WOUND MANAGEMENT TECHNOLOGIES, INC.
Form 10-K
April 09, 2015

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

FORM 10-K

þ ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014

Commission File Number 0-11808

WOUND MANAGEMENT TECHNOLOGIES, INC.
(Exact name of Registrant as specified in its charter)

Texas	59-2219994
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

16633 Dallas Parkway, Suite 250, Addison, Texas 75001
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (972) 218-0935

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:
Common Stock $ .001 par value

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

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the

Act. o Yes þ No

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

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

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 "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o	Accelerated filer o	Non-accelerated filer o	Smaller reporting company þ

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2014 based on the $0.106 closing price as of such date was approximately $8,171,617. As of March 23, 2015, 105,921,584 shares of the Issuer's $.001 par value common stock were issued and 105,917,495 were outstanding.

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Form 10-K
For the Year Ended December 31, 2014

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LETTER FROM THE CEO

Dear Shareholders:

As we look ahead into 2015, I wanted to first take some time to reflect on our accomplishments of this past year. We have built a strong foundation from which we will continue to grow. The Company remains on a growth trajectory that is being fueled by our strategic growth initiatives paired with the advancement of the wound care market. We have attracted great talent to the Company to help us execute on those initiatives. This team is putting the Company in the spotlight as a viable player in the surgical and outpatient segments of the advanced wound care market.

The global wound care market is expected to reach $18 billion by 2019. The diabetic and obese populations are big drivers to this increase as well as the aging population. Although the United States dominates the wound care market, there are increases in market size in the rest of the world driven by the same factors. CellerateRX® Activated Collagen® has proved to provide an economic and efficient solution to healing wounds. Among other countries, CellerateRX was approved for sale in Mexico in 2014 and we look forward to capitalizing on that in the upcoming months.

While CellerateRX performs very well in the doctor's office and in nursing homes we have seen a great opportunity to advance into the surgical setting. Our expanded salesforce is having increased success with our surgical product line, supported by champions from a variety of surgical specialties such as trauma and orthopedics. We continue to add to our numerous case studies and testimonials that show how quickly CellerateRX has closed wounds and how it has been able to save limbs.

In February of 2014 our Resorbable Orthopedic Products subsidiary announced that its licensee, BioStructures, received 510(k) clearance for its novel bone void filler, SignaFuse™, which triggered license fees and royalty payments. This solidified another revenue stream for the Company that will continue to grow.

With Darren Stine as our Chief Financial Officer, we have built a more financially stable company with a clean balance sheet. Darren brings a wealth of public company experience to Wound Management. He has diligently managed the expenses as we grew our top line by more than 50%. Barry Constantine serving as our Director of R&D, has been a real contributor to the advancement of CellerateRX.

In September of 2014 we held a shareholder meeting at which approximately 70% of outstanding and eligible votes were cast and all items presented and voted upon were approved by the shareholders.

With all of that said, we are extremely pleased to report a stellar year with 50% revenue growth. We expect the momentum to continue into 2015 as we focus our efforts and our sales team further penetrates the hospitals.

Robert Lutz, Jr.

Chief Executive Officer

PART I

Item 1. BUSINESS

Background

Wound Management Technologies, Inc. ("WMT" or the "Company") was organized on December 14, 2001, as a Texas corporation under the name eAppliance Innovations, Inc. In June of 2002, MB Software Corporation, a public corporation formed under the laws of Colorado, merged with the Company (which at the time was a wholly owned subsidiary of MB Software Corporation), and the Company changed its name to MB Software Corporation as part of the merger. In May of 2008, the Company changed its name to Wound Management Technologies, Inc.

Wound Care Innovations, LLC ("WCI"), a wholly-owned subsidiary of the Company, is a rapidly growing provider of the patented CellerateRX® product in the wound care market, which is quickly expanding, particularly with respect to diabetic wound applications. As a result of aging populations and the increase of diabetes around the globe, treatment of wounds in diabetic patients is one of the most serious issues faced in healthcare today. In 2012 WCI expanded its CellerateRX product line to include CellerateRX Surgical products and the company believes that this line will be a key factor in our growth.

Product, Patent, License and Royalty Agreements

CellerateRX is cleared by the FDA as a medical device for use on all acute and chronic wounds, except third degree burns, and is ready for distribution in both gel and powder form. Manufacturing of these products is conducted by Applied Nutritionals, LLC ("Applied Nutritionals"), which owns the CellerateRX trademark. WMT has incurred no research and development costs related to CellerateRX during the last two fiscal years. Warehousing, shipping, and physical inventory management were outsourced to Farris Laboratories, Inc. of Fort Worth, TX and WellDyne Health, LLC during 2013.

Effective November 28, 2007, we entered into separate exclusive license agreements with both Applied Nutritionals and its founder George Petito, pursuant to which WCI obtained the exclusive worldwide license to certain patented technologies and processes related to CellerateRX. WCI had been marketing and selling CellerateRX during the previous four years under the terms of a distribution agreement with Applied Nutritionals that was terminated in 2005. The new licenses are limited to the human health care market for external wound care including surgical wounds, and include any new product developments based on the licensed patent and processes and any continuations. The term of these licenses extends through the life of the licensed patent which expires in 2018.

In consideration for the licenses, WCI agreed to pay Applied Nutritionals and Mr. Petito the following royalties, beginning January 3, 2008 (amounts listed are the aggregate of amounts paid/owed to Applied Nutritionals and Mr. Petito): (a) an advance royalty of $100,000; (b) a royalty of fifteen percent (15%) of gross sales occurring during the first year of the license; (c) an additional advance royalty of $400,000 on January 3, 2009; plus (d) a royalty of three percent (3%) of gross sales for all sales occurring after the payment of the $400,000 advance royalty. In addition, WCI must maintain a minimum aggregate annual royalty payment of $375,000 for 2009 and thereafter if the royalty payments made do not meet or exceed that amount.

Product marketing, sales and distribution

CellerateRX is available without a prescription and the wound care products are currently approved for reimbursement under Medicare Part B. The diabetic care and long term care markets, as well as the professional medical markets, are a major focus of our marketing efforts due to the prevalence of diabetic and pressure ulcers. We believe that these products are unique in composition, applicability and clinical performance, and demonstrate the ability to reduce costs associated with standard wound management. In 2012 the company added the CellerateRX Surgical product line to broaden the product line. The unique collagen benefits, biocompatibility with other therapies, low price point, and performance are attracting increased business in hospitals and surgery centers.

CellerateRX wound care and surgical products are sold via independent distributors, distributor organizations, healthcare distributors, representatives and through inside sales activities. The surgical products are sold through a growing network of surgical product distributors who are credentialed to demonstrate the products in surgical settings. WCI has increased its presence at wound care, podiatry and surgical trade shows and meetings throughout the country.

In September 2013 the Company entered into a Shipping and Consulting Agreement with WellDyne Health, LLC, ("WellDyne") under which all CellerateRX orders are taken by and fulfilled by WellDyne. In addition, WellDyne provides guidance and advice for the sale and marketing of CellerateRX products and programs.

WCI continues to work with international parties to expand the distribution of CellerateRX outside of the US. In 2013 WCI engaged a new distributor to market the products in several countries in the Middle East, and received registration and an initial order for Saudi Arabia. As of January 2015, the company is working on adding registrations in two more countries in this region. CellerateRX is also registered in South Africa and in 2014 registration was achieved in Nigeria and in Mexico. Registration efforts have continued for a CE mark and in February 2014 the company agreed to work with new parties on achieving this.

Staffing

As of March 17, 2015, the Company and its subsidiaries have a staff of 12, with 10 full-time employees, 2 part-time employees and 4 contractors.

