

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

Form 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2015

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

For the transition period from _____ to _____.

Commission file number: 000-53316

TRANSBIOTEC, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

26-0731818

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

400 N. Tustin Ave., Suite 225
Santa Ana, CA

(Address of principal executive offices)

92705

(Zip Code)

(562) 280-0483

Registrant's telephone number, including area code

(Former address, if changed since last report)

(Former fiscal year, if changed since last report)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§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 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

(Do not check if a smaller reporting company)

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

Applicable only to issuers involved in bankruptcy proceedings during the preceding five years:

Indicate by check mark whether the registrant filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

Applicable only to corporate issuers:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of May 18, 2015, there were 58,416,660 shares of common stock, \$0.00001 par value, issued and outstanding.

TRANSBIOTEC, INC.

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PART I – FINANCIAL INFORMATION

This Quarterly Report includes forward-looking statements within the meaning of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These statements are based on management’s beliefs and assumptions, and on information currently available to management. Forward-looking statements include the information concerning our possible or assumed future results of operations set forth under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Forward-looking statements also include statements in which words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “estimate,” “consider,” or similar expressions are used.

Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties, and assumptions. Our future results and shareholder values may differ materially from those expressed in these forward-looking statements. Readers are cautioned not to put undue reliance on any forward-looking statements.

ITEM 1 FINANCIAL STATEMENTS

The unaudited consolidated financial statements of registrant for the three months ended March 31, 2015 and 2014 follow. The unaudited consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented. All such adjustments are of a normal and recurring nature.

**TRANSBIOTEC, INC.
CONSOLIDATED BALANCE SHEETS**

	<u>Mar. 31, 2015</u>	<u>Dec. 31, 2014</u>
	(Unaudited)	
ASSETS		
Current assets		
Cash	\$ 25,016	\$ 623
Total current assets	25,016	623
Property and equipment - net	270	454
Total Assets	<u>\$ 25,286</u>	<u>\$ 1,077</u>
 LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 517,699	\$ 484,260
Accrued interest payable	445,736	407,684
Notes payable - current - related parties	697,225	697,225
Notes payable - current, net	895,814	871,694
Notes payable - derivative liability payable	-	25,456
Stock subscriptions received	28,067	28,067
Related party payables	325,765	296,265
Other payables	241,922	241,922
Total current liabilities	<u>3,152,228</u>	<u>3,052,573</u>
Notes payable - related parties	43,298	43,298
Total Liabilities	<u>3,195,526</u>	<u>3,095,871</u>
Stockholders' Deficit		
Common stock, \$.00001 par value; 100,000,000 shares authorized; 58,416,660 and 58,416,660 shares issued and outstanding as of March 31, 2015 and December 31 2014, respectively	585	585
Additional paid in capital	12,760,347	12,716,630
Accumulated deficit	(15,895,451)	(15,777,222)
Total Transbiotec, Inc. stockholders' deficit	<u>(3,134,519)</u>	<u>(3,060,007)</u>
Noncontrolling interest	(35,721)	(34,787)
Total Stockholders' Deficit	<u>(3,170,240)</u>	<u>(3,094,794)</u>
Total Liabilities and Stockholders' Deficit	<u>\$ 25,286</u>	<u>\$ 1,077</u>

The accompanying notes are an integral part of the consolidated financial statements.

TRANSBIOTEC, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

	For 3 Months Ended	
	Mar. 31, 2015	Mar. 31, 2014
Revenues	\$ -	\$ -
Operating expenses:		
Amortization & depreciation	184	194
General and administrative	85,271	138,626
	<u>85,455</u>	<u>138,820</u>
Loss from operations	<u>(85,455)</u>	<u>(138,820)</u>
Other income (expense):		
Gain (Loss) on fair value adjustment - derivatives	25,456	(10,051)
Interest expense	(55,414)	(41,854)
Interest expense - beneficial conversion feature	(3,750)	(10,664)
	<u>(33,708)</u>	<u>(62,569)</u>
Loss before provision for income taxes	(119,163)	(201,389)
Provision for income tax	<u>-</u>	<u>-</u>
Net loss	(119,163)	(201,389)
Less: Net loss attributable to noncontrolling interest	934	1,194
Net loss attributable to TranBioTec, Inc.	<u>\$ (118,229)</u>	<u>\$ (200,195)</u>
Net loss per share		
(Basic and fully diluted)	<u>\$ (0.003)</u>	<u>\$ (0.006)</u>
Weighted average number of common shares outstanding	<u>39,215,919</u>	<u>35,007,823</u>

The accompanying notes are an integral part of the consolidated financial statements.

TRANSBIOTEC, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

**For Three Months Ended
March 31,**

2015 2014

Operating Activities:

Net loss	\$	(118,229)	\$	(200,195)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:				
Amortization & depreciation		184		194
Change in fair value of derivative liability		(25,456)		10,051
Note payable beneficial conversion expense		(21,250)		10,664
Stock Based Compensation		43,717		-
Changes in assets and liabilities:				
Accounts payable		33,439		162,737
Accrued interest payable		38,052		-
Related party payable		29,500		-
Other payable		(934)		(1,194)
Net cash used for operating activities		<u>(20,977)</u>		<u>(17,743)</u>

Financing Activities:

Notes & loans payable - borrowings		52,475		42,743
Notes & loans payable - payments		(7,105)		(25,000)
Net cash provided by financing activities		<u>45,370</u>		<u>17,743</u>

Net Change In Cash

24,393 -

Cash At The Beginning Of The Period

623 -

Cash At The End Of The Period

\$ 25,016 \$ -

Schedule Of Non-Cash Investing And Financing Activities

Debt converted to capital	\$	-	\$	4,650
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Supplemental Disclosure

Cash paid for interest	\$	6,075	\$	3,750
Cash paid for income taxes		-		-

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

TRANSBIOTEC, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

TransBiotech, Inc. ("TransBiotech – DE"), formerly Imagine Media LTD., was incorporated August, 2007 in the State of Delaware. A corporation also named TransBiotech, Inc. ("TransBiotech – CA") was formed in the state of California July 4, 2004. Effective September 19, 2011 TransBiotech - DE was acquired by TransBiotech - CA in a transaction classified as a reverse acquisition as the shareholders of TransBiotech - CA retained the majority of the outstanding common stock of TransBiotech - DE after the share exchange. The financial statements represent the activity of TransBiotech - CA from July 4 2004 forward, and the consolidated activity of TransBiotech - DE and TransBiotech - CA from September 19, 2011 forward. TransBiotech - DE and TransBiotech - CA are hereinafter referred to collectively as the "Company". The Company has developed and plans to market and sell a non-invasive alcohol sensing system which includes an ignition interlock. The Company has not generated any revenues from its operations.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") as promulgated in the United States of America.

Principles of consolidation

The accompanying unaudited condensed consolidated financial statements include the amounts of the Company and its majority owned subsidiary, Transbiotec-CA. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Specifically, such estimates were made by the Company for the valuation of derivative liability, stock compensation and beneficial conversion feature expenses. Actual results could differ from those estimates.

