Fiscal Year Ended September 30, 2016		
First Quarter	$ 12.00	$ 4.00
Second Quarter	$ 8.00	$ 4.00
Third Quarter	$ 5.00	$ 3.00
Fourth Quarter	$ 6.00	$ 4.00

On December 20, 2016, the closing sales price of our common stock as reported on the OTCQB market was $9.05 per share. As of December 20, 2016, there were 298 record holders of our common stock. The number of holders of record is based on the actual number of holders registered on the books of our transfer agent and does not reflect holders of shares in "street name" or persons, partnerships, associations, corporations or other entities identified in security position listings maintained by depository trust companies.

Dividend Rights

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

Recent Sales of Unregistered Securities

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

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

ITEM 6. Selected Financial Data

Not applicable.

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

The following discussion should be read in conjunction with the consolidated financial statements and accompanying notes provided under Part II, Item 8 of this annual report on Form 10-K. This discussion summarizes the significant factors affecting the consolidated operating results, financial condition and liquidity and cash flows of MYnd Analytics, Inc. for the fiscal years ended September 30, 2016 and 2015. Except for historical information, the matters discussed in this Management's Discussion and Analysis of Financial Condition and Results of Operations are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties and are based on the beliefs and assumptions of our management as of the date hereof based on information currently available to our management. Use of words such as "believes," "expects," "anticipates," "intends," "plans," "estimates," "should," "forecasts," "goal," "likely" or similar expressions, indicate a forward-looking statement. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions. Actual results may differ materially from the forward-looking statements we make. See "Risk Factors" elsewhere in this annual report on Form 10-K for a discussion of certain risks associated with our business. We disclaim any obligation to update forward-looking statements for any reason.

Overview

MYnd Analytics, Inc. (the "Company"), is a predictive analytics company that has developed a decision support tool to help physicians reduce trial and error treatment in mental health and provide more personalized care to patients. The Company provides objective clinical decision support to mental healthcare providers for the personalized treatment of behavioral disorders, including depression, anxiety, bipolar disorder, post-traumatic stress disorder ("PTSD") and other non-psychotic disorders. The Company uses its proprietary neurometric platform, PEER Online, to generate Psychiatric EEG Evaluation Registry ("PEER") Reports to predict the likelihood of response by an individual to a range of medications prescribed for the treatment of behavioral disorders. We will be conducting clinical trials focused on military personnel and their family members who are suffering from depression, PTSD and mild traumatic brain injury ("mTBI") in order to support clinical decisions in the treatment of depression and related disorders. We are also planning to commercialize our PEER Report by focusing on the following four areas:(i) Military and Veterans, (ii) commercial growth strategy outside of the US, initially through the Canadian Armed Forces, which will provide both NATO and Health Canada experience with our PEER technology, (iii) payer and self-insured markets and (iv) market entry of provider groups.

Working Capital

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

Since our inception, we have never been profitable and we have generated significant net losses. As of September 30, 2016, we had an accumulated deficit of approximately $68.53 million; and as of September 30, 2015, we had an accumulated deficit of approximately $62.59 million. We incurred operating losses of $3.77 million and $2.65 million for the fiscal years ended September 30, 2016 and 2015, respectively and incurred net losses of $5.94 million and $3.38 million for those respective periods. Large, non-cash, accounting transactions significantly impacted the net losses for the 2016 and 2015 fiscal years, including:

For 2016 our net loss was exacerbated by net non-cash, other expense charges in the aggregate amount of $1.9 million as a result of non-cash interest charges, accounting for the extinguishment of debt and derivative liability transactions resulting conversion of $6 million of convertible debt and the cancelation of all warrants that had been issued in association with the convertible debt.

For 2015 our net loss was exacerbated by net non-cash, other expense charges in the aggregate amount of $0.72 million as a result of accounting for non-cash interest charges, the extinguishment of debt and derivative liability transactions resulting from the amendment of the conversion terms of our notes payable.

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

As of September 30, 2016, our current liabilities of approximately $1.54 million exceeded our current assets of approximately $1.21 million by approximately $0.33 million and, assuming we are able to continue our operations, our net losses will continue for the foreseeable future. During fiscal year 2016 we raised $2.95 million in the private placement of secured convertible debt convertible at $5.00 per share. During fiscal year 2015 we raised $1.35 million in the private placement of secured convertible debt convertible at $10.00 per share.

On November 30, 2016, and December 21, 2016 the Company sold and issued an aggregate of 208,000 shares of its Common Stock, at a per share price of $6.25, in private placements to a total of ten accredited investors, for which it received gross cash proceeds to the Company of $1,300,000. For details of these financings see "—*Private Placement Transactions—Private Placement of Common Stock*" below.

On December 6, 2016, the Company, entered into a common stock purchase agreement (the "Purchase Agreement") with Aspire Capital Fund, LLC, an Illinois limited liability company ("Aspire Capital") which provides that, upon the terms and subject to the conditions and limitations set forth therein, Aspire Capital is committed to purchase up to an aggregate of $10.0 million of shares of the Company's common stock over the 30-month term of the Purchase Agreement. For details of the Purchase Agreement financing see "—*Private Placement Transactions—The Aspire Capital Equity Line*" below.

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

Private Placement Transactions

Private Placement of Convertible Notes

Between September 22, 2014, and July 20, 2015, the Company entered into a Note Purchase Agreement (the "Original Note Purchase Agreement") in connection with a bridge financing, with nine accredited investors, including lead investor RSJ Private Equity investiční fond s proměnným základním kapitálem ("RSJ PE"). Pursuant to the Original Note Purchase Agreement, the Company issued fifteen secured convertible promissory notes (each, a "September 2014 Note") in the aggregate principal amount of $2.29 million. Of this amount, RSJ PE purchased a September 2014 Note for $750,000. Michal Votruba, a Director for Life Sciences for the RSJ/Gradus Fund, subsequently joined our Board on July 30, 2015. The September 2014 Notes were also purchased by four additional affiliates of the Company *(refer to the Note Issuance and Conversion Table below).*

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

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

On September 14, 2015, the Company entered into an Omnibus Amendment (the "Omnibus Amendment") to the Note Purchase Agreement and the notes purchased and sold pursuant thereto, with the majority of the noteholders to fix the conversion price of all notes at $10.00 per share (as adjusted for stock splits, stock dividends, combinations or the like affecting the Common Stock) (the "Fixed Conversion Price") (i) automatically, in the event of a qualified financing of not less than $5 million, or (ii) voluntarily, within 15 days prior to the maturity date of the note. The Omnibus Amendment also amended the form of note attached to the Note Purchase Agreement to reflect the Fixed Conversion Price.

Subsequently thereto, on September 14, 15 and 24, 2015, the Company entered into a Note Purchase Agreement, as amended by the Omnibus Amendment, with each of six accredited investors, in connection with a bridge financing. Pursuant to these Note Purchase Agreements, the Company issued an aggregate principal amount of $710,000 of secured convertible promissory notes (collectively, the "September 2015 Notes," and together with the September 2014 Notes and all other notes purchased and sold pursuant to the Note Purchase Agreement, the "Notes"), which amount also represents the gross proceeds to the Company from the September 2015 Notes. Four of the six September 2015 Notes were purchased by affiliates of the Company, or an entity under such affiliate's control *(refer to the Note Issuance and Conversion Table below)*

Through December 23, 2015, and prior to further amendments to the Notes, all of the Notes were scheduled to mature on March 21, 2016, (subject to earlier conversion or prepayment), and earned interest at a rate of 5% per annum with interest payable at maturity. The Notes could not be prepaid without the prior written consent of the holder of such Notes. The Notes were secured by a security interest in the Company's intellectual property, as detailed in a security agreement. Upon a change of control of the Company, the holder of a Note had the option to have the Note repaid with a premium equal to 50% of the outstanding principal.

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

Pursuant to the Second Amended Note & Warrant Agreement, on December 23 and December 28, 2015, the Company issued to the two purchasers thereof, who are both affiliates *(refer to the Note Issuance and Conversion Table below)*of the Company, (i) an aggregate principal amount of $1,000,000 of secured convertible promissory notes (each, a "December 2015 Note"), which amount also represents the gross proceeds to the Company from the December 2015 Notes, and (ii) a Note Warrant to each holder of December 2015 Notes to purchase the Company's Common Stock, in an amount equal to 100% of the shares underlying their December 2015 Note (each, a "Note Warrant"). Each Note Warrant was exercisable, in whole or in part, during the period beginning on the date of its issuance, and ending on the earlier of (i) December 31, 2020 and (ii) the date that was forty-five (45) days following the date on which the daily closing price of shares of the Company's Common Stock quoted on the OTCQB Venture Marketplace (or other bulletin board or exchange on which the Company's Common Stock is traded or listed) exceeded $50.00 for at least ten (10) consecutive trading days. The Note Warrants were subsequently cancelled. For additional details on cancellation of the Note Warrants, see "*—Note Conversion and Warrant Cancellation*" below.

Between February 23, 2016 and June 30, 2016, the Company issued to seven accredited investor purchasers thereof (i) an aggregate principal amount of $1,100,000 in eight separate Notes and (ii) a warrant to each holder of such Notes to purchase the Company's Common Stock, in an amount equal to 100% of the shares underlying their respective Note (each, also a "Note Warrant"). A total of 110,000 shares of Common Stock in the aggregate were underlying these Note Warrants. Five of the purchasers were affiliates of the Company *(refer to the Note Issuance and Conversion Table below).* The Note Warrants were subsequently cancelled. For additional details on cancellation of the Note Warrants, see "*—Note Conversion and Warrant Cancellation*" below.

Also on December 23, 2015, in consideration for the agreement to extend the maturity date of the Notes, the Company issued to holders of all Notes outstanding prior to the date of the Second Amended Note & Warrant Agreement, warrants to purchase an aggregate of 300,000 shares of Common Stock (the "Extension Warrants", together with the Note Warrants, the "Warrants"). All Warrants had identical terms. Each such holder was issued an Extension Warrant to purchase Common Stock in an amount equal to 100% of the shares underlying each such holder's previously outstanding Notes. Extension Warrants were issued to affiliates *(refer to the Note Issuance and Conversion Table below).* All Note Warrants and Extension Warrants were subsequently cancelled upon conversion of the Notes. For additional details on cancellation of the Warrants, see "*—Note Conversion and Warrant Cancellation*" below.

On August 15, 2016, the Company entered into an Amendment No. 1 to the Second Amended Note and Warrant Agreement with the investors party thereto to extend the time during which the Notes and the Warrants could be issued under the Second Amended Note and Warrant Agreement from August 11, 2016 to September 1, 2016.

On September 19, 2016, the Company entered into a Second Omnibus Amendment (the "Second Omnibus Amendment"), with a majority of over 80% of the noteholders, thereby amending: (i) the Notes, (ii) the Second Amended Note and Warrant Agreement, as amended and (iii) the Warrants. Pursuant to the Second Omnibus Amendment, the Company had the option, exercisable at any time after September 1, 2016, to mandatorily convert all Notes into shares of the Company's common stock at $5.00 per share (the "Mandatory Conversion").

Note Conversion and Warrant Cancellation

On September 19, 2016, pursuant to the Second Omnibus Amendment, the Company exercised the Mandatory Conversion and, on September 21, 2016, (i) converted the entire outstanding principal balance of $6,000,000, plus accrued interest of $317,000 on all of the Notes into 1,263,406 shares of the Company's common stock at a conversion price of $5.00 per share and (ii) cancelled all Warrants.

The below table sets forth details regarding the shares issued to certain related parties upon the Company's exercise of the Mandatory Conversion:

Note Issuance and Conversion Table:

Note Holder		Principal Amount	Accrued Interest at Conversion	Shares issued on Conversion
Original Note Purchase Agreement				
Note Date Range Sept 22,2014 to July 20,2015				
RSJ Private Equity	(1)	$ 750,000	$ 76,200	165,246
John Pappajohn	(2)	200,000	20,400	44,089
John Pappajohn	(5)	200,000	14,200	42,820
Tierney Family Trust	(3)	540,000	46,000	117,199
Follman Family Trust	(4)	100,000	7,700	21,538
Oman Ventures	(6)	200,000	20,400	44,089
4 Accredited Investors		300,000	30,600	66,112
Subtotal for First Round		**$ 2,290,000**		
Omnibus Amendment Sept 14, 2015				
Note Date Range Sept 14,2015 to September 24, 2015				
RSJ Private Equity	(1)	$ 350,000	17,300	73,462
Robin Smith	(2)	60,000	3,100	12,611
John Pappajohn	(2)	100,000	5,100	21,015
Follman Family Trust	(4)	150,000	7,600	31,522
2 Accredited Investors		50,000	2,500	10,508
Subtotal for Second Round		**$ 710,000**		
Second Amended Note December 23 & 28, 2015				
RSJ Private Equity	(1)	$ 750,000	27,300	155,465
John Pappajohn	(2)	250,000	9,300	51,856
Subtotal for Third Round		**$ 1,000,000**		
Note Date Range Feb 23,2016 to August 16, 2016				
RSJ Private Equity	(1)	$ 250,000	1,400	50,281
Robin Smith	(2)	40,000	800	8,165
John Pappajohn	(2)	850,000	14,000	172,802
Tierney Family Trust	(3)	100,000	600	20,129
Follman Family Trust	(4)	300,000	5,100	61,014
Carpenter, George & Jill	(7)	100,000	1,300	20,254
Harris, Geoffrey	(2)	10,000	300	2,058
2 Accredited Investors		300,000	5,600	61,124
Brandt Ventures	(8)	50,000	200	10,047
Subtotal for Final Round		**$ 2,000,000**		
Balances Converted September 19, 2016		**$ 6,000,000**	**$ 317,000**	**1,263,406**

(1) RSJ PE is a greater than 5% shareholder. Michal Votruba, a Director for Life Sciences for the RSJ/Gradus Fund, joined our Board on July 30, 2015.

(2) Member of the Board.

(3) Thomas Tierney is a trustee of the Tierney Family Trust. Mr. Tierney originally joined the Board on February 25, 2013 and served as Chairman of the Board from March 26, 2013 through his resignation on May 22, 2015. On September 29, 2016 Mr. Tierney rejoined the Board. The Tierney Family Trust is a greater than 5% shareholder of the Company.

(4) Robert Follman is a trustee of the Follman Family Trust and is a member of the Board.

(5) John Pappajohn is a member of the Board. He purchased $200,000 of Notes, which on September 6, 2015, were assigned to four accredited investors. Approximately $10,400 of the total interest was attributable to such transferred Notes, resulting in an aggregate of 42,084 shares being issued upon the Mandatory Conversion of such transferred Notes.
(6) Mark & Jill Oman are the beneficial owners of Oman Ventures and were greater than 5% shareholders of the Company.
(7) George Carpenter is the CEO of the Company.
(8) Brandt Ventures was issued this note as part of the Company's settlement of its litigation with Leonard Brandt and Brandt Ventures*(refer to Note 9. Commitments and Contingent Liabilities).*

Private Placement of Common Stock

On November 30, 2016, the Company sold and issued an aggregate of 160,000 shares of its Common Stock, at a per share price of $6.25, in a private placement to six accredited investors, for which it received gross cash proceeds to the Company of $1,000,000. Three of the six accredited investors were affiliates who represented 50% of the cash proceeds as follows: Dr. Robin Smith, our Chairman of the Board purchased 16,000 shares for $100,000; John Pappajohn, a member of the Board, purchased 32,000 shares for $200,000; and the Tierney Family Trust, of which our Board member, Thomas Tierney is a trustee, purchased 32,000 shares for $200,000. In connection with this private placement, certain investors (comprised of our executive officers and current and former directors) agreed to a 180-day "lock-up", commencing on November 30, 2016, with respect to shares of Common Stock and other of our securities that they beneficially own, including securities that are convertible into shares of Common Stock and securities that are exchangeable or exercisable for shares of Common Stock. As a result, subject to certain exceptions, for a period of 180 days following November 30, 2016, such persons may not offer, sell, pledge or otherwise dispose of these securities without the Company's prior written consent.

On December 21, 2016, the Company sold and issued a further 48,000 shares of its Common Stock, at a per share price of $6.25, in a private placement to four accredited investors who were new to the Company, for which it received gross cash proceeds to the Company of $300,000.

The Aspire Capital Equity Line

On December 6, 2016, the Company, entered into a common stock purchase agreement (the "Purchase Agreement") with Aspire Capital Fund, LLC ("Aspire Capital") which is committed to purchase up to an aggregate of $10.0 million of shares of Common Stock over the 30-month term of the Purchase Agreement. Concurrently with entering into the Purchase Agreement, the Company also entered into a registration rights agreement with Aspire Capital (the "Registration Rights Agreement"), in which the Company agreed to file one or more registration statements registering the sale of the shares of Common Stock that have been and may be issued to Aspire Capital under the Purchase Agreement.

Under the Purchase Agreement, after the SEC has declared effective the registration statement referred to above, on any trading day selected by the Company on which the closing sale price of its Common Stock is equal to or greater than $0.50 per share, the Company has the right, in its sole discretion, to present Aspire Capital with a purchase notice, directing Aspire Capital (as principal) to purchase up to 50,000 shares of Common Stock per business day, up to $10.0 million of the Company's common stock in the aggregate at a per share purchase price equal to the lesser of:

1) the lowest sale price of Common Stock on the purchase date; or
2) the arithmetic average of the three (3) lowest closing sale prices for Common Stock during the twelve (12) consecutive trading days ending on the trading day immediately preceding the purchase date.

In addition, on any date on which the Company submits a purchase notice to Aspire Capital in an amount equal to 50,000 shares and the closing sale price of the Company's stock is greater than $0.50 per share, the Company also has the right, in its sole discretion, to present Aspire Capital with a volume-weighted average price purchase notice (each, a "VWAP Purchase Notice") directing Aspire Capital to purchase an amount of stock equal to up to 30% of the aggregate shares of Common Stock traded on its principal market on the next trading day (the "VWAP Purchase Date"), subject to a maximum number of shares the Company may determine. The purchase price per share pursuant to such VWAP Purchase Notice is generally 95% of the volume-weighted average price for Common Stock traded on its principal market on the VWAP Purchase Date.

The purchase price will be adjusted for any reorganization, recapitalization, non-cash dividend, stock split, or other similar transaction occurring during the period(s) used to compute the Purchase Price. The Company may deliver multiple Purchase Notices and VWAP Purchase Notices to Aspire Capital from time to time during the term of the Purchase Agreement, so long as the most recent purchase has been completed.

The Purchase Agreement provides that the Company and Aspire Capital will not effect any sales under the Purchase Agreement on any purchase date where the closing sale price of the Company's common stock is less than $0.50. There are no trading volume requirements or restrictions under the Purchase Agreement, and the Company will control the timing and amount of sales of Common Stock to Aspire Capital. Aspire Capital has no right to require any sales by the Company, but is obligated to make purchases from the Company as directed by the Company in accordance with the Purchase Agreement. There are no limitations on use of proceeds, financial or business covenants, restrictions on future fundings, rights of first refusal, participation rights, penalties or liquidated damages in the Purchase Agreement. In consideration for entering into the Purchase Agreement, concurrently with the execution of the Purchase Agreement, the Company issued to Aspire Capital 80,000 shares of Common Stock (the "Commitment Shares"). The Purchase Agreement may be terminated by the Company at any time, at its discretion, without any cost to the Company. Aspire Capital has agreed that neither it nor any of its agents, representatives and affiliates shall engage in any direct or indirect short-selling or hedging of Common Stock during any time prior to the termination of the Purchase Agreement. Any proceeds from the Company receives under the Purchase Agreement are expected to be used for working capital and general corporate purposes.

The issuance of the Commitment Shares and all other shares of Common Stock that may be issued from time to time to Aspire Capital under the Purchase Agreement are exempt from registration under the Securities Act, pursuant to the exemption for transactions by an issuer not involving any public offering under Section 4(a)(2) of the Securities Act.

Capitalization

At our annual meeting of stockholders held on October 28, 2015 (the "2015 Stockholder Meeting"), our stockholders approved a proposal to amend the Company's Certificate of Incorporation in order to increase the number of shares of Common Stock authorized for issuance under our Charter from 180,000,000 to 500,000,000.

Also at our 2015 Stockholder Meeting, our stockholders approved an amendment to amend the Company's Charter for the purposes of effecting a reverse stock-split of our Common Stock at a later time and at any time until the next meeting of the Company's stockholders which are entitled to vote on such actions, by a ratio of not less than 1-for-10 and not more than 1-for-200, and to authorize the Board of Directors ("Board") to determine, at its discretion, the timing of the amendment and the specific ratio of the reverse stock-split.

On August 24, 2016, the Board approved a 1-for-200 reverse stock-split which was effected on September 21, 2016. On September 19, 2016, pursuant to the Second Omnibus Amendment, the Company exercised the Mandatory Conversion and, on September 21, 2016, (i) converted the entire outstanding principal balance of $6,000,000, plus accrued interest of $317,000 on all of the Notes into 1,263,406 shares of the Company's common stock at a conversion price of $5.00 per share and (ii) cancelled all 600,000 Warrants.

	Shares
Shares of Common Stock Authorized	500,000,000
Shares of Preferred stock Authorized (none issued and outstanding)	15,000,000
Total Authorized Shares	515,000,000
Shares of Common Stock Issued and Outstanding at September 30, 2016	1,941,061
Common Stock issuable upon the exercise of outstanding stock options at September 30, 2016	223,120(1)
Common Stock issuable upon the exercise of outstanding warrants at September 30, 2016	7,160(1)
Common Stock issuable upon the exercise of outstanding stock options issued after September 30, 2016	102,000(2)
Common Stock issued pursuant to Subscription Agreements on November 30, 2016 and December 21, 2016	208,000(2)
Common Stock issued pursuant to the Aspire Capital Fund Common Stock Agreement- commitment shares	80,000(2)
Total securities outstanding and reserved for issuance at December 21, 2016	2,561,341

1) *For more detail on the exercise prices and expiration dates of the options and warrants please refer to the "Stock Option Plans" and "Warrants to Purchase Common Stock" sections of Note 5. Stockholders' Deficit of the Consolidated Financial Statements. For more detail on certain warrant cancellations, please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operation—Private Placement Transactions—Note Conversion and Warrant Cancellation".*

2) *For more detail on the grant of options to purchase Common Stock, the issuance of Common Stock pursuant to Subscription Agreements on November 30, 2016, and December 21, 2016 and the issuance of commitment shares on December 6, 2016, to Aspire Capital pursuant to the Purchase Agreement refer to Note 11. Subsequent Events of the Consolidated Financial Statements.*

Financial Operations Overview

Revenues

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

Cost of Revenues

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

Research and Product Development

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

Sales and Marketing

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

General and Administrative

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

Critical Accounting Policies and Significant Judgments and Estimates

This management's discussion and analysis of financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as revenues and expenses during the reporting periods. We evaluate our estimates and judgments on an ongoing basis. We base our estimates on historical experience and on various other factors we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results could therefore differ materially from those estimates under different assumptions or conditions.

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

Revenue Recognition

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

Stock-based Compensation Expense

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

Long-Lived Assets and Intangible Assets

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

Costs for software developed for internal use are accounted for through the capitalization of those costs incurred in connection with developing or obtaining internal-use software. Capitalized costs for internal-use software are included in intangible assets in the consolidated balance sheet. Capitalized software development costs are amortized over three years. Costs incurred during the preliminary project along with post-implementation stages of internal use computer software development and costs incurred to maintain existing product offerings are expensed as incurred. The capitalization and ongoing assessment of recoverability of development costs require considerable judgment by management with respect to certain external factors, including, but not limited to, technological and economic feasibility and estimated economic life. The Company will begin amortizing the software over its estimated economic life once it has been placed into service.

Derivative accounting for convertible debt and warrants

The Company evaluates all of its agreements to determine if such instruments have derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the consolidated statements of operations. For stock-based derivative financial instruments, the Company uses a weighted average Black-Scholes option pricing model to value the derivative instruments at inception and on subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date. As of September 30, 2016, the Company had no financial instruments that contain embedded derivative features.

Results of Operations for the Fiscal Years Ended September 30, 2016 and 2015

MYnd Analytics is focused on research and the commercialization of its PEER Reports through its Neurometric Services. The Company has commenced a clinical trial with the Canadian Armed Forces and is implementing a second clinical trial with a large provider group, with additional clinical trials and pilot studies being planned. Currently the Company is delivering PEER Reports to a core group of physicians. The PEER Report enables psychiatrists and other physician/prescribers to make more informed, patient-specific decisions when treating individual patients for behavioral (psychiatric and/or addictive) disorders based on the patient's own physiology

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

	Fiscal Year ended September 30, 2016	Fiscal Year ended September 30, 2015
Revenues	100%	100%
Cost of revenues	6	5
Gross profit	94	95
Research	63	92
Product development	870	691
Sales and marketing	613	348
General and administrative expenses	2,974	1,611
Operating loss	(4,426)	(2,647)
Other income (expense), net	(2,555)	(728)
Net income (loss)	(6,981)%	(3,375)%

Revenues

	Fiscal Year ended September 30, 2016	Fiscal Year ended September 30, 2015	Percent Change
Neurometric Service Revenues	$ 85,100	$ 100,100	(15)%

With respect to our Neurometric Services business, the number of third party non-study related, paid PEER Reports delivered decreased by 39, at 204 reports for the fiscal years ended September 30, 2016 and at 243 reports for the fiscal years ended September 30, 2015. The average revenue was $417 per report for the 2016 period; in the prior year the revenue per report was $412. The total numbers of free PEER Reports processed were 29 and 14 for the 2016 and 2015 fiscal years respectively. These free PEER Reports are used for training, database-enhancement and compassionate-use purposes.

Cost of Revenues

	Fiscal Year ended September 30,		Percent Change
	2016	2015	
Neurometric Services Cost of Revenues	$ 5,500	$ 4,900	12%

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

		Fiscal Year ended September 30,		
	Key Expense Categories	2016	2015	Change
(1)	Consulting fees	5,500	4,900	600
	Total Costs of Revenues	$ 5,500	$ 4,900	$ 600

Consulting costs associated with the processing of second generation of PEER Online reports are between $10 and $100 per report subject to the EEG service provider and the artifacting resource used.

Comparing the fiscal year ended September 30, 2016 with the corresponding period in 2015:

(1) Consulting fees remained the substantially similar for the 2016 and 2015 periods despite a slight reduction in volume; this was primarily attributable to the mix of consulting resources used for EEG services and to artifact the EEGs.

Research

	Fiscal Year ended September 30,		Percent Change
	2016	2015	
Neurometric Services Research	$ 53,700	$ 92,000	(42)%

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

		Fiscal Year ended September 30,		
	Key Expense Categories	2016	2015	Change
(1)	Salaries and benefit costs	$ 41,600	$ 41,600	$ -
(2)	Consulting fees	3,000	40,000	(37,000)
(3)	Other miscellaneous costs	9,100	10,400	(1,300)
	Total Research	$ 53,700	$ 92,000	$ (38,300)

Comparing the fiscal year ended September 30, 2016, with the corresponding period in 2015:

(1) Salary and benefit costs, which are solely comprised of stock-based compensation, remained the same for the 2016 and the 2015 periods;

(2) Consulting fees decreased for the 2016 period as we renegotiated our consulting agreements with our medical director and second physician. Our physicians are involved in our research studies and in the training of new PEER Report users

(3) Other miscellaneous costs for the 2016 and 2015 periods were reduced slightly due to a slight reduction in insurance costs.

Product Development

	Fiscal Year ended September 30,		Percent Change
	2016	2015	
Neurometric Services Product Development	$ 740,500	$ 691,800	7%

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

		Fiscal Year ended September 30,		
	Key Expense Categories	**2016**	**2015**	**Change**
(1)	Salaries and benefit costs	$ 465,500	$ 461,700	$ 3,800
(2)	Consulting fees	154,300	145,500	8,800
(3)	System development costs	54,500	30,300	24,200
(4)	Conference & Travel	18,900	12,500	6,400
(5)	Other miscellaneous costs	47,300	41,800	5,500
	Total Product Development	$ 740,500	$ 691,800	$ 48,700

Comparing the fiscal year ended September 30, 2016, with the corresponding period in 2015:

(1) Salaries and benefits increased by $3,800 for the fiscal year ended September 2016, due to a $8,200 increase in payroll and benefit expenses, which was offset by a reduction in stock based compensation. During the 2015 period, effective March 15, 2015 through to July 31, 2015, two managers had voluntarily agreed to defer a portion of their salaries in excess of $4,000 per month, in order help the Company conserve cash: the deferred salaries were accrued during this period and have not been paid out;

(2) Consulting fees increased by $8,800 for the fiscal year ended September 30, 2016, as we underwent an FDA audit during which time we received assistance from our FDA compliance consultants. Consulting fees have otherwise been fairly consistent for the two years as the clinical trial focus has pivoted from the Walter Reed PEER Trial to the Canadian Armed Forces Study and preparing for the SMART-MD clinical trial.

(3) System development and maintenance costs increased by $24,200 during the 2016 period as we used more time with our contract system programmers. Part of this increase was due to a catch-up as we had delayed some development activities during 2015 in order to conserve cash;

(4) Conference and travel costs increased by $6,400 during the 2016 period due multiple trips to Ottawa to start-up and monitor the Canadian Armed Forces Trial;

(5) Other miscellaneous costs increased by $5,500 in the 2016 period primarily associated with the Canadian Armed Forces Trial, Investigational Review Board costs and CMS application.

Sales and marketing

	Fiscal Year ended September 30,		Percent Change
	2016	**2015**	
Neurometric Services Sales and Marketing	$ 522,000	$ 347,900	50%

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

		Fiscal Year ended September 30,		
	Key Expense Categories	**2016**	**2015**	**Change**
(1)	Salaries and benefit costs	$ 137,700	$ 187,400	$ (49,700)
(2)	Consulting fees	177,100	118,900	58,200
(3)	Advertising and marketing costs	156,800	26,900	129,900
(4)	Conferences and travel costs	700	8,700	(8,000)
(5)	Other miscellaneous costs	49,700	6,000	43,700
	Total Sales and marketing	$ 522,000	$ 347,900	$ 174,100

Comparing the fiscal year ended September 30, 2016, with the same period in 2015:

(1) Salaries and benefits for the 2016 period decreased by $49,700 primarily due to option grants which became fully vested, and consequently, amortization expenses were reduced.

(2) Consulting fees for the 2016 period increased by $58,200. This difference was primarily due to the decrease in expenditure during the 2015 period when marketing services provided by Decision Calculus Associates ("DCA") were suspended from March to August 2015 in order to conserve cash: DCA was re-engaged as of September 1, 2015.

(3) Advertising and marketing expenses increased for the period ended September 30, 2016, by a net $129,900. During the 2016 period we incurred approximately $148,300 in social media advertising costs focused on the Southern Californian market. During the 2015 period we incurred $18,900 in social media costs. During the 7 months when social media advertising was actively being pursued during the 2016 period, we improved the effectiveness of our advertising which ultimately resulted in the generation of over 1,000 leads per month at an average cost of approximately $25 per lead. Although we were successful in generating leads, we discovered that closing those leads was difficult for multiple reasons, most importantly, it highlighted the need for an in-house physician at our MYnd Analytics Center ("MAC Center") as patients frequently failed to contact third party physicians to whom they were referred. Secondly, the lack of insurance reimbursement, especially for patients covered by the Centers for Medicare & Medicaid Services ("CMS"), was an issue. On September 29, 2016, we were notified that our CMS application was approved to have our MAC Center designated as an Independent Diagnostic Testing Facility. This approval allows us to start billing Medicare and Medical. During the 2015 period Advertising and Marketing expenses were minimal.

(4) Conference and travel expenditures for the 2016 period were minimal.

(5) Miscellaneous expenditures for the 2016 period increased by a net $43,700 for multiple reasons including: the rent, telecommunications and furnishing of the MAC Center in Southern California which opened in March 2016; these expenditures totaled $21,500; a down payment of $5,500 on a second MAC Center in San Francisco; and $10,400 for the subscription of lead-automation software application to efficiently track leads generated by our social media advertising campaign. For the 2015 period, miscellaneous expenses were limited to tracking telecommunications and dues for computer services.

General and administrative

	Fiscal Year ended September 30, 2016	Fiscal Year ended September 30, 2015	Percent Change
General and administrative Neurometric Services	$ 2,530,200	$ 1,613,300	57%

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

	Key Expense Categories	Fiscal Year ended September 30, 2016	2015	Change
(1)	Salaries and benefit costs	$ 1,643,800	$ 712,500	$ 931,300
(2)	Consulting fees	44,500	-	44,500
(3)	Legal fees	160,800	275,700	(114,900)
(4)	Other professional and consulting fees	118,000	119,000	(1,000)
(5)	Patent costs	115,400	113,600	1,800
(6)	Marketing and investor relations costs	28,500	50,200	(21,700)
(7)	Conference and travel costs	83,400	57,000	26,400
(8)	Dues & subscriptions fees	94,300	78,800	15,500
(9)	General admin and occupancy costs	241,500	206,500	35,000
	Total General and administrative costs	$ 2,530,200	$ 1,613,300	$ 916,900

Comparing the fiscal year ended September 30, 2016, with the same period in 2015:

(1) Salaries and benefit expenses increased by $931,300 for the 2016 period. This increase was primarily due to a $935,400 increase in based stock compensation to directors, officers and staff; which was offset by a $4,100 reduction in benefit expenses. Salaries for administrative staff remained unchanged for the two periods. During the 2015 period, in order to conserve cash, officers voluntarily deferred a portion of their salary in excess of $4,000 per month from mid-February through July of 2015, during which period $175,100 was accrued for payroll and payroll taxes.

(2) Consulting fees on $44,500 were incurred as a result of consulting agreements with investment banks.

(3) Legal fees for the 2016 period decreased by $114,900 to $160,800 and were primarily comprised of $111,600 in general and SEC related fees, $55,600 in litigation settlement related fees, $11,200 in FDA counsel fees, $12,300 for California healthcare specific legal work and $23,100 in miscellaneous legal and SEC related fees for a total of $213,800, which was offset by a credit of $53,000 as a result of lobbying fees which were renegotiated. For the 2015 period legal fees were primarily $141,600 for general and SEC related fees and $112,500 were for lobbying fees, (which were partially renegotiated in the 2016 period) and $21,600 in miscellaneous legal and SEC related fees.

(4) Other professional and consulting fees for audit and tax services had minimal change for the 2016 and 2015 periods;

(5) Patent costs increased marginally by $1,800 due to the mix of patent and trademark applications and maintenance costs;

(6) Marketing and investor relations costs decreased by a net $21,700 for the 2016 period. During the 2016 period we engaged an investor/public relations firm from mid-January through to May of 2016 at a cost of $28,100. The engagement was subsequently cancelled. For the 2015 period we had engaged a firm at a cost of approximately $44,100 of which $22,500 was in fees and $21,600 was in the fair value of issued warrants.