Competition

The wound care market is served by a number of large, multi-product line companies offering a suite of products to the market. CellerateRX products compete with all primary dressings, some prescription drug therapies and other medical devices. Manufacturers and distributors of competitive products include: Smith & Nephew, Systagenix, Healthpoint, Medline, Integra and Biocore. Many of our competitors are significantly larger than we are and have more financial and personnel resources than we do. Consequently, we will be at a competitive disadvantage in marketing and selling our products in the marketplace. We believe, however, that the patented molecular form of collagen used in CellerateRX allows our products to outperform currently available non-active dressings, reduce the cost of wound management, and replace a variety of other products with a single primary dressing.

New products, markets and Services

In September 2009 the Company acquired a patent (7,074,425) from Resorbable Orthopedics, LLC, ("ROP") for a resorbable bone wax and delivery system for orthopedic bone void fillers (see Note 9 "Intangible Assets") and established the Resorbable Orthopedic Products, LLC subsidiary. The patent offers innovative, safe and effective resorbable orthopedic products that are complementary to the already existing CellerateRX products. The bone wax and delivery system address issues such as bone wax granuloma and the cost-effective delivery of materials that manage bone wound healing. The resorbable orthopedic products covered by the patent are (a) a resorbable orthopedic hemostat (resorbable bone wax) used to stop blood flow, (b) a delivery system for osteogenic/osteoinductive orthopedic products (bone void fillers), and (c) the formula as a delivery system for bone growth factors.

The Company is working on the 510k approval for the resorbable orthopedic hemostat and filed an initial submission in 2013. We are in the process of completing additional testing for a submission and currently anticipate introducing this product to the marketplace in 2015. The company is also exploring a relationship with an international distributor to market this product outside the US and to obtain CE approval for the product.

On November 8, 2011 "ROP" executed a development and license agreement with BioStructures, LLC. The agreement licensed certain bone wax rights to BioStructures, LLC to develop products in the field of bone remodeling, based on Resorbable's patent number 7,074,425 (see Note 9 "Intangible Assets") for use in the human skeletal system. The license agreement with BioStructures, LLC excludes the fields of (1) a resorbable hemostat (resorbable bone wax), (2) a resorbable orthopedic hemostat (bone wax) and antimicrobial dressing, and (3) veterinary orthopedic applications. According to the terms of the agreement, BioStructures, LLC paid an initial fee of $100,000 for a 24 month period in which to develop Royalty Bearing Products based on the Company's patent. The agreement entitles the Company to additional fees upon the regulatory clearance of the products, fees for a Commercial License for each regulatory cleared product, and a 3% royalty on related product sales over the life of the patent, which expires in 2023.

In January 2014, BioStructures received 510k approval (K132071) for their first product under the ROP license, an innovative bioactive bone graft putty and bone graft extender and paid ROP the regulatory milestone fee of $50,000. In February 2014, ROP granted a Commercial License to BioStructures according to the terms of the development and license agreement, and accordingly BioStructures paid ROP a $100,000 fee. BioStructures will pay a 3% product royalty on sales of these products over the life of the patent with certain minimums. In December 2014, BioStructures paid the minimum 2014 royalty of $102,000 to ROP.

Item 1A. RISK FACTORS

The following risk factors should be considered with respect to making any investment in our securities as such an investment involves a high degree of risk. You should carefully consider the following risks and the other information set forth elsewhere in this report, including the financial statements and related notes, before you decide to purchase shares of our stock. If any of these risks occur, our business, financial condition and results of operations could be adversely affected. As a result, the trading price of our stock could decline, perhaps significantly, and you could lose part or all of your investment.

We expect to incur losses in the future and may not achieve or maintain profitability

We have incurred net losses since we began our current operations in 2004. (see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations”). We expect to make significant investments in our sales and marketing programs resulting in a substantial increase in our operating expenses. Consequently, we will need to generate significant additional revenue to achieve and maintain profitability in the future. We may not be able to generate sufficient revenue from sales of our products to become profitable. Even if we do achieve profitability, we may not sustain or increase profitability on a quarterly or annual basis. In addition to funding operations through increased revenue, we anticipate that we will need to raise additional capital before reaching profitability. We cannot predict when we will operate profitably, if at all. If we fail to achieve or maintain profitability, our stock price may decline.

We have a limited operating history with which you can evaluate our current business model and prospects

We acquired WCI in August of 2004, and we have not been profitable to date. Although we have seen our sales increase since the acquisition, we cannot predict if or when we may become profitable. Even if we become profitable in the future, we cannot accurately predict the level of or our ability to sustain profitability. Because we have not yet been profitable and cannot predict any level of future profitability, you bear the risk of a complete loss of your investment in the event our business plan is unsuccessful.

Because our products are still at a relatively early stage of commercialization, it is difficult for us to forecast the full level of market acceptance that our solution will attain;

Competitors may develop products that render our products obsolete or noncompetitive or that shorten the life cycles of our products. Although we have had initial success, the market may not continue to accept our wound care products;

We may not be able to attract and retain a broad customer base; and

We may not be able to negotiate and maintain favorable strategic relationships.

Failure to successfully manage these risks could harm our business and cause our stock price to fall. Furthermore, to remain competitive, we will need to add to our current product line, and we may not succeed in creating and marketing new products. A decline in demand for or in the average price of our wound care products would have a direct negative effect on our business and could cause our stock price to fall.

WCI products are manufactured only by Applied Nutritionals

Applied Nutritionals holds the patent to, and is currently the sole source of the WCI products we offer for sale (the "WCI Products"), which WCI Products make up a substantial portion of our business. Our growth and ability to meet customer demands depends in part on our ability to obtain timely deliveries of the WCI Products from our manufacturer. We may in the future experience a shortage of the WCI Products as a result of manufacturing process issues or capacity problems at our supplier or strong demand for the ingredients constituting WCI Products.

If shortages or delays persist, the cost to manufacture the WCI Products may increase or the WCI Products may not be available at all. We may also encounter shortages if we do not accurately anticipate our needs. We may not be able to secure enough WCI Products at reasonable prices or of acceptable quality to meet our or our customer's needs. Accordingly, our revenues could suffer and our costs could increase until other sources can be developed. There can be no assurance that we will not encounter these problems in the future.

The fact that we do not own our manufacturing facilities could have an adverse impact on the supply of the WCI Products and on operating results. In the event that Applied Nutritionals is not able to fulfill orders for WCI Products, we may temporarily be prevented from marketing and selling the WCI Products until we are able to locate a substitute manufacturer.

The patent on the CellerateRX products expires in 2018.

CellerateRx products currently benefit from the protection of a patent that will expire in 2018. Upon expiration of the patent, such products may become subject to increased competition resulting from the marketing of generic products, and the Company's performance may suffer as a result.

The markets in which we compete are intensely competitive, which could adversely affect our revenue growth

The market for wound care products is intensely competitive among a vast array of medical devices, drugs and therapies. Many of our existing and potential competitors have better brand recognition, longer operating histories and larger customer bases. These competitors are very well capitalized and will continue to compete aggressively.

Most companies providing wound care products are able to offer customers multiple products. By doing so, they effectively offset the cost of customer acquisition and support across several revenue sources. In 2012 the Company began to broaden our market with the addition of a surgical product line. In 2014 the surgical product line saw increased sales and the Company is hopeful that it will continue to grow to strengthen our ability to succeed. While the Company got its ROP product line underway in 2013 it received royalties from its sales in 2014. The Company plans to market and/or license more ROP products in 2015.

Further, although our wound care products have performed well in customer evaluations, we are a relatively unknown entity with a relatively unknown brand in a market significantly controlled by companies with a much larger customer base. We may not, even with strong customer accounts, be able to establish the credibility necessary to secure large national customers.

Product liability exposure

Although we have contractual indemnity from the manufacturer of CellerateRX for liability claims related to the products, there is risk of exposure in the event that the use of any other product we sell in the future results in injury. We do not have, and do not anticipate obtaining, contractual indemnification from parties supplying raw materials or marketing the products we sell. In any event, such indemnification, if obtained, would be limited by our terms and, as a practical matter, to the creditworthiness of the indemnifying party. In the event that we do not have adequate insurance or contractual indemnification, product liabilities relating to defective products could have a material adverse effect on our operations and financial condition.