Cash

The Company considers all highly liquid investments with an original maturity of three months or less as cash equivalents. The Company does not have any cash equivalents as of March 31, 2015 and December 31, 2014.

TRANSBIOTEC, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property and equipment

Property and equipment are recorded at cost and depreciated under straight line methods over each item's estimated useful life.

Income tax

The Company accounts for income taxes pursuant to ASC 740. Under ASC 740 deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Net loss per share

The net loss per share is computed by dividing the net loss by the weighted average number of shares of common outstanding. Diluted net loss per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that would then share in the income of the Company, subject to anti-dilution limitations. The Company has 25,741,078 stock options that can be converted to common stock if exercised.

Financial Instruments

SC Topic 820 defines fair value, establishes a framework for measuring fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurement and enhances disclosure requirements for fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. 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 asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

TRANSBIOTEC, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The carrying value of cash, accounts payable, accrued expenses, notes payable, related party payables, and other payable approximates their fair values due to their short-term maturities.

Long-Lived Assets

In accordance with ASC 350, the Company regularly reviews the carrying value of intangible and other long-lived assets for the existence of facts or circumstances, both internally and externally, that may suggest impairment. If impairment testing indicates a lack of recoverability, an impairment loss is recognized by the Company if the carrying amount of a long-lived asset exceeds its fair value.

Beneficial Conversion Features

From time to time, the Company may issue convertible notes that may contain an embedded beneficial conversion feature. A beneficial conversion feature exists on the date a convertible note is issued when the fair value of the underlying common stock to which the note is convertible into is in excess of the remaining unallocated proceeds of the note after first considering the allocation of a portion of the note proceeds to the fair value of the warrants, if related warrants have been granted. The intrinsic value of the beneficial conversion feature is recorded as a debt discount with a corresponding amount to additional paid in capital. The debt discount is amortized to interest expense over the life of the note using the effective interest method.

Derivative Instruments

The fair value of derivative instruments is recorded and shown separately under current liabilities. Changes in fair value are recorded in the consolidated statement of income under other income (expenses).

The Company evaluates all of its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instruments 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-Sholes-Merton 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.

TRANSBIOTEC, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Stock based compensation

The Company has share-based compensation plans under which employees, consultants, suppliers and directors may be granted restricted stock, as well as options and warrants to purchase shares of Company common stock at the fair market value at the time of the grant. Stock-based compensation cost to employees is measured by the Company at the grant date, based on the fair value of the award, over the requisite service period under ASC718. For options issued to employees, the Company recognizes stock compensation costs utilizing the fair value methodology over the related period of benefit. Grants of stock to non-employees and other parties are accounted for in accordance with the ASC 505.

Recent accounting pronouncement

In June 2014, the FASB issued ASU 2014-10, Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements. ASU 2014-10 eliminates the distinction of a development stage entity and certain related disclosure requirements, including the elimination of inception-to-date information on the statements of operations, cash flows and stockholders' equity. The amendments in ASU 2014-10 will be effective prospectively for annual reporting periods beginning after December 15, 2014, and interim periods within those annual periods, however early adoption is permitted. The Company adopted ASU 2014-10 during the quarter ended June 30, 2014, thereby no longer presenting or disclosing any information required by Topic 915.

In August 2014, the FASB issued the FASB Accounting Standards Update No. 2014-15 "Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern ("ASU 2014-15"). In connection with preparing financial statements for each annual and interim reporting period, an entity's management should evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable). Management's evaluation should be based on relevant conditions and events that are known and reasonably knowable at the date that the financial statements are issued (or at the date that the financial statements are available to be issued when applicable). Substantial doubt about an entity's ability to continue as a going concern exists when relevant conditions and events, considered in the aggregate, indicate that it is probable that the entity will be unable to meet its obligations as they become due within one year after the date that the financial statements are issued (or available to be issued). The term probable is used consistently with its use in Topic 450, Contingencies.

When management identifies conditions or events that raise substantial doubt about an entity's ability to continue as a going concern, management should consider whether its plans that are intended to mitigate those relevant conditions or events will alleviate the substantial doubt. The mitigating effect of management's plans should be considered only to the extent that (1) it is probable that the plans will be effectively implemented and, if so, (2) it is probable that the plans will mitigate the conditions or events that raise substantial doubt about the entity's ability to continue as a going concern.

TRANSBIOTEC, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

If conditions or events raise substantial doubt about an entity's ability to continue as a going concern, but the substantial doubt is alleviated as a result of consideration of management's plans, the entity should disclose information that enables users of the financial statements to understand all of the following (or refer to similar information disclosed elsewhere in the footnotes):

- a. Principal conditions or events that raised substantial doubt about the entity's ability to continue as a going concern (before consideration of management's plans).
- b. Management's evaluation of the significance of those conditions or events in relation to the entity's ability to meet its obligations.
- c. Management's plans that alleviated substantial doubt about the entity's ability to continue as a going concern.

If conditions or events raise substantial doubt about an entity's ability to continue as a going concern, but the substantial doubt is not alleviated after consideration of management's plans, an entity should include a statement in the footnotes indicating that there is substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or available to be issued). Additionally, the entity should disclose information that enables users of the financial statements to understand all of the following:

- a. Principal conditions or events that raise substantial doubt about the entity's ability to continue as a going concern.
- b. Management's evaluation of the significance of those conditions or events in relation to the entity's ability to meet its obligations.
- c. Management's plans that are intended to mitigate the conditions or events that raise substantial doubt about the entity's ability to continue as a going concern.

The amendments in this Update are effective for the annual period ending after December 15, 2016, and for the annual periods and interim periods thereafter. Early application is permitted. The Company is currently evaluating the impact of the adoptions of ASU 2014-15 on its consolidated financial statements.

Minority interest (Noncontrolling interest)

A subsidiary of the Company has minority members, representing ownership interests of 1.38% at March 31, 2015. The Company accounts for these minority, or noncontrolling interests pursuant to ASC 810-10-65 whereby gains and losses in a subsidiary with a noncontrolling interest are allocated to the noncontrolling interest based on the ownership percentage of the noncontrolling interest, even if that allocation results in a deficit noncontrolling interest balance.

TRANSBIOTEC, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. RELATED PARTY TRANSACTIONS

As of March 31, 2015 and December 31, 2014, the Company had payables due to officers, for accrued compensation and services of \$325,765 and \$296,265 respectively.

NOTE 3. PROPERTY & EQUIPMENT

Fixed asset values recorded at cost are as follows:

	March 31, 2015	December 31, 2014
Office and Lab Equipment	\$ 32,127	\$ 32,127
Furniture and fixtures	11,556	11,556
	43,683	43,683
Less accumulated depreciation	(43,413)	(43,229)
Net	<u>\$ 270</u>	<u>\$ 454</u>

Depreciation expense for the three months ended March 31, 2015 and 2014 was \$184 and \$194, respectively.