(7) Conference and travel costs increased by a net $26,400 for the 2016 period. Of this increase $14,000 was to attend three investor Conferences. The remaining expenses were due to increased travel to promote the Company's PEER Report with payer and provider groups or to meet with potential investors.

(8) Dues and subscription costs increased by $15,500 for the 2016 period this is largely due to Transfer Agent fees associated with our 1 for 200 reverse stock-split which happened on September 21, 2016.

(9) General administrative and occupancy costs increased by a net $35,000 for the 2016 period: of this increase $12,900 was due to increased insurance costs; $11,000 for printing costs, mostly proxy materials for the annual meeting held in October, 2015; $3,600 for relocation costs to our new premises and $3,600 for record storage fees.

Other income (expense)

	Fiscal Year ended September 30, 2016	Fiscal Year ended September 30, 2015	Percent Change
Neurometric Services (expense), net	$ (2,172,100)	$ (724,600)	200%

For the fiscal years ended September 30, 2016 and 2015 net other non-operating income (expenses) for Neurometric Services were as follows:

· For the fiscal year ended September 30, 2016, we incurred non-cash interest charges totaling $2,721,500 of which $217,300 was accrued interest on our convertible promissory notes at 5% per annum. The remaining balance was comprised of $1,134,800 of beneficial conversion discount amortization on the convertible promissory notes and $1,365,200 was the valuation of warrants; and only $4,200 was for actual net interest paid in cash during that period.

For the fiscal year ended September 30, 2015, we incurred non-cash interest charges totaling $257,400 of which $101,000 was accrued interest on our convertible promissory notes at 5% per annum. The remaining balance was comprised of $152,700 of beneficial conversion discount amortization on the convertible promissory notes; and only $3,700 was for actual net interest paid in cash during that period.

· For the fiscal year ended September 30, 2016, we incurred finance fees totaling $20,000 in association with our private placement of convertible notes. For the fiscal year ended September 30, 2015, we had no finance fees.

· Under ASC 815, all derivative instruments are required to be measured periodically at fair value and the change in fair value of non-hedging derivative instruments are to be recognized in current earnings. For the fiscal year ended September 2016 we booked a loss of $34,600 on the elimination of our derivation instruments when all Notes were converted to equity. For the fiscal year ended September 30, 2015 the periodic revaluation of our derivative liabilities for the promissory note conversion feature, resulted in a non-cash gain of $162,800.

- For the fiscal year ended September 30, 2016 we booked a non-cash gain of $572,300 related to the Mandatory conversion on September 19, 2016 of all outstanding convertible notes and the cancellation of all warrants pursuant to the Second Omnibus Amendment of the Amended Note and Warrant Agreement which we entered into with a majority of the noteholders *(for more detail refer to Note 3. Convertible Debt and Equity Financing of the Consolidated Financial Statements).*

  For the fiscal year ended September 30, 2015, we experienced a non-cash loss on the extinguishment of debt of $630,000 related to the Omnibus Amendment dated September 14, 2015, to the Note Purchase Agreement and the notes purchased and sold pursuant thereto, with the approval of the majority of the noteholders to fix the conversion price of all notes at $10.00 per share instead of the original $50.00 per share, subject to an anti-dilution ratchet.

Net Loss

	Fiscal Year ended September 30,		Percent Change
	2015	**2014**	
Neurometric Services Loss, net	$ (5,940,900)	$ (3,379,400)	76%

The net loss for our Neurometric Services business of $5.9 million for the year ended September 30, 2016, compared to the approximately $3.4 million loss in the corresponding prior year is in large part due to the increase of $1.4 million in non-cash accounting charges in the 2016 period as described in the Other Income (Expense) category above. The balance of the difference was due to the Company's operating loss.

The Company's operating loss of $3.7 million for the year ended September 30, 2016, is an increase of $1.1 million over the $2.6 million operating loss in the prior year. This is largely due to an increase in stock compensation of $0.94 million to directors, officers and staff and due to Sales and Marketing expenditure increases of $129,900 for advertising and $43,700 in miscellaneous costs in setting up and maintaining the MAC Center.

Liquidity and Capital Resources

Since our inception, we have never been profitable and we have generated significant losses. As of September 30, 2016, we had an accumulated deficit of approximately $68.53 million compared to our accumulated deficit as of September 30, 2015, which was approximately $62.59 million. We have not yet achieved profitability and anticipate that we will continue to incur losses for the foreseeable future. Our management expects that with our proposed clinical trials, sales and marketing and general and administrative costs, our expenditures will continue to grow and, as a result, we will need to generate significant product revenues to achieve profitability. We may never achieve profitability.

As of September 30, 2016, we had $318,200 in cash and cash equivalents and a working capital deficit of approximately $0.33 million. This is compared to our cash position of $432,100 in cash and cash equivalents as of September 30, 2015, and a working capital deficit of $1.26 million. The reduction in our working capital deficit is primarily due to an increase in our current assets as a result of accounting for prepaid expenses.

From September 22, 2014, through to August 11, 2016, we raised $6 million of Secured Convertible Notes.The Company exercised the Mandatory Conversion on September 19, 2016 and, on September 21, 2016, (i) converted the entire outstanding principal balance of $6,000,000, plus accrued interest of $317,000 on all of the Notes into 1,263,406 shares of the Company's common stock at a conversion price of $5.00 per share and (ii) cancelled all Warrants issued in association with the Secured Convertible Notes.

On November 30, 2016, and December 21, 2016 the Company sold and issued an aggregate of 208,000 shares of its Common Stock, at a per share price of $6.25, in private placements to a total of ten accredited investors, for which it received gross cash proceeds to the Company of $1,300,000. Three of the ten accredited investors were affiliates who represented 38.5% of the cash proceeds as follows: Dr. Robin Smith, our Chairman of the Board purchased 16,000 shares for $100,000; John Pappajohn, a member of the Board, purchased 32,000 shares for $200,000; and the Tierney Family Trust of which our Board member, Thomas Tierney is a trustee, purchased 32,000 shares for $200,000.

On December 6, 2016, the Company, entered into a common stock Purchase Agreement with Aspire Capital which provides that, upon the terms and subject to the conditions and limitations set forth therein, Aspire Capital is committed to purchase up to an aggregate of $10.0 million of shares of the Company's common stock over the 30-month term of the Purchase Agreement.

The Company has been funded through multiple rounds of private placements, primarily from members of our Board or our affiliates. For details please refer to *Item 2. Private Placement Transactions* and *Notes 3, 7 and 11 to the Consolidated Financial Statements.*

Operating Capital and Capital Expenditure Requirements

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

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

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

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

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

Sources of Liquidity

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

Since February, 2013, through July 2014 we raised \$4.8 million through the private placement of equity at \$50.0 per share of Common Stock. Of these equity offerings, \$2.1 million, or 44%, were purchased by directors, officers and affiliates of the Company.

Between September 2014, and August 2016 we have raised \$6.0 million through the private placement of secured convertible debt with an exercise price of \$5.00 per share of Common Stock. Of this funding \$5.1 million, or 85%, was provided by directors, an officer and affiliates of the Company.

For details of these financings please see Note 3 and Note 6 of the Notes to the Consolidated Financial Statements.

On November 30, 2016, and December 21, 2016 the Company sold and issued an aggregate of 208,000 shares of its Common Stock, at a per share price of \$6.25, in private placements to a total of ten accredited investors, for which it received gross cash proceeds to the Company of \$1,300,000. Three of the ten accredited investors were affiliates who represented 38.5% of the cash proceeds as follows: Dr. Robin Smith, our Chairman of the Board purchased 16,000 shares for \$100,000; John Pappajohn, a member of the Board, purchased 32,000 shares for \$200,000; and the Tierney Family Trust of which our Board member, Thomas Tierney is a trustee, purchased 32,000 shares for \$200,000.

On December 6, 2016, the Company, entered into a common stock Purchase Agreement with Aspire Capital which provides that, upon the terms and subject to the conditions and limitations set forth therein, Aspire Capital is committed to purchase up to an aggregate of \$10.0 million of shares of the Company’s common stock over the 30-month term of the Purchase Agreement.

For details of these financings please see Note 11 of the Notes to the Consolidated Financial Statements.

Cash Flows

Net cash used in operating activities was $2,978,400 for the year ended September 30, 2016, compared to $2,156,400 for the same period in 2015. The $822,000 net increase in cash used for operations was largely due to an increase is social media advertising of $129,900; the establishment of the MAC Center, $43,700; the cash component of the Brandt Litigation settlement $225,000; the development of a mobile application to capture outcome data costing $88,400; the payment of regular salaries to managers in the 2016 period, whereas during the 2015 period, manager salaries in excess of $4,000 per month were voluntarily deferred and not paid, for five months or more, this accounts for $311,000 of the difference.

During for the year ended September 30, 2016, the Company invested $78,300 in an intangible asset, which is the development of a mobile software application to collect patient outcomes; and purchased $4,000 of office equipment and furniture. During the corresponding period in 2015, the Company had no investment activities, however disposed of some excess equipment for $1,500.

Financing activities for the year ended September 30, 2016, consisted of $2.95 million in cash proceeds received from private placements pursuant to the Second Amended Note & Warrant Purchase Agreement from nine accredited investors of which seven are affiliated with the Company. For the year ended September 30, 2015, financing activities were $1.35 million raised from the private placements pursuant to the original Note Purchase Agreement and its amendments from seven accredited investors of which five were affiliated with the Company.

Contractual Obligations and Commercial Commitments

For details of Contractual Obligations and Commercial Commitments please the Lease Commitments section of "Note 9. Commitments and Contingent Liabilities" of the Notes to the Consolidated Financial Statements.

Off-Balance Sheet Arrangements

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

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

Not applicable

ITEM 8. Financial Statements and Supplementary Data

Index to financial statements

ANTON & CHIA CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
MYnd Analytics, Inc.
26522 La Alameda, Suite 290
Mission Viejo, CA 92691

We have audited the accompanying consolidated balance sheets of MYnd Analytics, Inc. (the "Company")(Formerly CNS Response, Inc.) and their subsidiaries as of September 30, 2016 and 2015, and the related consolidated statements of operations, changes in stockholders' deficit, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of September 30, 2016 and 2015, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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

/s/ Anton & Chia, LLP

Newport Beach, California

December 22, 2016

MYND ANALYTICS, INC.

CONSOLIDATED BALANCE SHEETS AT SEPTEMBER 30, 2016 and 2015

	September 30, 2016	September 30, 2015
ASSETS		
CURRENT ASSETS:		
Cash	$ 318,200	$ 432,100
Accounts receivable (net of allowance for doubtful accounts of $1,200 and $1,200 as of September 30, 2016, and September 30, 2015, respectively)	5,100	11,800
Prepaid insurance	59,800	57,400
Prepaid common stock	808,000	39,000
Prepaid other assets	18,800	7,900
Total current assets	1,209,900	548,200
Furniture and equipment, net	9,500	1,700
Intangible assets	87,100	13,100
Other assets	13,600	4,100
TOTAL ASSETS	$ 1,320,100	$ 567,100
LIABILITIES AND STOCKHOLDERS' DEFICIT:		
CURRENT LIABILITIES:		
Accounts payable (including $10,000 and $10,000 to related parties as of September 30, 2016, and September 30, 2015, respectively)	$ 426,600	$ 852,000
Accrued liabilities	61,000	156,300
Accrued compensation	509,400	418,500
Accrued compensation – related parties	436,200	226,100
Accrued interest	3,900	103,600
Deferred revenue - grant funds	45,900	45,900
Current portion of note payable	56,300	-
Current portion of capital lease	1,200	2,400
Total current liabilities	1,540,500	1,804,800
LONG-TERM LIABILITIES		
Secured convertible debt – related parties (net of discounts $0.00 and $209,900 as of September 30, 2016 and September 30, 2015, respectively)	-	2,240,100
Secured convertible debt - other (net of discounts $0.00 and $24,300 as of September 30, 2016, and September 30, 2015, respectively)	-	525,700
Derivative liability	-	833,000
Long term portion of note payable	31,400	-
Long term portion of capital lease	4,700	-
Total long-term liabilities	36,100	3,598,800
TOTAL LIABILITIES	1,576,600	5,403,600
STOCKHOLDERS' DEFICIT:		
Common stock, $0.001 par value; authorized 500,000,000 shares and issued and outstanding 1,941,061 shares and 512,405 shares as of September 30, 2016 and September 30, 2015, respectively	1,900	500
Additional paid-in capital	68,275,400	57,755,900
Accumulated deficit	(68,533,800)	(62,592,900)
Total stockholders' deficit	(256,500)	(4,836,500)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 1,320,100	$ 567,100

See Accompanying Notes to the Consolidated Financial Statements

MYND ANALYTICS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	2016	2015
REVENUES		
Neurometric Services	$ 85,100	$ 100,100
Cost of neurometric services revenue	5,500	4,900
Research	53,700	92,000
Product development	740,500	691,800
Sales and marketing	522,000	347,900
General and administrative	2,530,200	1,613,300
Total operating expenses	3,851,900	2,749,900
OPERATING LOSS	(3,766,800)	(2,649,800)
OTHER INCOME (EXPENSE):		
Interest expense, net	(2,721,500)	(257,400)
Gain (loss) on extinguishment of debt	572,300	(630,000)
(Loss) gain on derivative liabilities	(34,600)	162,800
Finance fees	(20,000)	-
Other miscellaneous income	306,700	-
Legal settlement expense	(275,000)	-
Total other expense	(2,172,100)	(724,600)
LOSS BEFORE PROVISION FOR INCOME TAXES	(5,938,900)	(3,374,400)
Provision for income taxes	2,000	5,000
NET LOSS	$ (5,940,900)	$ (3,379,400)
BASIC AND DILUTED LOSS PER SHARE:		
From operations	$ (9.26)	$ (6.64)
WEIGHTED AVERAGE SHARES OUTSTANDING:		
Basic and Diluted	641,844	509,066

See Accompanying Notes to the Consolidated Financial Statements

MYND ANALYTICS, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT FOR THE FISCAL YEARS ENDEDSEPTEMBER 30, 2016 AND 2015

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total
Balance at September 30, 2014	508,655	$ 500	$ 57,451,400	$ (59,213,500)	$ (1,761,600)
Stock-based compensation	-	-	263,300	-	263,300
Restricted stock compensation	3,750	-	41,200	-	41,200
Net loss for the fiscal year ended September 30, 2015	-	-	-	(3,379,400)	(3,379,400)
Balance at September 30, 2015	512,405	$ 500	$ 57,755,900	$ (62,592,900)	$ (4,836,500)
Stock-based compensation	-	-	758,400	-	758,400
Extension Warrants issued to note holders	-	-	1,196,000	-	1,196,000
Note Warrants issued to note holders	-	-	1,365,200	-	1,365,200
Stock issued to vendor	1,500	-	6,900	-	6,900
Restricted Stock compensation	163,750	100	877,300	-	877,400
Conversion of notes	1,263,406	1,300	6,315,700	-	6,317,000
Net loss	-	-	-	(5,940,900)	(5,940,900)
Balance at September 30, 2016	1,941,061	$ 1,900	$ 68,275,400	$ (68,533,800)	$ (256,500)

See Accompanying Notes to the Consolidated Financial Statements

MYND ANALYTICS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	2016	2015
OPERATING ACTIVITIES:		
Net loss	$ (5,940,900)	$ (3,379,400)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	7,200	7,600
Gain on derivative liability valuation	34,600	(162,800)
Stock based compensation	758,400	241,700
Loss on extinguishment of debt	(572,300)	630,000
Financing expenses	2,717,300	275,300
Note issued for litigation settlement	50,000	-
Changes in operating assets and liabilities:		
Accounts receivable	6,700	(2,500)
Prepaids and other	25,700	(4,900)
Accounts payable and accrued liabilities	(182,900)	(64,000)
Amort of grant of common stock	76,300	-
Security deposits	(9,500)	-
Deferred compensation	51,000	302,600
Net cash used in operating activities	(2,978,400)	(2,156,400)
INVESTING ACTIVITIES:		
Purchase of fixed assets	(4,000)	-
Disposal of equipment	-	1,500
Intangible assets	(78,300)	-
Net cash used in investing activities	(82,300)	1,500
FINANCING ACTIVITIES:		
Repayment of a capital lease	(3,200)	(3,600)
Net proceeds from issuance of secured convertible debt	2,950,000	1,350,000
Net cash provided by (used in) financing activities	2,946,800	1,346,400
NET DECREASE IN CASH	(113,900)	(808,500)
CASH- BEGINNING OF YEAR	432,100	1,240,600
CASH- END OF YEAR	$ 318,200	$ 432,100
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 4,200	$ 3,700
Finance Fees	20,000	-
Income taxes	$ 2,000	$ 4,900
Non-cash financing activity		
Conversion of convertible notes to common stock	6,266,800	-
Conversion of Brandt litigation settlement convertible note to common stock	50,200	-

See Accompanying Notes to the Consolidated Financial Statements

MYND ANALYTICS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2016

Special Note Regarding Reverse Stock-split

UNLESS OTHERWISE INDICATED, ALL STOCK-BASED AMOUNTS APPEARING IN THIS ANNUAL REPORT (INCLUDING HISTORICAL AMOUNTS) HAVE BEEN ADJUSTED TO GIVE EFFECT TO THE 1-FOR-200 REVERSE STOCK-SPLIT EFFECTED SEPTEMBER 21, 2016.

1. NATURE OF OPERATIONS

Organization and Nature of Operations

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

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

MYnd Analytics, Inc. (the "Company"), is a predictive analytics company that has developed a decision support tool to help physicians reduce trial and error treatment in mental health and provide more personalized care to patients. The Company provides objective clinical decision support to mental healthcare providers for the personalized treatment of behavioral disorders, including depression, anxiety, bipolar disorder, post-traumatic stress disorder ("PTSD") and other non-psychotic disorders. The Company uses its proprietary neurometric platform, PEER Online, to generate Psychiatric EEG Evaluation Registry ("PEER") Reports to predict the likelihood of response by an individual to a range of medications prescribed for the treatment of behavioral disorders. We will be conducting clinical trials focused on military personnel and their family members who are suffering from depression, PTSD and mild traumatic brain injury ("mTBI") in order to support clinical decisions in the treatment of depression and related disorders. We are also planning to commercialize our PEER Report by focusing on the following four areas:(i) Military and Veterans, (ii) commercial growth strategy outside of the US, initially through the Canadian Armed Forces, which will provide both NATO and Health Canada experience with our PEER technology, (iii) payer and self-insured markets and (iv) market entry of provider groups.

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

At our 2015 Stockholder Meeting, the Company's stockholders also approved an amendment to amend the Company's Charter for the purposes of effecting a reverse stock-split of Common Stock at a later time and at any time until the next meeting of the Company's stockholders which are entitled to vote on such actions, by a ratio of not less than 1-for-10 and not more than 1-for-200, and to authorize the Board to determine, at its discretion, the timing of the amendment and the specific ratio of the reverse stock-split. On August 24, 2016, the Board resolved to execute a 1-for-200 reverse stock-split.

On September 20, 2016, the Company announced that on September 20, 2016, it had filed a Certificate of Amendment to its Amended and Restated Certificate of Incorporation (the "Amendment") to (i) effect a 1-for-200 reverse stock-split ("reverse split") of its common stock, par value $0.001 per share (the "Common Stock"), effective at 8:00 a.m. Eastern Time on September 21, 2016 (the "Effective Time"). Because the Amendment did not reduce the number of authorized shares of Common Stock, the effect of the Amendment was to increase the number of shares of Common Stock available for issuance relative to the number of shares issued and outstanding.

At the Effective Time, 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 that stockholder was rounded up. Further, any options, warrants and rights outstanding as of the Effective Time that were subject to adjustment were adjusted in accordance with the terms thereof. These adjustments included, without limitation, changes to the number of shares of Common Stock that would be obtained upon exercise or conversion of such securities, and changes to the applicable exercise or purchase price.

Going Concern Uncertainty

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

The Company's continued operating losses and limited capital raise substantial doubt about its ability to continue as a going concern. The Company has limited cash resources for its operations and will need to raise additional funds to meet its obligations as they become due. As of September 30, 2016, the Company had an accumulated deficit of $68,533,800. For the year ended September 30, 2016, the Company had a net loss from operations of $3,766,800 and net cash used in operating activities of $3,028,400.

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

Between September 22, 2014, and August 11, 2016, the Company raised $6 million of Secured Convertible Notes. The Company exercised the Mandatory Conversion on September 19, 2016 and, on September 21, 2016, (i) converted the entire outstanding principal balance of $6,000,000, plus accrued interest of $317,000 on all of the Notes into 1,263,406 shares of the Company's common stock at a conversion price of $5.00 per share and (ii) cancelled all Warrants issued in association with the Secured Convertible Notes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Basis of Consolidation

The audited consolidated financial statements include the accounts of the Company, an inactive parent company, and its wholly owned subsidiaries CNS California and NTC, which is a dormant company. There were no intercompany transactions to be eliminated on consolidation.

Use of Estimates

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

Cash

The Company deposits its cash with major financial institutions and may at times exceed the federally insured limit of $250,000. At September 30, 2016 cash exceeds the federally insured limit by $68,200. The Company believes that the risk of loss is minimal. To date, the Company has not experienced any losses related to cash deposits with financial institutions.

Derivative Liabilities

The Company evaluates all of its agreements to determine if such instruments have derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the consolidated statements of operations. For stock-based derivative financial instruments, the Company uses a weighted average Black-Scholes option pricing model to value the derivative instruments at inception and on subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date. As of September 30, 2016, the Company did not have any derivative financial instruments.

Fair Value of Financial Instruments

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

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

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

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

The Company used Level 3 inputs for its valuation methodology for the conversion option liability in determining the fair value using the Black-Scholes option-pricing model with the following assumption inputs:

The range of Black-Scholes option-pricing model assumption inputs for all the valuation dates are in the table below:

	September 30, 2015 through to September 30, 2016	
	Low	**High**
Annual dividend yield	—	—
Expected life (years)	2.5	5.00
Risk-free interest rate	0.56%	1.81%
Expected volatility	191.05%	273.10%

The a detailed roll-forward of derivative liabilities classified as Level 1,2 or 3,*please refer to the table in Note 4, Derivative Liabilities.*

The net changes in Derivative Liabilities for transactions which were booked to other income resulted in a net loss on derivative liabilities of $34,600 for the fiscal year ended September 30, 2016 and a net gain of $162,800 for the fiscal year ended September 30, 2015.

The net changes in Extinguishment of Debt for transactions which were booked to other income resulted in a net gain on extinguishment of debt of $572,300 for the fiscal year ended September 30, 2016 and a net loss of $630,000 for the fiscal year ended September 30, 2015.

We had derivative liabilities of $0 and $833,000 as of September 30, 2016 and 2015 respectively. As at September 30, 2016, the Company did not identify any assets or liabilities that required presentation on the balance sheet at fair value in accordance with ASC 825-10.

Accounts Receivable

The Company estimates the collectability of customer receivables on an ongoing basis by reviewing past-due invoices and assessing the current creditworthiness of each customer. Allowances are provided for specific receivables deemed to be at risk for collection which as of September 30, 2016 and 2015 are $1,200 and $1,200 respectively.

Furniture and Equipment

Furniture and Equipment, which are recorded at cost, consist of office furniture, equipment and purchased intellectual property which are depreciated, or amortized in the case of the intellectual property, over their estimated useful life on a straight-line basis. The useful life of these assets is estimated to be between three and ten years. Depreciation and amortization for the years ended September 30, 2016 and 2015 was $7,200 and $7,600 respectively. Accumulated depreciation and amortization at September 30, 2016 and 2015 was $76,900 and $82,600, respectively.

Long-Lived Assets

As required by ASC 350-30 (formerly SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*), the Company reviews the carrying value of its long-lived assets whenever events or changes in circumstances indicate that the historical cost-carrying value of an asset may no longer be appropriate. The Company assesses recoverability of the carrying value of the asset by estimating the future net cash flows expected to result from the asset, including eventual disposition. If the future net cash flows are less than the carrying value of the asset, an impairment loss is recorded equal to the difference between the asset's carrying value and fair value. No impairment loss was recorded for the years ended September 30, 2016 and 2015.

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

Intangible Assets

Costs for software developed for internal use are accounted for through the capitalization of those costs incurred in connection with developing or obtaining internal-use software. Capitalized costs for internal-use software are included in intangible assets in the consolidated balance sheet. Capitalized software development costs are amortized over three years. Costs incurred during the preliminary project along with post-implementation stages of internal use computer software development and costs incurred to maintain existing product offerings are expensed as incurred. The capitalization and ongoing assessment of recoverability of development costs require considerable judgment by management with respect to certain external factors, including, but not limited to, technological and economic feasibility and estimated economic life. At September 30, 2016, the Company had $78,400 in capitalized software development costs all of which was capitalized during the fiscal year ended September 30, 2016. The Company started amortizing the software over its estimated economic life once it was placed into service during September 2016. Consequently, for the fiscal year ended September 30, 2016, the capitalized software was amortized for one month totaling $2,200 in amortization expense.

On November 23, 2011, the Company acquired intellectual property in the form of transcranial magnetic stimulation (TMS) biomarkers at a cost of $21,200 which was recorded at cost and is being amortized over its estimated useful life of 10 years on a straight-line basis. Amortization for the fiscal years ended September 30, 2016 and 2015 was $2,100 for both periods. Accumulated depreciation on the intellectual property at was $10,200 and $8,100 at the fiscal years ended September 30, 2016 and 2015 respectively.

Accounts Payable

Accounts payable consists of trade payables of which $219,200 and $536,400 are for legal services at September 30, 2016 and 2015 respectively. We had accounts payable write-backs of $306,700 and $21,900 for the years ended September 30, 2016 and 2015 respectively. These were for long held-debts which have been in dispute and there has been no collection activity for five years.

Accrued Compensation

Accrued compensation consists of accrued vacation pay, accrued bonuses granted by the Board but not paid, and accrued pay due to former staff members. The balance also includes $125,400 accrued for two managers and $186,200 accrued for two officers who voluntarily reduced the cash portion of their salaries to help the Company conserve funds from February through July 2015. Accrued compensation also includes an accrual of $250,000 for a tax gross-up on stock awarded to the Chairman of the Company.

Deferred Revenue

Deferred revenue represents revenue collected but not earned as of September 30, 2016 or 2015. This represents a philanthropic grant for the payment of PEER Reports ordered in a clinical trial for a member of the U.S. Military, a veteran or a family member, the cost of which is not covered by other sources. These deferred revenue grant funds total $45,900 as of September 30, 2016 and 2015.

Revenues

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

Research and Development Expenses

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

Advertising Expenses

The Company charges all advertising expenses to operations as incurred. For the years ended September 30, 2016 and 2015 advertising expenses were $148,600 and $24,000 respectively.

Stock-Based Compensation

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

Income Taxes

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

As a result of the implementation of certain provisions of ASC 740, *Income Taxes*, which clarifies the accounting and disclosure for uncertainty in tax positions, as defined. ASC 740 seeks to reduce the diversity in practice associated with certain aspects of the recognition and measurement related to accounting for income taxes. The Company adopted the provisions of ASC 740 and have analyzed filing positions in each of the federal and state jurisdictions where required to file income tax returns, as well as all open tax years in these jurisdictions. We have identified the U.S. Federal and California as our "major" tax jurisdictions. Generally, we remain subject to Internal Revenue Service examination of our 2011 through 2015 U.S. federal income tax returns, and remain subject to California Franchise Tax Board examination of our 2011 through 2015 California Franchise Tax Returns. However, we have certain tax attribute carryforwards which will remain subject to review and adjustment by the relevant tax authorities until the statute of limitations closes with respect to the year in which such attributes are utilized.

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

Comprehensive Income (Loss)

ASC 220-10 requires disclosure of all components of comprehensive income (loss) on an annual and interim basis. Comprehensive income (loss) is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. The Company's comprehensive income (loss) is the same as its reported net income (loss) for the years ended September 30, 2016 and 2015.

Earnings (Loss) per Share

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

Recent Accounting Pronouncements

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

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

3. CONVERTIBLE DEBT AND EQUITY FINANCINGS

Between September 22, 2014, and July 20, 2015, the Company entered into a Note Purchase Agreement (the "Original Note Purchase Agreement") in connection with a bridge financing, with nine accredited investors, including lead investor RSJ Private Equity investiční fond s proměnným základním kapitálem ("RSJ PE"). Pursuant to the Original Note Purchase Agreement, the Company issued fifteen secured convertible promissory notes (each, a "September 2014 Note") in the aggregate principal amount of $2.29 million. Of this amount, RSJ PE purchased a September 2014 Note for $750,000. Michal Votruba, a Director for Life Sciences for the RSJ/Gradus Fund, subsequently joined our Board on July 30, 2015. The September 2014 Notes were also purchased by four additional affiliates of the Company *(refer to the Note Issuance and Conversion Table below).*

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

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

On September 14, 2015, the Company entered into an Omnibus Amendment (the "Omnibus Amendment") to the Note Purchase Agreement and the notes purchased and sold pursuant thereto, with the majority of the noteholders to fix the conversion price of all notes at $10.00 per share (as adjusted for stock splits, stock dividends, combinations or the like affecting the Common Stock) (the "Fixed Conversion Price") (i) automatically, in the event of a qualified financing of not less than $5 million, or (ii) voluntarily, within 15 days prior to the maturity date of the note. The Omnibus Amendment also amended the form of note attached to the Note Purchase Agreement to reflect the Fixed Conversion Price.

Subsequently thereto, on September 14, 15 and 24, 2015, the Company entered into a Note Purchase Agreement, as amended by the Omnibus Amendment, with each of six accredited investors, in connection with a bridge financing. Pursuant to these Note Purchase Agreements, the Company issued an aggregate principal amount of $710,000 of secured convertible promissory notes (collectively, the "September 2015 Notes," and together with the September 2014 Notes and all other notes purchased and sold pursuant to the Note Purchase Agreement, the "Notes"), which amount also represents the gross proceeds to the Company from the September 2015 Notes. Four of the six September 2015 Notes were purchased by affiliates of the Company, or an entity under such affiliate's control *(refer to the Note Issuance and Conversion Table below).*

Through December 23, 2015, and prior to further amendments to the Notes, all of the Notes were scheduled to mature on March 21, 2016, (subject to earlier conversion or prepayment), and earned interest at a rate of 5% per annum with interest payable at maturity. The Notes could not be prepaid without the prior written consent of the holder of such Notes. The Notes were secured by a security interest in the Company's intellectual property, as detailed in a security agreement. Upon a change of control of the Company, the holder of a Note had the option to have the Note repaid with a premium equal to 50% of the outstanding principal.

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

Pursuant to the Second Amended Note & Warrant Agreement, on December 23 and December 28, 2015, the Company issued to the two purchasers thereof, who are both affiliates *(refer to the Note Issuance and Conversion Table below)* of the Company, (i) an aggregate principal amount of $1,000,000 of secured convertible promissory notes (each, a "December 2015 Note"), which amount also represents the gross proceeds to the Company from the December 2015 Notes, and (ii) a warrant to each holder of December 2015 Notes to purchase the Company's Common Stock, in an amount equal to 100% of the shares underlying their December 2015 Note (each, a "Note Warrant"). Each Note Warrant was exercisable, in whole or in part, during the period beginning on the date of its issuance, and ending on the earlier of (i) December 31, 2020 and (ii) the date that was forty-five (45) days following the date on which the daily closing price of shares of the Company's Common Stock quoted on the OTCQB Venture Marketplace (or other bulletin board or exchange on which the Company's Common Stock is traded or listed) exceeded $50.00 for at least ten (10) consecutive trading days. The Note Warrants were subsequently cancelled. For additional details on cancellation of the Note Warrants, see "*—Note Conversion and Warrant Cancellation*" below.

Between February 23, 2016 and June 30, 2016, the Company issued to seven accredited investor purchasers thereof (i) an aggregate principal amount of $1,100,000 in eight separate Notes and (ii) a warrant to each holder of such Notes to purchase the Company's Common Stock, in an amount equal to 100% of the shares underlying their respective Note (each, also a "Note Warrant"). A total of 110,000 shares of Common Stock in the aggregate were underlying these Note Warrants. Five of the purchasers were affiliates of the Company *(refer to the Note Issuance and Conversion Table below).* The Note Warrants were subsequently cancelled. For additional details on cancellation of the Note Warrants, see "*—Note Conversion and Warrant Cancellation*" below.

Also on December 23, 2015, in consideration for the agreement to extend the maturity date of the Notes, the Company issued to holders of all Notes outstanding prior to the date of the Second Amended Note & Warrant Agreement, warrants to purchase an aggregate of 300,000 shares of Common Stock (the "Extension Warrants", together with the Note Warrants, the "Warrants"). All Warrants had identical terms. Each such holder was issued an Extension Warrant to purchase Common Stock in an amount equal to 100% of the shares underlying each such holder's previously outstanding Notes. Extension Warrants were issued to affiliates *(refer to the Note Issuance and Conversion Table below).* All Note Warrants and Extension Warrants were subsequently cancelled upon conversion of the Notes. or additional details on cancellation of the Warrants, see "*—Note Conversion and Warrant Cancellation*" below.

On August 15, 2016, the Company entered into an Amendment No. 1 to the Second Amended Note and Warrant Agreement with the investors party thereto to extend the time during which the Notes and the Warrants could be issued under the Second Amended Note and Warrant Agreement from August 11, 2016 to September 1, 2016.

On September 19, 2016, the Company entered into a Second Omnibus Amendment (the "Second Omnibus Amendment"), with a majority of over 80% of the noteholders, thereby amending: (i) the Notes, (ii) the Second Amended Note and Warrant Agreement, as amended and (iii) the Warrants. Pursuant to the Second Omnibus Amendment, the Company had the option, exercisable at any time after September 1, 2016, to mandatorily convert all Notes into shares of the Company's common stock at $5.00 per share (the "Mandatory Conversion").