Federal regulations and changes in reimbursement policies

Healthcare services are heavily reliant upon health insurance reimbursement. Although many current insurance plans place much of the financial risk on providers of care (allowing them to choose whatever products/therapies are most cost effective) under prospective payment structures, much of our business is related to Medicare-eligible populations. Although our wound care products are currently eligible for reimbursement under Medicare Part B, adjustments to our reimbursement amounts or a change in Medicare’s reimbursement policies could have an adverse effect on our ability to pursue market opportunities in this area.

If we cannot meet our future capital requirements, our business will suffer

We may need additional financing to continue operating our business. We may need to raise additional funds in the future through public or private debt or equity financings in order to:

- fund operating losses;
- increase sales and marketing to address the market for wound care, surgical and ROP products;
- take advantage of opportunities, including more rapid expansion or acquisitions of complementary products or businesses;
- hire, train and retain employees;
- develop new products; and/or
- respond to economic and competitive pressures.

If our capital needs are met through the issuance of equity or convertible debt securities, the percentage ownership of our stockholders will be reduced. Our future success may be determined in large part by our ability to obtain additional financing, and we can give no assurance that we will be successful in obtaining adequate financing on favorable terms, if at all. If adequate funds are not available, or are not available on acceptable terms, our operating results and financial condition may suffer.

Our operating results may fluctuate

We are an emerging company. As such, our quarterly revenue and results of operations are difficult to predict. We have experienced fluctuations in revenue and operating results from quarter to quarter and anticipate that these fluctuations will continue until the Company reaches critical mass and the market becomes more stable. These fluctuations are due to a variety of factors, some of which are outside of our control, including:

- the fact that we are a relatively young company;
- our ability to attract new customers and retain existing customers;
- the length and variability of our sales cycle, which makes it difficult to forecast the quarter in which our sales will occur;
- the amount and timing of operating expense relating to the expansion of our business and operations;
- the development of new wound care products or product enhancements by us or our competitors;
- actual events, circumstances, outcomes and amounts differing from judgments, assumptions and estimates used in determining the values of certain assets (including the amounts of related valuation allowances), liabilities and other items reflected in our financial statements; and
- how well we execute our strategy and operating plans.

As a consequence, operating results for a particular future period are difficult to predict, and, therefore, prior results are not necessarily indicative of results to be expected in future periods. Any of the foregoing factors, or any other factors discussed elsewhere herein, could have a material adverse effect on our business, results of operations and financial condition.

Our revenues for a particular period are difficult to predict; a shortfall in revenues may harm our operating results

As a result of a variety of factors discussed in this report, our revenues for a particular quarter are difficult to predict. Our net sales may grow at a slower rate than we anticipate, or may decline. We plan our operating expense levels based primarily on forecasted revenue levels. These expenses and the impact of long-term commitments are relatively fixed in the short term. A shortfall in revenue could lead to operating results being below expectations as we may not be able to quickly reduce these fixed expenses in response to short-term business changes.

Disruption of, or changes in, our distribution model or customer base could harm our sales and margins

If we fail to manage the distribution of our products properly, or if the financial condition or operations of our reseller channels weaken, our revenues and gross margins could be adversely affected. Furthermore, a change in the mix of our customers between service provider and enterprise, or a change in the mix of direct and indirect sales, could adversely affect our revenues and gross margins.

Several factors could also result in disruption of or changes in our distribution model or customer base, which could harm our sales and margins, including the following:

- in some instances, we compete with some of our resellers through our direct sales, which may lead these channel partners to use other suppliers that do not directly sell their own products; also

- some of our resellers may have insufficient financial resources and may not be able to withstand changes in business conditions.

Our proprietary rights may prove difficult to enforce

We rely on patents, copyrights, trademarks and trade secret laws to establish and maintain proprietary rights in our technology and products. Our exclusive license agreement for our collagen based CellerateRX products specifically limits our exclusive rights to the worldwide human healthcare market and specifically excludes the veterinary, nutritional and injectibles markets. There can be no assurance that our other proprietary rights will not be challenged, invalidated or circumvented or that our rights will in fact provide competitive advantages to us. In addition, the laws of some foreign countries may not protect our proprietary rights as well as the laws of the United States. The outcome of any actions taken in these foreign countries may be different than if such actions were determined under the laws of the United States. If we are unable to protect our proprietary rights (including aspects of products protected other than by patent rights) in a market, we may find ourselves at a competitive disadvantage to others who need not incur the substantial expense, time and effort required to create the innovative products necessary to be successful.

We may be found to infringe on intellectual property rights of others

Third parties, including customers, may in the future assert claims or initiate litigation related to exclusive patent, copyright, trademark and other intellectual property rights to technologies and related standards that are relevant to us. These assertions may emerge over time as a result of our growth and the general increase in the pace of patent claims assertions, particularly in the United States. Because of the existence of a large number of patents in the healthcare field, the secrecy of some pending patents and the rapid rate of issuance of new patents, it is not economically practical or even possible to determine in advance whether a product or any of its components infringes or will infringe the patent rights of others. The asserted claims or initiated litigation can include claims against us or our manufacturers, suppliers or customers, alleging infringement of their proprietary rights with respect to our existing or future products or components of those products. Regardless of the merit of these claims, they can be time-consuming, result in costly litigation and diversion of technical and management personnel, or require us to develop a non-infringing technology or enter into license agreements. Where claims are made by customers, resistance even to unmeritorious claims could damage customer relationships. There can be no assurance that licenses will be available on acceptable terms and conditions, if at all, or that our indemnification by our suppliers will be adequate to cover our costs if a claim were brought directly against us or our customers. Furthermore, because of the potential for high court awards that are not necessarily predictable, it is not unusual to find even arguably unmeritorious claims settled for significant amounts. If any infringement or other intellectual property claim made against us by any third party is successful, or if we fail to develop non-infringing technology or license the proprietary rights on commercially reasonable terms and conditions, our business, operating results and financial condition could be materially and adversely affected.

Failure to retain and recruit key personnel would harm our ability to meet key objectives

Our success will depend in large part on our ability to attract and retain skilled executive, managerial, sales and marketing personnel. Competition for these personnel is intense in the market today. Volatility or lack of positive performance in our stock price may also adversely affect our ability to attract and retain key employees. The loss of services of any of our key personnel, the inability to retain and attract qualified personnel in the future or delays in hiring required personnel, particularly executive management and sales personnel, could make it difficult to meet key objectives, such as timely and effective product introductions.

Failure to manage our planned growth could harm our business

Our ability to successfully market and sell our wound care products and implement our business plan requires an effective plan for managing our future growth. We plan to increase the scope of our operations at a rapid rate. Future expansion efforts will be expensive and may strain our internal operating resources. To manage future growth effectively, we must maintain and enhance our financial and accounting systems and controls, integrate new personnel and manage expanded operations. If we do not manage growth properly, it could harm our operating results and financial condition.

A few of our existing shareholders own a large percentage of our voting stock and have a significant influence over matters requiring stockholder approval and may delay or prevent a change in control.

Our officers and board members own or control a large percentage of our common stock (See “Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters”). As a result, our management could have the ability to exert substantial influence over all matters requiring approval by our stockholders, including the election and removal of directors and any proposed merger, consolidation or sale of all or substantially all of our assets and other corporate transactions. This concentration of control could be disadvantageous to other stockholders with interests different from those of our officers, directors, and principal stockholders; e.g., our officers and principal stockholders could delay or prevent an acquisition or merger even if the transaction would benefit other stockholders. In addition, this significant concentration of share ownership may adversely affect the trading price for our common stock because investors often perceive disadvantages in owning stock in companies with controlling stockholders.