TRANSBIOTEC, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4. NOTES PAYABLE

	December 31, 2014	(Unaudited) March 31, 2015
Note payable to related party, unsecured, due 8/3/2012, interest rate 0%. Currently in default	\$ 1,950	\$ 1,950
Notes payable to related party, unsecured, due 12/31/2012, interest rate 0%. Currently in default.	\$ 11,810	\$ 11,810
Note payable to related party, unsecured, \$731,763, 5-years at 0% simple interest, due 7/1/2016, payment amounts vary each month, various late penalties. Currently in default.	\$ 726,763	\$ 726,763
Note payable to non-related party, unsecured, due 2/8/12, quarterly interest due, convertible at holder's option at \$0.3235688 per TBT - DE share, interest rate 30%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$ 10,000	\$ 10,000
Note payable to non-related party, unsecured, due 2/8/12, quarterly interest due, convertible at holder's option at \$0.3235688 per TBT - DE share, interest rate 30%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$ 25,000	\$ 25,000
Note payable to non-related party, unsecured, due 2/17/12, quarterly interest due, convertible at holder's option at \$0.3235688 per TBT - DE share, interest rate 30%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$ 25,000	\$ 25,000
Note payable to non-related party, unsecured, due 2/18/12, quarterly interest due, convertible at holder's option at \$0.3235688 per TBT - DE share, interest rate 30%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$ 10,000	\$ 10,000
Note payable to non-related party, unsecured, due 2/18/13, annual interest due, convertible at holder's option at \$0.3235688 per TBT-DE share, interest rate 18%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$ 750	\$ 750

TRANSBIOTEC, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note payable to non-related party, unsecured, due 2/18/13, annual interest due, convertible at holder's option at \$0.3235688 per TBT-DE share, interest rate 18%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	6,875	\$	6,875
Note payable to non-related party, unsecured, due 2/15/13, annual interest due, convertible at holder's option at \$0.3235688 per TBT-DE share, interest rate 12%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	2,500	\$	2,500
Note payable to non-related party, unsecured, due 2/20/13, annual interest due, convertible at holder's option at \$0.3235688 per TBT-DE share, interest rate 12%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	3,750	\$	3,750
Note payable to non-related party, unsecured, due 2/21/13, annual interest due, convertible at holder's option at \$0.3235688 per TBT-DE share, interest rate 12%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	2,625	\$	2,625
Note payable to non-related party, unsecured, due 3/20/13, annual interest due, convertible at holder's option at \$0.3235688 per TBT-DE share, interest rate 12%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	5,433	\$	5,433
Note payable to non-related party, unsecured, due 3/22/13, annual interest due, convertible at holder's option at \$0.3235688 per TBT-DE share, interest rate 12%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	3,203	\$	3,203
Note payable to non-related party, unsecured, due 4/19/13, annual interest due, convertible at holder's option at 51% of market as defined, interest rate 8%, conversion limited to total beneficial ownership of 4.99%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue and/or the continued conversion of the company's stock.	\$	6,605	\$	-
Note payable to non-related party, unsecured, due 08/29/2013, simple interest 8% convertible at holder's option at \$.249 per TBT-CA share. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	15,000	\$	15,000
Note payable to non-related party, unsecured, due 03/01/2013, simple interest 9%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	5,000	\$	5,000
Note payable to non-related party, unsecured, due 12/13/2013, simple interest 7%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	5,342	\$	5,342

TRANSBIOTEC, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note payable to non-related party, unsecured, due 01/31/2013, simple interest 18%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	3,938	\$	3,938
Note payable to non-related party, unsecured, due 01/07/2014, simple interest 7%, default interest 10%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	15,000	\$	15,000
Note payable to non-related party, unsecured, due 01/15/2014, simple interest 7%, default interest 10%. Currently in default. Principal balance including interest to be paid upon thereceipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	5,000	\$	5,000
Note payable to non-related party, unsecured, due 01/20/2014, simple interest 7%, default interest 10%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	65,272	\$	65,272
Note payable to non-related party, unsecured, due 03/28/2013, \$13,000 in interest (1 month).Currently in default.	\$	17,000	\$	17,000
Note payable to non-related party, unsecured, due 01/23/2014, simple interest 9%. Currently in default.	\$	50,000	\$	50,000
Note payable to non-related party, unsecured, due 04/28/2014, simple interest 7%, default interest 10%. Currently in default.Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	9,440	\$	9,440
Note payable to non-related party, unsecured, due 10/25/2013, simple interest 18%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	2,000	\$	2,000
Note payable to non-related party, unsecured, due 05/05/2014, simple interest 7%, default interest 10%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	50,060	\$	50,060
Note payable to non-related party, unsecured, due 07/02/2014, simple interest 7%, default interest 10%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	15,000	\$	15,000

TRANSBIOTEC, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note payable to non-related party, unsecured, due 07/29/2014, simple interest 7%, default interest 10%, Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	1,900	\$	1,900
Note payable to non-related party, unsecured, due 09/19/2014, simple interest 7%, default interest 10%, Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	10,000	\$	10,000
Note payable to non-related party, unsecured, due 09/19/2014, simple interest 7%, default interest 10%, Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	65,000	\$	65,000
Note payable to non-related party, unsecured, due 12/27/2013, simple interest 9% quarterly, Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	15,000	\$	15,000
Note payable to non-related party, unsecured, due 09/29/2014, simple interest 7%, default interest 10%, Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	20,000	\$	20,000
Note payable to non-related party, unsecured, due 10/28/2014, simple interest 7%, default interest 10%, Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	2,500	\$	2,500
Note payable to non-related party, unsecured, due 10/29/2014, simple interest 7%, default interest 10%, Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	10,000	\$	10,000
Note payable to non-related party, unsecured, due 11/10/2014, simple interest 7%, default interest 10%, Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	5,000	\$	5,000
Note payable to non-related party, unsecured, due 11/12/2014, simple interest 9%, Convertible at \$0.04 per share, currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	11,000	\$	11,000
Note payable to non-related party, unsecured, due 11/20/2014, simple interest 7%, default interest 10%, Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	20,000	\$	20,000

TRANSBIOTEC, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note payable to non-related party, unsecured, due 12/02/2014, simple interest 7%, default interest 10%, Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	5,000	\$	5,000
Note payable to non-related party, unsecured, due 1/27/2014, simple interest 10%, currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	4,235	\$	3,735
Note payable to non-related party, unsecured, due 1/07/2015, simple interest 7%, default interest 10%, Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	25,000	\$	25,000
Note payable to non-related party, unsecured, due 1/28/2015, simple interest 7%, default interest 10%, Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	1,253	\$	1,253
Note payable to non-related party, unsecured, due 1/29/2015, simple interest 7%, default interest 10%, Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	3,500	\$	3,500
Note payable to non-related party, unsecured, due 2/10/2015, simple interest 7%, default interest 10%, Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	990	\$	990
Note payable to non-related party, unsecured, due 2/17/2015, simple interest 7%, default interest 10%, Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	4,500	\$	4,500
Note payable to non-related party, unsecured, due 2/20/2015, simple interest 7%, default interest 10%, Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	5,000	\$	5,000
Note payable to non-related party, unsecured, due 3/10/2015, simple interest 7%, default interest 10%, Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	2,500	\$	2,500
Note payable to non-related party, unsecured, due 3/31/2015, simple interest 7%, default interest 10%, Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	2,500	\$	2,500
Note payable to non-related party, unsecured, due 4/03/2015, simple interest 7%, default interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	5,890	\$	5,890