Note Conversion and Warrant Cancellation

On September 19, 2016, pursuant to the Second Omnibus Amendment, the Company exercised the Mandatory Conversion and, on September 21, 2016, (i) converted the entire outstanding principal balance of $6,000,000, plus accrued interest of $317,000 on all of the Notes into 1,263,406 shares of the Company's common stock at a conversion price of $5.00 per share and (ii) cancelled all Warrants *(refer to the Note Issuance and Conversion Table below).*

The below table sets forth details regarding the shares issued to certain related parties upon the Company's exercise of the Mandatory Conversion:

Note Issuance and Conversion Table:

Note Holder		Principal Amount	2015 Discount	Carrying Value September 30, 2015	Accrued Interest at Conversion	Shares issued on Conversion
Original Note Purchase Agreement						
Note Date Range Sept 22, 2014 to July 20, 2015						
RSJ Private Equity	(1)	$ 750,000	$ 21,300	$ 728,700	$ 76,200	165,246
John Pappajohn	(2)	200,000	8,100	191,900	20,400	44,089
John Pappajohn	(5)	200,000	3,000	197,000	14,200	42,820
Tierney Family Trust	(3)	540,000	16,000	524,000	46,000	117,199
Follman Family Trust	(4)	100,000	3,000	97,000	7,700	21,538
Oman Ventures	(6)	200,000	8,100	191,900	20,400	44,089
4 Accredited Investors		300,000	9,100	290,900	30,600	66,112
Subtotal for First Round		**$ 2,290,000**	**$ 68,600**	**$ 2,221,400**		
Omnibus Amendment Sept 14, 2015						
Note Date Range Sept 14, 2015 to September 24, 2015						
RSJ Private Equity	(1)	$ 350,000	$ 85,400	$ 264,600	17,300	73,462
Robin Smith	(2)	60,000	7,100	52,900	3,100	12,611
John Pappajohn	(2)	100,000	24,400	75,600	5,100	21,015
Follman Family Trust	(4)	150,000	36,500	113,500	7,600	31,522
2 Accredited Investors		50,000	12,200	37,800	2,500	10,508
Subtotal for Second Round		**$ 710,000**	**$ 165,600**	**$ 544,400**		
Balances at September 30, 2015		**$ 3,000,000**	**$ 234,200**	**$ 2,765,800**		
Second Amended Note December 23 & 28, 2015						
RSJ Private Equity	(1)	$ 750,000			27,300	155,465
John Pappajohn	(2)	250,000			9,300	51,856
Subtotal for Third Round		**$ 1,000,000**				
Note Date Range Feb 23, 2016 to August 16, 2016						
RSJ Private Equity	(1)	$ 250,000			1,400	50,281
Robin Smith	(2)	40,000			800	8,165
John Pappajohn	(2)	850,000			14,000	172,802
Tierney Family Trust	(3)	100,000			600	20,129
Follman Family Trust	(4)	300,000			5,100	61,014
Carpenter, George & Jill	(7)	100,000			1,300	20,254
Harris, Geoffrey	(2)	10,000			300	2,058
2 Accredited Investors		300,000			5,600	61,124
Brandt Ventures	(8)	50,000			200	10,047
Subtotal for Final Round		$ 2,000,000				
Balances Converted September 19, 2016		**$ 6,000,000**			**$ 317,000**	**1,263,406**

(1) RSJ PE is a greater than 5% shareholder. Michal Votruba, a Director for Life Sciences for the RSJ/Gradus Fund, subsequently joined our Board on July 30, 2015.
(2) Member of the Board.
(3) Thomas Tierney is a trustee of the Tierney Family Trust. Mr. Tierney originally joined the Board in February 25, 2013 and served as Chairman of the Board from March 26, 2013 till May 22, 2015 when he resigned from the Board. On September 29, 2016 Mr. Tierney rejoined the Board. The Tierney Family Trust is a greater than 5% shareholder of the Company.
(4) Robert Follman is a trustee of the Follman Family Trust and is a member of the Board.
(5) John Pappajohn is a member of the Board. He purchased $200,000 of Notes, which on September 6, 2015, were assigned to four accredited investors. Approximately $10,400 of interest was attributable to such transferred Notes, resulting in an aggregate of 42,084 shares being issued upon the Mandatory Conversion of such transferred Notes.
(6) Mark & Jill Oman are the beneficial owners of Oman Ventures and were greater than 5% shareholders of the Company.
(7) George Carpenter is the CEO of the Company.
(8) Brandt Ventures was issued this note as part of the Company's settlement of its litigation with Leonard Brandt and Brandt Ventures*(refer to Note 9. Commitments and Contingent Liabilities).*

4. DERIVATIVE LIABILITIES

At September 30, 2015, the Notes totaled $3.0 million and the derivative liability value was determined to be $833,000. For the fiscal year ended September 30, 2015, gains on derivatives liabilities totaled $162,800. At September 30, 2016, all Notes had been converted to equity, and consequently, there were no derivative liabilities outstanding. For the fiscal year ended September 30, 2016, there was a derivative liability expense of $34,600.

On December 23, 2015, the Company entered into the Second Amended Note & Warrant Agreement, with each of 16 accredited investors, pursuant to which (i) the aggregate principal amount of Notes available for issuance was increased from $3.0 million to up to $6.0 million, (ii) the maturity date of currently outstanding Notes was extended from March 21, 2016 to December 31, 2017; (iii) the time during which Notes may be issued was extended and (iv) certain warrants were issued to holders of both previously issued and newly issued Notes. Consequently, the existing notes totaling $3 million, plus $121,900 of accrued interest thereon, for an aggregate total debt of $3,121,900 was revalued on December 23, 2015, and on the prior trading day, December 22, 2015, to determine the impact on derivative valuation. On December 22, 2015, the derivative liability of the aggregate debt was determined to be $60,200, which resulted in a write down of $772,800 from the derivative liability balance of $833,000 at September 30, 2015, which resulted in a Gain on Derivative Liabilities of $772,800.

On December 23, 2015, all the Notes were revalued with the maturity date extended to December 31, 2017. The derivative liability value was determined to be $1,022,400 and the offset was booked to other income as a Loss on Extinguishment of Debt, adjustment amount of $962,300.

On June 30, 2016, the derivative liability of the issued notes was revalued; due to a lower stock price, the derivative valuation was reduced by $263,100.

Pursuant to the Second Amended Note & Warrant Agreement, on December 23 and December 28, 2015, the Company issued to the two purchasers of December 2015 Notes in the aggregate principal amount of $1,000,000 of secured convertible promissory notes. Between February 23, 2016 and August 16, 2016, the Company issues a further 15 Notes to 10 investors in the aggregate principal amount of 2,000,000 of secured convertible promissory notes. The derivative liability created by the conversion feature of the notes upon origination was $1,079,800.

On September 19, 2016, the Company entered into a Second Omnibus Amendment (the "Second Omnibus Amendment"), with a majority of over 80% of the noteholders, thereby amending: (i) the Notes, (ii) the Second Amended Note and Warrant Agreement, as amended and (iii) the Warrants. Pursuant to the Second Omnibus Amendment, the Company had the option, exercisable at any time after September 1, 2016, to mandatorily convert all Notes into shares of the Company's common stock at $5.00 per share. The Company exercised this Mandatory Conversion on September 19, 2016 and, on September 21, 2016, (i) converted the entire outstanding principal balance of $6,000,000, plus accrued interest of $317,000 on all of the Notes into 1,263,406 shares of the Company's common stock at a conversion price of $5.00 per share and (ii) cancelled all Warrants.

Consequently, the existing notes totaling $6 million, plus $316,965 of accrued interest thereon, for an aggregate total debt of $6,316,965 was revalued on Monday, September 19, 2016, and on the prior trading day, Friday, September 16, 2016, to determine the impact on derivative valuations. On September 16, 2016, the derivative liability of the aggregate debt was determined to be $2,909,700, which resulted in an increase in the derivative liability of $1,070,500. After the modification of the notes following the Second Omnibus Amendment the derivative liability balance increased to $6,322,000 resulting in a further increase in derivative liability by $3,412,300. Upon the Mandatory Conversion of all the notes, which eliminated all the debt and consequently, the derivative liability was also eliminated; therefore the $6,322,000 derivative liability was booked as an extinguishment of debt.

The range of Black-Scholes option-pricing model assumption inputs for all the valuation dates are in the table below:

	September 30, 2015 through to September 30, 2016	
	Low	**High**
Annual dividend yield	—	—
Expected life (years)	2.5	5.00
Risk-free interest rate	0.56%	1.81%
Expected volatility	191.05%	273.10%

The following tables include a roll-forward of liabilities classified within Levels 1, 2 and 3:

	Level 1	**Level 2**	**Level 3**
Stock warrant and other derivative liabilities at September 30, 2014	$ -	$ -	$ 153,100
Change in fair value	-	-	(153,100)
Stock warrant and other derivative liabilities at September 30, 2015			833,000
Total derivative liabilities at September 30, 2015	$ -	$ -	$ 833,000
$3M of convertible debt prior to amendment 12/22/15	-	-	(772,800)
$3M of convertible debt as amended 12/23/15	-	-	962,300
Change in fair value as of 06/30/26	-	-	(263,100)
Derivative liabilities upon Note origination 12/23/15 through 8/16/16	-	-	1,079,800
$6M of convertible debt prior to amendment 09/16/16	-	-	1,070,500
$6M of convertible debt as amended 09/19/16	-	-	3,412,300
Elimination of derivative liabilities on Note conversion to Common Stock	-	-	(6,322,000)
Total derivative liabilities at September 30, 2016	$ -	$ -	$ -

The net changes in Derivative Liabilities for transactions which were booked to other income resulted in a net loss on derivative liabilities of $34,600 for the fiscal year ended September 30, 2016 and a net gain of $162,800 for the fiscal year ended September 2015.

The net changes in Extinguishment of Debt for transactions which were booked to other income resulted in a net gain on extinguishment of debt of $572,300 for the fiscal year ended September 30, 2016 and a net loss of $630,000 for the fiscal year ended September 30, 2015.

We had derivative liabilities of $0 and $833,000 as of September 30, 2016 and 2015 respectively. As at September 30, 2016, the Company did not identify any assets or liabilities that required presentation on the balance sheet at fair value in accordance with ASC 825-10.

5. STOCKHOLDERS' DEFICIT

Common and Preferred Stock

At the Company's annual stockholders meeting held on October 28, 2015, ("2015 Stockholders Meeting") stockholders approved to amend the Company's Articles of Incorporation to increase the number of shares of Common Stock authorized for issuance from 180,000,000 to 500,000,000 shares.

Also at our 2015 Stockholder Meeting, our stockholders approved an amendment to amend the Company's Charter for the purposes of effecting a reverse stock-split of our Common Stock at a later time and at any time until the next meeting of the Company's stockholders which are entitled to vote on such actions, by a ratio of not less than 1-for-10 and not more than 1-for-200, and to authorize the Board of Directors ("Board") to determine, at its discretion, the timing of the amendment and the specific ratio of the reverse stock-split. On August 24, 2016, the Board approved a 1-for-200 reverse stock-split which was effected on September 21, 2016.

On September 20, 2016, the Company announced that on September 21, 2016 it had filed a Certificate of Amendment to its Amended and Restated Certificate of Incorporation (the "Amendment") to (i) effect a 1-for-200 reverse stock-split ("reverse split") of its common stock, par value $0.001 per share (the "Common Stock"), effective at 8:00 a.m. Eastern Time on September 21, 2016 (the "Effective Time"). Because the Amendment did not reduce the number of authorized shares of Common Stock, the effect of the Amendment was to increase the number of shares of Common Stock available for issuance relative to the number of shares issued and outstanding.

At the Effective Time, 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 that stockholder was rounded up. Further, any options, warrants and rights outstanding as of the Effective Time that were subject to adjustment were adjusted in accordance with the terms thereof. These adjustments included, without limitation, changes to the number of shares of Common Stock that would be obtained upon exercise or conversion of such securities, and changes to the applicable exercise or purchase price.

As of September 30, 2016, the Company is authorized to issue 515,000,000 shares of stock, of which 500,000,000 are Common Stock; the remaining 15,000,000 shares, with a par value of $0.001 per shares are blank-check preferred stock which the Board is expressly authorized to issue without stockholder approval, for one or more series of preferred stock and, with respect to each such series, to fix the number of shares constituting such series and the designation of such series, the voting powers, if any, of the shares of such series, and the preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, of the shares of such series. The powers, preferences and relative, participating, optional and other special rights of each series of preferred stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

As of September 30, 2016, 1,941,061 shares of Common Stock were issued and outstanding. No shares of preferred stock were issued or outstanding.

On January 15, 2016, the Company engaged Dian Griesel International (DGI) for a 12 month long consulting agreement to provide public and investor relations services. The fee for the services is $5,000 per month, plus out-of-pocket expenses. As an origination fee for the agreement, the Board approved the issuance of 1,500 shares of common stock to Ms. Griesel on January 15, 2016. The aggregate value of these shares on the date of grant was $6,900. The agreement with DGI was cancelled in May, 2016.

On April 5, 2016, the Board granted shares of Common Stock to Board members as follows: 5,000 shares to our Chairman, Dr. Smith, 2,500 shares to the Chairman of our Audit Committee, Mr. Harris and 1,250 shares to each of our remaining directors, Messrs. Pappajohn, Follman, McAdoo, Sassine and Votruba. Mr. Votruba's shares are assigned to RSJ PE, the organization which he represents. These shares, which are fully vested, were valued at $5.10 per share, the closing price of the shares on the day of grant, and were valued in aggregate at $70,100.

Also on April 5, 2016, the Board granted 5,000 shares of Common Stock to each of the two officers of the Company, George Carpenter, CEO and Paul Buck CFO. The shares vest as follows: 50% vested on the date of grant and the remaining 50% vest pro rata over twelve months starting on the date of grant. These shares were valued at $5.10 per share, the closing price of the shares on the date of grant, and were valued in aggregate at $51,000. 50% of the value was expensed on the date of grant and remaining 50%, $25,500, was booked as a prepaid expense and is being amortized evenly over the twelve month vesting period. At September 30, 2016, $12,800 had been amortized leaving $12,700 as a prepaid expense.

On September 19, 2016, the Company entered into the Second Omnibus Amendment, with a majority of over 80% of the noteholders, thereby amending: (i) the Notes, (ii) the Second Amended Note and Warrant Agreement, as amended and (iii) the Warrants. Pursuant to the Second Omnibus Amendment, the Company had the option, exercisable at any time after September 1, 2016, to mandatorily convert all Notes into shares of the Company's common stock at $5.00 per share. The Company exercised the Mandatory Conversion on September 19, 2016 and, on September 21, 2016, (i) converted the entire outstanding principal balance of $6,000,000, plus accrued interest of $317,000 on all of the Notes into 1,263,406 shares of the Company's common stock at a conversion price of $5.00 per share and (ii) cancelled all Warrants *(for details refer to Note 3. The Convertible Debt and Equity Financing)*.

Stock-Option Plans

2006 Stock Incentive Plan

On August 3, 2006, CNS California adopted the CNS California 2006 Stock Incentive Plan (the "2006 Plan"). The 2006 Plan provides for the issuance of awards in the form of restricted shares, stock options (which may constitute incentive stock options (ISO) or non-statutory stock options (NSO), stock appreciation rights and stock unit grants to eligible employees, directors and consultants and is administered by the Board. A total of 3,339 shares of stock were ultimately reserved for issuance under the 2006 Plan. As of September 30, 2016, 355 options were exercised and there were 2,224 options and 31 restricted shares outstanding under the amended 2006 Plan with a residual 729 shares which will not be issued as the 2006 Plan has been frozen. The outstanding options have exercise prices to purchase shares of Common Stock ranging from $720 to $6,540.

2012 Omnibus Incentive Compensation Plan

On March 22, 2012, our Board approved the MYnd Analytics, Inc. 2012 Omnibus Incentive Compensation Plan (the "2012 Plan"), reserved 1,667 shares of stock for issuance and on December 10, 2012, the Board approved the amendment of the 2012 Plan to increase the shares authorized for issuance from 1,667 shares to 27,500 shares. On March 26, 2013, the Board further approved the amendment of the 2012 Plan to increase the shares authorized for issuance from 27,500 shares to 75,000 shares. The 2012 Plan, as amended, was approved by our stockholders at the 2013 annual meeting held on May 23, 2013.

On April 5, 2016, the Board approved a further amendment of the 2012 Plan to increase the Common Stock authorized for issuance from 75,000 shares to 200,000 shares.

On September 22, 2016 the Board amended the 2012 Plan to: (i) increase the total number of shares of Common Stock available for grant under the 2012 Plan from 200,000 shares to an aggregate of 500,000 shares, (ii) add an "evergreen" provision which, on January 1st of each year through 2022, automatically increases the number of shares subject to the 2012 Plan by the lesser of: (a) a number equal to 10% of the shares of Common Stock authorized under the 2012 Plan as of the preceding December 31st, or (b) an amount, or no amount, as determined by the Board, but in no event may the number of shares of Common Stock authorized under the 2012 Plan exceed 885,781 and (iii) increase the annual individual award limits under the 2012 Plan to 100,000 shares of Common Stock, subject to adjustment in accordance with the 2012 Plan. These amendments to the 2012 Plan will require approval by our stockholders at the next Annual Meeting scheduled for November 1, 2016 *(refer to Note 11. Subsequent Events).*

On January 8, 2015, the Board granted an option to purchase 1,250 shares of its Common Stock pursuant to the 2012 Plan, at an exercise price of $50.00 per share to a consultant. The option vesting is contingent upon the achievement of agreed upon goals.

On August 20, 2015, the Board approved an award of options to purchase 1,250 shares of Common Stock for each of the Company's directors, for an aggregate grant of 8,750 options. The options are exercisable at a price per share of $11.00, the closing price of the Company's common stock on the date of grant, and will vest pro-rata over 36 months.

On August 20, 2015, the Board also approved an award of 3,750 shares of the Company's restricted Common Stock pursuant to the 2012 Plan to Dr. Smith in connection with her appointment as Chairman of the Company's Board. These shares, which are fully vested, were valued at $11.00 per share, the closing price of the shares on the day of grant, and were valued in aggregate at $41,300. The issuance of the shares was processed on October 30, 2015.

On April 5, 2016, the Board granted options to purchase 7,250 shares of Common Stock under the 2012 Plan to staff members and options to purchase 1,000 shares of Common Stock to our consultant, DCA. These options vest pro-rata over 12 months starting on the date of grant. The grants of options to staff and consultant have an exercise price of $5.10 per share, which was the closing price on the OTC.QB of the Company's Common Stock on the date of grant. The grant of these options is subject to shareholder approval of the expansion of the shares allocated for the 2012 Plan at the next Annual Meeting scheduled for November 1, 2016, (*refer to Note 11. Subsequent Events).*

On September 22, 2016, the Board granted options to purchase 144,000 shares of Common Stock under the 2012 Plan at an exercise price of $6.00 to certain directors and officers as follows:

- our Chairman Dr. Smith was granted options to purchase 40,000 shares of Common Stock which vest as follows: (a) 20% vested on the date of grant, (b) 20% vested upon receiving CMS approval to bill Medicare, (c) 20% will vest upon signing a healthcare system to use our PEER technology, (d) 20% will vest upon signing a multi-practitioner group to use our PEER technology, and (e) 20% will vest upon up-listing to an exchange in 1 year;
- our CEO, George Carpenter, was granted options to purchase 32,000 shares of Common Stock which vest as follows: (a) 25% vested on the date of grant, (b) 25% vested on the date that we received CNS approval to bill Medicare, (c) 25% will vest upon signing a healthcare system to use our PEER technology and (d) 25% will vest upon signing a multi-practitioner group to use our PEER technology;
- our CFO, Paul Buck, was granted options to purchase 32,000 shares of Common Stock which vest as follows: (a) 25% vested on the date of grant, (b) 25% vested on the date that we received CNS approval to bill Medicare, (c) 25% will vest upon signing a healthcare system to use our PEER technology and (d) 25% will vest upon up-listing to an exchange in 1 year;

- two of our outgoing directors, Mr. McAdoo and Mr. Sassine, were each granted 20,000 fully vested options to purchase Common Stock.

On September 22, 2016, pursuant to the 2012 Plan, the Board granted shares of Common Stock to Board members as follows: 40,000 shares to our Chairman, Dr. Smith, and 20,000 shares to each of our directors, Messrs. Pappajohn, Follman, Harris and Votruba. Mr. Votruba's shares are assigned to RSJ PE, the organization which he represents. These shares, which are fully vested, were valued at $6.00 per share, the closing price of the shares on the day of grant, and were valued in aggregate at $720,000. Our outgoing directors, Mr. McAdoo and Mr. Sassine were offered stock, however, elected to each receive 20,000 fully vested options to purchase shares of Common Stock.

On September 29, 2016, pursuant to the 2012 Plan, the Board granted 20,000 fully vested shares of Common Stock to Thomas Tierney who rejoined the Board. These shares were valued at $6.00 per share, the closing price of the shares on the day of grant, and were valued in aggregate at $120,000.

The stock grants on September 22 and 29, 2016, which combined are valued in aggregate at $840,000 are being amortized over the 12-month period that directors are anticipated to serve until the next annual meeting. As of September 30, 2016, $70,000, representing one months of amortization, had been expensed leaving $770,000 as a prepaid expense.

As of September 30, 2016, no options were exercised and options to purchase 220,896 shares of Common Stock were outstanding and 143,750 restricted shares had been issued under the 2012 Option Plan, as amended, leaving 135,354 shares available to be awarded (*refer to Note 11. Subsequent Events).*

Stock-based compensation expenses are generally recognized over the employees' or service provider's requisite service period, generally the vesting period of the award. Stock-based compensation expense included in the accompanying statements of operations for the year ended September 30, 2016 and 2015 is as follows:

	September 30	
	2016	**2015**
Research	$ 41,600	$ 41,600
Product Development	47,900	52,300
Sales and marketing	30,200	81,600
General and administrative	638,700	66,200
Total	$ 758,400	$ 241,700

Total unrecognized compensation as of September 30, 2016 amounted to $104,400.

A summary of stock option activity is as follows:

	Number of Shares	**Weighted Average Exercise Price**
Outstanding at September 30, 2014	62,120	$ 168.00
Granted	10,000	16.00
Exercised	-	-
Forfeited	(937)	22.00
Outstanding at September 30, 2015	71,183	$ 150.00
Granted	152,250	5.95
Exercised	-	-
Forfeited	(313)	3.60
Outstanding at September 30, 2016	223,120	$ 50.98

Following is a summary of the status of options outstanding at September 30, 2016:

Exercise Price ($)	Number of Shares	Expiration Date	Weighted Average Exercise Price ($)
2012 Omnibus Incentive Compensation Plan			
$ 5.10	8,250	04/2026	$ 5.10
6.00	144,000	09/2026	6.00
11.00	8,750	08/2025	11.00
9.44	43,978	12/2022 – 01/2023	9.44
50.00	13,577	03/2023 – 01/2025	50.00
52.00	2,125	07/2024	52.00
600.00	216	03/2022	600.00
2006 Stock Incentive Plan			
$ 1,800.00	25	11/2016	$ 1,800.00
2,400.00	144	03/2019 – 07/2020	2,400.00
2,820.00	51	03/2021	2,820.00
3,060.00	7	09/2018	3,060.00
3,300.00	1,325	03/2020	3,300.00
4,800.00	24	12/2017	4,800.00
5,340.00	162	09/2017	5,340.00
5,760.00	61	04/2018	5,760.00
6,540.00	425	08/2017	6,540.00
$ Total	223,120	Average	$ 50.98

Warrants to Purchase Common Stock

The warrant activity for the period starting October 1, 2014, through September 30, 2016, is described as follows:

	Number of Shares	Weighted Average Exercise Price
Outstanding at September 30, 2014	**4,078**	$ 614.00
Granted	1,000	50.00
Exercised	—	—
Expired	(1,166)	1,828.00
Outstanding at September 30, 2015	**3,912**	$ 106.00
Granted	604,000(2)	10.00
Exercised	—	—
Expired	(752)	200.00
Forfeited	(600,000)(2)	10.00
Outstanding at September 30, 2016	**7,160**	$ 50.41

Following is a summary of the status of warrants outstanding at September 30, 2016:

Exercise Price	Number of Shares	Expiration Date	Weighted Average Exercise Price
$ 9.44	191	03/2018	$ 9.44
10.00	4,000(1)	06/2021	10.00
50.00	1,161	03/2017 – 07/2017	50.00
55.00	1,620	06/2018 – 03/2019	55.00
200.00	104	12/2016 – 01/2017	200.00
1,800.00	84	07/2017	1,800.00
$ Total	**7,160**		**$ 50.41**

(1) On June 10, 2016, we issued two warrants, pursuant to a Finder's Fee Agreement with Maxim Group LLC, to purchase in aggregate 4,000 shares of Common Stock following the introduction of an accredited investor who entered into a Second Amended Note and Warrant Purchase Agreement in the principal amount of $200,000. Each warrant is exercisable, in whole or in part, during the period beginning on the date of its issuance, and ending on the earlier of (i) December 31, 2020 and (ii) the date that is forty-five (45) days following the date on which the daily closing price of shares of the Company's Common Stock quoted on the OTCQB Venture Marketplace (or other bulletin board or exchange on which the Company's Common Stock is traded or listed) exceeds $50.00 for at least ten (10) consecutive trading days. In connection therewith, the Company will promptly notify the Note Warrant holders in the event that the daily closing price of the Company's shares of Common Stock exceeds $50.00 for at least ten (10) consecutive trading days. Pursuant to the Finder's Fee Agreement, Maxim was also paid $20,000 cash for their efforts.

(2) Pursuant to the Second Amended Note & Warrant Agreement, dated December 23, 2015, the Company issued an aggregate 600,000 warrants with same terms as the warrants mentioned in (1) above. On September 19, 2016, the Company entered into the Second Omnibus Amendment, with a majority of over 80% of the noteholders, thereby amending: (i) the Notes, (ii) the Second Amended Note and Warrant Agreement, as amended and (iii) the Warrants. Subsequently, the Company exercised the Mandatory Conversion on September 19, 2016, and, on September 21, 2016, (i) converted the entire outstanding principal balance of $6,000,000, plus accrued interest of $317,000 on all of the Notes into 1,263,406 shares of the Company's Common Stock at a conversion price of $5.00 per share and (ii) cancelled all 600,000 issued and outstanding warrants associated with the Notes. (refer to Note 3. Convertible Debt and Equity Financing).

At September 30, 2017, there were warrants outstanding to purchase 7,160 shares of the Company's Common Stock. The exercise prices of the outstanding warrants range from $9.44 to $1,800 with a weighted average exercise price of $50.41. The warrants expire at various times starting 2016 through 2021.

6. INCOME TAXES

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

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

	2016	2015
Federal income tax (benefit) at statutory rates	(34.0)%	(34.0)%
Stock-based compensation	(1.35)%	(0.4)%
Extinguishment of debt	-%	-%
Change in valuation allowance	(79.92)%	(16)%
True-ups and other adjustments	(47.26)%	(7.62)%
State tax benefit	(0.02)%	(5.98)%

Temporary differences between the financial statement carrying amounts and bases of assets and liabilities that give rise to significant portions of deferred taxes relate to the following at September 30, 2016 and 2015:

	2016	2015
Deferred income tax assets:		
Net operating loss carryforward	$ 17,492,350	$ 13,718,300
Deferred interest, consulting and compensation liabilities	3,974,100	3,596,900
Amortization	-	-
Deferred income tax assets – other	5,486	5,600
	21,471,936	17,320,800
Deferred income tax liabilities—other	-	-
Deferred income tax asset—net before valuation allowance	21,471,936	17,320,800
Valuation allowance	(21,471,936)	(17,320,800)
Deferred income tax asset—net	$ -	$ -

Current and non-current deferred taxes have been recorded on a net basis in the accompanying balance sheet. As of September 30, 2016, the Company had Federal net operating loss carryforwards of approximately $45.7 million and State net operating loss carryforwards of approximately $34.1 million. Both the Federal and State net operating loss carryforwards will begin to expire in 2022 and 2017 respectively. Our ability to utilize net operating loss carryforwards may be limited in the event that a change in ownership, as defined in the Internal Revenue Code, occurs in the future. The Company has placed a valuation allowance against the deferred tax assets in excess of deferred tax liabilities due to the uncertainty surrounding the realization of such excess tax assets. Management periodically evaluates the recoverability of the deferred tax assets and the level of the valuation allowance. At such time as it is determined that it is more likely than not that the deferred tax assets are realizable, the valuation allowance will be reduced accordingly.

7. RELATED PARTY TRANSACTIONS

Termination of Governance Agreements

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

Note Purchase Agreement, Notes and Omnibus Amendment and Second Amendment Note & Warrant Agreement

Between September 22, 2014, and August 16, 2016, the Company raised an aggregate principal amount $6 million in Note purchase agreements of which $5.3 million was purchased by directors, an officer and greater than 5% shareholders of the Company. For details of the transactions *please refer to Note 3. Convertible Debt and Equity Financings.*

Director and Officer Indemnification Agreement

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

Transactions with John Pappajohn, Director

On September 22, 2014, March 18, 2015, June 2, 2015 and September 15, 2015, Mr. Pappajohn purchased four Notes for $200,000, $100,000, $100,000 and $100,000 respectively. On September 6, 2015, Mr. Pappajohn irrevocably assigned $200,000 in principal of his September 2014 Notes to four outside parties in the amount of $50,000 each.

On May 13, 2016, and June 27, 2016, Mr. Pappajohn gifted in aggregate 32,692 of his shares of Common Stock to 12 outside parties including family and friends. The transfer of these shares was completed on September 16, 2016.

Transactions with George Carpenter, President and Chief Executive Officer

On September 25, 2013, the Board approved a consulting agreement effective May 1, 2013, for marketing services provided by Decision Calculus Associates, an entity operated by Mr. Carpenter's spouse, Jill Carpenter. For the period from May 1, 2013 through to March 25, 2015, we had paid $280,000 to Decision Calculus Associates ("DCA"). For the period from March through July of 2015, DCA was not engaged by the Company. Effective August 2015 DCA has been re-engaged at a fee of $10,000 per month. From August 2015 through September 30, 2016, DCA has been paid $130,000 with a further $10,000 balance due in accounts payable.

Transactions with the SAIL Capital Partners and SAIL Holdings

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

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

Transactions with Tierney Family Trust, Greater than 5% Stockholder

Mr. Tierney rejoined the Board as a Director on September 29, 2016. Previously, Mr. Tierney resigned from the Board on May 22, 2015, had served on the Board since February 2013, and had served as Chairman of the Board between March 2013 and the date of his resignation. Mr. Tierney is a trustee of the Thomas T. and Elizabeth C. Tierney Family Trust (the "Tierney Family Trust"), which is a greater than 5% stockholder.

Transactions with RSJ PE, Greater than 5% Stockholder

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

8. LOSS PER SHARE

In accordance with ASC 260-10 (formerly SFAS 128, "Computation of Earnings Per Share"), basic net income (loss) per share is computed by dividing the net income (loss) to common stockholders for the period by the weighted average number of common shares outstanding during the period. Diluted net income (loss) per share is computed by dividing the net income (loss) for the period by the weighted average number of common and dilutive common equivalent shares outstanding during the period. For the fiscal years ended September 30, 2016 and 2015, the Company has excluded all common equivalent shares from the calculation of diluted net loss per share as such securities are anti-dilutive.

A summary of the net income (loss) and shares used to compute net income (loss) per share for the fiscal years ended September 30, 2016 and 2015 is as follows:

	2016	2015
Net Loss for computation of basic and diluted net loss per share:		
Net loss	$ (5,940,900)	$ (3,379,400)
Basic and Diluted net loss per share:		
Basic net loss per share	$ (9.26)	$ (6.64)
Basic and Diluted weighted average shares outstanding	641,844	509,066
Anti-dilutive common equivalent shares not included in the computation of dilutive net loss per share:		
Convertible debt	1,441,344	50,348
Warrants	3,484	4,132
Options	74,588	63,634

9. COMMITMENTS AND CONTINGENT LIABILITIES

Litigation

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

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

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

On November 1, 2011, Mr. Brandt and Brandt Ventures filed an amended complaint amending their claims and adding new claims against the same parties. On March 12, 2012, the court sustained demurrers to certain of the counts against each defendant. On March 22, 2012, the plaintiffs filed a second amended complaint modifying certain of their claims, but did not add new claims. On February 6, 2013, the plaintiffs moved for leave to amend the second amended complaint and file a third amended complaint. On March 6, 2013, the Court granted leave to amend, but awarded fees and costs for the defendants to again make dispositive motions. The third amended complaint adds a claim for breach of the promissory note and seeks to foreclose on the collateral securing the note obligation. In addition, Mr. Brandt is seeking approximately $170,000 of severance and compensatory and punitive damages in connection with his termination. The plaintiffs also seek rescission of a $250,000 loan made by Brandt Ventures, GP to the Company which was converted into Common Stock in accordance with its terms and restitution of the loan amount.

A trial date had originally been set for May 2014. However, plaintiffs' counsel requested a continuance until August 2014, to which the Company agreed. On June 18, 2014, at plaintiffs' counsel's request, the Company entered into a Standstill and Tolling Agreement, whereby the parties agreed to seek a stay of the litigation and plaintiffs agreed to provide the Company with an executed dismissal of all the claims without prejudice, with the ability to re-file the third amended complaint, without change, on or before June 18, 2015. The Company had the right to file the executed stipulation of dismissal if the Court lifted the stay. On May 7, 2015, the parties agreed to continue the Standstill and Tolling Agreement until May 6, 2016, on the same terms. On May 12, 2015, the Court agreed to stay the case for another six months. On November 4, 2015 the Court lifted the stay, and set the case for trial on March 7, 2016. On February 3, 2016, the Company filed the executed stipulation of dismissal, thereby ending the current action in Orange County which was captioned Leonard J. Brandt and Brandt Ventures, GP v. CNS Response, Inc., Sail Venture Partners and David Jones, case no. 30-2011-00465655-CU-WT-CJC.

On August 8, 2016, the Company entered into a Settlement Agreement and Mutual General Release ("Settlement Agreement") with Leonard Brandt, Brandt Ventures, GP. The Settlement Agreement is a mutual release of all complaints including actions against SAIL Venture Partners (SAIL) and David Jones. The Settlement Agreement was approved by the Board on August 15, 2016. The Settlement Agreement terms included a cash payment of $225,000 paid on August 16, 2016, along with the issuance of a $50,000 Note convertible into 5,000 shares of Common Stock at $10.00 per share and a Note Warrant for the purchase of 5,000 shares at $10.00 per share. The terms of the Note and the Warrant were substantially the same as the Notes and Warrants issued pursuant to the Second Amended Note and Warrant Purchase Agreement described in *Note 3. Convertible Debt and Equity Financing*: and include a Security Agreement and Registration Rights Agreement.

On September 19, 2016, the Company entered into a Second Omnibus Amendment, with a majority of over 80% of the noteholders, thereby amending: (i) the Notes, (ii) the Second Amended Note and Warrant Agreement, as amended and (iii) the Warrants. Pursuant to the Second Omnibus Amendment, the Company had the option, exercisable at any time after September 1, 2016, to mandatorily convert all Notes into shares of the Company's common stock at $5.00 per share and cancel all Warrants. The Company exercised the its Mandatory Conversion on September 19, 2016 and, on September 21, 2016, converted the entire outstanding principal balance of $6,000,000, plus accrued interest of $317,000 on all of the Notes into 1,263,406 shares of the Company's common stock at a conversion price of $5.00 per share and (ii) cancelled all Warrants. The $50,000 Note issued to Brandt Ventures and interest on the Note was converted into 10,047 shares of Common Stock. *(refer to Note 3. Convertible Debt and Equity Financing).*

Lease Commitments

The Company had its Headquarters and Neurometric Services business premises located at 85 Enterprise, Aliso Viejo, California 92656 from February 2010 through January 2016. The Company relocated its new Headquarters and Neurometric Services business to 26522 La Alameda, Suite 290, Mission Viejo, CA 92691, which is 2,290 sqft in size. We signed a 24 month lease for our new location on January 22, 2016. The lease period commenced on February 1, 2016 and terminates on January 31, 2018. The rent for the first four months is $2,290 per month, which is abated by 50%; for months 5 through 12 the rent increases to $4,580 per month and for the final 12 months the rent will increase by 5% to $4,809 per month.