Additionally, our Series B, Series C, and Series D Preferred Stock votes with the common stock on an as converted basis of 1,000 shares of common stock to 1 share of preferred stock. This means each preferred share exercises substantially greater voting power than each share of common stock.

Our Articles and Bylaws may delay or prevent a potential takeover of the company

Our Articles of Incorporation, as amended, and Bylaws, as amended, contain provisions that may have the effect of delaying, deterring or preventing a potential takeover of the Company, even if the takeover is in the best interest of our shareholders. The Bylaws limit when shareholders may call a special meeting of shareholders. The Articles also allow the Board of Directors to fill vacancies, including newly created directorships.

Volatility of our stock price

Our operating results have varied on a quarterly basis during our operating history, and we expect to experience significant fluctuations in future quarterly operating results. These fluctuations have been and may in the future be caused by numerous factors, many of which are outside of our control. We believe that period-to-period comparisons of our results of operations will not necessarily be meaningful and that you should not rely upon them as an indication of future performance. Also, it is likely that our operating results could be below the expectations of public market analysts and investors. This could adversely affect the market price of our common stock.

In addition, the stock market has experienced extreme price and volume fluctuations that have affected the market price of many small companies, in particular, and that have often been unrelated to the operating performance of these companies. These factors, as well as general economic and political conditions, may materially adversely affect the market price of our common stock in the future.

Liquidity of our Common Stock

Although there is a public market for our common stock, trading volume has been historically low, which could impact the stock price and the ability to sell shares of our common stock. We can give no assurance that an active and liquid public market for the shares of the common stock will continue in the future. In addition, future sales of large amounts of common stock could adversely affect the market price of our common stock and our ability to raise capital. Substantially all of the outstanding shares of our common stock are freely tradable, without restriction or registration under the Securities Act, other than the sales volume restrictions of Rule 144 applicable to shares held beneficially by persons who may be deemed to be affiliates. The price of our common stock could also drop as a result of the exercise of options for common stock or the perception that such sales or exercise of options could occur. These factors could also have a negative impact on the liquidity of our common stock and our ability to raise funds through future stock offerings.

No Dividend payments

We have not paid and do not currently intend to pay dividends, which may limit the current return you may receive on your investment in our common stock. Future dividends on our common stock, if any, will depend on our future earnings, capital requirements, financial condition and other factors. We currently intend to retain earnings, if any, to increase our net worth and reserves. Therefore, we do not anticipate that any holder of common stock will receive any cash, stock or other dividends on our shares of common stock at any time in the near future. You should not expect or rely on the potential payment of dividends as a source of current income.

“Penny Stock” Limitations

Rule 3a51-1 of the Securities Exchange Act of 1934 establishes the definition of a “penny stock,” for purposes relevant to the Company, as any equity security that has a minimum bid price of less than $5.00 per share or with an exercise price of less than $5.00 per share, subject to a limited number of exceptions which are likely not available to us. It is likely that our shares will be considered to be penny stocks for the immediate foreseeable future. This classification severely and adversely affects any market liquidity for our common stock.

For any transaction involving a penny stock, unless exempt, the penny stock rules require that a broker or dealer approve a person’s account for transactions in penny stocks and the broker or dealer receive from the investor a written agreement to the transaction setting forth the identity and quantity of the penny stock to be purchased. In order to approve a person's account for transactions in penny stocks, the broker or dealer must obtain financial information and investment experience and objectives of the person and make a special written determination that the transactions in penny stocks are suitable for that person and that that person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prepared by the SEC relating to the penny stock market that, in highlight form, sets forth the basis on which the broker or dealer made the suitability determination, and that the broker or dealer received a signed, written agreement from the investor prior to the transaction.

Disclosure also has to be made about (a) the risks of investing in penny stock in both public offerings and in secondary trading; (b) commissions payable to both the broker-dealer and the registered representative; (c) current quotations for the securities; and (d) the rights and remedies available to an investor in cases of fraud in penny stock transactions. Finally, monthly statements have to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.

Because of these regulations, broker-dealers may not wish to engage in the above-referenced required paperwork and disclosures. In addition, they may encounter difficulties when attempting to sell shares of our common stock, which may affect the ability of selling shareholders or other holders to sell their shares in any secondary market. These additional sales practices and disclosure requirements may impede the sale of our securities and the liquidity for our securities may decrease, with a corresponding decrease in the price of our securities. Our shares, in all probability, will be considered subject to such penny stock rules for the foreseeable future, and our shareholders may, as a result, find it difficult to sell their securities.

Forward-Looking Statements

When used in this Form 10-K or other filings by the Company with the Securities and Exchange Commission, in the Company's press releases or other public or shareholder communications, or in oral statements made with the approval of an authorized officer of the Company's executive officers, the words or phrases "would be", "will allow", "intends to", "will likely result", "are expected to", "will continue", "is anticipated", "estimate", "project", or similar expressions are intend identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995.

The Company cautions readers not to place undue reliance on any forward-looking statements, which speak only as of the date made, and advises readers that forward-looking statements involve various risks and uncertainties. Our management believes its assumptions are based upon reasonable data derived from and known about our business and operations. No assurances are made that our actual results of operations or the results of our future activities will not differ materially from these assumptions. The Company does not undertake, and specifically disclaims any obligation to update, any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of such statement.

ITEM 1B. UNRESOLVED STAFF COMMENTS

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

ITEM 2. DESCRIPTION OF PROPERTY

The Company's corporate office is located at 16633 Dallas Parkway, Suite 250, Addison, TX 75001. The lease was entered into after the expiration of the Company's old lease with Keystone Exploration, LTD in November of 2013. The lease expires on April 30, 2017 and requires base rent payment of $5,736.79 per month for months 1-17, $5,865.71 for months 18-29, and $5,994.63 for months 30-41.

ITEM 3. LEGAL PROCEEDINGS

On November 14, 2011, Ken Link instituted litigation against the Company and Scott A. Haire in the District Court of Tarrant County Texas, 342nd Judicial District alleging default under the terms of a certain promissory note executed by Wound Management Technologies, Inc. and guaranteed by Scott A. Haire. Ken Link asserts that the unpaid balance of the note, including accrued interest as of December 4, 2011, is the sum of $355,292 plus 200,000 shares of the Company's common stock. Mr. Link is also seeking attorney's fees. We have disputed the claim, because we believe the contract is tainted by usury, and therefore, a usury counterclaim will more than offset the unpaid balance of the promissory note. The note, in the original principal amount of $223,500, required the payment of interest accrued at 13% per annum, an additional one-time charge of $20,000 due on maturity, the issuance of 200,000 shares of stock as interest, and a $1,000 per day late fee for each day the principal and interest is late. It is our contention that these sums make the contract usurious and the usury claims more than offset the amount of the unpaid indebtedness. Furthermore, we have filed an action for recovery of damages for usury under the Texas Finance Code for a note which was previously executed by the Company and payable to Ken Link, which was in fact paid to Mr. Link in full. In addition, Wound Management is seeking recovery of attorney's fees pursuant to the usury provisions of the Texas Finance Code. While the amount of the promissory note remains unpaid, the counterclaims more than offset the maximum amount that could be asserted on the promissory note. The case was set for trial for the week of October 21, 2013, but after three days of trial before a jury, the judge declared a mistrial. The case has now been reset for trial for the week of July 20, 2015. Subsequent to the declaration of mistrial, Ken Link amended his pleadings and alleges now that Wound Management Technologies, Inc. never intended to pay the $223,500.00 promissory note, which included a $1,000.00 per day late charge, a $20,000.00 one-time fee, and 200,000 shares of stock, and asserts a damage claim of $223,500.00 and the loss of the benefit of the bargain related to the shares of stock, plus interest as set forth in the note, exemplary damages, and attorney's fees. We are taking steps to vigorously defend this matter, however, we are unable at this time to determine the ultimate outcome of this matter or determine the effect it may have on our business, financial condition or result of operations.