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Note payable to non-related party, unsecured, due 4/08/2015, simple interest 7%, Convertible at \$0.0072 per share. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	15,000	\$	15,000
Note payable to non-related party, unsecured, due 4/10/2015, simple interest 7%, default interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	4,331	\$	4,331
Note payable to non-related party, unsecured, due 4/27/2015, simple interest 7%, default interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	2,500	\$	2,500
Note payable to non-related party, unsecured, due 5/13/2015, simple interest 7%, default interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	5,360	\$	5,360
Note payable to non-related party, unsecured, due 5/26/2015, simple interest 7%, default interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	895	\$	895
Note payable to non-related party, unsecured, due 9/11/2014, simple interest 10%, currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	5,000	\$	5,000
Note payable to non-related party, unsecured, due 6/10/2015, simple interest 7%, default interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	3,207	\$	3,207
Note payable to non-related party, unsecured, due 6/17/2015, simple interest 7%, default interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	600	\$	600
Note payable to non-related party, unsecured, due 8/05/2015, simple interest 7%, default interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	10,000	\$	10,000
Note payable to non-related party, unsecured, due 7/09/2015, simple interest 7%, default interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	3,750	\$	3,750

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Note payable to non-related party, unsecured, due 9/03/2015, simple interest 7%, default interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	1,000	\$	1,000
Note payable to non-related party, unsecured, due 10/19/2015, simple interest 7%, default interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	1,486	\$	1,486
Note payable to non-related party, unsecured, due 10/22/2015, simple interest 7%, default interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	3,500	\$	3,500
Note payable to non-related party, unsecured, due 10/28/2015, simple interest 7%, default interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	4,360	\$	4,360
Note payable to non-related party, unsecured, due 11/11/2015, simple interest 7%, default interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	5,810	\$	5,810
Note payable to non-related party, unsecured, due 11/19/2015, simple interest 7%, default interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	15,000	\$	15,000
Note payable to non-related party, unsecured, due 12/02/2015, simple interest 7%, default interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	214,334	\$	214,334
Note payable to non-related party, unsecured, due 1/01/2016, simple interest 7%, default interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	-	\$	600
Note payable to non-related party, unsecured, due 1/06/2016, simple interest 7%, default interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	-	\$	12,709
Note payable to non-related party, unsecured, due 2/04/2016, simple interest 7%, default interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	-	\$	7,080

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Note payable to non-related party, unsecured, due 2/14/2016, simple interest 7%, default interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	-	\$	550
Note payable to non-related party, unsecured, due 2/09/2016, simple interest 7%, default interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	-	\$	1,536
Note payable to non-related party, unsecured, due 3/25/2016, simple interest 7%, default interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Stock option issued as an additional transaction cost for receipt of funds from note payable.	\$	-	\$	5,000
Note payable to non-related party, unsecured, due 3/26/2016, simple interest 8%, convertible at \$0.0017 per share. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	-	\$	25,000
	\$	1,617,217	\$	1,662,587
Less note discounts		(5,000)		(26,250)
Less current - related parties		(697,225)		(697,225)
Less current – non-related parties		<u>(871,694)</u>		<u>(895,814)</u>
Long-term – related parties	\$	<u>43,298</u>	\$	<u>43,298</u>

TRANSBIOTEC, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Required principal payments from March 31, 2015 forward are as follows:

2015	\$ 1,619,289
2016	\$ 43,298
2017	\$ -
2018	\$ -
2019	\$ -
	<u>\$ 1,662,587</u>

Interest expense under notes payable for the three months ended March 31, 2015 and March 31, 2014 was \$43,141 and \$41,854, respectively.

During the three months ended March 31, 2015 and March 31, 2014 the Company recognized a beneficial conversion feature expense on borrowing from convertible notes of \$3,750 and \$10,664 respectively. During the three months ended March 31, 2015 and March 31, 2014 the unamortized note discount from the beneficial conversion feature was \$26,250 and \$12,332, respectively.

In 2012 the company borrowed \$110,000 under convertible notes with a variable conversion price based on a percentage of market price. Notes converted at December 31, 2013 and December 31, 2014 were \$47,500 and \$103,395, respectively. The Company determined that these notes have an embedded derivative and are therefore accounted for at fair value. The Company recorded fair market value adjustments for the three months ended March 31, 2015 and March 31, 2014 of \$(25,456) and \$10,051, respectively. The fair market value adjustments were based on the Black-Sholes method using the following assumptions: risk free rates ranging between 0.10% - 0.21%, dividend yield of 0%, expected life of 1 year, volatility between 128% - 354%. The fair value derivative liability under the notes as of March 31, 2015 and December 31, 2014 was \$0 and \$25,456 respectively.

TRANSBIOTEC, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5. INCOME TAXES

Deferred income taxes arise from the temporary differences between financial statement and income tax recognition of net operating losses. These loss carryovers are limited under the Internal Revenue Code should a significant change in ownership occur.

NOTE 6. STOCK OPTIONS AND SUBSCRIPTIONS PAYABLE

The Company accounts for employee and non-employee stock options under ASC 718 and ASC 505, whereby option costs are recorded based on the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. Unless otherwise provided for, the Company covers option exercises by issuing new shares.

The Company's stock option activity is described below.

Non-employee stock options

At the beginning of 2012, the Company had 22,500 options outstanding for shares in Transbiotec – CA. During the year ended December 31, 2012 no options were exercised or expired, leaving a December 31, 2012 outstanding balance of 22,500 non-employee stock options, exercisable at prices from \$0.10 - \$0.15 per share with the option terms expiring from January 2012 through January 2015. All of these options are for the stock of TransBiotec - CA. During the year ended December 31, 2013 no options were exercised or expired, leaving a December 31, 2013 outstanding balance of 22,500 non-employee stock options, exercisable at \$0.10 per share with the option terms expiring in January 2015. During the year ended December 31, 2014, 20,000 options were exercised, leaving a December 31, 2014 outstanding balance of 2,500 non-employee stock options, exercisable at \$0.10 per share with the option terms expiring in January 2015. During the three months ended March 31, 2015, no options were exercised as all outstanding options expired in January 2015 leaving no outstanding balance of non-employee stock options in the stock of Transbiotec-CA at March 31, 2015.

During 2012 the Company granted 29,678 stock options for shares in Transbiotec - DE. The fair value of the option grants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: risk free interest rate of 0.8%, dividend yield of 0%, expected life of five years, volatility of 189%. No options were exercised or expired, leaving a December 31, 2012 outstanding balance of 29,678 options for Transbiotec – DE. The Company incurred and recorded compensation expense under these stock option grants of \$4,042 in 2012.