On February 2, 2016, we signed a 23.5 month lease for 1,092 sqft of office space to house our EEG testing center. The premises are located at 25201 Paseo De Alicia, Laguna Hills, CA 92653. The lease period commenced on February 15, 2016 and terminates on January 31, 2018. The rent for first half month of February was prorated at $928.20; for the next 11 months the rent is $1,856 per month, and for the remaining twelve months the rent will increase by 3% to $1,911 per month. The landlord abated the rent for March 2016.

The Company incurred rent expense from operations of $64,900 and $48,900 for the fiscal years ended September 30, 2016 and 2015, respectively.

On April 24, 2013, we entered into a financial lease to acquire additional EEG equipment costing $8,900. The term of the lease is 36 months ending May 2016 with a monthly payment of $325. As of June 30, 2016 the lease was paid off.

On January 20, 2016, we entered into a financial lease to acquire a Canon Copier costing $6,700. The term of the lease is 60 months ending January 2021 with a monthly payment of $135. As of September 30, 2016 the remaining principal lease obligation is $5,900, of which $1,200 in fiscal 2017 with $1,400 due per year for the years 2018-2020; and $500 due in 2021.

	Payments due by period				
Contractual Obligations	Total	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Operating Lease Obligations	$ 99,900	$ 73,100	$ 26,800	-	-
Capital Lease Obligations	5,900	1,200	4,200	500	-
Total	$ 105,800	$ 74,300	$ 31,000	500	-

10. SIGNIFICANT CUSTOMERS

For the fiscal year ended September 30, 2016, four customers accounted for 55% of Neurometric Services revenue and three customers accounted for 69% of accounts receivable at September 30, 2016.

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

11. SUBSEQUENT EVENTS

Annual Meeting

At the 2016 Annual Meeting of Stockholders of the Company, held on November 1, 2016 (the "2016 Annual Meeting"), the holders of the Company's common stock voted to elect each of the following directors to serve until the next annual meeting and until their successor is elected and qualified: Robin Smith M.D, John Pappajohn, Robert Follman, Thomas Tierney, Geoffrey Harris and Michal Votruba.

At the 2016 Annual Meeting, the Company's stockholders also voted to:

A. approve an amendment to the Company's 2012 Omnibus Incentive Compensation Plan (the "2012 Plan") to: (i) increase the total number of shares of Common Stock available for grant under the 2012 Plan from 75,000 shares to an aggregate of 500,000 shares, (ii) add an "evergreen" provision which, on January 1 of each year through 2022, automatically increases the number of shares subject to the 2012 Plan by the lesser of: (a) a number equal to 10% of the shares of Common Stock authorized under the 2012 Plan as of the preceding December 31st, or (b) an amount, or no amount, as determined by the Board, but in no event may the number of shares of Common Stock authorized under the 2012 Plan exceed 885,781 and (iii) increase the annual individual award limits under the 2012 Plan to 100,000 shares of Common Stock, subject to adjustment in accordance with the 2012 Plan;

B. approve the compensation of our named executive officers; and

C. ratify the selection by the Audit Committee of Anton & Chia, LLP as our independent registered accounting firm for the fiscal year ending September 30, 2016.

Option Grants

On October 2, 2016, the Compensation Committee of the Board granted options to purchase 102,000 shares of the Company's Common Stock under the 2012 Plan to staff members. These options vest pro-rata over 12 months starting on the date of grant. The grants of options to staff are valued $6.00 per share, which was the closing price on the OTC.QB of the Company's Common Stock on the date of grant.

Private Placement of Common Stock

On November 30, 2016, the Company sold and issued an aggregate of 160,000 shares of its Common Stock, at a per share price of $6.25, in a private placement to six accredited investors, for which it received gross cash proceeds to the Company of $1,000,000. Three of the six accredited investors were affiliates who represented 50% of the cash proceeds as follows: Dr. Robin Smith, our Chairman of the Board purchased 16,000 shares for $100,000; John Pappajohn, a member of the Board, purchased 32,000 shares for $200,000; and the Tierney Family Trust, of which our Board member, Thomas Tierney is a trustee, purchased 32,000 shares for $200,000.

On December 21, 2016, the Company sold and issued a further 48,000 shares of its Common Stock, at a per share price of $6.25, in a private placement to four accredited investors, for which it received gross cash proceeds to the Company of $300,000.

The private placement was made pursuant to an exemption from registration afforded by Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Regulation D thereunder.

The Aspire Capital Equity Line of Credit

On December 6, 2016, the Company, entered into a common stock purchase agreement (the "Purchase Agreement") with Aspire Capital Fund, LLC, an Illinois limited liability company ("Aspire Capital") which provides that, upon the terms and subject to the conditions and limitations set forth therein, Aspire Capital is committed to purchase up to an aggregate of $10.0 million of shares of the Company's common stock over the 30-month term of the Purchase Agreement. Concurrently with entering into the Purchase Agreement, the Company also entered into a registration rights agreement with Aspire Capital (the "Registration Rights Agreement"), in which the Company agreed to file one or more registration statements, as permissible and necessary to register under the Securities Act of 1933, as amended (the "Securities Act"), registering the sale of the shares of the Company's common stock that have been and may be issued to Aspire Capital under the Purchase Agreement.

Under the Purchase Agreement, after the Securities and Exchange Commission (the "SEC") has declared effective the registration statement referred to above, on any trading day selected by the Company on which the closing sale price of its Common Stock is equal to or greater than $0.50 per share, the Company has the right, in its sole discretion, to present Aspire Capital with a purchase notice (each, a "Purchase Notice"), directing Aspire Capital (as principal) to purchase up to 50,000 shares of the Company's common stock per business day, up to $10.0 million of the Company's common stock in the aggregate at a per share price (the "Purchase Price") equal to the lesser of:

1) the lowest sale price of the Company's common stock on the purchase date; or
2) the arithmetic average of the three (3) lowest closing sale prices for the Company's common stock during the twelve (12) consecutive trading days ending on the trading day immediately preceding the purchase date.

In addition, on any date on which the Company submits a Purchase Notice to Aspire Capital in an amount equal to 50,000 shares and the closing sale price of the Company's stock is greater than $0.50 per share, the Company also has the right, in its sole discretion, to present Aspire Capital with a volume-weighted average price purchase notice (each, a "VWAP Purchase Notice") directing Aspire Capital to purchase an amount of stock equal to up to 30% of the aggregate shares of the Company's common stock traded on its principal market on the next trading day (the "VWAP Purchase Date"), subject to a maximum number of shares the Company may determine. The purchase price per share pursuant to such VWAP Purchase Notice is generally 95% of the volume-weighted average price for the Company's common stock traded on its principal market on the VWAP Purchase Date.

The Purchase Price will be adjusted for any reorganization, recapitalization, non-cash dividend, stock-split, or other similar transaction occurring during the period(s) used to compute the Purchase Price. The Company may deliver multiple Purchase Notices and VWAP Purchase Notices to Aspire Capital from time to time during the term of the Purchase Agreement, so long as the most recent purchase has been completed.

The Purchase Agreement provides that the Company and Aspire Capital shall not effect any sales under the Purchase Agreement on any purchase date where the closing sale price of the Company's common stock is less than $0.50. There are no trading volume requirements or restrictions under the Purchase Agreement, and the Company will control the timing and amount of sales of the Company's common stock to Aspire Capital. Aspire Capital has no right to require any sales by the Company, but is obligated to make purchases from the Company as directed by the Company in accordance with the Purchase Agreement. There are no limitations on use of proceeds, financial or business covenants, restrictions on future fundings, rights of first refusal, participation rights, penalties or liquidated damages in the Purchase Agreement. In consideration for entering into the Purchase Agreement, concurrently with the execution of the Purchase Agreement, the Company issued to Aspire Capital 80,000 shares of the Company's common stock (the "Commitment Shares"). The Purchase Agreement may be terminated by the Company at any time, at its discretion, without any cost to the Company. Aspire Capital has agreed that neither it nor any of its agents, representatives and affiliates shall engage in any direct or indirect short-selling or hedging of the Company's common stock during any time prior to the termination of the Purchase Agreement. Any proceeds from the Company receives under the Purchase Agreement are expected to be used for working capital and general corporate purposes.

The issuance of the Commitment Shares and all other shares of common stock that may be issued from time to time to Aspire Capital under the Purchase Agreement are exempt from registration under the Securities Act, pursuant to the exemption for transactions by an issuer not involving any public offering under Section 4(a)(2) of the Securities Act.

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

None.

ITEM 9A. Controls and Procedures

Disclosure Controls and Procedures

Our management, including our Principal Executive Officer (PEO) and Principal Financial Officer (PFO), conducted an evaluation of the effectiveness of our disclosure controls and procedures, as defined by paragraph (e) of Exchange Act Rule 13a-15, as of September 30, 2016, the end of the period covered by this report. Based on this evaluation, our PEO and PFO concluded that our disclosure controls and procedures were effective as of September 30, 2016.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. As defined in Rule 13a-15(f) under the Exchange Act, internal control over financial reporting is a process designed by, or under the supervision of, our PEO and PFO and effected by our board of directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

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

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

Internal Controls Over Financial Reporting

Members of our management, including our PEO and our PFO, have evaluated the effectiveness of our internal control over financial reporting as of September 30, 2016, based on the framework and criteria established by the Committee of Sponsoring Organizations of the Treadway Commission and we concluded that our internal controls over financial reporting are effective.

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

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

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

Changes in Internal Control Over Financial Reporting

During the fiscal year ending September 30, 2016, there were no changes in our internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. Other Information

None.

PART III

ITEM 10. Directors, Executive Officers and Corporate Governance.

The following table sets forth the name, age and position of each of our directors and executive officers as of December 21, 2016.

Name	Age	Position
Robin L. Smith, M.D.	52	Chairman of the Board
Robert J. Follman	72	Director
Geoffrey E. Harris	54	Director
John Pappajohn	88	Director
Thomas T. Tierney	78	Director
Michal Votruba	51	Director
George C. Carpenter IV	58	President and Chief Executive Officer
Paul Buck	60	Chief Financial Officer and Secretary

Directors and Executive Officers

Robin L. Smith M.D., Chairman of the Board of Directors

Robin L. Smith, M.D. joined our Board of Directors as its Chairman on August 20, 2015. Dr. Robin L. Smith is a global thought leader in the regenerative medicine industry, one of the fastest growing segments of modern-day medicine. She received her M.D. from Yale University and an M.B.A. from the Wharton School of Business. During her tenure as CEO of the Caladrius Biosciences, Inc. (formerly NeoStem Inc.) family of companies (NASDAQ: CLBS), which she led from 2006 to 2015, she pioneered the company's innovative business model, combining proprietary cell therapy development with a successful contract development and manufacturing organization. Dr. Smith raised over $200 million, completing six acquisitions and one divestiture while the company won an array of industry awards and business recognition including a #1 ranking in the Tri-State region (for two years in a row), and #11 nationally, on Deloitte's Technology Fast 500™, and Frost & Sullivan's North American Cell Therapeutics Technology Innovation Leadership Award.

In 2008, Dr. Smith founded The Stem for Life Foundation (SFLF), a nonpartisan, 501(c)(3) educational organization devoted to fostering global awareness of the potential for regenerative medicine to treat and cure a range of deadly diseases and debilitating medical conditions, as opposed to merely treating their symptoms. In 2010, in order to bring the charity's mission to a global audience, Dr. Smith forged a historic, first-of-its-kind partnership with The Vatican. As part of this relationship, The Vatican and SFLF collaborate to create high-profile initiatives that help catalyze interest and development of cellular therapies that could ultimately reduce human suffering on a global scale. Dr. Smith has served as Chairman of the Board and President of the Stem for life Foundation since its inception and is expanding its mission further under the Cura brand to bring resources to fund cell therapy clinical trials and assist in accelerating enrollment and completion.

Dr. Smith maintains a regular column on these topics for *The Huffington Post*. She is a winner of the 2014 Brava! Award, which recognizes top women business leaders in the Greater New York area. She was also a finalist for the 2014 EY Entrepreneur of The Year award for the New York area, recognizing entrepreneurs who demonstrate excellence and success in the areas of innovation, financial performance and personal commitment to their businesses and communities.

In addition, Dr. Smith has extensive experience serving in executive and board level capacities for various medical enterprises and healthcare-based entities. She currently serves on the Board of Directors of Rockwell Medical (NASDAQ: RMTI), Signal Genetics (NASDAQ: SGNL) and Bioxcel Corporation. She also serves on the Board of Directors of the STOQ Foundation in Rome and the Board of Overseers at the NYU Langone Medical Center in NYC. She previously served on the Board of Trustees of the NYU Langone Medical Center and is a past Chairman of the Board of Directors for the New York University Hospital for Joint Diseases.

As a business leader, entrepreneur, doctor and philanthropist, Dr. Smith is uniquely positioned to lead the global healthcare industry into the cellular future, where the cells of our bodies will stand as the foundation for a wide array of cures.

Robert J. Follman, Director

Robert J. Follman joined our Board of Directors on February 25, 2013. Mr. Follman is President and CEO of R.A. Industries Inc., one of the leading producers of complex multi-axis components for the aerospace, nuclear, petroleum and other commercial industries, and has served in that position since 1976. He is also Chairman of the Board of Markall Incorporated, a related company that produces and markets electro-mechanical assemblies for the same markets. In the travel industry, Mr. Follman is the owner and President of the historic adventure destination fishing lodge in Alaska, Katmai Lodge. Mr. Follman is a longtime supporter of many local and national charitable organizations and is active in many community and civic affairs. He has a long history of supporting the UC Irvine Diabetes Center, St. Joseph Health Foundation, Segerstrom Center for the Arts, The Boys & Girls Club, The Salvation Army among many other organizations. Mr. Follman was selected to serve as a director because of his leadership experience, having served as an executive officer, and his influence as a business and civic leader.

Geoffrey E. Harris, Director

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

John Pappajohn, Director

John Pappajohn joined our Board of Directors on August 26, 2009. Since 1969, Mr. Pappajohn has been the President and sole owner of Pappajohn Capital Resources, a venture capital firm, and President and sole owner of Equity Dynamics, Inc., a financial consulting firm, both located in Des Moines, Iowa. Since 1994 he has served as a director, and is currently the chairman of the board of American CareSource Holdings, Inc., Atlanta, GA (NASDAQ: ANCI). During the past five years he has served on the boards of public companies Conmed Healthcare Management, Inc., PharmAthene, Inc. and Spectrascience, Inc. Mr. Pappajohn also currently serves as Chairman of the Board of Cancer Genetics, Inc. (NASDAQ: CGIX), a molecular diagnostics company. Mr. Pappajohn was chosen to serve as a director of our company because of his unparalleled experience serving as a director of more than 40 public companies and the substantial insight he has gained into the life sciences and healthcare industries by actively investing in the industries for more than 40 years, and by founding and supporting several public healthcare companies.

Thomas T. Tierney, Director

Thomas T. Tierney rejoined the Board on September 29, 2016. He previously served on our Board from February 25, 2013 and was appointed Chairman on March 26, 2013, until his resignation from the Board on May 22, 2015. Mr. Tierney is Chairman and CEO of Beehive.com LLC, an early stage networking enterprise. In 2015 Mr. Tierney sold Vitatech Nutritional Sciences Inc. which he owned and operated, having originally joined the company in 1971. Vitatech manufactured and marketed nutritional supplements and over-the-counter drugs under an FDA manufacturing license using current Good Manufacturing Practices. Mr. Tierney was also the Chairman and CEO of Body Wise International, a nutritional supplements distributer focused on weight management, fitness performance and anti-aging strategies. Mr. Tierney served in the Air Force from 1960 to 1971, including a tour of duty in Vietnam where he served as Deputy Chief of Logistics Plans and Programs at Headquarters, 7^{th} Air Force, during the Tet Offensive. After completing this tour, he was assigned as a Pentagon Research Associate at the RAND Corporation where he worked on logistics analysis and the use of advanced technologies. He has a BA in business from Wayne State University and an MSc. in logistics management from the Air Force Institute of Technology. Mr. Tierney has a distinguished record of civic activities including: Trustee Emeritus of the UCI Foundation Board, where his focus has been to support research of strategic health initiatives including precision medicine; a Regent of Bastyr University, Seattle, Washington; Advisor to the UC Irvine School of Medicine and on the Board of Children’s Hospital of Orange County, as well as multiple other Educational, Arts and Law enforcement organizations. Wayne State University recently named a 125 year old Detroit mansion "The Tierney Alumni House" after him. In May 2015 Mr. Tierney and his wife, Elizabeth, endowed the Tierney Center for Veterans Services in partnership with Goodwill Industries of Orange County to provide a global approach to assisting veterans and their families. Mr. Tierney has joined our Board to serve as a director because of his extensive experience in management, his knowledge of the FDA and Department of Defense, his commitment to the health and welfare of military personnel and his influence as a business and civic leader.

Michal Votruba, Director

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

George C. Carpenter IV, President and Chief Executive Officer

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

Paul Buck, Chief Financial Officer and Secretary

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

Significant Employees

Brian MacDonald, Chief Technology Officer

Brian MacDonald, age 55, is a co-founder of CNS Response, Inc. (California) and has been with the Company since its inception in 2000. Mr. MacDonald is the developer of the PEER algorithms that match Quantitative EEG features to similar features of known responders to psychotropic medications. Mr. MacDonald also leads the development of the PEER Online system that enables physicians to access the PEER algorithms from anywhere in the world through a secure web-based portal. Prior to CNS Response, Mr. MacDonald was a principal and co-founder of Mill City Venture Development that consulted for the predecessor company to CNS Response. Prior to this he was a consultant for Deloitte & Touche Management Consulting, KPMG Strategic Services and in private consulting practice. His focus throughout his consulting career has been the area of operations and information systems. Mr. MacDonald received a BS in Chemical Engineering from the University of Alabama and received his MBA from The Wharton School of the University of Pennsylvania in 1990.

R. Stewart Navarre. Vice President, Research

R. Stewart Navarre, age 62, has served as our Vice President, Government Accounts since February 2011. Prior to joining us, he served as Director, Federal Sector Pursuits at Bethel Services Incorporated, a Native American company, from March to September 2010 and Managing Director, Project Management, at CB Richard Ellis from August 2007 to March 2010. Mr. Navarre retired from the United States Marine Corps during July 2007. Colonel Navarre served as a Marine infantry officer for over 30 years, culminating in command of the 5th Marine Regiment, headquartered at Camp Pendleton, California, and deploying in support of Operation Iraqi Freedom during 2003 - 2005. His final tour on active duty was as Chief of Staff for the Marine Corps bases west of the Mississippi. Colonel Navarre received his B.S. in Biology and Chemistry and his commission as a Marine lieutenant at the United States Naval Academy in 1976. He holds a MBA from the University of Evansville, Indiana.

Board Composition, Committees and Director Independence

On September 29, 2016, the Board adopted a resolution to reduce the size of the Board to six members, effective as of November 1, 2016, the date of the 2016 Annual Meeting. The six members of our Board are: Robin L. Smith, M.D., Robert J. Follman, Geoffrey E. Harris, John Pappajohn, Thomas T. Tierney and Michal Votruba. Each Board member was elected at our annual meeting of stockholders held on November 1, 2016, and will serve until our next annual meeting or until his or her successor is duly elected and qualified.

The Company's securities are not listed on a national securities exchange or an inter-dealer quotation system that requires a majority of the Board of Directors to be independent. We nonetheless use the definition of "independence" under Rule 5602 of the NASDAQ Stock Market Rules, as applicable and as may be modified or supplemented from time to time and the interpretations thereunder, to determine if the members of our Board are independent. In making this determination, our Board considers, among other things, transactions and relationships between each director and his immediate family and the Company, including those reported under the caption "Certain Relationships and Related Transactions." The purpose of this review is to determine whether any such relationships or transactions are material and, therefore, inconsistent with a determination that the directors are independent. On the basis of such review and its understanding of such relationships and transactions, all of our current Board members are "independent" directors as that term is defined in the NASDAQ Stock Market Rules. In addition to our current Board members, former Board members Zachary McAdoo and Andrew Sassine were both "independent" directors as that term is defined in the NASDAQ Stock Market Rules during the fiscal year ended September 30, 2016.

Board Committees

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

Audit Committee

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

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

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

Compensation Committee

Our compensation committee assists the Board of Directors in the discharge of its responsibilities relating to the compensation of the Board of Directors and our executive officers. John Pappajohn (Chair), Robin Smith M.D., Robert Follman and Michal Votruba are the members of our compensation committee. The Board has determined that they are "independent" within the meaning of the NASDAQ Stock Market Rules and both members qualify as "non-employee directors" under Rule 16b-3 of the Exchange Act.

The committee's compensation-related responsibilities include:

- assisting our Board of Directors in developing and evaluating potential candidates for executive positions and overseeing the development of executive succession plans;

- reviewing and approving, on an annual basis, the corporate goals and objectives with respect to compensation for our chief executive officer;
- reviewing, approving and recommending to our Board of Directors on an annual basis the evaluation process and compensation structure for our other executive officers;
- providing oversight of management's decisions concerning the performance and compensation of other company officers, employees, consultants and advisors;
- reviewing our incentive compensation and other stock-based plans and recommending changes in such plans to our Board of Directors as needed, and exercising all the authority of our Board of Directors with respect to the administration of such plans;
- reviewing and recommending to our Board of Directors the compensation of independent directors, including incentive and equity-based compensation; and
- selecting, retaining and terminating such compensation consultants, outside counsel and other advisors as it deems necessary or appropriate.

Governance and Nominations Committee

The purpose of the governance and nominations committee is to recommend to the Board nominees for election as directors and persons to be elected to fill any vacancies on the Board, develop and recommend a set of corporate governance principles and oversee the performance of the Board. Thomas Tierney (Chair), Robin Smith, M.D., John Pappajohn, and Geoffrey Harris are the members of our governance and nominations committee. The Board has determined that the members of the committee are "independent" within the meaning of the NASDAQ Stock Market Rules.

The committee's responsibilities include:

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

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

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

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

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

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

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

Committee Memberships and Meetings

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

Name of Director	Audit Committee	Compensation Committee	Governance and Nominations Committee
Robin L. Smith, M.D.		Member	Member
Robert J. Follman	Member	Member	
Geoffrey E. Harris	Chair		Member
John Pappajohn		Chair	Member
Thomas T. Tierney	Member		Chair
Michal Votruba	Member	Member	

Governance Agreements

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

Board Meetings

During the fiscal year ended September 30, 2016, the Board held eleven meetings, the Audit Committee held four meetings, the Compensation Committee held one meeting and the Governance and Nominations Committee held two meetings. Each incumbent director attended 75% or more of the total number of meetings of the Board and the Board Committees of which they were a member during the period they served as a director in fiscal year 2016. The Board of Directors did not meet in executive session during the fiscal year ended September 30, 2016.

The Company has not yet established a policy with respect to Board members' attendance at its annual meetings. All incumbent directors attended last year's annual meeting, with the exception of Mr. Pappajohn and Mr. Tierney (who was not a member of the Board on the date of last year’s annual meeting).

Board Leadership Structure

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

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

Board Oversight of Risk Management

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

Stockholder Communications

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

Conflicts of Interest

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

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

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

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors and executive officers and the holders of more than 10% of our Common Stock to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of our equity securities. Based solely on our review of the copies of the forms received by us and written representations from certain reporting persons that they have complied with the relevant filing requirements, we believe that, during the year ended September 30, 2016, all of our executive officers, directors and the holders of 5% or more of our Common Stock complied with all Section 16(a) filing requirements, except for: (1) RSJ PE, which did not timely file a Form 3 reporting of two transactions and a Form 4 reporting of five transactions.

Code of Ethics

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

ITEM 11. Executive Compensation

Compensation Structure

Unless otherwise indicated, all stock-based amounts (including historical amounts) appearing in this annual report have been adjusted to give effect to the 1-for-200 reverse stock-split effective September 21, 2016.

Overview of Compensation Practices

Our executive compensation program is administered by the compensation committee.

Compensation Philosophy

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

- Alignment — to align the interests of executives and stockholders through equity-based compensation awards;
- Retention — to attract, retain and motivate highly qualified, high performing executives to lead our growth and success; and
- Performance — to provide, when appropriate, compensation that is dependent upon the executive's achievements and the Company's performance.
- In order to achieve the above objectives, our executive compensation philosophy is guided by the following principles:
- Rewards under incentive plans are based upon our short-term and longer-term financial results and increasing stockholder value;
- Executive pay is set at sufficiently competitive levels to attract, retain and motivate highly talented individuals who are necessary for us to achieve our goals, objectives and overall financial success;
- Compensation of an executive is based on such individual's role, responsibilities, performance and experience; and
- Annual performance of the Company and the executive are taken into account in determining annual bonuses with the goal of fostering a pay-for-performance culture.

Compensation Elements

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

Base Salary

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

Annual Incentive Bonuses

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

Equity Incentives

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

Health and Welfare Benefits

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

Severance and Change of Control Arrangements

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

Other Benefits

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

Accounting and Tax Considerations

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

Process for Setting Executive Compensation; Factors Considered

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

Summary Compensation Table

The following table provides disclosure concerning all compensation paid for services to us in all capacities for our fiscal years ending September 30, 2016 and 2015 provided by (i) each person serving as our principal executive officer ("PEO") or acting in a similar capacity during our fiscal year ended September 30, 2016 and (ii) our two most highly compensated executive officers other than our PEO who were serving as executive officers on September 30, 2016 and whose total compensation exceeded $100,000 (collectively with the PEO referred to as the "named executive officers" in this "Executive Officers and Executive Compensation" section).

Name and Principal Position	Fiscal Year Ended September 30,	Salary ($) (1)	Bonus ($)	Stock Awards ($) (2)	Option Awards ($) (3)	All Other Compensation ($) (4)	Total ($)
George C. Carpenter IV (President and Chief Executive Officer)	2016	270,000	—	25,500	189,400	21,000	505,900
	2015	270,000	—	—	—	19,500	289,500
Paul Buck (Chief Financial Officer and Secretary)	2016	208,000		25,500	189,400	8,500	431,400
	2015	208,000	—	—	—	17,500	225,500

(1) Salaries for the fiscal years ended September 30, 2016 and 2015 which were accrued and paid as follows:

- Mr. Carpenter’s salary for fiscal year 2016 was $270,000 all of which was paid out.
- Mr. Carpenter’s salary for fiscal year 2015 was $270,000 of which $168,300 was paid and $101,700 was accrued. For the pay period starting February 16, 2015 through to July 31, 2015, a portion of Mr. Carpenter's salary was voluntarily deferred with a cash payout limited to $4,000 per month, the balance being accrued. Mr. Carpenter elected to defer a portion of his salary as noted to allow additional cash to remain in the Company during a period of limited cash resources.
- Mr. Buck’s salary for fiscal year 2016 was $208,000 all of which was paid out.
- Mr. Buck’s salary for fiscal year 2015 was $208,000 of which $134,700 was paid and $73,300 was accrued. For the pay period starting February 16, 2015 through to July 31, 2015, a portion of Mr. Buck's salary was voluntarily deferred with a cash payout limited to $4,000 per month, the balance being accrued. Mr. Buck elected to defer a portion of his salary as noted to allow additional cash to remain in the Company during a period of limited cash resources.

(2) On April 5, 2016, the Board approved grants of restricted Common Stock to each of Messrs. Carpenter and Buck of 5,000 shares valued at $25,500. 50% of the shares issued to each vested on the date of grant and 50% vested (or will vest) pro-rata over 12 months starting on the date of grant. The shares were value at $5.10 each, which was the closing price of the Company’s stock quoted on the OTC.QB on the date of grant.

(3) On September 22, 2016, the Board granted each of Messrs. Carpenter and Buck an option to purchase 32,000 shares of Common Stock valued at $189,400 each using the Black Scholes Model. The options were granted pursuant to the 2012 Plan, as amended and approved at the Annual Meeting of Stockholders held on November 1, 2016. The exercise price of the options is $6.00 per share and vest as follows: (a) 25% on the date of grant; (b) 25% upon receiving CMS approval to bill Medicare, (c) 25% upon signing a healthcare system to use our PEER technology, and (d)(i) for Mr. Carpenter 25% upon signing a multi-practitioner group to use our PEER technology, and (ii) for Mr. Buck 25% upon up-listing to an exchange.

(4) Relates to healthcare insurance premiums and Health Savings Account contributions paid on behalf of executive officers of the Company for fiscal years 2016 and 2015, respectively.

- For Mr. Carpenter health care benefits were $21,000 and 19,500 for fiscal years 2016 and 2015, respectively.
- For Mr. Buck healthcare benefits were $8,500 and $17,500 for fiscal years 2016 and 2015, respectively.

Narrative Disclosure to Summary Compensation Table

On September 22, 2016, the Board granted each of Messrs. Carpenter and Buck an option to purchase 32,000 shares of Common Stock, valued at $189,400 each using the Black Scholes Model. The options were granted pursuant to the 2012 Plan, as amended and approved at the Annual Meeting of Stockholders held on November 1, 2016. The exercise price of the options is $6.00 per share and the options vest in 25% tranches as described in Footnote 3 to the “Summary Compensation Table”.

During fiscal year 2016, salaries were paid out in the normal schedule without delays or accruals. There was also no pay-out of accrued salaries from fiscal 2015.

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

Since the Company had limited cash and cash equivalent resources as of September 30, 2016 and 2015, no bonuses were paid or accrued for our executive officers during the fiscal years ended September 30, 2016 and 2015.

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

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

Employment Agreements

George Carpenter

On October 1, 2007, we entered into an employment agreement with George Carpenter pursuant to which Mr. Carpenter began serving as our President. During the period of his employment, Mr. Carpenter received a base salary of no less than $180,000 per annum, which was subject to upward adjustment at the discretion of the Chief Executive Officer or our Board of Directors. On March 3, 2010, the Board of Directors increased the annual base salary of Mr. Carpenter to $270,000, with the increase in salary having retroactive effect to January 1, 2010. In addition, pursuant to the terms of his initial employment agreement, on October 1, 2007, Mr. Carpenter was granted an option to purchase 162 shares of our Common Stock at an exercise price of $5,340.00 per share pursuant to our 2006 Stock Incentive Plan. In the event of a change of control transaction, a portion of Mr. Carpenter’s unvested options equal to the number of unvested options at the date of the corporate transaction multiplied by the ratio of the time elapsed between October 1, 2008 and the date of the corporate transaction over the vesting period (48 months) will automatically accelerate, and become fully vested. Mr. Carpenter is entitled to four weeks’ vacation per annum, health and dental insurance coverage for himself and his dependents, and other fringe benefits that we offer our employees from time to time.

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

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

Paul Buck

On February 18, 2010, we entered into an employment agreement with Paul Buck pursuant to which Mr. Buck began serving as our Chief Financial Officer on an "at will" basis and was to be paid a salary of no less than $208,000 per annum, which is subject to upward adjustment at the discretion of the Chief Executive Officer or the Board of Directors of our company. Pursuant to his employment agreement, Mr. Buck also received an option to purchase 75 shares of our Common Stock on March 3, 2010, which options vest in 48 equal installments commencing on March 3, 2010. The options have an exercise price of $3,300.00 per share and were granted under our 2006 Stock Incentive Plan. In the event of a change of control transaction, a portion of Mr. Buck’s unvested options equal to the number of unvested options at the date of the corporate transaction multiplied by the ratio of the time elapsed between March 3, 2010 and the date of the corporate transaction over the vesting period (48 months) will automatically accelerate, and become fully vested. In the event of a change of control transaction, a portion of Mr. Buck’s unvested options equal to the number of unvested options at the date of the corporate transaction multiplied by the ratio of the time elapsed between option grant date and the date of the corporate transaction over the vesting period (48 months) will automatically accelerate, and become fully vested. Mr. Buck is entitled to four weeks’ vacation per annum, health and dental insurance coverage for himself and his dependents, and other fringe benefits that we offer our employees from time to time. As Mr. Buck’s employment is on an "at-will" basis, he may terminate his employment with us for any reason or for no reason. Similarly, we may terminate Mr. Buck’s employment with or without cause. If we terminate Mr. Buck’s employment without cause or Mr. Buck involuntarily terminates his employment with us, Mr. Buck shall be eligible to receive as severance his salary and benefits for a period equal to six months payable in one lump sum upon termination. If Mr. Buck is terminated by us for cause, or if Mr. Buck voluntarily terminates his employment, he will not be entitled to any severance.

2006 Stock Incentive Plan

On August 3, 2006, CNS California adopted the CNS California 2006 Stock Incentive Plan (the “2006 Option Plan”). On March 7, 2007, in connection with the closing of the merger transaction with CNS California, we assumed the CNS California stock option plan and all of the options granted under the plan at the same price and terms. Subsequently, we amended the 2006 Option Plan on March 3, 2010 to increase the number of shares of Common Stock reserved for issuance under the 2006 Option Plan from 1,667 to 3,334 shares and increased the limit on shares underlying awards granted within a calendar year to any eligible employee or director from 500 to 667 shares of Common Stock. The amendment was approved by our stockholders at the annual meeting held on April 27, 2010. The following is a summary of the 2006 Option Plan, as amended, which we use to provide equity compensation to employees, directors and consultants to our company.

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

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

As of September 30, 2016, options to purchase 355 shares of Common Stock were exercised and there were options to purchase 2,224 shares of Common Stock and 31 restricted shares outstanding under the amended 2006 Option Plan, leaving 728 shares of Common Stock which will not be awarded as the 2006 Option Plan has been frozen and replaced by the 2012 Omnibus Incentive Compensation Plan.

2012 Omnibus Incentive Compensation Plan

On March 22, 2012, the MYnd Analytics, Inc. 2012 Omnibus Incentive Compensation Plan (the "2012 Option Plan"), was approved by our Board of Directors and was approved by stockholders at the Company's annual meeting held on May 23, 2013. The 2012 Option Plan replaced the Company's abovementioned 2006 Option Plan. The 2012 Option Plan provides for the grant of options (including nonqualified options and incentive stock options), restricted stock, performance units, performance shares, deferred stock, restricted stock units, dividend equivalents, bonus shares and other stock-based awards to directors, officers, employees and/or consultants of the Company. The plan originally provided for the grant of awards up to 1,667 shares of our Common Stock may be issued.

On December 10, 2012, the Board approved the amendment of the Company's 2012 Option Plan to increase the shares authorized for issuance under the 2012 Option Plan from 1,667 shares to 27,500 shares. Additionally, on March 26, 2013, the Board approved the amendment of the Company's 2012 Option Plan to increase the shares authorized for issuance under the 2012 Option Plan from 27,500 shares to 75,000 shares.