On February 13, 2015, Wound Management Technologies, Inc. was served with a lawsuit styled Beeleve, LLC v. Wound Management Technologies, Inc., in the 95th District Court of Dallas County, Texas. The action is a suit of apparently seeking the rights under a promissory note, which was originally executed to MAH Holdings, LLC. Discovery has commenced, but the discovery responses are not due until April 7, 2015. The case is currently set for trial for October 19, 2015. We are taking steps to vigorously defend this matter, however, we are unable at this time to determine the ultimate outcome of this matter or determine the effect it may have on our business, financial condition or result of operations.

ITEM 4. MINE SAFETY DISCLOSURES

This item is not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED SHAREHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The Company's common stock is traded on OTCQB under the trading symbol "WNDM." OTCQB is one of three tiers established by OTC Markets Group, Inc., which operates one of the world's largest electronic interdealer quotation systems for broker-dealers to trade securities not listed on a national exchange. The following table sets forth the high and low sales price information of the Company's common stock for the quarterly periods indicated as reported by NASDAQ.

YEAR	QUARTER ENDING	HIGH	LOW
2014	March 31, 2014	$ 0.139	$ 0.099
	June 30, 2014	$ 0.125	$ 0.100
	September 30, 2014	$ 0.106	$ 0.072
	December 31, 2014	$ 0.090	$ 0.055
2013	March 31, 2013	$ 0.084	$ 0.040
	June 30, 2013	$ 0.083	$ 0.060
	September 30, 2013	$ 0.075	$ 0.050
	December 31, 2013	$ 0.105	$ 0.060

Record Holders

As of December 31, 2014, there were 2,140 shareholders of record holding shares of common stock issued, of which a total of 4,089 shares are held as treasury stock. As of December 31, 2014 there were 105,447,320 shares of common stock issued and 105,443,231 shares of common stock outstanding.

The holders of the common stock are entitled to one vote for each share held of record on all matters submitted to a vote of shareholders. Holders of the common stock have no preemptive rights and no right to convert their common stock into any other securities. There are no redemption or sinking fund provisions applicable to the common stock.

Dividends

We have never declared or paid any cash dividends on our common stock and we do not intend to pay cash dividends in the foreseeable future. We currently expect to retain any future earnings to fund the operation and expansion of our business.

Tabular Disclosure of Equity Compensation Plans

None.

Recent Sales of Unregistered Securities

Set forth below is information regarding the issuance and sales of the Company's securities without registration for the twelve months ended December 31, 2014 not previously disclosed. The securities bear a restrictive legend and no advertising or public solicitation was involved.

During the year ended December 31, 2014, the Company issued an aggregate of 32,179 shares of Series C preferred stock for cash proceeds of $2,252,510.

In February of 2014, the Company issued 350 shares of Series D preferred stock to a nonemployee for services rendered. The shares vest immediately and were recorded at their fair value of $42,000

In July of 2014, the Company issued 750 shares of Series D preferred stock to a nonemployee for services rendered. The shares vest immediately and were recorded at their fair value of $75,000.

In September, 2014 the Company granted 556 shares of Series D preferred stock valued at $50,040 to a contractor according to the terms of his service agreement. In December, 2014, the contractor returned 111 shares of Series D preferred stock in exchange for cash amount of $9,990. The remaining Series D shares were not yet issued as of the date of this filing.

On September 3, 2014, the Company increased its authorized common stock to 250,000,000 shares. Accordingly, the 16,545 outstanding shares of Series D preferred stock were automatically converted into 16,545,000 common shares.

During the year ended December 31, 2014, the Company granted an aggregate of 1,000 shares of Series D preferred stock to two employees according to the terms of their employment agreements. The shares vest in equal annual amounts over three years and the aggregate fair value of the awards was determined to be $120,000. During the year ended December 31, 2014, $65,178 was expensed and $54,822 remains to be expensed over the remaining vesting period. The Series D shares were not yet issued as of the date of this filing.

On September 3, 2014, the Company held its annual meeting of stockholders. The stockholders approved an amendment to the Company's Articles of Incorporation to increase the authorized shares of common stock of the Company from 100,000,000 to 250,000,000.

In January of 2014, the Company issued 1,087,762 common shares for the conversion of notes payable and accrued interest in the amounts of $90,000 and $3,728, respectively.

During the year ended December 31, 2014, the Company issued 500,000 shares of common stock valued at $60,000 to company directors and 1,650,000 shares of common stock for services valued at $162,550.

As further described in the notes accompanying the financial statements filed herewith:

The issuances described above were made in private transactions or private placements intending to meet the requirements of one or more exemptions from registration. In addition to any noted exemption below, we relied upon Section 4(a)(2) of the Securities Act of 1933, as amended (the "Act"). The investors were not solicited through any form of general solicitation or advertising, the transactions being non-public offerings, and the sales were conducted in private transactions where the investor identified an investment intent as to the transaction without a view to an immediate resale of the securities. The shares were "restricted securities" in that they were both legended with reference to Rule 144 as such and the investors identified they were sophisticated as to the investment decision and in most cases we reasonably believed the investors were "accredited investors" as such term is defined under Regulation D based upon statements and information supplied to us in writing and verbally in connection with the transactions. We have never utilized an underwriter for an offering of our securities and no sales commissions were paid to any third party in connection with the above-referenced sales.

ITEM 6. SELECTED FINANCIAL DATA

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

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related footnotes that appear in this document.

Organizational overview

Our primary focus is developing and marketing products for the advanced wound care market, as pursued through our wholly-owned subsidiary, Wound Care Innovations, LLC ("WCI"), which brings a unique mix of products, procedures and expertise to the wound care arena and surgical wounds. The patented collagen fragments (CRX) of CellerateRX are a fraction of the size of the native collagen molecules and particles found in other products, uniquely delivering the benefits of collagen to the body immediately.

After completing evidence-based studies, WCI has identified opportunities for growth with emphasis on the following areas:

Brand recognition in the medical community

Products for surgical wounds

WCI continues to work with international parties to expand the distribution of CellerateRX outside of the US. In 2013 WCI engaged a new distributor to market the products in several countries in the Middle East, and received registration and an initial order for Saudi Arabia. As of January 2014, the company is working on adding registrations in two more countries in this region. CellerateRX is also registered in South Africa and in 2014 received registration with a distribution partner in Nigeria and in Mexico. Registration efforts have continued for a CE mark and in February 2014 the company agreed to work with new parties on achieving this.

In September 2009, the Company acquired a patent for resorbable bone wax and bone void filler products, which offer a solution to the problem of bone wound healing in a cost effective manner. Our FDA submittal for our new Bone Wax approval by the FDA is in process. In 2011 we executed a development and license agreement with BioStructures, LLC to develop certain products in the field of bone remodeling. In January 2014, BioStructures received 510k approval (K132071) for their first product under the ROP license, an innovative bioactive bone graft putty and bone graft extender. In February 2014, ROP granted a Commercial License to BioStructures according to the terms of the development and license agreement.

Preparing for the future expanding role of our products, we are studying the feasibility of three other markets where CellerateRX formulas could have great sales potential: dental, dermatology / plastic surgery and sunburn relief. We are committed to the completion of our feasibility studies and plan to launch a product into at least one of these areas in 2015 in conjunction with a strategic partner.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe the footnotes to the consolidated financial statements provide the description of the significant accounting policies necessary in fully understanding and evaluating our consolidated financial condition and results of operations.