TRANSBIOTEC, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

During 2013 the Company granted 5,321,735 stock options for shares in Transbiotec - DE. The fair value of the option grants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: risk free interest rates between 7% - 14%, dividend yield of 0%, expected life of five years, volatility between 179% - 186%. No options were exercised or expired, leaving a December 31, 2013 outstanding balance of 5,351,413 options for Transbiotec – DE. The Company incurred and recorded compensation expense under these stock option grants of \$145,997 in 2013.

During 2014 the Company granted 8,403,633 stock options for shares in Transbiotec - DE. The fair value of the option grants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: risk free interest rate between 1.55% - 1.77%, dividend yield of 0%, expected life of five years, a volatility range of 147% - 178%. No options were exercised or expired, leaving a December 31, 2014 outstanding balance of 13,755,046 options for Transbiotec – DE. The Company incurred and recorded compensation expense under these stock option grants of \$69,886 during the year ended December 31, 2014.

During the three months ended March 31, 2015, the Company granted 11,986,032 stock options for shares in Transbiotec - DE. The fair value of the option grants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: risk free interest rate between 1.37% - 1.52%, dividend yield of 0%, expected life of five years, a volatility range of 172% - 174%. No options were exercised or expired, leaving a March 31, 2015 outstanding balance of 25,741,078 options for Transbiotec – DE. The Company incurred and recorded compensation expense under these stock option grants of \$18,717 during the three months ended March 31, 2015.

A summary of stock option activity for California is as follows:

	<u>Number of Shares</u>	<u>Weighted Average Exercise Price</u>
Outstanding at December 31, 2014	2,500	\$.10
Granted	-	-
Exercised	-	-
Forfeited	<u>2,500</u>	<u>.10</u>
Outstanding at March 31, 2015	<u>-</u>	<u>\$ -</u>

TRANSBIOTEC, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

A summary of stock option activity for Delaware is as follows:

	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2014	13,755,046	\$.0295
Granted	11,986,032	.0014
Exercised	-	-
Forfeited	-	-
Outstanding at March 31, 2015	25,741,078	\$.0164

Following is a summary of the status of options for Delaware outstanding at March 31, 2015:

Exercise Price	Number of Shares	Remaining Contractual Life	Weighted Average Exercise Price	Exercised at Mar. 31, 2015
\$ 0.0900	29,678	2 years	0.0900	-
\$ 0.1700	83,333	3 years	0.1700	-
\$ 0.1700	27,778	3 years	0.1700	-
\$ 0.1700	362,624	3 years	0.1700	-
\$ 0.1300	80,914	3 years	0.1300	-
\$ 0.1300	429,086	3 years	0.1300	-
\$ 0.0600	38,000	3 years	0.0600	-
\$ 0.0400	250,000	3 years	0.0400	-
\$ 0.0400	1,625,000	3 years	0.0400	-
\$ 0.0500	400,000	3 years	0.0500	-
\$ 0.0400	75,000	3 years	0.0400	-
\$ 0.0400	300,000	3 years	0.0400	-
\$ 0.0200	300,000	3 years	0.0200	-
\$ 0.0200	1,200,000	3 years	0.0200	-
\$ 0.0400	150,000	3 years	0.0400	-
\$ 0.0125	1,200,000	4 years	0.0125	-
\$ 0.0150	50,137	4 years	0.0150	-
\$ 0.0150	140,000	4 years	0.0150	-
\$ 0.0190	31,256	4 years	0.0190	-
\$ 0.0161	167,702	4 years	0.0161	-

TRANSBIOTEC, INC.
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\$	0.0147	204,082	4 years	0.0147	-
\$	0.0200	75,000	4 years	0.0200	-
\$	0.0198	75,758	4 years	0.0198	-
\$	0.0213	165,915	4 years	0.0213	-
\$	0.0195	133,262	4 years	0.0195	-
\$	0.0188	79,787	4 years	0.0188	-
\$	0.0140	229,714	4 years	0.0140	-
\$	0.0190	50,000	4 years	0.0190	-
\$	0.0127	42,283	4 years	0.0127	-
\$	0.0090	213,833	4 years	0.0090	-
\$	0.0074	48,649	4 years	0.0074	-
\$	0.0060	375,000	4 years	0.0060	-
\$	0.0098	612,245	4 years	0.0098	-
\$	0.0098	61,224	4 years	0.0098	-
\$	0.2500	25,000	5 years	0.2500	-
\$	0.0680	450,000	5 years	0.0680	-
\$	0.0072	123,828	5 years	0.0072	-
\$	0.0056	375,000	5 years	0.0056	-
\$	0.0070	250,000	5 years	0.0070	-
\$	0.0070	373,714	5 years	0.0070	-
\$	0.0041	850,244	5 years	0.0041	-
\$	0.0045	2,000,000	5 years	0.0045	-
\$	0.0024	150,000	5 years	0.0024	-
\$	0.0010	7,625,544	5 years	0.0010	-
\$	0.0024	1,770,000	5 years	0.0024	-
\$	0.0023	400,782	5 years	0.0023	-
\$	0.0012	275,000	5 years	0.0012	-
\$	0.0017	1,764,706	5 years	0.0017	-
Total		25,741,078		0.0164	

Employee stock options

The parent company had no outstanding employee stock options.

Stock subscriptions received

At March 31, 2015 and December 31, 2014, the Company had stock subscriptions received of \$28,067 for 80,696 common shares to be issued.

TRANSBIOTEC, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7. GOING CONCERN

The Company has suffered recurring losses from operations and has a working capital deficit and stockholders' deficit, and in all likelihood will be required to make significant future expenditures in connection with continuing marketing efforts along with general administrative expenses. As of March 31, 2015, the accumulated deficit is \$15,895,451. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

The Company may raise additional capital through the sale of its equity securities, through an offering of debt securities, or through borrowings from financial institutions or others. By doing so, the Company hopes to generate revenues from sales of its alcohol sensing and ignition lock systems. Management believes that actions presently being taken to obtain additional funding provide the opportunity for the Company to continue as a going concern.

NOTE 8. COMMON STOCK

On February 1, 2013, the Company converted a note payable of \$12,000 into 291,262 shares of its common stock, with a purchase price \$0.0412 per share.

On February 6, 2013, the Company entered into an agreement with an unrelated third-party consultant. As payment for the consultant's services, the Company issued 150,000 shares of its common stock on said date valued at \$22,500 with a purchase price of \$0.15 per share.

On February 26, 2013, the Company entered into an agreement with an unrelated third-party consultant. As payment for the consultant's services, the Company issued 450,000 shares of its common stock on said date valued at \$30,600 with a purchase price of \$0.068 per share.

On February 27, 2013, the Company entered into an agreement with an unrelated third-party consultant. As payment for the consultant's services, the Company issued 50,000 shares of its common stock on said date valued at \$16,000 with a purchase price of \$0.32 per share.

On February 27, 2013, the Company entered into an agreement with an unrelated third-party consultant. As payment for the consultant's services, the Company issued 33,333 shares of its common stock on said date valued at \$2,333 with a purchase price of \$0.07 per share.

On May 9, 2013, the Company converted a note payable of \$12,000 into 759,494 shares of its common stock, with a purchase price \$0.0158 per share.