On January 8, 2015, the Board granted an option to purchase 1,250 shares of its Common Stock pursuant to the 2012 Plan, at an exercise price of $50.00 per share to a consultant. The option vesting is contingent upon the achievement of agreed upon goals.

On August 20, 2015, the Board approved an award of options to purchase 1,250 shares of Common Stock for each of the Company's directors, for an aggregate grant of 8,750 options. The options are exercisable at a price per share of $11.00, the closing price of the Company's common stock on the date of grant, and will vest pro-rata over 36 months.

On April 5, 2016, the Board approved a further amendment of the 2012 Plan to increase the Common Stock authorized for issuance from 75,000 shares to 200,000 shares.

On April 5, 2016, the Board granted options to purchase 7,250 shares of Common Stock under the 2012 Plan to staff members and options to purchase 1,000 shares of Common Stock to our consultant, DCA. These options vest pro-rata over 12 months starting on the date of grant. The grants of options to staff and consultant have an exercise price of $5.10 per share, which was the closing price on the OTC.QB of the Company's Common Stock on the date of grant.

On September 22, 2016 the Board amended the 2012 Plan to: (i) increase the total number of shares of Common Stock available for grant under the 2012 Plan from 200,000 shares to an aggregate of 500,000 shares, (ii) add an "evergreen" provision which, on January 1st of each year through 2022, automatically increases the number of shares subject to the 2012 Plan by the lesser of: (a) a number equal to 10% of the shares of Common Stock authorized under the 2012 Plan as of the preceding December 31st, or (b) an amount, or no amount, as determined by the Board, but in no event may the number of shares of Common Stock authorized under the 2012 Plan exceed 885,781 and (iii) increase the annual individual award limits under the 2012 Plan to 100,000 shares of Common Stock, subject to adjustment in accordance with the 2012 Plan. These amendments to the 2012 Plan were approved by our stockholders at the Annual Meeting held on November 1, 2016 *(refer to Note 11. Subsequent Events of the Consolidated Financial Statements)*.

On September 22, 2016, the Board granted options to purchase 144,000 shares of Common Stock under the 2012 Plan at an exercise price of $6.00 to certain directors and officers as follows:

- our Chairman Dr. Smith was granted options to purchase 40,000 shares of Common Stock which vest as follows: (a) 20% vested on the date of grant, (b) 20% vested upon receiving CMS approval to bill Medicare, (c) 20% will vest upon signing a healthcare system to use our PEER technology, (d) 20% will vest upon signing a multi-practitioner group to use our PEER technology, and (e) 20% will vest upon up-listing to an exchange in 1 year;

- our CEO, George Carpenter, was granted options to purchase 32,000 shares of Common Stock which vest as follows: (a) 25% vested on the date of grant, (b) 25% vested on the date that we received CNS approval to bill Medicare, (c) 25% will vest upon signing a healthcare system to use our PEER technology and (d) 25% will vest upon signing a multi-practitioner group to use our PEER technology;
- our CFO, Paul Buck, was granted options to purchase 32,000 shares of Common Stock which vest as follows: (a) 25% vested on the date of grant, (b) 25% vested on the date that we received CNS approval to bill Medicare, (c) 25% will vest upon signing a healthcare system to use our PEER technology and (d) 25% will vest upon up-listing to an exchange in 1 year;
- two of our outgoing directors, Mr. McAdoo and Mr. Sassine, were each granted 20,000 fully vested options to purchase Common Stock.

On October 2, 2016, the Compensation Committee of the Board granted options to purchase 102,000 shares of the Company's Common Stock under the 2012 Plan to staff members. These options vest pro-rata over 12 months starting on the date of grant. The grants of options to staff are valued $6.00 per share, which was the closing price on the OTCQB of the Company's Common Stock on the date of grant.

As of September 30, 2016, no options were exercised and options to purchase 220,896 shares of Common Stock were outstanding and 143,750 restricted shares had been issued under the 2012 Option Plan, as amended, leaving 135,354 shares available to be awarded. On October 2, 2016, 102,000 options to purchase shares of Common Stock were granted to staff and an advisor, leaving a residual 33,354 shares available for grant under the 2012 Option Plan.

Outstanding Equity Awards at Fiscal Year-End

The following table presents information regarding outstanding options held by our named executive officers as of September 30, 2016.

	Option Awards					Stock Awards	
	Number of Securities Underlying Unexercised Options (#)		Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares of Stock That Have Not Vested (#)	Market Value of Shares of Stock That Have Not Vested ($)
Name	**Exercisable**	**Unexercisable**					
George Carpenter [1]						1,248	$ 7,488
	—	16,000	16,000	6.00	September 22, 2026	—	—
	2,175	—	—	50.00	October 8, 2023	—	—
	6,125	—	—	9.44	December 10, 2022	—	—
	667	—	—	3,300.00	March 2, 2020	—	—
	162	—	—	5,340.00	October 1, 2017	—	—
Paul Buck [2]						1,248	$ 7,488
	—	16,000	16,000	6.00	September 22, 2026	—	—
	2,350	—	—	50.00	October 8, 2023	—	—
	7,000	—	—	9.44	December 10, 2022	—	—
	75	—	—	3,300.00	March 2, 2020	—	—

(1) On September 22, 2016, the Board granted Mr. Carpenter an option to purchase 32,000 shares of Common Stock which will be deemed to vest as follows: (a) 8,000 on the date of grant, (b) 8,000 on the date that we received CNS approval to bill Medicare, (c) 8,000 upon signing a healthcare system to use our PEER technology and (d) 8,000 upon signing a multi-practitioner group to use our PEER technology.

On April 5, 2016, the Board approved a grant of 5,000 shares of Common Stock to Mr. Carpenter valued at $25,500. 50% of the shares vested on the date of grant and 50% vested (or will vest) pro-rata over 12 months starting on the date of grant. As of September 30, 2016, 1,248 shares remain unvested and are valued at $6.00 per shares.

On October 8, 2013, Mr. Carpenter was granted options to purchase shares 2,175 shares of Common Stock. The options are exercisable at $50.00 per share and vested evenly over 12 months starting from the date of grant. Mr. Carpenter agreed to forego $98,000 of his salary in fiscal year 2014 pursuant to the Employment Compensation Forfeiture and Exchange Agreement dated December 16, 2013. Mr. Carpenter was paid out of accrued salary earned, but not paid, during fiscal years 2013 and 2012. The accrued salary paid out was equivalent to the fiscal year 2014 salary that he had agreed to forego in lieu of receiving the options.

On December 10, 2012, Mr. Carpenter was granted options to purchase 6,000 shares of Common Stock. The options are exercisable at $9.44 per share and vested in increments of 12.5% at the beginning of each quarter starting from the date of grant. Mr. Carpenter was also granted 125 fully vested shares of Common Stock for his prior services on the Board. These options are also exercisable at a price of $9.44 per share.

On March 3, 2010, Mr. Carpenter was granted options to purchase 667 shares of Common Stock. The options are exercisable at $3,300.00 per share and vested equally over 48 months starting on March 3, 2010.

On October 1, 2007 Mr. Carpenter was granted options to purchase 162 shares of Common Stock. The options are exercisable at an exercise price of $5,340.00 and vested as follows: 21 shares vested immediately with the remaining 141 shares vesting equally over 42 months commencing April 30, 2008.

(2) On September 22, 2016, the Board granted Mr. Buck an option to purchase 32,000 shares of Common Stock which will be deemed to vest as follows: (a) 8,000 on the date of grant, (b) 8,000 on the date we received CNS approval to bill Medicare, (c) 8,000 upon signing a healthcare system to use our PEER technology and (d) 8,000 upon the Company up-listing to an exchange.

On April 5, 2016, the Board approved a grant of 5,000 shares of Common Stock to Mr. Buck valued at $25,500. 50% of the shares vested on the date of grant and 50% vested (or will vest) pro-rata over 12 months starting on the date of grant. As of September 30, 2016, 1,248 shares remain unvested and are valued at $6.00 per shares.

On October 8, 2013, Mr. Buck was granted options to purchase shares 2,350 shares of Common Stock. The options are exercisable at $50.00 per share and vest evenly over 12 months starting from the date of grant. Mr. Buck agreed to forego $106,500 of his salary in fiscal year 2014 pursuant to the Employment Compensation Forfeiture and Exchange Agreement. Mr. Buck was paid out of accrued salary earned, but not paid, during fiscal years 2013 and 2012. The accrued salary paid out was equivalent to the fiscal year 2014 salary that he agreed to forego in lieu of receiving the options.

On December 10, 2013, Mr. Buck was granted options to purchase 7,000 shares of Common Stock. The options are exercisable at $9.44 per share and vested in increments of 12.5% at the beginning of each quarter starting from the date of grant.

On March 3, 2010, Mr. Buck was granted options to purchase 75 shares of Common Stock. The options are exercisable at $3,300.00 per share and vested equally over 48 months starting on March 3, 2010.

Director Compensation

During our fiscal year ended September 30, 2016, non-employee directors did not receive any cash compensation but did receive fully vested grants of Common Stock, Restricted Stock and options to purchase Common Stock for their service on our Board of Directors or committees thereof. The values of the option and restricted share grants were determined using the Black-Scholes Model and the closing price of the stock on the day of grant.

Non-Employee Director Compensation

Name	Option Awards ($)	Stock Awards ($)	Total ($)
Robin Smith(1)	236,800	265,500	502,300
John Pappajohn (2)		126,400	126,400
Zachary McAdoo (3)	118,400	6,400	124,800
Robert Follman (4)		126,400	126,400
Andrew Sassine (5)	118,400	6,400	124,800
Geoffrey Harris (6)		132,700	132,700
Michal Votruba (7)		126,400	126,400
Thomas Tierney (8)	-	118,400	118,400

(1) On September 22, 2016, the Board granted Dr. Robin Smith 40,000 shares of restricted Common Stock at $6.00 per share, which are fully vested. The stock, valued at $240,000 was granted with a tax "gross-up" provision for which the Company has accrued $250,000 for Federal and California State taxes.

Also on September 22, 2016, the Board granted Dr. Smith an option to purchase 40,000 shares of Common Stock with an exercise price of $6 per shares. These options vest as follows: (a) 20% on the date of grant, (b) 20% upon receiving CMS approval to bill Medicare, (c) 20% upon signing a healthcare system to use our PEER technology, (d) 20% upon signing a multi-practitioner group to use our PEER technology, and (e) 20% upon up-listing to an exchange in 1 year.

On April 5, 2016, the Board granted Dr. Smith 5,000 shares of Common Stock at $5.10 per share, which were fully vested.

The aggregate number of option awards outstanding for Dr. Smith at September 30, 2016 was 41,250. Of these, options to purchase 1,250 shares have an exercise price of $11.00 per share and options to purchase 40,000 shares have an exercise price of $6.00 per share.

(2) On September 22, 2016, the Board granted Mr. Pappajohn 20,000 shares of restricted Common Stock at $6.00 per share, which are fully vested.

On April 5, 2016, the Board granted Mr. Pappajohn 1,250 shares of Common Stock at $5.10 per share, which were fully vested.

Mr. Pappajohn joined our Board on August 26, 2009. The aggregate number of option awards outstanding for Mr. Pappajohn at September 30, 2016 was 2,542. Of these, options to purchase 42 shares have an exercise price of $3,300.00 per share, options to purchase 1,250 shares have an exercise price of $9.44 per share and options to purchase 1,250 shares have an exercise price of $11.00 per share.

(3) On September 22, 2016, the Board granted Mr. McAdoo options to purchase 20,000 shares of Common Stock at $6.00 per share, which are fully vested.

On April 5, 2016, the Board granted Mr. McAdoo 1,250 shares of Common Stock at $5.10 per share, which were fully vested.

Mr. McAdoo served on our Board from November 21, 2011 to November 1, 2016. The aggregate number of option awards outstanding for Mr. McAdoo at September 30, 2016 was 22,542. Of these, 42 options have an exercise price of $600.00 per share, 1,250 options have an exercise price of $9.44 per share, 1,250 options have an exercise price of $11.00 per share and 20,000 have an exercise price of $6.00 per share.

(4) On September 22, 2016, the Board granted Mr. Follman 20,000 shares of restricted Common Stock at $6.00 per share, which are fully vested.

On April 5, 2016, the Board granted Mr. Follman 1,250 shares of Common Stock at $5.10 per share, which were fully vested.

Mr. Follman joined our Board on February 25, 2013. The aggregate number of option awards outstanding at September 30, 2016 was 2,500 options. Of these, options to purchase 1,250 shares have an exercise price of $9.44 per share and options to purchase 1,250 shares have an exercise price of $11.00 per share.

(5) On September 22, 2016, the Board granted Mr. Sassine options to purchase 20,000 shares of Common Stock at $6.00 per share, which are fully vested.

On April 5, 2016, the Board granted Mr. Sassine 1,250 shares of Common Stock at $5.10 per share, which were fully vested.

Mr. Sassine served on our Board from February 25, 2013 to November 1, 2016. The aggregate number of option awards outstanding at September 30, 2016 was 22,500. Of these, options to purchase 1,250 shares have an exercise price of $9.44 per share, options to purchase 1,250 shares have an exercise price of $11.00 per share and options to purchase 20,000 shares have an exercise price of $6.00 per share.

(6) On September 22, 2016, the Board granted Mr. Harris 20,000 shares of restricted Common Stock at $6.00 per share, which are fully vested.

On April 5, 2016, the Board granted Mr. Harris, as the Chairman of the audit Committee, 2,500 shares of Common Stock at $5.10 per share, which were fully vested.

Mr. Harris joined our Board on July 20, 2015. The aggregate number of option awards outstanding at September 30, 2016 were options to purchase 1,250 shares at $11.00 per share.

(7) On September 22, 2016, the Board granted Mr. Votruba 20,000 shares of restricted Common Stock at $6.00 per share, which are fully vested.

On April 5, 2016, the Board granted Mr. Votruba 1,250 shares of Common Stock at $5.10 per share, which were fully vested.

Mr. Votruba joined our Board on July 20, 2015. The aggregate number of option awards outstanding at September 30, 2016 was an option to purchase 1,250 shares at $11.00 per share. All share and option grants to Mr. Votruba are assigned to RSJ PE, of which he is a representative on the Board

(8) On September 29, 2016, the Board granted Mr. Tierney 20,000 shares of restricted Common Stock at $6.00 per share, which are fully vested.

Mr. Tierney rejoined our Board on September 29, 2016. Mr. Tierney had originally joined our Board on February 25, 2013, and resigned from our Board on May 22, 2015 and served as its Chairman between March 26, 2013 and the date of his resignation. The aggregate number of option awards outstanding for Mr. Tierney at September 30, 2016 was 1,980 of which options to purchase 1,042 shares have an exercise price of $9.44 per share and options to purchase 938 shares have an exercise price of $50.00 per share.

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

The following table sets forth information regarding beneficial and other ownership of the shares of our Common Stock as of December 21, 2016:

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

Applicable percentage ownership interest as of December 21, 2016 is based on 2,229,061 shares of issued and outstanding Common Stock.

Unless otherwise indicated in the table, the persons and entities named in the table have sole voting and sole investment power with respect to the shares set forth opposite the stockholder's name, subject to community property laws, where applicable. Beneficial ownership is determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended. For purposes of such calculation, shares of our Common Stock subject to options, warrants and convertible promissory notes issued by us (and convertible interest on those notes) that are currently exercisable or convertible, or exercisable or convertible within sixty days from December 21, 2016, are deemed to be outstanding and to be beneficially owned by the person holding the options, warrants or convertible promissory notes, as applicable, for the purpose of computing the percentage ownership of that person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated, the address of each of the executive officers and directors and 5% or more stockholders named below is c/o MYnd Analytics, Inc., 26522 La Alameda, Suite 290, Mission Viejo, CA 92691. There are no shares of any other class or series of stock issued and outstanding.

	Shares Beneficially Owned as of December 21, 2016	
Name of Beneficial Owner	**Number of Shares Beneficially Owned**	**Percentage of Shares Outstanding**
Executive Officers and Directors:		
George Carpenter (1) President and Chief Executive Officer	65,338	2.89%
Paul Buck (2) Chief Financial Officer and Secretary	33,850	1.50%
Robin L. Smith (3) Chairman of the Board of Directors	115,151	5.11%
John Pappajohn (4) Director	410,329	18.39%
Robert J. Follman (5) Director	169,656	7.60%
Michal Votruba (6) Director	-	*
Geoffrey E. Harris (7) Director	25,183	1.13%
Thomas T. Tierney (8) Director	238,325	10.68%
Directors and officers as a group (8 persons) (9)	1,057,832	45.62%
Non-Director 5%+ Stockholders:		
RSJ PE (10)	466,329	20.91%

* Less than 0.1%

(1) Consists of (a) 32,209 shares of Common Stock, and (b) 33,129 shares of Common Stock issuable upon the exercise of vested and exercisable options. Mr. Carpenter has been our Chief Executive Officer since April 2009 and our President since April 29, 2011.

(2) Consists of (a) 8,425 shares of Common Stock, and (b) 25,425 shares of Common Stock issuable upon the exercise of vested and exercisable options. Mr. Buck has been our Chief Financial Officer since February 18, 2010.

(3) Consists of (a) 90,526 shares of Common Stock, and (b) 24,625 shares of Common Stock issuable upon the exercise of vested and exercisable options. Dr. Smith has been the Chairman of the Board since August 20, 2015.

(4) Consists of (a) 408,412 shares of Common Stock, and (b) 1,917 shares of Common Stock issuable upon the exercise of vested and exercisable options. Mr. Pappajohn has been a member of the Board since August 26, 2009.

(5) Consists of (a) 147,781 shares of Common Stock held under the Declaration of Trust of Robert J. Follman and Carole A. Follman, dated August 14, 1979 (the "Follman Trust"), of which Mr. Follman is a trustee, (b) 20,000 shares of Common Stock held directly by Mr. Follman, and (c) 1,875 shares of Common Stock issuable upon the exercise of vested and exercisable options held by the Follman Trust. Mr. Follman has been a member of the Board since February 25, 2013.

(6) Mr. Votruba is a representative of RSJ PE; refer to *footnote (10) below,* as all of his granted shares and options to purchase Common Shares are assigned to RSJ PE: including 21,250 shares of Common Stock and 625 shares of Common Stock issuable upon the exercise of vested and exercisable options. Mr. Votruba has been a member of the Board since July 30, 2015.

(7) Consists of (a) 24,558 shares of Common Stock, and (b) 625 shares of Common Stock issuable upon the exercise of vested and exercisable options. Mr. Harris has been a member of the board since July 30, 2015.

(8) Consists of (a) 216,345 shares of Common Stock held in the name of the Thomas T. and Elizabeth C. Tierney Family Trust (the "Tierney Family Trust"), of which Mr. Tierney is a trustee, (b) 20,000 shares of Common Stock held directly by Mr. Tierney, and (c) 1,980 shares of Common Stock issuable upon the exercise of vested and exercisable options held by the Tierney Family Trust. Mr. Tierney was a member and Chairman of the Board from February 25, 2013 until May 22, 2015, and rejoined the Board on September 29, 2016.

(9) Consists of (a) 968,256 shares of Common Stock, and (b) 89,576 shares of Common Stock issuable upon the exercise of vested and exercisable options.

(10) Consists of 465,704 shares of Common Stock, and (b) 625 shares of Common Stock issuable upon the exercise of vested and exercisable options. The address of RSJ PE is Na Florenci 2116/15, 110 00 Prague 1, Czech Republic.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth certain information regarding our equity compensation plans as of September 30, 2016.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)		Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (c)
2006 Equity compensation plan approved by security holders	2,224	$	4,065.00	-(1)
2012 Equity compensation plan approved by security holders	220,896	$	10.58	135,354(2)
Equity compensation plans not approved by security holders	-			-
Total	223,120	$	50.98	135,354

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

(2) Does not include options to purchase 102,000 shares of Common Stock granted to staff members and an advisor on October 2, 2016 and does not include 143,750 restricted shares issued under the 2012 Plan. The 2012 Plan includes an evergreen provision which, on January 1 of each year through 2022, automatically increases the number of shares subject to the 2012 Plan by the lesser of: (a) a number equal to 10% of the shares of Common Stock authorized under the 2012 Plan as of the preceding December 31 or (b) an amount, or no amount, as determined by our Board of Directors, but in no event may the number of shares of Common Stock authorized under the 2012 Plan exceed 885,781.

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

Except as follows, since October 1, 2014, there has not been, nor is there currently proposed, any transaction or series of similar transactions to which we are or will be a party:

· in which the amount involved exceeds the lesser of $120,000 or 1% of the average of our total assets at year-end for the last two completed fiscal years; and

· in which any director, executive officer, or other stockholder of more than 5% of our Common Stock or any member of their immediate family had or will have a direct or indirect material interest.

Termination of Governance Agreements

On March 28, 2015, the Company entered into a separate termination agreement with each of Equity Dynamics and SAIL, in each case to immediately terminate the respective November 28, 2012 governance agreement (collectively, the "Governance Agreements") that the Company had entered into with each of Equity Dynamics and SAIL (collectively, the "Termination Agreements"). For additional information on the Termination Agreements, please refer to *Item 10—Directors, Executive Officers and Corporate Governance—Board Composition, Committees and Director Independence—Governance* Agreements.

Note Purchase Agreement & Related Amendments

Between September 22, 2014 and September 19, 2016, the Company entered into a Note Purchase Agreement, as amended from to time by Amendment No. 1, the Omnibus Amendment, Second Amended Note & Warrant Agreement, Amendment No. 1 to the Second Amended Note and Warrant Agreement, and the Second Omnibus Amendment, with various accredited investors (including affiliates) in connection with its issuance of an aggregate principal amount of $6.0 million of Notes. The following related parties participated in this financing: (i) RSJ PE, of which Michal Votruba, a director of the Company, is a director; (ii) John Pappajohn, a director of the Company; (iii) the Follman Family Trust of which Robert Follman, a director of the Company, is a trustee; (iv) The Tierney Family Trust, which is a greater than 5% stockholder of the Company, of which Thomas Tierney, a director a trustee; (v) Oman Ventures, of which Mark Oman, a greater than 5% stockholder of the Company, is the President; (vi) Dr. Robin Smith, Chairman of the Board; (vii) George Carpenter, the Company's CEO, and his wife Jill; (viii) Geoff Harris, a Director, and (ix) Brandt Ventures, an entity controlled by our former CEO, Leonard Brandt. For additional information on the Note Purchase Agreement, as amended, please see *Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Private Placement Transactions".*

Note Conversion and Warrant Cancellation

On September 19, 2016, pursuant to the Second Omnibus Amendment, the Company exercised the Mandatory Conversion and, on September 21, 2016, (i) converted the entire outstanding principal balance of $6,000,000, plus accrued interest of $317,000 on all of the Notes into 1,263,406 shares of the Company's common stock at a conversion price of $5.00 per share and (ii) cancelled all Warrants.

The below table sets forth details regarding the shares issued to certain related parties upon the Company's exercise of the Mandatory Conversion:

Note Issuance and Conversion Table:

Note Holder		Principal Amount	Accrued Interest at Conversion	Shares issued on Conversion
Original Note Purchase Agreement				
Note Date Range Sept 22,2014 to July 20,2015				
RSJ Private Equity	(1)	$ 750,000	$ 76,200	165,246
John Pappajohn	(2)	200,000	20,400	44,089
John Pappajohn	(5)	200,000	14,200	42,820
Tierney Family Trust	(3)	540,000	46,000	117,199
Follman Family Trust	(4)	100,000	7,700	21,538
Oman Ventures	(6)	200,000	20,400	44,089
4 Accredited Investors		300,000	30,600	66,112
Subtotal for First Round		**$ 2,290,000**		
Omnibus Amendment Sept 14, 2015				
Note Date Range Sept 14,2015 to September 24, 2015				
RSJ Private Equity	(1)	$ 350,000	17,300	73,462
Robin Smith	(2)	60,000	3,100	12,611
John Pappajohn	(2)	100,000	5,100	21,015
Follman Family Trust	(4)	150,000	7,600	31,522
2 Accredited Investors		50,000	2,500	10,508
Subtotal for Second Round		**$ 710,000**		
Second Amended Note December 23 & 28, 2015				
RSJ Private Equity	(1)	$ 750,000	27,300	155,465
John Pappajohn	(2)	250,000	9,300	51,856
Subtotal for Third Round		**$ 1,000,000**		
Note Date Range Feb 23,2016 to August 16, 2016				
RSJ Private Equity	(1)	$ 250,000	1,400	50,281
Robin Smith	(2)	40,000	800	8,165
John Pappajohn	(2)	850,000	14,000	172,802
Tierney Family Trust	(3)	100,000	600	20,129
Follman Family Trust	(4)	300,000	5,100	61,014
Carpenter, George & Jill	(7)	100,000	1,300	20,254
Harris, Geoffrey	(2)	10,000	300	2,058
2 Accredited Investors		300,000	5600	61,124
Brandt Ventures	(8)	50,000	200	10,047
Subtotal for Final Round		**$ 2,000,000**		
Balances Converted September 19, 2016		**$ 6,000,000**	**$ 317,000**	**1,263,406**

(1) RSJ PE is a greater than 5% shareholder. Michal Votruba, a Director for Life Sciences for the RSJ/Gradus Fund, joined our Board on July 30, 2015.
(2) Member of the Board.
(3) Thomas Tierney is a trustee of the Tierney Family Trust. Mr. Tierney originally joined the Board in February 25, 2013 and served as Chairman of the Board from March 26, 2013 through his resignation on May 22, 2015. On September 29, 2016 Mr. Tierney rejoined the Board. The Tierney Family Trust is a greater than 5% shareholder of the Company.
(4) Robert Follman is a trustee of the Follman Family Trust and is a member of the Board.
(5) John Pappajohn is a member of the Board. He purchased $200,000 of Notes, which on September 6, 2015, were assigned to four accredited investors. Approximately $10,400 of interest was attributable to such transferred Notes, resulting in an aggregate of 42,084 shares being issued upon the Mandatory Conversion of such transferred Notes.
(6) Mark & Jill Oman are the beneficial owners of Oman Ventures and were greater than 5% shareholders of the Company.
(7) George Carpenter is the CEO of the Company.
(8) Brandt Ventures was issued this note as part of the Company's settlement of its litigation with Leonard Brandt and Brandt Ventures*(refer to Note 9. Commitments and Contingent Liabilities).*

Private Placement of Common Stock & Lock-up Agreements

On November 30, 2016, the Company sold and issued an aggregate of 160,000 shares of its Common Stock, at a per share price of $6.25, in a private placement to six accredited investors, for which it received gross cash proceeds to the Company of $1,000,000. Three of the six accredited investors were affiliates who represented 50% of the cash proceeds as follows: Dr. Robin Smith, our Chairman of the Board purchased 16,000 shares for $100,000; John Pappajohn, a member of the Board, purchased 32,000 shares for $200,000; and the Tierney Family Trust, of which our Board member, Thomas Tierney is a trustee, purchased 32,000 shares for $200,000. In connection with this private placement, certain investors (comprised of our executive officers and current and former directors) agreed to a 180-day "lock-up", commencing on November 30, 2016, with respect to shares of Common Stock and other of our securities that they beneficially own, including securities that are convertible into shares of Common Stock and securities that are exchangeable or exercisable for shares of Common Stock. As a result, subject to certain exceptions, for a period of 180 days following November 30, 2016, such persons may not offer, sell, pledge or otherwise dispose of these securities without the Company's prior written consent.

On December 21, 2016, the Company sold and issued a further 48,000 shares of its Common Stock, at a per share price of $6.25, in a private placement to four accredited investors who were new to the Company, for which it received gross cash proceeds to the Company of $300,000.

Director and Officer Indemnification Agreement

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

Transactions with John Pappajohn, Director

On September 22, 2014, March 18, 2015, June 2, 2015 and September 15, 2015, Mr. Pappajohn purchased four Notes for $200,000, $100,000, $100,000 and $100,000 respectively. Pursuant to the Omnibus Amendment, the Notes were convertible into shares of Common Stock at $50.00 per share: (i) automatically upon the closing of a qualified offering of not less than $5 million or (ii) voluntarily within 15 days prior to maturity.

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

On September 15, 2015, Mr. Pappajohn purchased a September 2015 Note for $100,000. The September 2015 Notes were convertible into shares of Common Stock (i) automatically, in the event of a qualified financing of not less than $5 million, or (ii) voluntarily, within 15 days prior to the maturity date of the Note. The Omnibus Amendment also amended the form of Note attached to the Note Purchase Agreement to reflect the Fixed Conversion Price, such that the conversion price of all notes would be $10.00 per share (as adjusted for stock splits, stock dividends, combinations or the like affecting the Common Stock).

On December 23, 2015, March 31, 2016 and April 11, 2016, Mr. Pappajohn purchased three 2015 Notes for $250,000 each pursuant to the abovementioned Second Amended Note & Warrant Purchase Agreement. Additionally, in connection with the Second Amended Note & Warrant Purchase Agreement, Mr. Pappajohn was issued Warrants to purchase an aggregate of 75,000 shares of Common Stock at $10.00 per share, consisting of three Note Warrants to purchase in aggregate a total of 75,000 shares of Common Stock, and an Extension Warrant to purchase 30,000 shares of Common Stock.

On May 13, 2016, and June 27, 2016, Mr. Pappajohn gifted in aggregate 32,692 of his shares of Common Stock to 12 outside parties including family and friends. The transfer of these shares was completed on September 16, 2016.

On July 21, 2016 and August 9, 2016, Mr. Pappajohn purchased two additional 2015 Notes, for $250,000 and $100,000 respectively, and was issued a Note Warrants to purchase in aggregate 35,000 shares of Common Stock.

On September 19, 2016, the Company exercised its Mandatory Conversion option under the abovementioned Second Omnibus Amendment, and on September 21, 2016 caused the conversion of all of Mr. Pappajohn's Notes in an aggregate principal amount of $1,400,000, with accrued interest thereon of $52,486.98, at a conversion price of $5.00 per share of common stock and the cancellation of all Warrants held by Mr. Pappajohn.

On November 30, 2016, Mr. Pappajohn purchased, pursuant to a Subscription Agreement, 32,000 shares of Common Stock at $6.25 per share for an aggregate total of $200,000, which were the gross proceeds to the Company.

Transactions with Robert J. Follman, Director

The Trust of Robert J. Follman and Carole A. Follman, dated August 14, 1979 (the "Follman Trust"), of which Robert J. Follman is a trustee, made multiple investments pursuant to a series of subscription agreements all of which were the result of private placements of unregistered stock at $50.00 per share. All individual transactions were in tranches of $100,000 for the purchase of 2,000 shares and the Company received gross cash proceeds of $100,000 on each occasion. These transactions occurred on the following dates: August 16 and September 11 of 2013 and January 17, February 14 and July 8 of 2014. In aggregate the Follman Trust has purchased 10,000 shares at $50.00 per share for $500,000 gross cash proceeds to the Company.

On March 17, 2015, September 15, 2015, and April 7, 2016 the Follman Trust purchased Notes for $100,000, $150,000 and $200,000 respectively. Pursuant to the Omnibus Amendment, these Notes were convertible into shares of Common Stock at $10.00 per share: (i) automatically, upon the closing of a qualified offering of not less than $5 million or (ii) voluntarily, within 15 days prior to maturity. On December 23, 2015, in connection with the Second Amended Note & Warrant Purchase Agreement, the Follman Trust was issued an Extension Warrant to purchase 25,000 shares of Common Stock at $10.00 per share.

On August 10, 2016, the Follman Trust purchased a Note for $100,000 and was issued a Note Warrant to purchase 10,000 shares of Common Stock at $10.00 per share.

On September 19, 2016, the Company exercised its Mandatory Conversion option under the abovementioned Second Omnibus Amendment, and on September 21, 2016 caused the conversion of all of Mr. Follman's Notes in an aggregate principal amount of $550,000, with accrued interest thereon of $20,366.10, at a conversion price of $5.00 per share of common stock and the cancellation of all Warrants held by Mr. Follman.

Transaction with Robin L. Smith, Chairman

On September 14, 2015, Dr. Smith, our Chairman of the Board, purchased a Note for $60,000. Pursuant to the Omnibus Amendment, such Notes are convertible into shares of Common Stock at $10.00 per share: (i) automatically, upon the closing of a qualified offering of not less than $5 million, or (ii) voluntarily, within 15 days prior to maturity. On December 23, 2015, in connection with the Second Amended Note & Warrant Purchase Agreement, Dr. Smith was issued an Extension Warrant to purchase 6,000 shares of Common Stock at $10.00 per share.

On April 21, 2016, Dr. Smith purchased a Note for $40,000 pursuant to the Second Amended Note & Warrant Purchase Agreement, and was issued a Note Warrant to purchase 4,000 shares of Common Stock at $10.00 per share.

On September 19, 2016, the Company exercised its Mandatory Conversion option under the abovementioned Second Omnibus Amendment, and on September 21, 2016 caused the conversion of all of Dr. Smith's Notes in an aggregate principal amount of $100,000, with accrued interest thereon of $3,879.18, at a conversion price of $5.00 per share of common stock and the cancellation of all Warrants held by Dr. Smith.

On November 30, 2016, Dr. Smith purchased, pursuant to a Subscription Agreement, 16,000 shares of Common Stock at $6.25 per share for an aggregate total of $100,000, which were the gross proceeds to the Company.

Transaction with Geoffrey E. Harris, Director and Chairman, Audit Committee

On February 23, 2016, Geoffrey E. Harris, purchased a Note for $10,000 pursuant to the Second Amended Note & Warrant Purchase Agreement and was issued a Note Warrant to purchase an aggregate of 1,000 shares of Common Stock at $10.00 per share.

On September 19, 2016, the Company exercised its Mandatory Conversion option under the abovementioned Second Omnibus Amendment, and on September 21, 2016 caused the conversion of all of Mr. Harris' Notes in an aggregate principal amount of $10,000, with accrued interest thereon of $286.30, at a conversion price of $5.00 per share of common stock and the cancellation of all Warrants held by Mr. Harris.

Transactions with George Carpenter, President and Chief Executive Officer

On September 25, 2013, the Board approved a consulting agreement effective May 1, 2013, for marketing services provided by Decision Calculus Associates, an entity operated by Mr. Carpenter’s spouse, Jill Carpenter. For the period from May 1, 2013 through to March 25, 2015, we had paid $280,000 to Decision Calculus Associates ("DCA"). For the period from March through July of 2015, DCA was not engaged by the Company. Effective August 2015 DCA has been re-engaged at a fee of $10,000 per month. From August 2015 through September 30, 2016, DCA has been paid $130,000 with a further $10,000 balance due in accounts payable.

On May 4, 2016, and on August 3, 2016, Mr. and Mrs. Carpenter, purchased two 2015 Notes for $50,000 each pursuant to the Second Amended Note & Warrant Purchase Agreement and were issued two Note Warrants to purchase an aggregate of 10,000 shares of Common Stock at $10.00 per share.