Results of Operations

Comparison of Year ended December 31, 2014 Compared to Year ended December 31, 2013

Revenues. The Company generated revenues for the year ended December 31, 2014 of $2,632,643 compared to revenues of $1,726,392 for the year ended December 31, 2013, or a 52% increase in revenues. The increase in revenues is the result of the Company's sales and marketing strategy. The Company also received a total of $252,000 from the development and license agreement the Resorbable Orthopedic Products, LLC subsidiary "ROP" executed with BioStructures, LLC in 2011. The 2014 revenue from the ROP and Biostructures deal included $102,000 in annual royalties compared to $60,000 in annual royalties required by the agreement in 2013.

Cost of goods sold. Cost of goods sold for the year ended December 31, 2014 were $803,631 compared to cost of goods sold of $792,774 for the year ended December 31, 2013, or a 1% increase in cost of goods sold. In 2014, the Company was better able to control inventory and reduced the cost associated with damaged and slow moving inventory by almost 65%. Additionally, although the Company's revenue from product sales increased significantly, the Company did not yet exceed the sales threshold needed to increase the minimum annual royalty from $375,000.

General and administrative expenses. ("G&A"). G&A expenses for the year ended December 31, 2014 were $3,835,095 compared to G&A expenses of $3,810,350 for the year ended December 31, 2013, or a 1% increase in G&A expenses. In 2014 the Company was successful in controlling general and administrative costs while still growing sales.

Interest Expense. Interest expense was $293,896 for the year ended December 31, 2014 compared to $1,725,553 for the year ended December 31, 2013, or a decrease of 83%. The Company paid off or converted most of its interest bearing debt into stock in 2013 and the first quarter of 2014. The debt remaining in 2014 has lower interest rates resulting in an overall decrease in interest expense for the year 2014.

Debt Related Expense. Debt related expense was $0 for the year ended December 31, 2014 compared to $61,612 for the year ended December 31, 2013. The Company incurred various fees related to debt extensions in 2013. No such fees were incurred in 2014.

Net loss. We had a net loss for the year ended December 31, 2014, of $2,278,177 compared with a net loss of $4,148,088 for the year ended December 31, 2013, or a decrease in loss of 45%. The Company was able to reduce net loss in 2014 by increasing revenue from product sales and licensing and development agreements. The Company also significantly reduced interest and debt related expenses.

Liquidity and Capital Resources

Our principal sources of liquidity are our cash and cash equivalents, and cash generated from operations. Cash and cash equivalents consist primarily of cash on deposit with banks. Historically, we have financed our operations primarily from the sale of debt and equity securities. Our financing activities generated approximately $2,174,010 for the year ended December 31, 2014, and approximately $1,850,565 for the year ended December 31, 2013.

We will need to raise additional capital in fiscal year 2015 to fund our business plan and support our operations. As our prospects for funding, if any, develop during the fiscal year, we will assess our business plan and make adjustments accordingly. The report of our independent auditors with regard to our financial statements for the fiscal year ended December 31, 2014, includes a going concern qualification. Although we have successfully funded our operations to date by attracting additional equity investors, there is no assurance that our capital raising efforts will be able to attract additional necessary capital for our operations. If we are unable to obtain additional funding for operations at any time now or in the future, we may not be able to continue operations as proposed, requiring us to modify our business plan, curtail various aspects of our operations or cease operations.

As of December 31, 2014, we had total current assets of $1,210,527, including cash of $523,441 and inventories of $402,530. As of December 31, 2013, we had total current assets of $654,459, including cash of $44,553 and inventories of $307,502.

As of December 31, 2014, we had total current liabilities of $2,315,115 including $1,592,920 of notes payable and convertible notes payable to unrelated parties. Our current liabilities also include $324,286 of current year royalties payable, which were paid in full during January of 2015. As of December 31, 2013, we had total current liabilities of $3,445,696 including $1,700,583 of notes payable and convertible notes payable to related and unrelated parties. Our current liabilities also included $375,000 of current year royalties payable.

As of December 31, 2014, our current liabilities also included derivative liabilities of $1,708 compared to derivative liabilities of $1,040,850 at December 31, 2013. At December 31, 2014, our derivative liabilities consisted of 910,000 outstanding common stock purchase warrants. At December 31, 2013, our derivative liabilities consisted of 15,670,143 outstanding common stock purchase warrants and convertible promissory notes, net of unamortized discounts in the amount of $10,494.

For the year ended December 31, 2014, net cash used in operating activities was $1,686,685 compared to $1,821,981 in 2013.

We used $8,447 in investing activities in the year ended December 31, 2014 compared to $29,892 in the year ended December 31, 2013.

For the year ended December 31, 2014, net cash provided by financing activities was $2,174,020 compared to $1,850,565 in 2013.

Off-Balance Sheet Arrangements

None.

Contractual Commitments

Royalty Agreement

Pursuant to the agreement with the CellerateRX founder, George Petito, the Company is obligated to pay royalties to Petito and Applied Nutritionals, as described in "Item 1. Product, Patent, License and Royalty Agreement." At December 31, 2014 the amount of royalties due but unpaid was $324,286. The Company paid this amount in full on January 21, 2015.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

WOUND MANAGEMENT TECHNOLOGIES, INC. AND SUBSIDIARIES
Index to Consolidated Financial Statements

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors
Wound Management Technologies, Inc.
Fort Worth, Texas

We have audited the accompanying consolidated balance sheets of Wound Management Technologies, Inc. and its subsidiaries (collectively, the “Company”) as of December 31, 2014 and 2013, and the related consolidated statements of operations, stockholders’ deficit, and cash flows for each of the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Wound Management Technologies, Inc. and its subsidiaries as of December 31, 2014 and 2013 and the consolidated results of their operations and their cash flows for each of the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the consolidated financial statements, the Company has suffered recurring net losses and has a working capital deficit and an accumulated deficit which raises substantial doubt about its ability to continue as a going concern. Management’s plans regarding those matters also are described in Note 3. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ MaloneBailey, LLP
www.malonebailey.com
Houston, Texas
April 9, 2015

WOUND MANAGEMENT TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2014 AND 2013

	December 31, 2014	December 31, 2013
ASSETS		
CURRENT ASSETS:		
Cash	$523,441	$44,553
Accounts Receivable, net of allowance for bad debt of $18,462 and $13,014	278,261	221,549
Inventory, net of allowance for obsolescence of $46,007 and $114,404	402,530	307,502
Employee Advances	-	3,620
Deferred Loan Costs	-	1,032
Prepaid and Other Assets	6,295	76,203
Total Current Assets	1,210,527	654,459
LONG-TERM ASSETS:		
Property Plant and Equipment, net of accumulated depreciation of $22,477 and $17,062	45,428	29,259
Intangible Assets, net of accumulated depreciation of $267,913 and $216,882	242,397	293,428
Total Long-Term Assets	287,825	322,687
TOTAL ASSETS	$1,498,352	$977,146
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts Payable	$210,266	$192,166
Accrued Royalties and Dividends	324,286	375,000
Capital Lease Obligation	4,504	-
Accrued Liabilities	-	260
Accrued Interest - Related Parties	-	29,255
Accrued Interest	181,431	107,582
Derivative Liabilities	1,708	1,040,850
Notes Payable - Related Parties	-	115,620
Notes Payable	392,920	300,900
Convertible Notes Payable, net of unamortized discounts of $0 and $50,837	1,200,000	1,284,063
Total Current Liabilities	2,315,115	3,445,696
LONG-TERM LIABILITIES		
Capital Lease Obligation	8,633	-
Total Long-Term Liabilities	8,633	-
TOTAL LIABILITIES	2,323,748	3,445,696
STOCKHOLDERS' DEFICIT		
Series A Preferred Stock, $10 par value, 5,000,000 shares authorized; none issued and outstanding	-	-
	-	-