On July 8, 2013, the Company entered into an agreement with an unrelated third-party consultant. As payment for the consultant's services, the Company issued 150,000 shares of its common stock on said date valued at \$6,000 with a purchase price of \$0.04 per share.

On July 12, 2013, the Company converted a note payable of \$10,000 into 775,194 shares of its common stock, with a purchase price \$0.0129 per share.

TRANSBIOTEC, INC.
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On August 12, 2013, the Company converted a note payable of \$15,000 into 1,171,875 shares of its common stock, with a purchase price \$0.0128 per share.

On February 10, 2014, the Company converted a note payable of \$4,650 into 1,291,667 shares of its common stock, with a purchase price \$0.0036 per share.

On April 24, 2014, the Company exchanged 20,000 of TBT-CA shares for 154,520 TBT-Publico shares at an exchange rate of \$7.7263 per share.

On May 13, 2014, the Company converted a note payable of \$9,000 into 1,764,706 shares of its common stock, with a purchase price \$0.0051 per share.

On May 30, 2014, the Company converted a note payable of \$265, including \$210 of accrued interest into 50,000 shares of its common stock, with a purchase price \$0.0095 per share.

On June 3, 2014, the Company converted a note payable of \$5,600, including \$1,500 in accrued interest into 1,690,476 shares of its common stock, with a purchase price \$0.0042 per share.

On July 2, 2014, the Company converted a note payable of \$6,360 into 1,766,667 shares of its common stock, with a purchase price \$0.0036 per share.

On August 19, 2014, the Company converted a note payable of \$7,135 into 2,038,571 shares of its common stock, with a purchase price \$0.0035 per share.

On October 21, 2014, the Company converted a note payable of \$6,520 into 2,037,500 shares of its common stock, with a purchase price \$0.0032 per share.

On October 22, 2014, the Company converted a note payable of \$6,270 into 1,959,375 shares of its common stock, with a purchase price \$0.0032 per share.

On October 29, 2014, the Company converted a note payable of \$5,780 into 2,140,741 shares of its common stock, with a purchase price \$0.0027 per share.

On November 20, 2014, the Company converted a note payable of \$4,690 into 2,345,000 shares of its common stock, with a purchase price \$0.0020 per share.

On November 24, 2014, the Company converted a note payable of \$3,985 into 2,344,118 shares of its common stock, with a purchase price \$0.0017 per share.

On December 16, 2014, the Company converted a note payable of \$3,280 into 2,342,857 shares of its common stock, with a purchase price \$0.0014 per share.

On December 30, 2014, the Company converted a note payable of \$1,875 into 2,343,750 shares of its common stock, with a purchase price \$0.0008 per share.

ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Disclaimer Regarding Forward Looking Statements

Our Management's Discussion and Analysis or Plan of Operations contains not only statements that are historical facts, but also statements that are forward-looking. Forward-looking statements are, by their very nature, uncertain and risky. These risks and uncertainties include international, national and local general economic and market conditions; demographic changes; our ability to sustain, manage, or forecast growth; our ability to successfully make and integrate acquisitions; raw material costs and availability; new product development and introduction; existing government regulations and changes in, or the failure to comply with, government regulations; adverse publicity; competition; the loss of significant customers or suppliers; fluctuations and difficulty in forecasting operating results; changes in business strategy or development plans; business disruptions; the ability to attract and retain qualified personnel; the ability to protect technology; and other risks that might be detailed from time to time in our filings with the Securities and Exchange Commission.

Although the forward-looking statements in this Quarterly Report reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by them. Consequently, and because forward-looking statements are inherently subject to risks and uncertainties, the actual results and outcomes may differ materially from the results and outcomes discussed in the forward-looking statements. You are urged to carefully review and consider the various disclosures made by us in this report and in our other reports as we attempt to advise interested parties of the risks and factors that may affect our business, financial condition, and results of operations and prospects.

Overview

We have developed an alcohol detection device called "SOBR". The device is a patented system for use in detecting alcohol in a person's system by measuring the ethanol content in their perspiration. Once SOBR is developed and tested, we plan to market the device to four primary business segments: (i) as an aftermarket-installed device to companies and institutions that employ or contract with vehicle drivers, such as trucking companies, limousine companies, and taxi cab companies, where the system will be marketed as a preventative drunk driving detection system, with a possible ignition locking device, (ii) the original equipment manufacturing (OEM) market, where the device would be installed in new vehicles during the original building of a vehicle, (iii) companies and institutions that have an interest in monitoring their employees' or contractors' alcohol level due to their job responsibilities, such as surgeons prior to entering surgery, pilots prior to flying aircraft, mineworkers prior to entering a mine, or the military for personnel returning to a military base from off-base leave or prior to leaving for a mission, and (iv) companies that would want to provide knowledge to their customers of their current alcohol level, such as lounge and bar owners, or customers attending a golfing event. We believe SOBR offers a unique solution to the national alcohol abuse problem.

We have developed a marketing plan that our management believes will gain market recognition for the SOBR device, primarily through trade shows, industry publications, general solicitation, social media, and public relations, as well as hopefully generating the demand for the SOBR device through the use of selling groups, such as channel sales, distributors, and independent sales contractors. We believe the primary market for the in-vehicle SOBR device initially is the commercial vehicle market, such as trucking companies, taxi cab companies, limousine companies, and bus companies. Many of these companies have a significant financial interest in eliminating drunk drivers from their operations. Secondly, individuals may desire to monitor a family member's vehicle, such as an automobile operated by a minor or a family member with a past alcohol issue.

We believe the primary market for the portable SOBR device is its use by companies and institutions that have an interest in monitoring their employees' or contractors' alcohol level due to their job responsibilities, such as surgeons prior to entering surgery, pilots prior to flying aircraft, mineworkers prior to entering a mine, or the military for personnel returning to a military base from off-base leave.

We are currently performing beta testing of SOBR.

Corporate Overview

We were formed in August 2007 to publish and distribute Image Magazine, a monthly guide and entertainment source for the Denver, Colorado area. We generated only limited revenue and essentially abandoned its business plan in January 2009. On September 19, 2011 we acquired approximately 52% of the outstanding shares of TBT from TBT's directors, in exchange for 12,416,462 shares of our common stock.

On January 31, 2012, we acquired approximately 45% of the remaining outstanding shares of TBT in exchange for 10,973,678 shares of our common stock.

Between the acquisitions in September 2011 and January 2012 we own approximately 97% of the outstanding shares of TBT.

As a result of the acquisition, TBT's business is our business, and, unless otherwise indicated, any references to we or us, include the business and operations of TBT.

TBT as the accounting acquirer in the transaction recorded the acquisition as the issuance of stock for our net monetary assets accompanied by a recapitalization. This accounting for the transaction was identical to that resulting from a reverse acquisition, except that no goodwill or other intangible assets were recorded.

We have developed and patented a high technology, state-of-the-art transdermal sensing system that detects ethanol alcohol levels through a person's skin.

The following discussion analyzes our financial condition and the results of our operations for the three and three months ended March 31, 2015.