On September 19, 2016, the Company exercised its Mandatory Conversion option under the abovementioned Second Omnibus Amendment, and on September 21, 2016 caused the conversion of all of Mr. Carpenter's Notes in an aggregate principal amount of $100,000, with accrued interest thereon of $1267.12, at a conversion price of $5.00 per share of common stock and the cancellation of all Warrants held by Mr. Carpenter.

Transactions with Tierney Family Trust, Greater than 5% Stockholder

Mr. Tierney rejoined the Board as a Director on September 29, 2016. Previously, Mr. Tierney resigned from the Board on May 22, 2015, had served on the Board since February 2013, and had served as Chairman of the Board between March 2013 and the date of his resignation. Mr. Tierney is a trustee of the Thomas T. and Elizabeth C. Tierney Family Trust (the "Tierney Family Trust"), which is a greater than 5% stockholder.

On September 22, 2014, January 8, 2015, March 17, 2015, June 3, 2015 and July 3, 2015 the Tierney Family Trust purchased five Notes for $200,000, $100,000, $115,000, $100,000 and $25,000, respectively, for an aggregate total of $540,000. Pursuant to the Omnibus Amendment, all such Notes were convertible into shares of Common Stock at $10.00 per share: (i) automatically, upon the closing of a qualified offering of not less than $5 million, or (ii) voluntarily, within 15 days prior to maturity.

On December 23, 2015, in connection with the Second Amended and Restated Note & Warrant Purchase Agreement, the Tierney Family Trust was issued an Extension Warrant to purchase 54,000 shares of Common Stock at $10.00 per share.

On August 3, 2016, the Tierney Family Trust, purchased a Note for $100,000 pursuant to the Second Amended Note & Warrant Purchase Agreement and were issued a Note Warrant to purchase an aggregate of 10,000 shares of Common Stock at $10.00 per share.

On September 19, 2016, the Company exercised its Mandatory Conversion option under the abovementioned Second Omnibus Amendment, and on September 21, 2016 caused the conversion of all of the Tierney Family Trust's Notes in an aggregate principal amount of $640,000, with accrued interest thereon of $46,638.05, at a conversion price of $5.00 per share of common stock and the cancellation of all Warrants held by The Tierney Family Trust.

On November 30, 2016, The Tierney Family Trust purchased, pursuant to a Subscription Agreement, 32,000 shares of Common Stock at $6.25 per share for an aggregate total of $200,000, which were the gross proceeds to the Company.

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

On September 22, 2014, Oman Ventures LLC, of which Mr. Oman, a greater than 5% stockholder, is the President, purchased a Note for $200,000. Pursuant to the Omnibus Amendment, such Notes were convertible into shares of Common Stock at $10.00 per share: (i) automatically, upon the closing of a qualified offering of not less than $5 million, or (ii) voluntarily, within 15 days prior to maturity.

Additionally, on December 23, 2015, in connection with the Second Amended and Restated Note & Warrant Purchase Agreement, Oman Ventures LLC was issued an Extension Warrant to purchase 20,000 shares of Common Stock at $10.00 per share. At this time Mr. and Mrs. Oman ceased being greater than 5% Stockholders.

On September 19, 2016, the Company exercised its Mandatory Conversion option under the abovementioned Second Omnibus Amendment, and on September 21, 2016 caused the conversion of all of Oman Ventures LLC's Notes in an aggregate principal amount of $200,000, with accrued interest thereon of $20,442.42 at a conversion price of $5.00 per share of common stock and the cancellation of all Warrants held by Oman Ventures LLC.

Transactions with RSJ PE, Greater than 5% Stockholder

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

On September 26, 2014, and September 24, 2015, investor RSJ PE purchased two Notes for $750,000 and $350,000 respectively. Pursuant to the Omnibus Amendment, such Notes were convertible into shares of Common Stock at $10.00 per share: (i) automatically, upon the closing of a qualified offering of not less than $5 million, or (ii) voluntarily, within 15 days prior to maturity.

On December 28, 2015, RSJ PE purchased a December 2015 Note for $750,000 pursuant to the abovementioned Second Amended Note & Warrant Purchase Agreement. Additionally, in connection with the Second Amended Note & Warrant Purchase Agreement, RSJ PE was issued Warrants to purchase an aggregate of 185,000 shares of Common Stock at $10.00 per share, consisting of a Note Warrant to purchase 75,000 shares of Common Stock and an Extension Warrant to purchase 110,000 shares of Common Stock.

On August 9, 2016, RSJ PE purchased a Note for $250,000 pursuant to the Second Amended Note & Warrant Purchase Agreement and were issued a Note Warrant to purchase an aggregate of 25,000 shares of Common Stock at $10.00 per share.

On September 19, 2016, the Company exercised its Mandatory Conversion option under the abovementioned Second Omnibus Amendment, and on September 21, 2016 caused the conversion of all of RSJ PE's Notes in an aggregate principal amount of $2,100,000, with accrued interest thereon of $122,268.84, at a conversion price of $5.00 per share of common stock and the cancellation of all Warrants held by RSJ PE.

Director Independence

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

ITEM 14. Principal Accounting Fees and Services

Audit Fees

The aggregate fees billed for professional services rendered by Anton & Chia, LLP, and Cacciamatta Accountancy Corporation prior to their merger, for professional services rendered for the audit of our annual financial statements and review of the financial statements included in our Form 10-Qs or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for fiscal years 2016 and 2015 were $110,000 and $110,000, respectively.

Audit-Related Fees

Anton & Chia, LLP and Cacciamatta Accountancy Corporation prior to their merger, billed us $0 and $0 in fees for assurance and related services related to the performance of the audit or review of our financial statements for the fiscal years ended September 30, 2016 and 2015, respectively.

Tax Fees

The aggregate fees billed by Anton & Chia, LLP, and Cacciamatta Accountancy Corporation prior to their merger, for professional services rendered for tax compliance, tax advice, and tax planning during our fiscal year ended September 30, 2015, was $9,000. For the fiscal year ended September 30, 2016, we used a non-audit related accounting firm for tax compliance, tax advice, and tax planning services.

All Other Fees

None.

Audit Committee Policies and Procedures

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

PART IV

ITEM 15. Exhibits, Financial Statement Schedules.

(a)
1. The information required by this item is included in Item 8 of Part II of this Annual Report.
2. The information required by this item is included in Item 8 of Part II of this Annual Report.
3. Exhibits: See Exhibit Index following the signature pages to this Annual Report, which is incorporated by reference in this Item.

The Exhibits listed in the accompanying Exhibit Index are filed or incorporated by reference as part of this Annual Report.

(b) Exhibits. See Exhibit Index, which is incorporated by reference in this Item. The Exhibits listed in the accompanying Exhibit Index are filed or incorporated by reference as part of this Annual Report.

(c) Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MYND ANALYTICS, INC.

By: /s/ George Carpenter
George Carpenter
Chief Executive Officer

Date: December 22, 2016

POWER OF ATTORNEY

The undersigned directors and officers of MYnd Analytics, Inc. do hereby constitute and appoint George Carpenter and Paul Buck with full power of substitution and resubstitution, as their true and lawful attorneys and agents, to do any and all acts and things in their name and behalf in their capacities as directors and officers and to execute any and all instruments for them and in their names in the capacities indicated below, which said attorneys and agents, may deem necessary or advisable to enable said corporation to comply with the Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission, in connection with this Annual Report on Form 10-K, including specifically but without limitation, power and authority to sign for them or any of them in their names in the capacities indicated below, any and all amendments hereto, and they do hereby ratify and confirm all that said attorneys and agents, or either of them, may lawfully do or cause to be done by virtue hereof.

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/George Carpenter George Carpenter	Chief Executive Officer (Principal Executive Officer)	December 22, 2016
/s/Paul Buck Paul Buck	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	December 22, 2016
/s/Robin Smith MD Robin Smith MD	Chairman of the Board	December 22, 2016
/s/John Pappajohn John Pappajohn	Director	December 22, 2016
/s/Thomas Tierney Thomas Tierney	Director	December 22, 2016
/s/Robert Follman Robert Follman	Director	December 22, 2016
/s/Geoffrey Harris Geoffrey Harris	Director	December 22, 2016
/s/Michal Votruba Michal Votruba	Director	December 22, 2016

EXHIBIT INDEX

Exhibit Number	Description
2.1	Agreement and Plan of Merger by and among Strativation, Inc., CNS Merger Corporation and CNS Response, Inc. dated as of January 16, 2007. Incorporated by reference to Exhibit No. 10.1 to the Registrant's Current Report on Form 8-K filed on January 22, 2007 (File No. 000-26285).
2.2	Amendment No. 1 to Agreement and Plan of Merger by and among Strativation, Inc., CNS Merger Corporation, and CNS Response, Inc. dated as of February 28, 2007. Incorporated by reference to Exhibit No. 10.1 to the Registrant's Current Report on Form 8-K filed on March 1, 2007 (File No. 000-26285).
3.1*	Certificate of Incorporation, as amended.
3.2	Bylaws. Incorporated by reference to Exhibit No. 3.1 to the Registrant's Current Report on Form 8-K filed on March 28, 2012.
4.1†	Amended and Restated 2006 Stock Incentive Plan. Incorporated by reference to Appendix A to the Registrant's Definitive Proxy Statement on Schedule 14A filed on April 1, 2010.
4.2†	Amended and Restated 2012 Omnibus Incentive Compensation Plan. Incorporated by reference to Annex A to the Registrant's Definitive Proxy Statement on Schedule 14A filed on October 6, 2016 (File No. 000-26285).
4.3	Sample Stock Certificate. Incorporated by reference to Exhibit 4.4 to the Registrant's Amendment No. 4 to Registration Statement on Form S-1 (File No. 333-173934) filed on April 25, 2012.
4.4*	Form of Restricted Share Agreement under the MYnd Analytics, Inc. Amended and Restated 2012 Omnibus Incentive Compensation Plan.
4.5*	Form of ISO Stock Option Award Certificate under the MYnd Analytics, Inc. Amended and Restated 2012 Omnibus Incentive Compensation Plan.
4.6*	Form of NQSO Stock Option Award Certificate under the MYnd Analytics, Inc. Amended and Restated 2012 Omnibus Incentive Compensation Plan.
10.1†	Employment Agreement by and between the Registrant and George Carpenter dated October 1, 2007. Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on October 5, 2007 (File No. 000-26285).
10.2	Stock Purchase Agreement by and among Colorado CNS Response, Inc., Neuro-Therapy, P.C. and Daniel A. Hoffman, M.D. dated January 11, 2008. Incorporated by reference to Exhibit 10.9 to the Registrant's Annual Report on Form 10-K filed on January 13, 2009.
10.3†	Employment Agreement by and between the Registrant and Paul Buck effective as of February 18, 2010. Incorporated by reference to Exhibit 10.23 to the Registrant's Registration Statement on Form S-1/A (File No. 333-164613) filed on July 6, 2010.
10.4	Form of Placement Agent Warrant issued to Monarch Capital Group, LLC. Incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K filed on October 27, 2010 (File No. 000-26285).
10.5	Form of Agreement to Amend Placement Agent Warrants, dated as of June 3, 2011, between the Registrant and the holders of the Placement Agent Warrants issued pursuant to the September 30, 2010 and January 19, 2011 engagement agreements between the Registrant and Monarch Capital Group LLC and the April 15, 2011 engagement agreement between the Registrant and Antaeus Capital, Inc. Incorporated by reference to Exhibit 10.51 to the Registrant's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-173934) filed on June 20, 2011.
10.6	Form of Agreement to Amend Warrants issued to staff members of Equity Dynamics for consulting and support services, dated as of June 8, 2011. Incorporated by reference to Exhibit 10.52 to the Registrant's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-173934) filed on June 20, 2011.
10.7	Form of Amendment to Stock Option Agreement. Incorporated by reference to Exhibit 10.53 to the Registrant's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-173934) filed on June 20, 2011.

10.8	Form of Employment Compensation Forfeiture and Exchange Agreement entered into as of December 16, 2013 by and among the Company and its senior employees. Incorporated by reference to Exhibit 10.86 to the Registrant’s Quarterly Report on Form 10-Q filed on February 13, 2014.
10.9	Form of Note Purchase Agreement. Incorporated by reference to Exhibit 10.89 to the Registrant’s Annual Report on Form 10-K filed on December 29, 2014.
10.10	Form of Security Agreement. Incorporated by reference to Exhibit 10.90 to the Registrant’s Annual Report on Form 10-K filed on December 29, 2014.
10.11	Form of Registration Rights Agreement made as of September 22, 2014, by and between the Company and the investor(s) signatory thereto. Incorporated by reference to Exhibit 10.91 to the Registrant’s Annual Report on Form 10-K filed on December 29, 2014.
10.12	Form of Secured Convertible Promissory Note. Incorporated by reference to Exhibit 4.4 to the Registrant’s Annual Report on Form 10-K filed on December 29, 2014.
10.13	Form of Termination Agreement by and between the Company and Equity Dynamics, Inc. Incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K filed on March 30, 2015.
10.14	Form of Termination Agreement by and between the Company and SAIL Capital Partners. Incorporated by reference to Exhibit 10.2 to the Registrant’s Current Report on Form 8-K filed on March 30, 2015.
10.15	Form of Director and Officer Indemnification Agreement. Incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K filed on December 10, 2015.
10.16	Form of Amended and Restated Note Purchase Agreement. Incorporated by reference to Exhibit 10.25 to the Registrant’s Annual Report on Form 10-K filed on January 5, 2016.
10.17	Form of Omnibus Amendment to Amended and Restated Note Purchase Agreement. Incorporated by reference to Exhibit 10.26 to the Registrant’s Annual Report on Form 10-K filed on January 5, 2016.
10.18	Form of Second Amended and Restated Note and Warrant Purchase Agreement. Incorporated by reference to Exhibit 10.27 to the Registrant’s Quarterly Report on Form 10-Q filed on February 17, 2016.
10.19	Form of Amended and Restated Secured Convertible Promissory Note. Incorporated by reference to Exhibit 10.28 to the Registrant’s Quarterly Report on Form 10-Q filed on February 17, 2016.
10.20	Form of Warrant to Purchase Shares. Incorporated by reference to Exhibit 10.29 to the Registrant’s Quarterly Report on Form 10-Q filed on February 17, 2016.
10.21	Form of Amended and Restated Security Agreement. Incorporated by reference to Exhibit 10.30 to the Registrant’s Quarterly Report on Form 10-Q filed on February 17, 2016.
10.22	Form of Amended and Restated Registration Rights Agreement. Incorporated by reference to Exhibit 10.31 to the Registrant’s Quarterly Report on Form 10-Q filed on February 17, 2016.
10.23*	Amendment No. 1 to the Second Amended and Restated Note and Warrant Purchase Agreement.
10.24*	Settlement Agreement and Mutual General Release, dated as of August 8, 2016, among the Company, Leonard J. Brandt and Brandt Ventures, GP.
10.25	Second Omnibus Amendment. Incorporated by reference to Exhibit 10.31 to the Registrant’s Current Report on Form 8-K filed on September 21, 2016.
10.26	Form of Subscription Agreement (common stock), made as of November 30, 2016, by and between the Company and the investor(s) signatory thereto. Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on December 6, 2016.

10.27	Common Stock Purchase Agreement, dated December 6, 2016, by and between MYnd Analytics, Inc. and Aspire Capital Fund, LLC. Incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on December 6, 2016.
10.28	Registration Rights Agreement, dated December 6, 2016, by and between MYnd Analytics, Inc. and Aspire Capital Fund, LLC. Incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on December 6, 2016.
21.1*	Subsidiaries of the Registrant.
23.1*	Consent of Independent Registered Public Accounting Firm.
24.1*	Power of Attorney (included on the signature page of this Annual Report)
31.1*	Certification by Principal Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended.
31.2*	Certification by Principal Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended.
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101*	The following financial statements and footnotes from the MYnd Analytics, Inc. Annual Report on Form 10-K for the fiscal year ended September 30, 2016 formatted in Extensible Business Reporting Language (XBRL):
	101.INS XBRL Instance Document
	101.SCH XBRL Taxonomy Extension Schema
	101.CAL XBRL Taxonomy Extension Calculation Linkbase
	101.DEF XBRL Taxonomy Extension Definition Linkbase
	101.LAB XBRL Taxonomy Extension Label Linkbase
	101.PRE XBRL Taxonomy Extension Presentation Linkbase

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* Filed herewith.
† Management compensatory plan, contract or arrangement.

Exhibit 3.1

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

CERTIFICATE OF AMENDMENT OF
CERTIFICATE OF INCORPORATION OF
CNS RESPONSE, INC.

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

FIRST: That at a meeting of the Board of Directors (the "Board") of CNS Response, Inc. (the "Corporation") on September 2, 2015, resolutions were duly adopted setting forth a proposed amendment of the Certificate of Incorporation of the Corporation:(i) approving of an increase in the number of authorized shares which the Corporation is authorized to issue from 180,000,000 to 500,000,000 (the "Share Increase"), and (ii) approving the change of the Corporation's name from CNS Response, Inc. to MYnd Analytics, Inc., and, declaring said amendments, as reflected in a single amendment (hereinafter the "Amendment"), to be advisable and calling for separate approvals of the stockholders of the Corporation for consideration thereof. The resolutions setting forth the proposed Amendment are substantially as follows:

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

ARTICLE I

The name of the Corporation is MYnd Analytics, Inc.

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

ARTICLE IV

CAPITAL STOCK

Section 4.A. The total number of shares of stock which the Corporation shall have authority to issue is Five Hundred Fifteen Million (515,000,000).

Section 4.B. Common Stock. The total number of shares of common stock which the Corporation shall have authority to issue is Five Hundred Million (500,000,000) shares, with a par value of $0.001 per share. Stockholders shall not have preemptive rights or be entitled to cumulative voting in connection with the shares of the Corporation's Common Stock.

Section 4.C. Blank-Check Preferred Stock. The total number of shares of undesignated preferred stock which the Corporation shall have the authority to issue is Fifteen Million (15,000,000) shares, with a par value of $0.001 per share. The Board of Directors is hereby expressly authorized to provide, out of the unissued shares of preferred stock, for one or more series of preferred stock and, with respect to each such series, to fix the number of shares constituting such series and the designation of such series, the voting powers, if any, of the shares of such series, and the preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, of the shares of such series. The powers, preferences and relative, participating, optional and other special rights of each series of preferred stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

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

THIRD: That said Amendment was duly adopted on October 28, 2015 in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

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

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Amendment of the Certificate of Incorporation of CNS Response, Inc. as of November 2, 2015.

CNS RESPONSE, INC.

By: /s/ George C. Carpenter IV
Name: George C. Carpenter IV
Title: President & Chief Executive Officer

CERTIFICATE OF AMENDMENT OF
CERTIFICATE OF INCORPORATION OF
CNS RESPONSE, INC.

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

FIRST: That at a meeting of the Board of Directors (the "Board") of CNS Response, Inc. (the "Corporation") on March 26, 2013, resolutions were duly adopted setting forth a proposed amendment of the Certificate of Incorporation of the Corporation: (i) approving of an increase in the number of authorized shares which the Corporation is authorized to issue from 100,000,000 to 150,000,000 (the "Share Increase"), and (ii) authorizing 15,000,000 shares of a new class of preferred stock, par value $0.001 per share (the "Preferred Authorization"), and, declaring said amendments, as reflected in a single amendment (hereinafter the "Amendment"), to be advisable and calling for separate approvals of the stockholders of the Corporation for consideration thereof. The resolution setting forth the proposed Amendment is substantially as follows:

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

ARTICLE IV

CAPITAL STOCK

Section 4.A. The total number of shares of stock which the Corporation shall have authority to issue is One Hundred Sixty Five Million (165,000,000).

Section 4.B. Common Stock. The total number of shares of common stock which the Corporation shall have authority to issue is One Hundred Fifty Million (150,000,000) shares, with a par value of $0.001 per share. Stockholders shall not have preemptive rights or be entitled to cumulative voting in connection with the shares of the Corporation's common stock.

Section 4.C. Blank-Check Preferred Stock. The total number of shares of undesignated preferred stock which the Corporation shall have the authority to issue is Fifteen Million (15,000,000) shares, with a par value of $0.001 per share. The Board of Directors is hereby expressly authorized to provide, out of the unissued shares of preferred stock, for one or more series of preferred stock and, with respect to each such series, to fix the number of shares constituting such series and the designation of such series, the voting powers, if any, of the shares of such series, and the preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, of the shares of such series. The powers, preferences and relative, participating, optional and other special rights of each series of preferred stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

SECOND: That thereafter, pursuant to resolution of its Board of Directors, an annual meeting of the stockholders of the Corporation was duly called and held on May 23, 2013 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 May 23, 2013 in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

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

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Amendment of the Certificate of Incorporation of CNS Response, Inc. as of May 31, 2013.

CNS RESPONSE, INC.

By: /s/ George Carpenter
Name: George C. Carpenter IV
Title: Chief Executive Officer

CERTIFICATE OF AMENDMENT OF
CERTIFICATE OF INCORPORATION OF
CNS RESPONSE, INC.

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

FIRST: That, by unanimous written consent in lieu of a meeting of the Board of Directors (the "Board") of CNS Response, Inc. (the "Corporation"), resolutions were duly adopted setting forth a proposed amendment of the Certificate of Incorporation of the Corporation: (i) approving of a change to the number of authorized shares which the Corporation is authorized to issue, and (ii) approving of a reverse stock split on a 1 for 10, 1 for 20, 1 for 30, 1 for 40, or 1 for 50 basis, as determined at the sole discretion of the Board (the "Reverse Split"), and, declaring said amendments, as reflected in a single amendment (hereinafter the "Amendment"), to be advisable and calling for consent of the stockholders of the Corporation for consideration thereof. The resolution setting forth the proposed Amendment is substantially as follows:

RESOLVED, that the Certificate of Incorporation of the Corporation be amended by amending and restating the Article IV thereof relating to the authorized shares of the Corporation, so that, as amended, said 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 One Hundred Thousand Dollars ($100,000) divided into 100,000,000 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 Corporation's common stock.

On April 2, 2012, at 5:00 p.m. Pacific Time (the "Effective Time"), each thirty (30) 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. 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 proposed Reverse Split leaves a shareholder with a fraction of a share, the number of shares due to the shareholder shall be rounded up. For example, if the proposed Reverse Split leaves an individual shareholder with one and one half shares, the shareholder will be issued, post proposed Reverse Split, two whole shares."

SECOND: That thereafter, pursuant to resolution of its Board of Directors, a special meeting of the stockholders of the Corporation was duly called and held 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 in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

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

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Amendment of the Certificate of Incorporation of CNS Response, Inc. as of March 29, 2012.

CNS RESPONSE, INC.

By: /s/ George Carpenter
Name: George C. Carpenter IV
Title: CEO

CERTIFICATE OF OWNERSHIP AND MERGER
MERGING
CNS RESPONSE, INC.,
(A DELAWARE CORPORATION)
WITH AND INTO
STRATIVATION, INC.,
(A DELAWARE CORPORATION)
(UNDER SECTION 253 OF THE GENERAL CORPORATION LAW OF THE STATE OF DELAWARE)

The undersigned, on behalf of Strativation, Inc., a corporation duly organized and existing under the laws of the State of Delaware:

DOES HEREBY CERTIFY:

FIRST: Strativation, Inc. (the "COMPANY"), was incorporated on the 20th day of March, 1987 pursuant to the General Corporation Law of the State of Delaware (the "DGCL"), the provisions of which permit the merger of one or more subsidiary corporations organized and existing under the laws of said State into a parent corporation organized and existing under the laws of said State.

SECOND: The Company owns 100% of the issued and outstanding shares of the common stock of CNS Response, Inc. ("MergerCo"), a corporation incorporated on the 19th day of January, 2007 pursuant to the DGCL, and having no class of stock outstanding other than such common stock.

THIRD: That the Company, by the following resolutions adopted by its Board of Directors, duly adopted by unanimous written consent of the members thereof on February 2, 2007, determined to merge MergerCo into itself, effective as set forth below:

WHEREAS, the Company lawfully owns 100% of the issued and outstanding shares of the common stock of CNS Response, Inc., a Delaware corporation ("MERGERCO");

WHEREAS, MergerCo has no class of stock outstanding other than common stock; and

WHEREAS, there has been presented a form of Certificate of Ownership and Merger, and certain other agreements and other writings (collectively, the "MERGER DOCUMENTS") to accomplish the merger of MergerCo into the Company pursuant to Section 253 of the General Corporation Law of the State of Delaware ("MERGER");

WHEREAS, pursuant to the Merger, the separate existence of MergerCo shall cease, the outstanding capital stock of MergerCo shall be cancelled, and the Company shall assume of all of the obligations and liabilities of MergerCo and shall be subject to all the debts and liabilities of MergerCo in the same manner as if the Company had itself incurred them, and each share of the capital stock of the Company shall remain outstanding and unaffected; and

WHEREAS, upon the effective date of the Merger, the Company shall relinquish its corporate name and assume in its place thereof the name of MergerCo, which is "CNS Response, Inc." ("NAME CHANGE");

NOW, THEREFORE, BE IT RESOLVED, that the Merger including the Name Change and assumption of all of the obligations and liabilities of MergerCo by the Company and the transactions contemplated under the Merger Documents are hereby adopted and approved;

RESOLVED FURTHER, that the forms, terms and provisions of the Merger Documents are hereby adopted and approved;

RESOLVED FURTHER, upon the proposed Merger becoming effective and without any action on the part of any holder thereof each outstanding share of the common stock of MergerCo shall be cancelled without consideration therefor;

RESOLVED FURTHER, that the officers of the Company, and each of them, are hereby authorized and directed to cause the Company to perform its obligations under the Merger Documents and to consummate the transactions contemplated thereby, including the Name Change;

RESOLVED FURTHER, that the officers of the Company, and each of them, are hereby authorized, for and on behalf of the Company, to modify, amend or revise the forms, terms and provisions of the Merger Documents, to execute, deliver and/or file any and all documents, certificates, instruments, agreements and notices, and to perform or cause to be performed any and all acts as may, in their judgment, be necessary or desirable to accomplish the purposes of the foregoing resolutions and the transactions contemplated thereby and the Merger Documents therein approved whether within or without the State of Delaware and any other state necessary, the making of any such modification, amendment or revision, the taking of any such actions and/or the execution, delivery or filing of any such documents or instruments shall be conclusive evidence that the individual making such modification, amendment or revision, taking such action and/or executing, delivering or filing such document or instrument has deemed the same to be necessary or advisable;

RESOLVED FURTHER, that the officers of the Company, and each of them, are hereby authorized, directed and empowered by and on behalf of the Company to cause any notice required by the securities laws of any state or jurisdiction to be prepared and filed on behalf of the Company with the appropriate securities regulatory agency together with any required consent to service of process and the payment of any requisite fee; and

RESOLVED FURTHER, that the actions of the officers and other agents of the Company and each of them, previously taken in connection with the negotiation of the Merger and/or the preparation of the forms, terms and provisions of the Merger Documents are hereby adopted and approved.

”FOURTH: That the proposed Merger has been adopted approved, certified, executed and acknowledged by the Company and the board of directors of MergerCo in accordance with the laws of Delaware.

FIFTH: The merger is effective upon filing of this Certificate of Ownership and Merger.

IN WITNESS WHEREOF, the Company has caused this Certificate to be signed by an authorized officer this 6th day of March, 2007.

STRATIVATION, INC.
a Delaware corporation

By: /s/ Leonard J. Brandt
Leonard J. Brandt, President

STATE OF DELAWARE
CERTIFICATE OF AMENDMENT OF
CERTIFICATE OF INCORPORATION
OF STRATIVATION, INC.

Strativation, Inc, (the "Corporation") a corporation organized and existing under and by virtue of the Delaware General Corporation Law ("DGCL") does hereby certify:

FIRST: That the Board of Directors of the Corporation, by the unanimous written consent of its members, filed with the minutes of the Board, adopted resolutions proposing and declaring advisable the following amendments to the Certificate of Incorporation of the Corporation:

RESOLVED FURTHER, that to effectuate the Reverse Split, Article Fourth of the Certificate of Incorporation, as amended and in effect on the date hereof (the "Certificate of Incorporation"), be amended by adding the following paragraphs thereto:

"Upon the date that this Certificate of Amendment to the Certificate of Incorporation of the Corporation becomes effective in accordance with the General Corporation Law of the State of Delaware (the "Effective Date"), each fifty (50) shares of common stock, par value $0.001 per share ("Old Common Stock"), of the Corporation issued and outstanding immediately prior to the Effective Date shall be, without any action of the holder thereof, automatically reclassified as and converted into one (1) share of common stock, par value $0.001 per share ("New Common Stock"), of the Corporation,

"Notwithstanding the immediately preceding paragraph, no fractional shares of New Common Stock shall be issued to the holders of record of Old Common Stock in connection with the foregoing reclassification of shares of Old Common Stock, and no certificates or scrip representing any such fractional shares shall be issued. In lieu of such fraction of a share, any holder of such fractional share shall be entitled receive one whole share of the New Common Stock.

"Each stock certificate that, immediately prior to the Effective Date, represented shares of Old Common Stock shall, from and after the Effective Date, 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 reclassified. A letter of transmittal will provide the means by which each holder of record of a certificate that represented shares of Old Common Stock shall receive, upon surrender of such certificate, a new certificate representing the number of whole shares of New Common Stock into which the shares of Old Common Stock represented by such certificate shall have been reclassified."

SECOND: That in lieu of a meeting and vote of the stockholders of the Corporation, pursuant to Section 228 of the DGCL, a written consent setting forth resolutions approving the amendments set forth above was signed by the holders of outstanding common stock having not less than the minimum number of votes necessary to authorize or take action at a meeting at which all shares entitled to vote thereon were present and voted, and written notice of the adoption and approval of the amendments has been given as provided in Section 228 of the DGCL to every stockholder entitled to such notice.

THIRD: That the foregoing amendment of the Certificate of Incorporation was duly adopted in accordance with the provisions of Section 242 of the DGCL.

[Remainder of Page Intentionally Left Blank, Signature Page Follows]

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be signed on this 29th day of December, 2006.

STRATIVATION, INC.

By: /s/ Silas Phillips
Silas Phillips
Chief Executive Officer

STATE OF DELAWARE

CERTIFICATE OF ADMENDMENT

OF CERTIFICATE OF INCORPORATION

The 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 of Salestactix, Inc. resolutions were duly adopted setting forth a proposed amendment of the Certificate of Incorporation of said corporation, declaring said amendment to be advisable and calling a meeting of the stockholders of said corporation for consideration thereof. The resolution setting forth the proposed amendment is as

follows:

RESOLVED, that the Certificate of Incorporation of this corporation be amended by changing the Article thereof numbered "I" so that, as amended, said Article shall be and read as follows:

ARTICLE I

"The name of this corporation is Strativation, Inc."

SECOND: That thereafter, pursuant to resolution of its Board of Directors, a special meeting of the stockholders of said corporation was duly called and held upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware at which meeting the necessary number of shares as required by statute were voted in favor of the amendment.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said Corporation has caused this Certificate to be signed by its duly authorized officer, this 7th day of September, 2005.

/s/ SCOTT ABSHER
Scott W. Absher
President

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
AGE RESEARCH, INC.,
a Delaware corporation

It is hereby certified that:

1. The name of the corporation (hereinafter called the "Corporation") is Age Research, Inc.

2. The Certificate of Incorporation of the Corporation is hereby amended as follows:

Article I. of the Certificate of Incorporation is hereby amended in its entirety to read as follows:

ARTICLE I.

"The name of this corporation is SalesTactix, Inc."

3. The foregoing amendment was adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be signed by its duly authorized officer, this 28th day of July, 2004.

/s/ Vincent Michael Keyes, III
Vincent Michael Keyes, III, President

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
AGE RESEARCH, INC.,
a Delaware corporation

It is hereby certified that:

1. The name of the corporation (hereinafter called the "Corporation") is Age Research, Inc.

2. The Certificate of Incorporation of the Corporation is hereby amended as follows:

Article IV of the Certificate of Incorporation is hereby amended in its entirety to read as follows:

ARTICLE IV

The amount of total authorized capital stock of this Corporation is Seven Hundred Fifty Thousand Dollars ($750,000) divided into 750,000,000 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 certificate of amendment to the Certificate of Incorporation containing this sentence (the "Split Effective Date"), shares of the Common Stock issued and outstanding as of the date and time immediately preceding the Split Effective Date shall be automatically changed and reclassified in accordance with an exchange ratio of one newly issued share for each thirty-five outstanding shares of Common Stock. There shall be no fractional shares issued. A holder of record of Common Stock on the Split Effective Date who would otherwise be entitled to a fraction of a share shall have the number of new shares to which they are entitled rounded to the nearest whole number of shares. The number of new shares will be rounded up if the fractional share is equal to or greater than 0.5 and rounded down if the fraction is less than 0.5. No shareholders will receive cash in lieu of fractional shares.

3. The foregoing amendment was adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware.

In witness whereof, Richard F. Holt, has caused this Certificate to be signed by its duly authorized officer, this 1st day of June, 2004.

/s/ Richard F. H
Richard F. Holt, President

CERTIFICATE OF OWNERSHIP AND MERGER
VOLT RESEARCH, INC.
A UTAH CORPORATION
INTO
AGE RESEARCH, INC.
A DELAWARE CORPORATION

(Pursuant to the General Corporation Law of the State of Delaware)

Certificate of Ownership and Merger dated April 27, 1987, executed by Volt Research, Inc., a Utah corporation, hereinafter referred to as the "Utah Corporation", and Age Research, Inc., a Delaware corporation, hereinafter referred to as the "Delaware Corporation" and/or "Surviving Corporation".

The Utah Corporation and the Delaware Corporation do hereby certify:

1. The Utah Corporation Organized Pursuant to Utah Law.

The Utah Corporation was organized pursuant to the Corporation Law of the State of Utah on July 10, 1984, which law permits the merger of a Utah corporation with a corporation organized under the laws of another state.

2. Ownership of the Delaware Corporation Shares.

The Utah Corporation owns all of the issued and outstanding shares of the Delaware Corporation, a corporation incorporated March 20, 1987, pursuant to General Corporation Law of the State of Delaware.

3. Director Approval and Resolutions of the Utah Corporation.

On April 27, 1987, the directors of the Utah Corporation, have duly adopted by the unanimous written consent of its members, filed with the minutes of the board, the 'following resolutions:

RESOLVED, that the Utah Corporation shall merge, and it does hereby merge itself into the Delaware Corporation, its wholly owned subsidiary which assumes all of the obligations of the Utah Corporation. Be it

FURTHER RESOLVED, that the merger shall be effective upon filing a Certificate of Ownership and Merger with the Secretary of State of Delaware. Be it

FURTHER RESOLVED, that the terms and conditions of the merger are as set forth in the Plan and Agreement of Merger. Be it

FURTHER RESOLVED, that the proper officers of the Utah Corporation be, and they hereby are, directed to make and execute a Certificate of Ownership and Merger setting forth a copy of the resolutions to merge itself into the Delaware Corporation and to cause the same to be filed with the Secretary of State of Delaware and a certified copy recorded in the Office of the Recorder of deeds of New Castle County and to do all acts and things whatsoever, whether within or without the State of Delaware, which may be necessary or proper to effect said merger.