Series B Convertible Preferred Stock, $10 par value, 7,500 shares authorized; none issued and outstanding		
Series C Convertible Preferred Stock, $10 par value, 100,000 shares authorized; 70,411 issued and outstanding as of December 31, 2014 and 38,232 issued and outstanding as of December 31, 2013	704,110	382,320
Series D Convertible Preferred Stock, $10 par value, 25,000 shares authorized; 12,545 issued and outstanding as of December 31, 2014 15,000 issued and outstanding as of December 31, 2013	125,450	150,000
Series E Convertible Preferred Stock, $10 par value, 5,000 shares authorized; none issued and outstanding	-	-
Common Stock: $.001 par value; 250,000,000 shares authorized; 92,902,320 issued and 92,898,231 outstanding as of December 31, 2014 85,664,558 issued and 85,660,469 outstanding as of December 31, 2013	92,902	85,664
Additional Paid-in Capital	43,707,731	40,090,878
Treasury Stock	(12,039)	(12,039)
Accumulated Deficit	(45,443,550)	(43,165,373)
Total Stockholders' Deficit	(825,396)	(2,468,550)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$1,498,352	$977,146

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

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WOUND MANAGEMENT TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
REVENUES	$2,632,643	$1,726,392
COST OF GOODS SOLD	803,631	792,774
GROSS PROFIT	1,829,012	933,618
GENERAL AND ADMINISTRATIVE EXPENSES:		
General and Administrative Expenses	3,835,095	3,810,350
Depreciation / Amortization	56,446	51,663
LOSS FROM OPERATIONS	(2,062,529)	(2,928,395)
OTHER INCOME (EXPENSES):		
Change in fair value of Derivative Liabilities	78,145	365,496
Other Income	-	201,976
Interest Income	103	-
Interest Expense	(293,896)	(1,725,553)
Debt Related Expense	-	(61,612)
NET LOSS	(2,278,177)	(4,148,088)
Series C Preferred Stock Dividends	(233,792)	(6,271)
NET LOSS AVAILABLE TO COMMON STOCKHOLDERS	$(2,511,969)	$(4,154,359)
Basic and diluted net loss per share of common stock	$(0.03)	$(0.05)
Basic and diluted weighted average number of common shares outstanding	87,943,837	77,710,685

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

WOUND MANAGEMENT TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	Preferred Stock Series C Shares	$10.00 Par Value Amount	Preferred Stock Series D Shares	$10.00 Par Value Amount	Common Stock Shares	$0.001 Par Value Amount	Additional Paid-In Capital	Treasury Stock Shares	Treasury Stock Amount	Accumu Defic
Balance at December 31, 2012	-	$-	-	$-	68,782,470	$68,782	$35,154,736	(4,089)	$(12,039)	$(39,017
Issuance of Common stock for:										
Debt	-	-	-	-	11,239,999	11,240	395,405	-	-	-
Interest and Extensions	-	-	-	-	288,140	288	16,324	-	-	-
Services	-	-	-	-	4,084,615	4,085	271,842	-	-	-
Warrants Exercised	-	-	-	-	1,269,334	1,269	4,491	-	-	-
Issuance of Preferred stock for:										
Debt	27,660	276,601	-	-	-	-	1,659,599	-	-	-
Services	-	-	15,000	150,000	-	-	775,787	-	-	-
Subscription Agreements	10,572	105,719	-	-	-	-	634,311	-	-	-
Warrants Expense	-	-	-	-	-	-	287,599	-	-	-
True-up of warrants issued in 2011	-	-	-	-	-	-	489,614	-	-	-
Debt discounts due to warrants issued with debt	-	-	-	-	-	-	51,643	-	-	-
Warrants reclassed to derivative liabilities	-	-	-	-	-	-	(812,705)	-	-	-
Resolution of derivative liabilities due to warrant exercises	-	-	-	-	-	-	48,630	-	-	-
Resolution of derivative	-	-	-	-	-	-	1,311,702	-	-	-

liabilities due to debt conversion										
Reversal of deferred compensation due to forfeiture of nonvested options	-	-	-	-	-	-	(184,800)	-	-	-
Write-offs of deferred stock compensation	-	-	-	-	-	-	(38,300)	-	-	-
Debt discount due to beneficial conversion features	-	-	-	-	-	-	25,000	-	-	-
Net Loss	-	-	-	-	-	-	-	-	-	(4,148,(
Balance at December 31, 2013	38,232	$382,320	15,000	$150,000	85,664,558	$85,664	$40,090,878	(4,089)	$(12,039)	$(43,165
Issuance of Common stock for:										
Debt	-	-	-	-	1,087,762	1,088	92,640	-	-	-
Conversion of Series D Preferred Stock	-	-	(4,000)	(40,000)	4,000,000	4,000	36,000	-	-	-
Services	-	-	-	-	2,150,000	2,150	220,400	-	-	-
Issuance of Preferred stock for:										
Services	-	-	1,656	16,560	-	-	150,480	-	-	-
Subscription Agreements	32,179	321,790	-	-	-	-	1,930,720	-	-	-
Cash paid for return of Preferred stock	-	-	(111)	(1,110)	-	-	(8,880)	-	-	-
Resolution of derivative liabilities due to debt conversion	-	-	-	-	-	-	132,417	-	-	-
Resolution of warrant derivative liabilities due to removal of	-	-	-	-	-	-	918,580	-	-	-

convertible debt										
Amortization of Series D Preferred stock awards	-	-	-	-	-	-	144,496	-	-	-
Net Loss	-	-	-	-	-	-	-	-	-	(2,278,
Balance at December 31, 2014	70,411	$704,110	12,545	$125,450	92,902,320	$92,902	$43,707,731	(4,089)	$(12,039)	$(45,443

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

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WOUND MANAGEMENT TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
Cash flows from operating activities:		
Net loss	$(2,278,177)	$(4,148,088)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	56,446	51,663
Amortization of discounts and deferred financing costs	141,869	854,149
Bad debt expense	20,273	24,917
Inventory obsolescence	83,420	244,540
Gain on settlement of liabilities	-	(192,142)
Series D preferred stock issued for services	311,536	925,787
Common stock issued for services	222,550	275,927
Common stock issued for loan extensions	-	16,612
Warrant expense	-	287,599
True-up related to warrants issued in 2011	-	489,614
Recognition of deferred compensation related to vested options	-	86,350
Gain on change in fair value of derivative liabilities	(78,145)	(365,496)
Convertible debt issued for settlements	-	90,000
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(76,985)	(42,499)
(Increase) decrease in inventory	(178,448)	(97,831)
(Increase) decrease in employee advances	3,620	8,212
(Increase) decrease in accrued interest receivable	-	-
(Increase) decrease in prepaids and other assets	69,908	(64,897)
Increase (decrease) in allowance for uncollectible interest	-	-
Increase (decrease) in accrued royalties and dividends	(50,714)	(428,238)
Increase (decrease) in accounts payable	18,100	(67,965)
Increase (decrease) in accrued liabilities	(260)	(21,838)
Increase (decrease) in accrued interest payable	48,322	251,643
Net cash flows used in operating activities	(1,686,685)	(1,821,981)
Cash flows from investing activities:		
Payments made on capital lease obligation	(375)	-
Purchase of property and equipment	(8,072)	(29,892)
Net cash flows used in investing activities	(8,447)	(29,892)
Cash flows from financing activities:		
Borrowings on debt	-	290,244
Payments on debt	(23,600)	(662,169)
Borrowings on convertible debt, net of original issue discounts	-	1,817,400
Payments on convertible debt	(44,900)	(331,500)
Cash paid for debt issuance costs	-	(9,200)
Cash proceeds from sale of series C preferred stock	2,252,510	740,030
Proceeds from exercise of warrants	-	5,760
Cash paid for return of Series D preferred stock	(9,990)	-

Net cash flows provided by financing activities	2,174,020	1,850,565
Net increase (decrease) in cash	478,888	(1,308)
Cash and cash equivalents, beginning of period	44,553	45,861
Cash and cash equivalents, end of period	$523,441	$44,553
Cash paid during the period for:		
Interest	$103,705	$130,147
Income taxes	-	-