This discussion and analysis should be read in conjunction with TBT's financial statements included as part of this Quarterly Report on Form 10-Q, as well as TBT's financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2014.

Results of Operations for Three Months Ended March 31, 2015 Compared to Three Months Ended March 31, 2014

Summary of Results of Operations

	Three Months Ended	
	March 31,	
	2015	2014
Revenue	\$ -	\$ -
Operating expenses:		
General and administrative	85,455	138,820
Amortization and depreciation	184	194
Total operating expenses	85,455	138,820
Operating loss	(85,455)	(138,820)
Interest expense	(55,414)	(41,854)
Interest expense – beneficial conversion feature	(3,750)	(10,664)
Gain (Loss) on fair value adjustment – derivatives	25,456	(10,051)
Net loss	<u>\$ (119,163)</u>	<u>\$ (201,389)</u>

Operating Loss; Net Income (Loss)

Our net income/(loss) changed by \$82,226, from (\$201,389) to (\$119,163), from the three months ended March 31, 2014 compared to March 31, 2015. Our operating loss decreased by \$53,365, from (\$138,820) to (\$85,455) for the same periods. The change in our net income/(loss) for the three months ended March 31, 2015, compared to the prior year period, is primarily a result of a decrease in our general and administrative expenses, a gain on fair value adjustment – derivatives as a result of the impact of a gain on the conversion of debt due to excess charges in the fair market value of the derivative liability charged in prior periods, and a decrease in interest expense due to a beneficial conversion feature in certain of our convertible instruments, offset by an increase in interest expense. These changes are detailed below.

Revenue

We have not had any revenues since our inception. Since September 2011, we have been involved in the development, testing and marketing SOBR, our unique alcohol sensor technology. Although we have not had any sales to date, we believe we are close to our first sales and revenue, possibly during 2015, but we must successfully raise money in order to execute on our business plan.

General and Administrative Expenses

General and administrative expenses decreased by \$53,355, from \$138,626 for the three months ended March 31, 2014 to \$85,271 for the three months ended March 31, 2015, primarily due to a decrease in consulting and legal fees.

Interest Expense

Interest expense increased from \$41,854 for the three months ended March 31, 2014 to \$55,414 for the three months ended March 31, 2015. For both periods these amounts are largely due to the interest we owe on outstanding debt.

Interest Expense – Beneficial Conversion Feature

In the three months ended March 31, 2015 our interest expense includes a beneficial conversion feature of \$3,750, compared to \$10,664 for the three months ended March 31, 2014, both related to a convertible debenture. This expense is amortized over time therefore the decrease in the expense was due to less required amortization.

Gain (Loss) on Fair Value Adjustment - Derivatives

During the three months ended March 31, 2015, we had a gain on fair value adjustment – derivatives of \$25,456 primarily due to a gain on the conversion of debt due to excess charges in the fair market value of the derivative liability charged in prior periods. Our loss on fair value adjustment – derivatives for the three months ended March 31, 2014 was (\$10,051), primarily due to decreases in our stock price during that period.

Liquidity and Capital Resources for Three Months Ended March 31, 2015 Compared to Three Months Ended March 31, 2014

Introduction

During the three months ended March 31, 2015 and 2014, because of our operating losses, we did not generate positive operating cash flows. Our cash on hand as of March 31, 2015 was \$25,016 and our monthly cash flow burn rate is approximately \$25,000. As a result, we have significant short term cash needs. These needs are being satisfied through proceeds from the sales of our securities and loans from both related parties and third parties. We currently do not believe we will be able to satisfy our cash needs from our revenues for some time.

Our cash, current assets, total assets, current liabilities, and total liabilities as of March 31, 2015 and as of December 31, 2014, respectively, are as follows:

	March 31,	December	
	2015	31,	Change
	2015	2014	
Cash	\$ 25,016	\$ 623	\$ 24,393
Total Current Assets	25,016	623	24,393
Total Assets	25,286	1,077	24,209
Total Current Liabilities	3,152,228	3,052,573	99,655
Total Liabilities	\$ 3,195,526	\$ 3,095,871	\$ 99,655

Our current assets were higher as of March 31, 2015 as compared to December 31, 2014, due to us having some cash on hand at March 31, 2015 due to funds that were loaned to us. The increase in our total assets between the two periods was attributed to the increase in our cash on hand as of March 31, 2015 compared to year prior.

Our current liabilities increased by \$99,655, as of March 31, 2015 as compared to December 31, 2014. This increase was primarily due to an increase in our accounts payable of \$33,439, an increase in our accrued interest payable of \$38,252, an increase in our notes payable current, net of \$24,120 as a result of borrowing additional money from non-related parties, and an increase in our related party payables of 29,500, partially offset by a decrease in our notes payable – derivative liability payable of \$25,456.

In order to repay our obligations in full or in part when due, we will be required to raise significant capital from other sources. There is no assurance, however, that we will be successful in these efforts.

Sources and Uses of Cash

Operations

We had net cash used for operating activities of (\$20,977) for the three months ended March 31, 2015, as compared to (\$17,743) for the three months ended March 31, 2014. For the period in 2015, the net cash used in operating activities consisted primarily of our net income (loss) of (\$118,229), a change in fair value of derivative liability of (\$25,456), and note payable beneficial conversion expense of (\$21,250) offset by stock based compensation of \$43,717, accounts payable of \$33,439, accrued interest payable of \$38,052, and other payable of \$29,500. For the period in 2014, the net cash used in operating activities consisted primarily of our net loss of (\$200,195) and other payable of (\$1,194), offset by change in fair value of derivative liability of \$10,051, note payable beneficial conversion expense of \$10,664, and accounts payable of \$162,737.

Investments

We had no cash provided (used) by investing activities in the three months ended March 31, 2015, compared to net cash provided (used) by investing activities of (\$511) for the three months ended March 31, 2014, which related fixed asset purchases of \$511.

Financing

Our net cash provided by financing activities for the three months ended March 31, 2015 was \$45,370, compared to \$17,743 for the three months ended March 31, 2014. For the period in 2015, our financing activities related to notes and loans payable – borrowings of \$52,475, offset by notes and loans payables – payments of (\$7,105). For the period in 2014, our financing activities related to notes and loans payable – borrowings of \$42,743, offset by notes and loans payables – payments of (\$25,000).

Off Balance Sheet Arrangements

We have no off balance sheet arrangements.

ITEM 3 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, we are not required to provide the information required by this Item.

ITEM 4 CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. Disclosure and control procedures are also designed to ensure that such information is accumulated and communicated to management, including the chief executive officer and chief financial officer, to allow timely decisions regarding required disclosures.

As of March 31, 2015, we carried out an evaluation, under the supervision and with the participation of management, including our chief executive officer (our Principal Executive Officer) and chief financial officer (our Principal Financial Officer), of the effectiveness of the design and operation of our disclosure controls and procedures. In designing and evaluating the disclosure controls and procedures, management recognizes that there are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their desired control objectives. Additionally, in evaluating and implementing possible controls and procedures, management is required to apply its reasonable judgment. We also do not have an audit committee. Based on the evaluation described above, and as a result, in part, of not having an audit committee and having one individual serve as our chief executive officer and chief financial officer has concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were not effective to the same extent as reported in our Annual Report on Form 10-K for the year ended December 31, 2014.