4. Shareholder Vote.

On April 27, 1987, at a special meeting of shareholders of the Utah Corporation, held pursuant to twenty (20) day notice to shareholders of record, at which a quorum was present in person or by proxy, the majority of the shareholders of the Utah Corporation approved the Plan and Agreement of Merger.

5. Separate Existence; Surviving Corporation.

At the effective time of the merger, the separate existence of the Utah Corporation shall cease and the Utah Corporation shall be merged in accordance with the applicable provision of the Utah Business Corporations Act and the General Corporation Law of Delaware, into the Delaware Corporation, which shall be the Surviving Corporation.

6. Governing Law.

The laws which are to govern the Surviving Corporation, the Delaware Corporation, are the laws of the State of Delaware. The Certificate of Incorporation of the Delaware Corporation shall be the Certificate of Incorporation of the Surviving Corporation, the Delaware Corporation, until the same shall be altered or amended in accordance with the laws of the State of Delaware.

7. Directors and Officers.

The directors and officers of the Delaware Corporation, at the time of the merger, shall be the directors and officers of the Surviving Corporation and shall be as follows:

Martin A. Voet	President/Director
Richard F. Holt, Jr.	Secretary/Treasurer/Director
Rollin Green, M.D.	Director
Roger Green, M.D.	Director

8. Effect of Merger. At the effective time of the merger, the Surviving Corporation, the Delaware Corporation, shall retain or succeed to, without other transfer, and shall possess and enjoy all rights, privileges, immunities, powers, purposes and franchises and be subject to all the restrictions, disabilities and duties of each corporation. All property, both real and personal, tangible and intangible and all debts due to either corporation shall be vested in the Surviving Corporation. All debts, liabilities and duties of either corporation shall be the responsibility of and enforceable against the Surviving Corporation as if said debts, liabilities and duties had been incurred or contracted by the Surviving Corporation.

IN WITNESS WHEREOF, this Certificate has been signed by each of the Corporations which are the parties hereto this 27 day of April, 1987.

AGE RESEARCH, INC.
a Delaware corporation

By: /s/ Martin A. Voet
Martin A. Voet, President

Attest:

By: /s/ Richard F. Holt
Richard F. Holt, Jr.
Secretary

VOLT RESEARCH, INC.
a Utah corporation

By: /s/ Martin A. Voet
Martin A. Voet, President

Attest:

By: /s/ Richard F. Holt
Richard F. Holt, Jr.
Secretary

State of California)
) ss.
County of Orange)

On the 27 day of April, 1987, personally appeared before me, a Notary Public, Martin A. Voet, the president, and Richard F. Holt, the secretary, of Volt Research, Inc., a Utah corporation, and of Age Research, Inc., a Delaware corporation, who duly acknowledged to me that they executed this Agreement pursuant to a Resolution of the Board of Directors of said corporations and shareholder approval thereof.

/s/ Margaret Howe
Notary Public
Residing at Laguna Niguel

My Commission expires: 9/30/88

CERTIFICATE OF INCORPORATION OF AGE RESEARCH, INC.

ARTICLE I

The name of the Corporation is AGE RESEARCH, INC.

ARTICLE II

The registered office of the Corporation in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, County of New Castle. The registered agent in charge thereof at such address is The Corporation Trust Company.

ARTICLE III

The nature of the business, and the objects and purposes proposed to be transacted, promoted and carried on, are to do any or all things herein mentioned, as fully and to the same extent as natural persons might or could do, and in any part of the world, viz.:

"The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware."

ARTICLE IV

The amount of the total authorized capital stock of this Corporation is One Hundred Thousand Dollars ($100,000) divided into 100,000,000 shares of $.001 par value each. All shares shall be designated as Common Stock. Shareholders shall not have preemptive rights or be entitled to cumulative voting in connection with the shares of the Company's Common Stock.

ARTICLE V

The name and mailing address of the incorporator of the Company is:

Richard F. Holt	26081 Avenida Aeropuerto, Suite E-1 San Juan Capistrano, CA 92675
Martin A. Voet	26081 Avenida Aeropuerto, Suite E-1 San Juan Capistrano, CA 92675
Rollin Green, M.D.	26081 Avenida Aeropuerto, Suite E-1 San Juan Capistrano, CA 92675

ARTICLE VI

The powers of the incorporator(s) shall terminate upon the filing of this Certificate of Incorporation, and the names and mailing addresses of the persons to serve as directors until the first- annual meeting of stockholders or until successors are elected and quality are:

Name of Director	Mailing Address
Richard F. Holt	26081 Avenida Aeropuerto, Suite E-1 San Juan Capistrano, CA 92675
Martin A. Voet	26081 Avenida Aeropuerto, Suite E-1 San Juan Capistrano, CA 92675
Rollin Green, M.D.	26081 Avenida Aeropuerto, Suite E-1 San Juan Capistrano, CA 92675

The number of members of the Board of Directors shall be fixed from time to time by the Board of Directors. If any vacancy occurs, the remaining directors, by an affirmative vote of a majority thereof, may elect a director to fill the vacancy until the next annual meeting of stockholders.

ARTICLE VII

No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the board of committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if:

1. The material facts as to his interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the Committee, and the Board or committee in good faith authorizes the contract or transaction by a vote sufficient for such purpose without counting the vote of the interested director or directors; or

2. The material facts as to his interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or

3. The contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders. Interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

ARTICLE VIII

The Board of Directors shall have the power to make, adopt, amend or repeal the Bylaws of the Corporation.

ARTICLE IX

Section 1. Elimination of Certain Liability of Directors. A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law (iii) under Section 74 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit.

Section 2. Indemnification and Insurance.

(a) Right to Indemnification. Each person who was or is made a party or is threatened to be made a party or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation-to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorney's fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except as provided in paragraph (b) hereof, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The right to indemnification conferred in this Section shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that, if the Delaware General Corporation Law requires, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Section or otherwise. The Corporation may, by action of its Board of Directors, provide indemnification to employees and agents of the Corporation with the same scope and effect as the foregoing indemnification of directors and officers.

(b) Right of Claimant to Bring Suit. If a claim under paragraph (a) of this Section is not paid in full by the Corporation within 30 days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the Delaware General Corporation Law for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard or conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard or conduct.

(c) Non-Exclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Section shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

(d) Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

The undersigned, for the purpose of forming a corporation under the laws of the State of Delaware, do make, file and record this certificate, and do certify that the facts stated herein are true; and have executed this Certificate of Incorporation.

Dated: 3/17/1987.

/s/ Richard F. Holt

/s/ Martin A. Voet

/s/ Rollin Green, M.D.

STATE OF Utah)
)ss.
COUNTY OF Salt Lake)

On the 17th day of March, 1987, personally appeared before me, Richard F. Holt, who being by me first duly sworn, declared that he is the person who signed the foregoing document as an incorporator and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my
hand and seal this 17th day of March, 1987.

/s/ sic., NOTARY PUBLIC

Residing at Salt Lake

My Commission expires: 3/21/07

STATE OF Utah)
)ss.
COUNTY OF Salt Lake)

On the 17th day of March, 1987, personally appeared before me, Martin A. Voet, who being by me first duly sworn, declared that he is the person who signed the foregoing document as an incorporator and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my
hand and seal this 17th day of March, 1987.

/s/ A.O. Headman, NOTARY PUBLIC
Residing at Salt Lake
My Commission expires: 3/21/07

STATE OF California)
)ss.
COUNTY OF Orange)

On the 16th day of March, 1987, personally appeared before me, Rolin Green, M.D., who being by me first duly sworn, declared that he is the person who signed the foregoing document as an incorporator and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my
hand and seal this 16th day of March, 1987.

/s/ sic., NOTARY PUBLIC
Residing at El Toro, CA
My Commission expires: 6-2-89

Exhibit 4.4

RESTRICTED SHARES AGREEMENT
UNDER THE MYND ANALYTICS, INC.
AMENDED AND RESTATED 2012 OMNIBUS INCENTIVE COMPENSATION PLAN

Name of Grantee:	**[ ]** (the "Grantee")	
No. of Restricted Shares:	[ ] shares of the common stock (the "Restricted Shares")	
Grant Date:	**[ ]** (the "Grant Date")	

Pursuant to the terms of the MYnd Analytics, Inc. Amended and Restated 2012 Omnibus Incentive Compensation Plan (the "Plan") and the resolutions of the board of directors of MYnd Analytics, Inc. (the "Company") dated [ ], the Company hereby issues to the Grantee, as of the Grant Date set forth above, the number of shares of its common stock ("Common Stock") set forth above (the "Restricted Shares"), in accordance with and subject to the terms and conditions set forth herein.

Notwithstanding anything in this Restricted Shares Agreement (the "Agreement") to the contrary, the Restricted Shares granted herein shall be subject to, and governed by, all the terms and conditions of the Plan. To the extent there is any inconsistency between the terms of the Plan and of this Agreement, the terms of the Plan shall control.

All capitalized terms used in this Agreement and not otherwise defined shall have the respective meanings given such terms in the Plan.

Transfer Restrictions. The Restricted Shares may not be sold, assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Grantee, and any purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company. The Restricted Shares shall be subject to a risk of forfeiture upon the Grantee's Termination of Affiliation until the end of the applicable Vesting Date (as defined in Section 3 below) with respect to such shares.

Stock Power and Delivery of Restricted Shares. The Restricted Shares will be held by the Company for the Grantee until the applicable Vesting Date. Upon issuance of the Restricted Shares in the Grantee's name, the Grantee will be the holder of record of the Restricted Shares and will have all rights of a shareholder with respect to such shares (including the right to vote such shares at any meeting of shareholders of the Company and the right to receive all dividends paid with respect to such shares), subject only to the terms and conditions imposed by this Agreement. The Grantee agrees to sign and deliver to the Company a stock power relating to the Restricted Shares.

If any of the Restricted Shares are forfeited hereunder at any time prior to the applicable Vesting Date of such Restricted Shares, the appropriate officers of the Company shall direct the transfer agent and registrar of the Company's Common Stock to cause the book entry with respect to such Restricted Shares to be adjusted to reflect the number of Restricted Shares so forfeited..

Upon vesting of any of the Restricted Shares hereunder in accordance with Section 3 below, and the Grantee's delivery to the Company of the amount necessary to satisfy the Company's federal, state and local employment and income tax withholding obligation as provided in Section 5 below, the Company shall cancel the stock power with respect to such vested shares of Restricted Shares and the Company shall deliver such shares to the Grantee. Thereafter, such shares shall cease to be Restricted Shares and shall be nonforfeitable and freely transferable.

Vesting. The number of Restricted Shares set forth below shall vest as of the applicable "Vesting Dates" specified in the table below, provided that the Grantee has not had a Termination of Affiliation prior to such Vesting Date.

Restricted Shares Vesting Date
Shares vest on the [ ] of every month evenly over [ ] months, beginning on [ ].

If the Grantee's has a Termination of Affiliation for any reason prior to the Vesting Date, the Grantee will immediately forfeit all remaining Restricted Shares, and all of the Grantee's rights to and interest in such remaining Restricted Shares shall terminate upon forfeiture without payment of any consideration.

Transfer Restrictions: Restrictive Legend. The Grantee understands that the Grantee has no right to transfer Restricted Shares prior to the Vesting Date applicable to such Restricted Shares and the Company may, without liability for its good faith actions, place legend restrictions upon the Restricted Shares and issue "stop transfer" instructions requiring compliance with the terms of the Plan and this Agreement.

Tax Withholding. The Grantee hereby acknowledges that the Grantee has been advised by the Company to seek independent tax advice regarding the availability and advisability of making an election under Section 83(b) of the Internal Revenue Code of 1986, as amended, and that any such election, if made, must be made within 30 days of the Grant Date. The Grantee is not relying on the Company or any of its officers, directors or employees for tax advice regarding the Restricted Shares granted in this Agreement. The Grantee bears sole responsibility for the filing any such Section 83(b) election with the appropriate governmental authorities, irrespective of the fact that a copy of such election will also be delivered to the Company. The Grantee agrees to promptly notify the Company in the event the Grantee makes a Section 83(b) election.

Whenever any shares of Restricted Shares granted under the terms of this Agreement vest or upon the making of a Section 83(b) election (a "Taxable Event"), the Grantee must remit or, in appropriate cases, agree to remit when due, the minimum amount necessary for the Company to satisfy all of its federal, state and local withholding (including FICA) tax requirements relating to such Taxable Event. The Grantee may satisfy these minimum withholding tax obligations by any (or a combination) of the following means: (i) a cash payment; (ii) withholding from compensation otherwise payable to the Grantee; or (iii) to the extent permitted by the Committee, by authorizing the Company to withhold from the Shares that become unrestricted as a result of the vesting of Restricted Shares a number of shares having a Fair Market Value, as of the date the withholding tax obligation arises, less than or equal to the amount of the withholding obligation. The Company will not deliver to the Grantee certificates for any shares of Common Stock otherwise deliverable to the Grantee as a result of the vesting of Restricted Shares unless the Grantee remits (or in appropriate cases agrees to remit) all applicable withholding tax requirements relating to the Taxable Event.

Miscellaneous Provisions.

· **Change and Modifications**. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Grantee.

· **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to conflict of law principles.

· **Notices**. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by email, telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Grantee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

· **Counterparts**. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned as of the date first above written.

MYND ANALYTICS, INC.

By: ______________________________

Name: ______________________________

Title: ______________________________

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan, including, without limitation, Article 9 thereof, and understands that the Restricted Shares granted hereby are subject to the terms of the Plan and of this Agreement. This Agreement is hereby accepted, and the terms and conditions thereof and of the Plan hereby agreed to, by the undersigned as of the date first above written.

GRANTEE:

____

STOCK POWER

FOR VALUE RECEIVED and pursuant to that certain Restricted Shares Agreement between MYnd Analytics, Inc. (the "Corporation"), and [ ] (the "Grantee") dated as of [ ], and the MYnd Analytics, Inc. Amended and Restated 2012 Omnibus Incentive Compensation Plan (the "Plan"), the Grantee hereby sells, assigns and transfers to the Corporation, an aggregate _________ shares of Common Stock of the Corporation, standing in the Grantee's name on the books of the Corporation and represented by stock certificate number(s) ____ to which this instrument is attached, and hereby irrevocably constitutes and appoints _________________ _____________________________________ as his or her attorney in fact and agent to transfer such shares on the books of the Corporation, with full power of substitution in the premises.

Dated ____________, 20_

Signature

Name

(Instruction: Please do not fill in any blanks other than the signature line. The purpose of the assignment is to enable the Corporation to exercise certain rights set forth in the Restricted Shares Agreement and the Plan without requiring additional signatures on the part of the Grantee.)

MYnd Analytics, INC.
Amended and Restated 2012 Omnibus Incentive Compensation Plan

ISO
Stock Option Award Certificate

This Stock Option Award Certificate (the "Award Certificate") memorializes the grant by **MYnd ANALYTICS, INC. (the "Company")** to **[ ] ("Grantee")** of an option (the "Option") to purchase all or any part of the number of Shares of Common Stock of the Company indicated below (the "Underlying Shares," with such Shares once issued being referred to herein as "Option Shares") at the Exercise Price per share indicated.

Number of Shares Underlying Options ("Underlying Shares"):	**[ ]**
Grant Date:	**[ ]**
Term:	**10 years from Grant Date**
Exercise Price/Share:	**$[__.__]**

General. This Option has been granted pursuant to the terms of the MYnd Analytics, Inc. Amended and Restated 2012 Omnibus Incentive Compensation Plan (the "Plan"). All of the applicable terms, conditions and other provisions of the Plan are incorporated by reference herein. Capitalized terms used in this Award Certificate but not defined herein shall have the same meanings as in the Plan. If there is any conflict between the provisions of this document and mandatory provisions of the Plan, the provisions of the Plan govern. By accepting the grant of the Options, the Grantee hereby agrees to be bound by all of the terms and provisions of the Plan, the rules and regulations under the Plan adopted from time to time, and the decisions and determinations of the Committee made from time to time.

Vesting and Exercisability. Subject to such further limitations as are provided in the Plan and as set forth herein, the Option shall become vested and exercisable on the dates and at the Exercise Price set forth above, for the cumulative number of Underlying Shares as follows:

Date Option Becomes Vested and Exercisable
Options vest on the [ ] of every month evenly over [__] months, beginning on [ ].

Notwithstanding the vesting schedule above, if the Grantee has a Termination of Affiliation prior to the final vesting date due to the Grantee's death, Disability or retirement after attaining age 65, the Option shall be vested and exercisable for the cumulative number of Option Shares equal to the number of Underlying Shares multiplied by a fraction, the numerator of which is the number of whole months that have elapsed from the Grant Date through the Grantee's Termination of Affiliation, and the denominator of which is the number of whole months between the Grant Date and the final vesting date. For avoidance of doubt, retirement after attaining age 65 means the Grantee's Termination of Affiliation after having attained age 65 for any reason other than termination by the Company for Cause (as defined below).

Notwithstanding the vesting schedule above, this Option shall become 100% vested upon a Change in Control of the Company (as defined below).

For purposes of this Award Certificate, a "**Change of Control**" means either:

(a) the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) any person (or group of persons acting together) becomes the owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding voting securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control under this clause (i) shall not be deemed to occur as a result of any redemption, repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding;

(ii) any person (or group of persons acting together) acquires (or has acquired within any 12-month period ending on the date of the most recent acquisition by such person or group) ownership, directly or indirectly, of securities of the Company representing more than 30% of the combined voting power of the Company's then outstanding voting securities other than by virtue of a merger, consolidation or similar transaction;

(iii) the consummation of a merger, consolidation or similar transaction involving (directly or indirectly) the Company if, immediately after the consummation of such merger, consolidation or similar transaction, the shareholders of the Company immediately prior thereto do not own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving entity in such merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of any direct or indirect parent of the surviving entity in such merger, consolidation or similar transaction; or

(iv) the acquisition by a person (or a group of persons acting together) during the 12-month period ending on the date of the most recent acquisition by such person or group of assets from the Company that have a total gross fair market value equal to or exceeding 50% of the total gross fair market value of all of the assets of the Company immediately before such acquisition or acquisitions; or

(b) the replacement of a majority of the members of the Board during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of appointment or election.

Notwithstanding the foregoing, no transaction or series of related transactions shall constitute a Change of Control of the Company unless such transaction or series of related transactions qualify as a change in ownership of the Company, a change in effective control of the Company or a change in ownership of a substantial portion of the Company's assets as each of these terms are defined in Treasury Regulation Section 1.409A-3(i)(5).

Exercise of Option. During the Term of this Option (or prior to such earlier date provided in Section 4 below), the Grantee may exercise this Option to the extent then vested and exercisable by delivering a written Option exercise notice to the Corporate Secretary of the Company on a form approved or provided by the Committee along with full payment of the Exercise Price (in any manner permitted under Section 6.5(a) through (e) of the Plan) and the amount needed to satisfy applicable tax withholding requirements in accordance with Section 6 below. The exercise notice shall indicate the Grantee's election to purchase some or all of the Underlying Shares with respect to which this Option is vested and exercisable at the time of such notice. The Option may not be exercised for any fractional shares.

Termination of Affiliation. Except as the Committee may otherwise expressly provide, or as may otherwise be expressly provided in any agreement between the Company and the Grantee, if the Grantee has a Termination of Affiliation with the Company and all of its Affiliates, the period within which the Grantee may exercise this Option may be subject to earlier termination as set forth below:

a) **Termination of Affiliation Due to Death or Disability.** If the Grantee's Termination of Affiliation occurs by reason of such Grantee's death or Disability, this Option may be exercised, to the extent exercisable on the date of such termination, by the Grantee or by the Grantee's legal representative or legatee for a period of twelve (12) months from the date of such termination or until the expiration of the Term of this Option, if earlier.

b) **Termination of Affiliation Due to Retirement.** If the Grantee has a Termination of Affiliation for any reason other than for Cause (as defined below) after the Grantee has attained age 65, this Option may be exercised, to the extent exercisable on the date of such termination, by the Grantee for a period of twenty-four (24) months from the date of such termination or until the expiration of the Term of this Option, if earlier; provided, however, that to the extent that the Option is exercised more than three (3) months after the Grantee ceases to be an employee of the Company or any Subsidiary of the Company, the Option shall not qualify as an "incentive stock option" within the meaning of Section 422(b) of the Code.

c) **Termination for Cause.** If the Grantee has a Termination of Affiliation for Cause, all Options (unvested and vested) shall terminate immediately.

For purposes of this Award Certificate, "**Cause**" means any of the following:

1. the Grantee's commission of a felony or other crime, which has a material detrimental impact on the financial interests of the Company or any Affiliate, the operations of the Company or any Affiliate or the reputation of the Company or any Affiliate;

2. the Grantee's commission of any act involving fraud, embezzlement, misappropriation of funds, breach of fiduciary duty or other act of dishonesty against the Company or an Affiliate;

3. the Grantee's failure to fulfill, in any material respect, his duties and responsibilities (other than by reason of death, illness or disability) to the Company or its Affiliates;

4. the Grantee's willful or intentional violation of any established lawful policy of the Company or any Affiliate which has a material detrimental impact on the financial interests of the Company or any Affiliate, the operations of the Company or any Affiliate or the reputation of the Company or any Affiliate;

5. the Grantee's breach of the terms of any agreement with the Company or any Affiliate, including without limitation, any agreement relating to intellectual property, confidentiality, non-competition, non-solicitation, non-disparagement and the like; or

6. any fraud, gross negligence, intentional misconduct, or intentional wrongful act or omission on the part of the Grantee that was a material factor contributing to the Company restating all or a portion of the Company's financial statements in a manner that is detrimental to the interests of the Company or its shareholders.

d) **Other Termination.** If the Grantee's Termination of Affiliation occurs for any reason other than death or Disability or Cause, this Option may be exercised, to the extent exercisable on the date of such termination, by the Grantee for a period of thirty (30) days from the date of termination or until the expiration of the Term of this Option, if earlier.

e) **Treatment of Unvested Options on Termination of Affiliation.** Any portion of this Option that is not exercisable on the date of the Grantee's Termination of Affiliation for any reason shall terminate immediately and be null and void and of no further force and effect, unless the Committee exercises its discretion within thirty (30) days after the Grantee's Termination of Affiliation to accelerate the vesting and cause all or any portion of such unvested Options to become exercisable following the Grantee's Termination of Affiliation.

Status of Option. This Option is intended to qualify as an "incentive stock option" as defined in Section 422(b) of the Code.

Tax Withholding. Upon exercise of any Options hereunder (a "Taxable Event"), the Grantee must remit or, in appropriate cases, agree to remit when due, the minimum amount necessary for the Company to satisfy all of its federal, state and local withholding (including FICA) tax requirements relating to such Taxable Event. The Committee may require the Grantee to satisfy these minimum withholding tax obligations by any (or a combination) of the following means: (i) a cash payment; (ii) delivering to the Company unencumbered Shares of Common Stock having a Fair Market Value equal to the amount of the withholding obligation, (iii) authorizing the Company to withhold from the Option Shares purchased upon exercise of this Option a number of Shares of Common Stock having a Fair Market Value equal to the amount of the withholding obligation; or (iv) withholding from compensation otherwise payable to the Grantee. The Company will not deliver to the Grantee certificates for any Shares of Common Stock otherwise deliverable to the Grantee as a result of the exercise of this Option unless the Grantee remits (or in appropriate cases agrees to remit) all withholding tax requirements relating to the Taxable Event.

Miscellaneous.

a) **Adjustments.** The number of Underlying Shares and the Exercise Price shall be appropriately adjusted, in order to prevent dilution or enlargement of Grantee's rights with respect to this Option to reflect any changes in the number of outstanding shares of Common Stock resulting from any event referred to in Section 4.2(a) of the Plan. Any such adjustment shall be made in accordance with Section 4.2(a) of the Plan.

b) **Binding Agreement; Written Amendments .** This Award Certificate shall be binding upon the heirs, executors, administrators and successors of the Grantee and the Company. No amendment or alteration of this Award Certificate which may impose any additional obligation upon the Company shall be valid unless expressed in a written instrument duly executed in the name of the Company, and no amendment, alteration, suspension or termination of this Award Certificate which may materially impair the rights of the Grantee with respect to the Options granted hereunder shall be valid unless expressed in a written instrument executed by the Grantee.

c) **No Promise of Service.** The Options granted hereunder shall not constitute or be evidence of any agreement or understanding, express or implied, that the Grantee has a right to continue as an employee of, non-employee consultant to, or Non-Employee Director of the Company or any Affiliate for any period of time, or at any particular rate of compensation.

d) **Governing Law.** The validity, construction, and effect of this Award Certificate shall be determined in accordance with the laws (including those governing contracts) of the State of Delaware, without giving effect to principles of conflicts of laws, and applicable federal law.

e) **Shareholder Rights.** The Grantee shall not have any rights with respect to any Shares (including voting rights) underlying the Options granted herein prior to the exercise of this Option and purchase of Option Shares in accordance with the provisions herein.

Signatures on Next Page

IN WITNESS WHEREOF, MYnd ANALYTICS, INC. has caused this Award Certificate to be executed by its officer thereunto duly authorized.

MYnd ANALYTICS, INC.

By: ______________________________
Name: Paul Buck
Title: Chief Financial Officer

Acceptance by Optionee and certification as to the representations and warranties contained on the page "Representations and Warranties of Optionee":

By: ______________________________
Name:
Title:

Representations and Warranties of Optionee.

Optionee hereby represents and warrants to the Company as follows:

1.1. **Previous Relationship.** Optionee, by reason of Optionee's business or financial experience or financial experience of Optionee's financial advisors who are unaffiliated with and who are not compensated by the Company or any affiliate or selling agent of the Company, directly or indirectly, has the capacity to protect Optionee's own interests in connection with the transaction.

1.2. **Access to Information**. Optionee has had an opportunity to receive and review all documents and information that it considers material to Optionee's receipt of the Option and to ask questions of and receive satisfactory answers from the Company, or a person or persons acting on the Company's behalf, concerning the Company and the terms and conditions of the option grant, and all such questions have been answered to the full satisfaction of Optionee.

1.3. **Knowledgeable and Sophisticated Investor**. Optionee is a sophisticated investor with such knowledge and experience in financial and business matters and investments in restricted securities of an early stage company that Optionee is capable of evaluating the merits and risks of acquiring the Options.

1.4. **No Representations**. Optionee acknowledges that neither the Company nor any officer, director, employee, agent or representative of the Company have made any representations or warranties of any kind to Optionee including representations regarding future revenues, earnings or profits of the Company, the future value of the shares underlying the Options, the future capitalization of the Company, the occurrence or timing of any public offering by the Company, the amount of future business that may be transacted by the Company or otherwise. Optionee further understands that the Company's success in achieving its goals and objectives in the future and implementing its business plan cannot be predicted and is subject to numerous factors not within the control of the Company. Optionee is not acquiring the Options based upon representations, oral or written, by any person with respect to the future value of, or income from, the Options or the shares lying thereunder, or the length of time that Optionee will be required to remain as the owner of the Option and the shares lying thereunder but rather upon an independent examination and judgment as to the prospects of the Company.

1.5. **Investment Intent**. Optionee is acquiring the Options for investment, for Optionee's own account, and with no present intention of reselling, directly or indirectly participating in any distribution of or otherwise disposing of the Options or the shares underlying the Option.

1.6. **Investor Status**. Optionee is an "accredited investor" as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act.

1.7. **No General Solicitation**. Optionee acknowledges that the Options were not offered to Optionee by means of general solicitations, publicly disseminated advertisements or sales literature.

BY SIGNING ACCEPTANCE OF THIS AGREEMENT, THE OPTIONEE AGREES TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN AND CERTIFIES THAT THE ABOVE REPRESENTATIONS AND WARRANTIES ARE TRUE, CORRECT AND COMPLETE.

Exhibit 4.6

MYnd ANALYTICS, INC.
Amended and Restated 2012 Omnibus Incentive Compensation Plan

NQSO
Stock Option Award Certificate

This Stock Option Award Certificate (the "Award Certificate") memorializes the grant by **MYnd ANALYTICS, INC. (the "Company")** to [ ] **("Grantee")** of an option (the "Option") to purchase all or any part of the number of Shares of Common Stock of the Company indicated below (the "Underlying Shares," with such Shares once issued being referred to herein as "Option Shares") at the Exercise Price per share indicated.

Number of Shares Underlying Options ("Underlying Shares"):	**[ ]**
Grant Date:	**[ ]**
Term:	**10 years from Grant Date**
Exercise Price/Share:	**[ ]**

General. This Option has been granted pursuant to the terms of the MYnd Analytics, Inc. Amended and Restated 2012 Omnibus Incentive Compensation Plan (the "Plan"). All of the applicable terms, conditions and other provisions of the Plan are incorporated by reference herein. Capitalized terms used in this Award Certificate but not defined herein shall have the same meanings as in the Plan. If there is any conflict between the provisions of this document and mandatory provisions of the Plan, the provisions of the Plan govern. By accepting the grant of the Options, the Grantee hereby agrees to be bound by all of the terms and provisions of the Plan, the rules and regulations under the Plan adopted from time to time, and the decisions and determinations of the Committee made from time to time.

Vesting and Exercisability. Subject to such further limitations as are provided in the Plan and as set forth herein, the Option shall become vested and exercisable on the dates and at the Exercise Price set forth above, for the cumulative number of Underlying Shares as follows:

Date Option Becomes Vested and Exercisable
Options vest on the [ ] of every month evenly over [__] months, beginning on [, 201].

Notwithstanding the vesting schedule above, if the Grantee has a Termination of Affiliation prior to the final vesting date due to the Grantee's death, Disability or retirement after attaining age 65, the Option shall be vested and exercisable for the cumulative number of Option Shares equal to the number of Underlying Shares multiplied by a fraction, the numerator of which is the number of whole months that have elapsed from the Grant Date through the Grantee's Termination of Affiliation, and the denominator of which is the number of whole months between the Grant Date and the final vesting date. For avoidance of doubt, retirement after attaining age 65 means the Grantee's Termination of Affiliation after having attained age 65 for any reason other than termination by the Company for Cause (as defined below).

Notwithstanding the vesting schedule above, this Option shall become 100% vested upon a Change in Control of the Company (as defined below).

For purposes of this Award Certificate, a "**Change of Control**" means either:

(a) the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) any person (or group of persons acting together) becomes the owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding voting securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control under this clause (i) shall not be deemed to occur as a result of any redemption, repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding;

(ii) any person (or group of persons acting together) acquires (or has acquired within any 12-month period ending on the date of the most recent acquisition by such person or group) ownership, directly or indirectly, of securities of the Company representing more than 30% of the combined voting power of the Company's then outstanding voting securities other than by virtue of a merger, consolidation or similar transaction;

(iii) the consummation of a merger, consolidation or similar transaction involving (directly or indirectly) the Company if, immediately after the consummation of such merger, consolidation or similar transaction, the shareholders of the Company immediately prior thereto do not own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving entity in such merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of any direct or indirect parent of the surviving entity in such merger, consolidation or similar transaction; or

(iv) the acquisition by a person (or a group of persons acting together) during the 12-month period ending on the date of the most recent acquisition by such person or group of assets from the Company that have a total gross fair market value equal to or exceeding 50% of the total gross fair market value of all of the assets of the Company immediately before such acquisition or acquisitions; or

(b) the replacement of a majority of the members of the Board during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of appointment or election.

Notwithstanding the foregoing, no transaction or series of related transactions shall constitute a Change of Control of the Company unless such transaction or series of related transactions qualify as a change in ownership of the Company, a change in effective control of the Company or a change in ownership of a substantial portion of the Company's assets as each of these terms are defined in Treasury Regulation Section 1.409A-3(i)(5).

Exercise of Option. During the Term of this Option (or prior to such earlier date provided in Section 4 below), the Grantee may exercise this Option to the extent then vested and exercisable by delivering a written Option exercise notice to the Corporate Secretary of the Company on a form approved or provided by the Committee along with full payment of the Exercise Price (in any manner permitted under Section 6.5(a) through (e) of the Plan) and the amount needed to satisfy applicable tax withholding requirements in accordance with Section 6 below. The exercise notice shall indicate the Grantee's election to purchase some or all of the Underlying Shares with respect to which this Option is vested and exercisable at the time of such notice. The Option may not be exercised for any fractional shares.

Termination of Affiliation. Except as the Committee may otherwise expressly provide, or as may otherwise be expressly provided in any agreement between the Company and the Grantee, if the Grantee has a Termination of Affiliation with the Company and all of its Affiliates, the period within which the Grantee may exercise this Option may be subject to earlier termination as set forth below:

f) **Termination of Affiliation Due to Death or Disability.** If the Grantee's Termination of Affiliation occurs by reason of such Grantee's death or Disability, this Option may be exercised, to the extent exercisable on the date of such termination, by the Grantee or by the Grantee's legal representative or legatee for a period of twelve (12) months from the date of such termination or until the expiration of the Term of this Option, if earlier.

g) **Termination of Affiliation Due to Retirement.** If the Grantee has a Termination of Affiliation for any reason other than for Cause (as defined below) after the Grantee has attained age 65, this Option may be exercised, to the extent exercisable on the date of such termination, by the Grantee for a period of twenty-four (24) months from the date of such termination or until the expiration of the Term of this Option, if earlier.

h) **Termination for Cause.** If the Grantee has a Termination of Affiliation for Cause, all Options (unvested and vested) shall terminate immediately.

For purposes of this Award Certificate, "**Cause**" means any of the following:

7. the Grantee's commission of a felony or other crime, which has a material detrimental impact on the financial interests of the Company or any Affiliate, the operations of the Company or any Affiliate or the reputation of the Company or any Affiliate;

8. the Grantee's commission of any act involving fraud, embezzlement, misappropriation of funds, breach of fiduciary duty or other act of dishonesty against the Company or an Affiliate;

9. the Grantee's failure to fulfill, in any material respect, his duties and responsibilities (other than by reason of death, illness or disability) to the Company or its Affiliates;

10. the Grantee's willful or intentional violation of any established lawful policy of the Company or any Affiliate which has a material detrimental impact on the financial interests of the Company or any Affiliate, the operations of the Company or any Affiliate or the reputation of the Company or any Affiliate;

11. the Grantee's breach of the terms of any agreement with the Company or any Affiliate, including without limitation, any agreement relating to intellectual property, confidentiality, non-competition, non-solicitation, non-disparagement and the like; or

12. any fraud, gross negligence, intentional misconduct, or intentional wrongful act or omission on the part of the Grantee that was a material factor contributing to the Company restating all or a portion of the Company's financial statements in a manner that is detrimental to the interests of the Company or its shareholders.

i) **Other Termination.** If the Grantee's Termination of Affiliation occurs for any reason other than death or Disability or Cause, this Option may be exercised, to the extent exercisable on the date of such termination, by the Grantee for a period of thirty (30) days from the date of termination or until the expiration of the Term of this Option, if earlier.

j) **Treatment of Unvested Options on Termination of Affiliation.** Any portion of this Option that is not exercisable on the date of the Grantee's Termination of Affiliation for any reason shall terminate immediately and be null and void and of no further force and effect, unless the Committee exercises its discretion within thirty (30) days after the Grantee's Termination of Affiliation to accelerate the vesting and cause all or any portion of such unvested Options to become exercisable following the Grantee's Termination of Affiliation.

Status of Option. This Option is not intended to qualify as an "incentive stock option" as defined in Section 422(b) of the Code.

Tax Withholding. Upon exercise of any Options hereunder (a "Taxable Event"), the Grantee must remit or, in appropriate cases, agree to remit when due, the minimum amount necessary for the Company to satisfy all of its federal, state and local withholding (including FICA) tax requirements relating to such Taxable Event. The Committee may require the Grantee to satisfy these minimum withholding tax obligations by any (or a combination) of the following means: (i) a cash payment; (ii) delivering to the Company unencumbered Shares of Common Stock having a Fair Market Value equal to the amount of the withholding obligation, (iii) authorizing the Company to withhold from the Option Shares purchased upon exercise of this Option a number of Shares of Common Stock having a Fair Market Value equal to the amount of the withholding obligation; or (iv) withholding from compensation otherwise payable to the Grantee. The Company will not deliver to the Grantee certificates for any Shares of Common Stock otherwise deliverable to the Grantee as a result of the exercise of this Option unless the Grantee remits (or in appropriate cases agrees to remit) all withholding tax requirements relating to the Taxable Event.

Miscellaneous.

f) **Adjustments.** The number of Underlying Shares and the Exercise Price shall be appropriately adjusted, in order to prevent dilution or enlargement of Grantee's rights with respect to this Option to reflect any changes in the number of outstanding shares of Common Stock resulting from any event referred to in Section 4.2(a) of the Plan. Any such adjustment shall be made in accordance with Section 4.2(a) of the Plan.

g) **Binding Agreement; Written Amendments .** This Award Certificate shall be binding upon the heirs, executors, administrators and successors of the Grantee and the Company. No amendment or alteration of this Award Certificate which may impose any additional obligation upon the Company shall be valid unless expressed in a written instrument duly executed in the name of the Company, and no amendment, alteration, suspension or termination of this Award Certificate which may materially impair the rights of the Grantee with respect to the Options granted hereunder shall be valid unless expressed in a written instrument executed by the Grantee.

h) **No Promise of Service**. The Options granted hereunder shall not constitute or be evidence of any agreement or understanding, express or implied, that the Grantee has a right to continue as an employee of, non-employee consultant to, or Non-Employee Director of the Company or any Affiliate for any period of time, or at any particular rate of compensation.

i) **Governing Law.** The validity, construction, and effect of this Award Certificate shall be determined in accordance with the laws (including those governing contracts) of the State of Delaware, without giving effect to principles of conflicts of laws, and applicable federal law.

j) **Shareholder Rights.** The Grantee shall not have any rights with respect to any Shares (including voting rights) underlying the Options granted herein prior to the exercise of this Option and purchase of Option Shares in accordance with the provisions herein.

Signatures on Next Page

IN WITNESS WHEREOF, MYnd ANALYTICS, INC. has caused this Award Certificate to be executed by its officer thereunto duly authorized.

MYnd ANALYTICS, INC.

By: ______________________________

Name: Paul Buck

Title : Chief Financial Officer

Acceptance by Optionee and certification as to the representations and warranties contained on the page "Representations and Warranties of Optionee":

By: ______________________________

Name: [ ]

Title: [ ]

Representations and Warranties of Optionee.

Optionee hereby represents and warrants to the Company as follows:

1.8. **Previous Relationship.** Optionee, by reason of Optionee's business or financial experience or financial experience of Optionee's financial advisors who are unaffiliated with and who are not compensated by the Company or any affiliate or selling agent of the Company, directly or indirectly, has the capacity to protect Optionee's own interests in connection with the transaction.

1.9. **Access to Information**. Optionee has had an opportunity to receive and review all documents and information that it considers material to Optionee's receipt of the Option and to ask questions of and receive satisfactory answers from the Company, or a person or persons acting on the Company's behalf, concerning the Company and the terms and conditions of the option grant, and all such questions have been answered to the full satisfaction of Optionee.

1.10. **Knowledgeable and Sophisticated Investor**. Optionee is a sophisticated investor with such knowledge and experience in financial and business matters and investments in restricted securities of an early stage company that Optionee is capable of evaluating the merits and risks of acquiring the Options.

1.11. **No Representations**. Optionee acknowledges that neither the Company nor any officer, director, employee, agent or representative of the Company have made any representations or warranties of any kind to Optionee including representations regarding future revenues, earnings or profits of the Company, the future value of the shares underlying the Options, the future capitalization of the Company, the occurrence or timing of any public offering by the Company, the amount of future business that may be transacted by the Company or otherwise. Optionee further understands that the Company's success in achieving its goals and objectives in the future and implementing its business plan cannot be predicted and is subject to numerous factors not within the control of the Company. Optionee is not acquiring the Options based upon representations, oral or written, by any person with respect to the future value of, or income from, the Options or the shares lying thereunder, or the length of time that Optionee will be required to remain as the owner of the Option and the shares lying thereunder but rather upon an independent examination and judgment as to the prospects of the Company.

1.12. **Investment Intent**. Optionee is acquiring the Options for investment, for Optionee's own account, and with no present intention of reselling, directly or indirectly participating in any distribution of or otherwise disposing of the Options or the shares underlying the Option.

1.13. **Investor Status**. Optionee is an "accredited investor" as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act.

1.14. **No General Solicitation**. Optionee acknowledges that the Options were not offered to Optionee by means of general solicitations, publicly disseminated advertisements or sales literature.

BY SIGNING ACCEPTANCE OF THIS AGREEMENT, THE OPTIONEE AGREES TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN AND CERTIFIES THAT THE ABOVE REPRESENTATIONS AND WARRANTIES ARE TRUE, CORRECT AND COMPLETE.

Exhibit 10.23

AMENDMENT NO. 1

TO

SECOND AMENDED AND RESTATED
NOTE AND WARRANT PURCHASE AGREEMENT

THIS AMENDMENT NO. 1 (this "**Amendment**") to that SECOND AMENDED AND RESTATED NOTE AND WARRANT PURCHASE AGREEMENT (the "**Second Amended Agreement**") is made as of August 15, 2016, by and among MYnd Analytics, Inc., f/k/a CNS Response, Inc., a Delaware corporation (the "**Company**"), and the certain investors hereto (each, an "**Investor**" and together, the "**Investors**").

RECITALS

WHEREAS, the Company entered into that certain Note Purchase Agreement, dated as of September 22, 2014, with those certain investors named therein (the "**Original Agreement**");

WHEREAS, the Company entered into that certain Amendment No. 1 to the Note Purchase Agreement, dated as of April 14, 2015,with those certain investors named therein ("**Amendment No. 1**"), to increase the aggregate amount of notes issuable thereunder, and extend the period of time by which the Company was permitted to complete such fundraising; and

WHEREAS, the Company entered into that certain Amended and Restated Note Purchase Agreement, dated as of June 2, 2015,with those certain investors named therein (the "**Amended and Restated Note Purchase Agreement**"), solely to update the Original Agreement, as amended by Amendment No. 1, for the revisions provided by Amendment No. 1; and

WHEREAS, the Company entered into that certain Omnibus Amendment to the Amended and Restated Note Purchase Agreement and the notes, dated as of September 14, 2015, with those certain investors named therein (the "**Omnibus Amendment**"), to amend the Amended and Restated Note Purchase Agreement and the notes to set the conversion price of all notes purchased and sold pursuant to the Amended and Restated Note Purchase Agreement, both those that have been purchased and sold before the date of the Omnibus Amendment and those that were purchased and sold at any time thereafter, in the event of a qualified financing conversion or a voluntary conversion, at $0.05 per share (as adjusted for stock splits, stock dividends, combinations or the like affecting the common stock of the Company); and

WHEREAS, the Company entered into that certain Second Amended Agreement, dated as of December 23, 2015, to amend and restate the Amended and Restated Note Purchase Agreement, as amended by the Omnibus Amendment.

WHEREAS, this Amendment extends the period of time by which the Company may conduct "Additional Closings", as defined in the Second Amended Agreement.

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

Section 1. Amendment to Section 1.3, "Additional Closings". Section 1.3 of the Second Amended Agreement is hereby amended by deleting the third sentence therein in its entirety, and replacing it with the following:

"Such Additional Closings may occur at anytime prior to September 1, 2016, and provided that the Company shall have the sole discretion to terminate the sales of Notes and Warrants at any time without notice to any existing Inventor or potential Investor."

Section 1.2. No Further Amendment. Except as expressly amended by this Amendment, the Second Amended Agreement are in all respects ratified and confirmed and all the terms, conditions, and provisions thereof shall remain in full force and effect. This Amendment is limited precisely as written and shall not be deemed to be an amendment to any other term or condition of the Second Amended Agreement or any of the documents referred to therein.

Section 1.3. Effect of Amendment. This Amendment shall amend and form a part of the Second Amended Agreement for all purposes and is expressly incorporated into the Second Amended Agreement, 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 Second Amended Agreement shall be deemed a reference to the Second Amended Agreement 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 Second Amended Agreement, the terms and provisions of this Amendment shall control.

Section 1.4. Entire Agreement. Subject to Section 1.3 of this Amendment, the Second Amended Agreement, as amended by this Amendment, constitute the complete understanding of the Company and the Investors, regarding the subject matter hereof and supersede any and all other agreements, either oral or in writing, between the Company and the Investors with respect to the subject matter hereof and thereof, and no other statement or promise relating to the subject matter hereof or thereof which is not contained herein or therein, shall be valid or binding.

Section 1.5. Other Provisions. The following sections of the Second Amended Agreement are hereby incorporated by reference into, and made applicable to, this Amendment as if set forth herein, *mutatis mutandis*: 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*]

The Company and the Investors below named have caused this Amendment to be executed by their respective officers thereunto duly authorized, in each case as of the date first written above.

MYND ANALYTICS, INC.

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

MAJORITY HOLDERS:

By: /s/ Jan Vyhnalek

Name: Jan Vyhnalek
Title: Statutory Director
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/ John Pappajohn
Name: John Pappajohn
Title: Investor

By: /s/ Thomas T. Tierney
Name: Thomas T. Tierney
Title: Trustee
Thomas T. and Elizabeth C. Tierney Family Trust

By: /s/ Robert J. Follman
Name: Robert J. Follman
Title: Trustee
Declaration of Trust of Robert J. Follman and Carole A. Follman, dated August 14, 1979

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: Investor

Exhibit 10.24

SETTLEMENT AGREEMENT AND MUTUAL GENERAL RELEASE

THIS SETTLEMENT AGREEMENT AND MUTUAL GENERAL RELEASE (the "Agreement") is made by and between Leonard J. Brandt, Brandt Ventures, GP ("Brandt Ventures") and MYnd Analytics, Inc., formerly known as CNS Response, Inc. ("CNS"). Mr. Brandt, Brandt Ventures and CNS are collectively referred to herein as the "Parties" and sometimes individually referred to as a "Party."

WHEREAS, since June 2009, CNS has been involved in litigation with Mr. Brandt and Brandt Ventures in a number of civil actions in multiple venues, including at various times the Delaware Chancery Court, the Supreme Court of the State of Delaware, the United States District Court for the Central District of California and the Superior Court for the State of California, Orange County;

WHEREAS, on April 11, 2011, Mr. Brandt and Brandt Ventures filed an action in the Superior Court for the State of California, Orange County against CNS, one of its stockholders, SAIL Venture Partners, LP ("SAIL"), and a former member of the CNS board of directors, David Jones ("Mr. Jones"), alleging *inter alia* the breach of a promissory note agreement entered into by Brandt Ventures and CNS and that Mr. Brandt was wrongfully terminated as Chief Executive Officer of CNS, captioned *Leonard J. Brandt and Brandt Ventures, GP v. CNS Response, Inc., Sail Venture Partners and David Jones,* Superior Court for the State of California, Orange County, case no. 30-2011-00465655-CU-WT-CJC (the "Orange County Action");

WHEREAS, in 2012 Mr. Brandt filed a petition in the Court of Chancery of the State of Delaware demanding indemnification of expenses under the Delaware General Corporation Law, captioned *Leonard J. Brandt v. CNS Response, Inc*., C.A. No. 7652-VGS (the "Delaware Indemnity Action");

WHEREAS, in order to avoid the possible costs, burdens and distractions of litigation, Mr. Brandt, Brandt Ventures and CNS now desire, and through the execution of this Agreement intend, to dispose of and resolve fully and completely any and all disputes, claims, allegations, issues and differences that they have with or against each other, including all disputes, claims, allegations, issues and differences that were made or could have been made in the Orange County Action or the Delaware Indemnity Action;

NOW, THEREFORE, IN CONSIDERATION of the following general release, and the covenants, promises and undertakings set forth herein, the Parties do hereby agree as follows:

1. On or before August 8, 2016, each Party shall deliver to the other Party's counsel a fully executed and notarized copy of this Agreement in good order.

2. Within fourteen (14) days of CNS counsel receiving a copy of this Agreement fully executed by Mr. Brandt and Brandt Ventures and notarized and in good order, the Board of Directors of CNS shall approve this Agreement and CNS shall obtain the consent of certain note holders to this Agreement and CNS shall give notice that it has received such approval and consent, or this Agreement shall be deemed void ab initio and of no force or effect. In the event of timely CNS Board approval and the receipt of such consents as CNS deems appropriate, and after receipt of bank wire instructions from counsel for Brandt, CNS will pay, not later than Thursday, August 25, 2016, Two Hundred and Twenty-Five Thousand Dollars ($225,000) to the James D. White Attorney-Client Trust Account, or this Agreement shall be deemed void ab initio and of no force or effect. .

3. In the event of timely CNS Board approval and the receipt of such consents as CNS deems appropriate, and provided that CNS counsel has receiving (a) a copy of this Agreement fully executed by Mr. Brandt and Brandt Ventures and notarized and in good order, (b) a copy of the Security Agreement attached hereto as Exhibit A (the "Security Agreement") fully executed by Mr. Brandt for and as the Managing Partner of Brandt Ventures in good order, and (c) a copy of the Registration Rights Agreement attached hereto as Exhibit B (the "Registration Rights Agreement") fully executed by Mr. Brandt for and as the Managing Partner of Brandt Ventures in good order, within twenty (20) days CNS will issue to Brandt Ventures (i) a Secured Convertible Promissory Note in the form attached as Exhibit C and made a part hereof (the "Note") and (ii) a Warrant to Purchase Shares in the form attached as Exhibit D and made a part hereof (the "Warrant"; together with the Note, the Security Agreement and the Registration Rights Agreement, the "Loan Documents"). ***Mr. Brandt and Brandt Ventures expressly acknowledge and agree that the Note and Warrant are subject to all of the limitations already in place for the other minority holders of notes and warrants, as reflected in the Security Agreement and the Registration Rights Agreement, and Mr. Brandt and Brandt Ventures specifically acknowledge and agree that the terms of the Note, the Warrant, the Security Agreement and the Registration Rights Agreement may be amended or waived with the consent of CNS and the Majority Holders (as defined therein)and without the consent of Mr. Brandt or Brandt Ventures, provided however that Mr. Brandt shall receive notice of such amendments or waivers within a reasonable period of time after they occur.***

4. Mr. Brandt and Brandt Ventures each represent and warrant to the Company as follows:

4.1 Mr. Brandt and Brandt Ventures each have full power and authority to enter into this Agreement and each of the Loan Documents to which either is a party, and this Agreement and each Loan Document constitutes a valid and legally binding obligation of Mr. Brandt and Brandt Ventures, enforceable against them in accordance with its terms subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles.

4.2 Mr. Brandt and Brandt Ventures each are an "accredited investor" within the meaning of SEC Rule 501 of Regulation D promulgated under the Securities Act.

4.3 (i) Brandt Ventures is acquiring the shares of stock to be issued upon conversion of the Note and exercise of the Warrant contemplated by this Agreement and the Loan Documents (the "Conversion Securities" and together with the Note, the "Securities") solely for its own account and beneficial interest for investment and not with a view to, or for resale in connection with, any distribution or public offering thereof within the meaning of the Securities Act of 1933, as amended, and (ii) neither Mr. Brandt nor Brandt Ventures have any present intention of selling (in connection with a distribution or otherwise), granting any participation in, or otherwise distributing the same, and does not presently have reason to anticipate a change in such intention.

4.4 Mr. Brandt and Brandt Ventures hereby: (a) acknowledge that they have received all the information that they have requested from CNS and that they consider necessary or appropriate for deciding whether to acquire the Securities, (b) represent that they have had an opportunity to ask questions and receive answers from CNS regarding the terms and conditions of the offering of the Securities and to obtain any additional information necessary to verify the accuracy of the information given to them, and (c) further represent that they have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risk of this investment.

4.5 Mr. Brandt and Brandt Ventures acknowledge that investment in the Securities involves a high degree of risk and represent that they are able, without materially impairing their financial condition, to hold the Securities for an indefinite period of time and to suffer a complete loss of investment.

4.6 Mr. Brandt and Brandt Ventures are each a U.S. Person as defined under Regulation S under the Securities Act, as amended.

4.7 Mr. Brandt and Brandt Ventures agree and covenant that at any time and from time to time they will promptly execute and deliver to CNS such further instruments and documents and take such further action as CNS may reasonably require in order to carry out the full intent and purpose of this Agreement and to comply with state or federal securities laws or other regulatory approvals.

5. CNS represents and warrants as follows:

5.1 This Agreement requires approval of the Board of Directors of CNS and the consent of certain note holders of CNS. Subject to receiving such approval and consents, the execution, delivery and performance by CNS of this agreement, including the payments defined in section 2, and the Loan Documents defined in section 3, are within CNS's corporate powers, have been duly authorized by all necessary corporate action, do not and will not conflict with any provision of law or organizational document or of any agreement or contractual restrictions binding upon or affecting CNS or any of its property and need no further stockholder or creditor consent.

5.2 The shares of stock to be issued upon conversion of the Note and exercise of the Warrants contemplated by this agreement will be, upon conversion and exercise in accordance with the terms of the Note and Warrants, as applicable, are validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under the agreements, applicable state and federal securities laws and liens or encumbrances created by or imposed by Mr. Brandt and Brandt Ventures. Assuming accuracy of the representation of Mr. Brandt and Brandt Ventures in section 4 of this agreement, the Securities will be issued in compliance with all applicable federal and state security laws.

5.3 This Agreement requires approval of the Board of Directors of CNS and the consent of certain note holders of CNS. Subject to receiving such approval and consents, this Agreement is, and the Loan Documents when delivered hereunder will be, legal, valid and binding obligations of CNS enforceable against CNS in accordance with their respective terms, subject, as to the enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors rights generally and to general equitable principles.

6. Any psychiatric clinic in which Mr. Brandt or Brandt Ventures owns a *bona fide* financial interest or is an officer or employee (any such clinic is referred to herein as a "Brandt Clinic") may purchase PEER reports or other CNS services on terms that are at least as favorable as the terms granted by CNS to any other *bona fide* purchaser, including clinics owned or franchised by CNS. If, during the term of any purchase agreement with a Brandt Clinic, CNS enters into any subsequent *bona fide* agreement with any other person or entity on terms more favorable than those contained in the purchase agreement with a Brandt Clinic, then the executory purchase agreement shall be deemed to be modified prospectively to provide the Brandt Clinic with the more favorable terms going forward.

7. If Mr. Brandt identifies to CNS in writing a ready, willing and able purchaser of PEER reports or other CNS services, and (a) CNS did not already have knowledge of such party and that it was a ready, willing and able purchaser, and (b) CNS, in its sole discretion, decides to sell the PEER reports or other CNS services to such party and receives payment therefore, to the extent permitted by applicable law, CNS will pay a commission to Mr. Brandt upon receipt of payment in a commercially reasonable amount to be negotiated by the parties with respect to each such transaction. Nothing in this paragraph or elsewhere in this Agreement shall be deemed to require CNS to accept any purchaser brought to CNS by Mr. Brandt or anyone else.

8. Mr. Brandt and Brandt Ventures, with the intention of binding Mr. Brandt and Brandt Ventures and their family members, heirs, executors, administrators and assigns, hereby generally, irrevocably, unconditionally and completely release CNS, SAIL, Mr. Jones and all other present or former directors, officers, employees, contractors, consultants, representatives, agents, attorneys and stockholders of CNS and SAIL and the successors, predecessors and assigns of each of the foregoing (the “Released Parties”), from and against any and all damages, debts, obligations, losses, liabilities, judgments, costs and expenses (including without limitation attorneys’ fees and costs), payments, claims, counterclaims, cross-claims, demands, defenses, claims for indemnity, claims for contribution or subrogation, allegations, actions, suits, remedies, agreements, rights, privileges, duties, breaches, defaults, failures to perform and violations, of any kind or nature whatsoever, whether based on contract, tort, statute, CNS charter documents or by-laws, or other legal or equitable theory now or hereafter in existence, whether known or unknown or suspected or unsuspected or existing or potential, that Mr. Brandt and Brandt Ventures now have, ever had or may ever have in the future, by reason of any fact, matter, cause, transaction, event, occurrence, condition, relationship, act or omission of any kind or nature whatsoever in existence or occurring at any time from the beginning of time through and including the date of execution of this Agreement, including without limitation any claims that were made or could have been made in the Orange County Action or the Delaware Indemnity Action; provided, however, that in the event any legal action is brought by SAIL or Mr. Jones asserting claims against Mr. Brandt or Brandt Ventures, Mr. Brandt and Brandt Ventures have not released and may assert any affirmative defenses they may have to such claims.

9. CNS, with the intention of binding its successors and assigns, hereby generally, irrevocably, unconditionally and completely releases Mr. Brandt and Brandt Ventures and their family members and all present or former contractors, consultants, representatives, agents and attorneys and the successors, predecessors and assigns of each of the foregoing (the "Released Parties"), from and against any and all damages, debts, obligations, losses, liabilities, judgments, costs and expenses (including without limitation attorneys' fees and costs), payments, claims, counterclaims, cross-claims, demands, defenses, claims for indemnity, claims for contribution or subrogation, allegations, actions, suits, remedies, agreements, rights, privileges, duties, breaches, defaults, failures to perform and violations, of any kind or nature whatsoever, whether based on contract, tort, statute, CNS charter documents or by-laws, or other legal or equitable theory now or hereafter in existence, whether known or unknown or suspected or unsuspected or existing or potential, that CNS now has, ever had or may ever have in the future, by reason of any fact, matter, cause, transaction, event, occurrence, condition, relationship, act or omission of any kind or nature whatsoever in existence or occurring at any time from the beginning of time through and including the date of execution of this Agreement.

10. Section 1542 of the California Civil Code provides as follows: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor." The Parties hereto, with the intention of binding themselves and their family members, heirs, executors, administrators and assigns, hereby expressly waive any rights conferred upon them by California Civil Code § 1542 or any similar law of any other jurisdiction, and expressly consent that this Agreement shall be given full force and effect according to all of its and their terms, including those terms relating to unknown and unsuspected claims, if any. The Parties understand and acknowledge the significance and consequences of such specific waiver of California Civil Code Section 1542. The Parties acknowledge and understand that they are being represented and advised in this matter by counsel, and acknowledge that they are familiar with the provisions of California Civil Code Section 1542. The Parties acknowledge that the foregoing waiver is the result of separate bargaining and that there are no undisclosed facts that would affect their willingness to make this waiver. The Parties will expressly assume the risk of subsequently discovered information, facts or law, which if known or understood by them may have affected this waiver.

11. Mr. Brandt and Brandt Ventures, with the intention of binding Mr. Brandt and Brandt Ventures and their family members, heirs, executors, administrators and assigns, hereby promise, covenant and agree not to make any claims, causes of action, demands or allegations, or bring, file, maintain or otherwise commence any proceeding (including without limitation any action in equity or law, arbitration, mediation, investigation, inquiry or other civil, criminal or administrative proceeding) against any of the Released Parties in any court, agency or other tribunal in any jurisdiction, either directly or indirectly, except to enforce rights under this Agreement.

12. Mr. Brandt and Brandt Ventures represent and warrant that all outstanding amounts claimed to be due to them by any Released Party under any agreement are extinguished in full as of the date of this Agreement. Mr. Brandt, Brandt Ventures represent and warrant that neither Mr. Brandt nor Brandt Ventures has assigned, transferred, conveyed or otherwise disposed of any claims against the Released Parties as of the date hereof, or any direct or indirect interest in any such claims

13. This is a "fully integrated" settlement agreement. This Agreement and the Loan Documents contain the entire agreement of the Parties with respect to its subject matter, and all prior oral or written agreements, contracts, negotiations, representations and discussions, if any, pertaining to this matter are merged into this Agreement. No Party to this Agreement has made any oral or written representation other than those set forth in this Agreement, and no Party has relied upon, or is entering into, this Agreement in reliance upon any representation other than those representations expressly contained in this Agreement.

14. This Agreement is entered into for the purpose of avoiding any possible future expenses, burdens or distractions of litigation and is not an admission by any person of any liability to any other person, or of any wrongdoing on the part of any person. The consideration provided by CNS pursuant to paragraphs 2 and 3 is specifically allocated to Brandt Ventures. The consideration provided by CNS pursuant to paragraphs 6 and 7 is specifically allocated to Mr. Brandt. The parties acknowledge and agree that Mr. Brandt currently owns 246,488 shares of CNS stock, his children collectively own 18,000 shares of CNS Stock, and Brand Ventures currently owns 31,873 shares of CNS stock, and this Agreement does not affect the ownership of such shares. Except as otherwise provided by law, the terms of this Agreement, including all facts, circumstances, statements or documents relating thereto, shall not be admissible or submitted as evidence in any litigation, action or proceeding in any forum for any purpose, other than to secure the enforcement of and obtain the benefits of the terms and conditions of this Agreement.

15. The Parties agree that the terms and provisions of this Agreement shall be maintained in confidence and not disclosed to persons not representing a Party to this Agreement, except as may be necessary to enforce the terms of this Agreement, or to the extent such disclosure may be required by law, rule, regulation, or judicial, or administrative order; provided, however, that a party, in response to any inquiry from any third party, may specifically state that 'prior disputes between the parties have been resolved to the mutual satisfaction of all parties,' and provided further that this paragraph shall not apply to communications by CNS to Released Parties and their advisors or to its stockholders and the advisors to such stockholders.

16. The Parties agree to execute and deliver such additional documents and agreements as shall be necessary to carry out the purposes of this Agreement. This Agreement may be enforced as any other contract.

17. Each Party shall bear its or his own attorneys' fees, costs and expenses, as well as all fees, costs and expenses, if any, of its advisors, in connection with the claims relinquished hereby and the negotiation, execution and delivery of this Agreement.

18. This Agreement and the settlement contemplated hereby shall be governed by, and construed in accordance with, the laws of the State of California, without regard to California's conflict of law rules. The Parties hereby submit to the jurisdiction of the courts of the State of California to address any disagreement or dispute arising from this Agreement. The Parties agree that any dispute arising out of or relating in any way to this Agreement or the settlement shall not be litigated or otherwise pursued in any forum or venue other than the courts of the State of California, and the Parties expressly waive any right to demand a jury trial as to any such dispute. If any of the Parties are required to file an action to compel performance or enforce the terms and conditions of the of this Agreement, the prevailing Party in the litigation, as determined by the court, shall be entitled to recover his, her or its reasonable fees and costs, including attorneys' fees, incurred in the prosecution of such action.

19. This Agreement may be modified or amended only by a writing signed by all of the signatories hereto, which refers specifically to this Agreement.

20. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A signature submitted by PDF attachment to an email shall also be deemed an original.

21. This Agreement shall become effective only upon its execution and delivery by all Parties hereto and upon the approval of the Board of Directors of CNS and the consent of certain note holders of CNS.

22. No failure or delay on the part of any party to this agreement or the Loan Documents in exercising any right or remedy under, or pursuant to, the Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy or power preclude other or further exercise thereof, or the exercise of any other right, remedy or power. The remedies in the Loan Documents are cumulative and are not exclusive of any remedies provided by law.

23. Notwithstanding the legend required to be placed on the Securities by applicable law, no registration statement or opinion of counsel shall be necessary for a transfer of Securities to the respective estate of Mr. Brandt or Brandt Ventures or for a transfer of Securities by gift, will or intestate succession of Mr. Brandt to his spouse or to the siblings, lineal descendants or ancestors of Mr. Brandt or his spouse, if the transferee agrees in writing to be subject to the terms hereof to the same extent as if he or she were the original party hereunder, and a legend complying with applicable law is placed on the Securities.

24. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmission and electronic mail ("e-mail") transmission, so long as a receipt of such e-mail is requested and received) and shall be given,

(a) if to Leonard J. Brandt or Brandt Ventures, to: Leonard J. Brandt, 31465 Juliana Farms Road, San Juan Capistrano, California 92675; and

(b) if to the Company, to: MYnd Analytics, Inc., 26522 La Alameda, Suite 290, Mission Viejo, CA 92691, Attention: Paul Buck. Fax: (866) 867- 4446,

with a copy to Dentons US LLP, 1221 Avenue of the Americas, New York, New York 10020, Attention: Jeffrey A. Baumel. Fax: (973) 912-7199;

or such other address or facsimile number as such party may hereafter specify for the purpose by notice to the other parties hereto.

25**. THE PARTIES EACH ACKNOWLEDGE THAT THEY HAVE READ THIS AGREEMENT, THAT EACH FULLY KNOWS, UNDERSTANDS AND APPRECIATES ITS CONTENTS, AND THAT EACH HAS EXECUTED THE SAME AND MAKE THE SETTLEMENT AND GENERAL RELEASE PROVIDED FOR HEREIN VOLUNTARILY AND OF HIS OR ITS OWN FREE WILL.**

IN WITNESS WHEREOF the Parties, intending to be legally bound, have each executed this Settlement Agreement and Mutual General Release as of the dates below their signatures below.

LEONARD J. BRANDT

/s/ Leonard J. Brandt

Date: August 8, 2016

BRANDT VENTURES, GP

By: /s/ Leonard J. Brandt

Leonard J. Brandt
Its Managing Partner
Date: August 8, 2016

MYnd ANALYTICS, INC.

By: /s/ George C. Carpenter IV

George C. Carpenter IV
Its President and Chief Executive Officer
Date: August 8, 2016

[Notary pages to follow]

State of California)
) ss.:
County of San Bernardino)

On the 8th day of August, 2016, before me, a Notary Public in and for the State of California, Leonard J. Brandt, the Managing Partner of Brandt Ventures, GP and the individual who executed the attached Settlement Agreement and Mutual General Release, being duly sworn by me, acknowledged to me that in his capacity as Managing Partner of Brandt Ventures, GP he understands and is familiar with the contents of the attached Settlement Agreement and Mutual General Release and that he signed his name thereto as the Managing Partner of Brandt Ventures, GP voluntarily and of his own free will for the purposes therein stated.

/s/ Lewis M. Bucklew

Notary Public
My Commission Expires: August 20, 2018
(SEAL)

State of California)
) ss.:
County of San Bernardino)

On the 8th day of August, 2016, before me, a Notary Public in and for the State of California, Leonard J. Brandt, the individual who executed the attached Settlement Agreement and Mutual General Release, being duly sworn by me, acknowledged to me that he understands and is familiar with the contents of the attached Settlement Agreement and Mutual General Release and that he signed his name thereto voluntarily and of his own free will for the purposes therein stated.

/s/ Lewis M. Bucklew
Notary Public
My Commission Expires: August 20, 2018
(SEAL)

State of California)
) ss.:
County of Orange)

On the 8th day of August, 2016, before me, a Notary Public in and for the State of California, George C. Carpenter IV, the President and Chief Executive Officer of MYnd Analytics, Inc., and the individual who executed the attached Settlement Agreement and Mutual General Release, being duly sworn by me, acknowledged to me that in his capacity as the President and Chief Executive Officer of MYnd Analytics, Inc., he understands and is familiar with the contents of the attached Settlement Agreement and Mutual General Release and that he signed his name thereto as the President and Chief Executive Officer of MYnd Analytics, Inc. voluntarily and of his own free will for the purposes therein stated.

/s/ Barry Langfelder

Notary Public
My Commission Expires: November 1, 2019
(SEAL)

Exhibit 21.1

CNS Response, Inc., a California corporation and Colorado CNS Response, Inc., a Colorado corporation, are wholly-owned subsidiaries of MYnd Analytics, Inc., a Delaware corporation.

Neuro-Therapy Clinic, Inc., a Colorado corporation, is a wholly-owned subsidiary of Colorado CNS Response, Inc.

Exhibit 23.1

ANTON & CHIA

CERTIFIED PUBLIC ACCOUNTANTS

Consent of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders
of MYnd Analytics, Inc.
26522 La Alameda, Suite 290
Mission Viejo, CA 92691

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (File No. 333-166394) of MYnd Analytics, Inc. of our report dated December 22, 2016, relating to the consolidated financial statements which appear in this Form 10-K.

/s/ Anton & Chia, LLP
Newport Beach, California
December 22, 2016

Exhibit 31.1

Certification of Principal Executive Officer
Pursuant to SEC Rule 13a-14(a)/15d-14(a)

I, George Carpenter, certify that:

1. I have reviewed this Form 10-K of MYnd Analytics, Inc. for the fiscal year ended September 30, 2016;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

December 22, 2016

/s/ George Carpenter
Name: **George Carpenter**
Title: **Chief Executive Officer (Principal Executive Officer)**

Exhibit 31.2

Certification of Principal Financial Officer
Pursuant to SEC Rule 13a-14(a)/15d-14(a)

I, Paul Buck, certify that:

1. I have reviewed this Form 10-K of MYnd Analytics, Inc. for the fiscal year ended September 30, 2016;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

December 22, 2016

/s/ Paul Buck
Name: **Paul Buck**
Title: **Chief Financial Officer (Principal Financial Officer)**

Exhibit 32.1

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Annual Report on Form 10-K of MYnd Analytics, Inc. (the "Company") for the fiscal year ended September 30, 2016, as filed with the Securities and Exchange Commission (the "Report"), I, George Carpenter, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act.

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ George Carpenter
George Carpenter
Chief Executive Officer (Principal Executive Officer)
December 22, 2016

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

This certification is being furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

Exhibit 32.2

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Annual Report on Form 10-K of MYnd Analytics, Inc. (the "Company") for the fiscal year ended September 30, 2016, as filed with the Securities and Exchange Commission (the "Report"), I, Paul Buck, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act.

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Paul Buck
Paul Buck
Chief Financial Officer (Principal Financial Officer)
December 22, 2016

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

This certification is being furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.