As funds become available to us, we expect to implement additional measures to improve disclosure controls and procedures.

(b) Changes in Internal Controls over Financial Reporting

There was no change in our internal controls over financial reporting that occurred during the period covered by this report, which has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

(c) Officer's Certifications

Appearing as an exhibit to this quarterly report on Form 10-Q are "Certifications" of our Chief Executive and Financial Officer. The Certifications are required pursuant to Sections 302 of the Sarbanes-Oxley Act of 2002 (the "Section 302 Certifications"). This section of the quarterly report on Form 10-Q contains information concerning the Controls Evaluation referred to in the Section 302 Certifications. This information should be read in conjunction with the Section 302 Certifications for a more complete understanding of the topics presented.

PART II – OTHER INFORMATION

ITEM 1 LEGAL PROCEEDINGS

On December 6, 2006, Orange County Valet and Security Patrol, Inc. filed a lawsuit against us in Orange County California State Superior Court for Breach of Contract in the amount of \$9,720.00. A default judgment was taken against us in this matter. In mid-2013 we learned the Plaintiff's perfected the judgment against us, but we have not heard from the Plaintiffs for a long period time.

We currently have one outstanding judgment against us involving a past employee of the company. The matter is under the purview of the State of California, Franchise Tax Board, Industrial Health and Safety Collections. We currently owe approximately \$28,277, plus accrued interest, to our ex-employee for unpaid wages under these Orders and are working to get this amount paid off.

In the ordinary course of business, we are from time to time involved in various pending or threatened legal actions. The litigation process is inherently uncertain and it is possible that the resolution of such matters might have a material adverse effect upon our financial condition and/or results of operations. However, in the opinion of our management, other than as set forth herein, matters currently pending or threatened against us are not expected to have a material adverse effect on our financial position or results of operations.

ITEM 1A Risk Factors

As a smaller reporting company, we are not required to provide the information required by this Item.

ITEM 2 Unregistered Sales of Equity Securities and Use of Proceeds

During the three months ended March 31, 2015, we issued the following unregistered securities:

Beginning on December 12, 2012, Michael A. Lanphere began loaning us money for a variety of purposes, some for working capital and some to allow us to pay outstanding obligations. Each of these loans was made pursuant to the terms of a Loan Agreement with Promissory Note and Stock Fee (the "Agreements"). Under the terms of Agreements, Mr. Lanphere was not only entitled to repayment of the principal amount loaned to us, with interest, but also earned what was termed in the Agreements as a "Stock Fee" that requires us to issue a certain number of shares of its common stock or options to purchase shares of our common stock at the request of Mr. Lanphere. The number of shares to be issued to Mr. Lanphere as a Stock Fee under each Agreement varied based on the loan amount and our the price of our common stock on the day of the loan and was calculated by this formula: sixty percent (60%) of the loan amount divided by the Company's stock price on the day of the loan, but at a price per share no higher than two and one-half cents (\$0.025). Each Stock Fee is fully vested immediately and expires five (5) years from the date of the loan. During the three months ended March 31, 2015, Mr. Lanphere loaned us a total of \$22,475.57 and earned a vested Stock Fee of 10,231,123 shares of common stock, which shares have not been issued, but would be if requested by Mr. Lanphere. The issuance of the promissory note with the Stock Fee was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933. The investor was sophisticated, familiar with our operations, and there was no solicitation.

ITEM 3 Defaults Upon Senior Securities

There have been no events which are required to be reported under this Item.

ITEM 4 Mine Safety Disclosures

There have been no events which are required to be reported under this Item.

ITEM 5 Other Information

There have been no events which are required to be reported under this Item.

ITEM 6 EXHIBITS

Item No.	Description
3.1 (1)	Articles of Incorporation of Imagine Media, Ltd.
3.2 (3)	Articles of Amendment to Articles of Incorporation to TransBiotech, Inc.
3.3 (1)	Bylaws of Imagine Media, Ltd.
10.1 (1)	Spin-of Trust Agreement by and between Gregory A. Bloom and Imagine Holding Corp. dated August 10, 2007
10.2 (1)	Form of Work For Hire Agreement
10.3 (1)	Assignment and Assumption Agreement by and between Imagine Holding Corp. and Imagine Media, Ltd. dated August 23, 2007
10.4 (2)	Investment Agreement by and between TransBiotech, Inc. and Kodiak Capital Group, LLC dated August 15, 2012
10.5 (3)	Amendment No. 1 to Investment Agreement by and between TransBiotech, Inc. and Kodiak Capital Group, LLC dated October 18, 2012
10.6 (2)	Registration Rights Agreement by and between TransBiotech, Inc. and Kodiak Capital Group, LLC dated August 15, 2012
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer (filed herewith).
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Accounting Officer (filed herewith).
32.1	Section 1350 Certification of Chief Executive Officer (filed herewith).
32.2	Section 1350 Certification of Chief Accounting Officer (filed herewith).

101.INS ** XBRL Instance Document

101.SCH ** XBRL Taxonomy Extension Schema Document

101.CAL ** XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF ** XBRL Taxonomy Extension Definition Linkbase Document

101.LAB ** XBRL Taxonomy Extension Label Linkbase Document

101.PRE ** XBRL Taxonomy Extension Presentation Linkbase Document

** XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

- (1) Incorporated by reference from our Registration Statement on Form SB-2, filed with the Commission on January 31, 2008.
- (2) Incorporated by reference from our Current Report on Form 8-K, filed with the Commission on September 11, 2012.
- (3) Incorporated by reference from our Registration Statement on Form S-1, filed with the Commission on November 6, 2012.

SIGNATURES

Pursuant to the requirements 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.

TransBiotech, Inc.

Dated: May 20, 2015

By: /s/ Charles Bennington

Charles Bennington
President

RULE 13A-14(A)/15D-14(A) CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Charles Bennington, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of TransBiotech, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exhibit 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.

Dated: May 20, 2015

By: /s/ Charles Bennington

Charles Bennington
President

RULE 13A-14(A)/15D-14(A) CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Charles Bennington, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of TransBiotech, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exhibit 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.

Dated: May 20, 2015

By: /s/ Charles Bennington
Charles Bennington
Chief Financial Officer and Chief Accounting Officer

**CERTIFICATION PURSUANT TO 18 USC, SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of TransBiotech, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2015, as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Charles Bennington, President of the Company, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 20, 2015

By: /s/ Charles Bennington

Charles Bennington

President

A signed original of this written statement required by Section 906 has been provided to TransBiotech, Inc. and will be retained by TransBiotech, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO 18 USC, SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of TransBiotech, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2015, as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Charles Bennington, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 20, 2015

By: /s/ Charles Bennington
Charles Bennington
Chief Financial Officer and Chief Accounting Officer

A signed original of this written statement required by Section 906 has been provided to TransBiotech, Inc. and will be retained by TransBiotech, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.