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

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WOUND MANAGEMENT TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS - (Cont'd)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
Supplemental non-cash investing and financing activities:		
Common stock issued for conversion of debt	$93,728	$406,645
Common stock issued for conversion of series D preferred stock	40,000	-
Series C issued for conversion of RP debt and interest	-	348,600
Series C issued for conversion of debt and interest	-	1,587,600
Resolution of derivative liabilities due to warrant exercise	-	48,630
Resolution of warrant derivative liabilities due to removal of convertible debt	918,580	-
Resolution of derivative liabilities due to debt conversions	132,417	1,311,702
Warrants reclassed to derivative liabilities	-	812,705
Debt discounts due to derivative liabilities	90,000	617,399
Debt discounts due to warrants issued with debt	-	51,643
Debt discounts due to beneficial conversion feature	-	25,000
Reversal of deferred compensation due to forfeiture of nonvested options	-	184,800
Write-off of deferred compensation	-	38,300
Reclass of related party debt to unrelated party debt	115,620	-
Reclass of related party interest payable to unrelated party interest payable	47,061	-
Capital lease obligation	13,512	-

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

WOUND MANAGEMENT TECHNOLOGIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – NATURE OF OPERATIONS

Wound Management Technologies, Inc. was incorporated in the State of Texas in December 2001 as MB Software, Inc. In May 2008, MB Software, Inc. changed its name to Wound Management Technologies, Inc. The Company distributes collagen-based wound care products to healthcare providers such as physicians, clinics and hospitals.

NOTE 2 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The terms "the Company," "we," "us" and "WMT" are used in this report to refer to Wound Management Technologies Inc. The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of WMT and its wholly-owned subsidiaries: Wound Care Innovations, LLC a Nevada limited liability company ("WCI"); Resorbable Orthopedic Products, LLC, a Texas limited liability company ("Resorbable); and BioPharma Management Technologies, Inc., a Texas corporation ("BioPharma"). All intercompany accounts and transactions have been eliminated.

Use of Estimates in Financial Statement Preparation

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements, and the amounts of revenues and expenses during the reporting period. On a regular basis, management evaluates these estimates and assumptions. Actual results could differ from those estimates.

Cash, Cash Equivalents and Marketable Securities

The Company considers all highly liquid debt investments purchased with an original maturity of three months or less to be cash equivalents. Marketable securities include investments with maturities greater than three months but less than one year. For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and other accrued liabilities, and amounts due to related parties, the carrying amounts approximate fair value due to their short maturities.

Loss Per Share

The Company computes loss per share in accordance with Accounting Standards Codification "ASC" Topic No. 260, "Earnings per Share," which requires the Company to present basic and dilutive loss per share when the effect is dilutive. Basic loss per share is computed by dividing loss available to common stockholders by the weighted average number of common shares available. Diluted loss per share is computed similar to basic loss per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive.

Revenue Recognition

In accordance with the guidance in “ASC” Topic No. 605, “Revenue Recognition,” the Company recognizes revenue when (a) persuasive evidence of an arrangement exists, (b) delivery has occurred or services have been rendered, (c) the fee is fixed or determinable, and (d) collectability is reasonable assured. Revenue is recognized upon delivery. Revenue is recorded on the gross basis, which includes handling and shipping, because the Company has risks and rewards as a principal in the transaction based on the following: (a) the Company maintains inventory of the product, (b) the Company is responsible for order fulfillment, and (c) the Company establishes the price for the product. The Company recognizes royalty revenue in the period the royalty bearing products are sold.

Allowance for Doubtful Accounts

The Company establishes an allowance for doubtful accounts to ensure accounts receivable are not overstated due to uncollectibility. Bad debt reserves are maintained based on a variety of factors, including the length of time receivables are past due and a detailed review of certain individual customer accounts. If circumstances related to customers change, estimates of the recoverability of receivables would be further adjusted. The Company recorded bad debt expense of $20,273 and $24,917 in 2014 and 2013, respectively. The allowance for doubtful accounts at December 31, 2014 was $18,462 and the amount at December 31, 2013 was $13,014.

Inventories

Inventories are stated at the lower of cost or net realizable value, with cost computed on a first-in, first-out basis. Inventories consist of powders, gels and the related packaging supplies. The Company recorded inventory obsolescence expense of $83,420 in 2014 and $244,540 in 2013. The allowance for obsolete and slow moving inventory had a balance of $46,007 and $114,404 at December 31, 2014 and December 31, 2013, respectively.

Property and Equipment

Property and equipment is recorded at cost. Depreciation is computed utilizing the straight-line method over the estimated economic life of the asset, which ranges from five to ten years. As of December 31, 2013, fixed assets consisted of $46,321including furniture and fixtures, computer equipment, phone equipment and the Company websites. As of December 31, 2014, fixed assets consisted of $67,905 including furniture and fixtures, computer equipment, phone equipment and the Company websites. The depreciation expense recorded in 2014 was $5,415 and the depreciation expense recorded in 2013 was $632. The balance of accumulated depreciation was $22,477and $17,062 at December 31, 2014 and December 31, 2013, respectively.

Intangible Assets

Intangible assets as of December 31, 2014 and 2013 consisted of a patent acquired in 2009 with a historical cost of $510,310. The intangible asset is being amortized over its estimated useful life of 10 years using the straight line method. Amortization expense recognized was $51,031 during 2014 and 2013.

Impairment of Long-Lived Assets

Long-lived assets and certain identifiable intangibles to be held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company continuously evaluates the recoverability of its long-lived assets based on estimated future cash flows and the estimated liquidation value of such long-lived assets, and provides for impairment if such undiscounted cash flows are insufficient to recover the carrying amount of the long-lived assets. If impairment exists, an adjustment is made to write the asset down to its fair value, and a loss is recorded as the difference between the carrying value and fair value. Fair values are determined based on quoted market values, undiscounted cash flows or internal and external appraisals, as applicable. Assets to be disposed of are carried at the lower of carrying value or estimated net realizable value. There was no impairment recorded during the years ended December 31, 2014 and 2013.

Fair Value Measurements

As defined in Accounting Standards Codification ("ASC") Topic No. 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). This fair value measurement framework applies at both initial and subsequent measurement.

The three levels of the fair value hierarchy defined by ASC Topic No. 820 are as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 primarily consists of financial instruments such as exchange-traded derivatives, marketable securities and listed equities.

Level 2 – Pricing inputs are other than quoted prices in active markets included in level 1, which are either directly or indirectly observable as of the reported date. Level 2 includes those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace. Instruments in this category generally include non-exchange-traded derivatives such as commodity swaps, interest rate swaps, options and collars.

Level 3 – Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management’s best estimate of fair value.

At December 31, 2013, the Company’s financial instruments consist of the derivative liabilities related to stock purchase warrants and the conversion features of certain outstanding notes payable. The derivative liabilities related to stock purchase warrants were valued using the Black-Scholes Option Pricing Model and the derivative liabilities related to the conversion features in the outstanding convertible notes were valued using the Black-Scholes Option Pricing Model assuming maximum value. These are level 3 inputs.

At December 31, 2014, the Company’s financial instruments consist of the derivative liabilities related to stock purchase warrants which were valued using the Black-Scholes Option Pricing Model, a level 3 input.

Our intangible assets have also been valued using the fair value accounting treatment and a description of the methodology used, including the valuation category, is described below in Note 6 “Intangible Assets.”

The following table sets forth by level within the fair value hierarchy the Company’s financial assets and liabilities that were accounted for at fair value as of December 31, 2014 and 2013.

Recurring Fair Value Measure	Level 1	Level 2	Level 3	Total
Liabilities				
Derivative Liabilities as of December 31, 2014	$-	$-	$1,708	$1,708
Derivative Liabilities as of December 31, 2013	$-	$-	$1,040,850	$1,040,850

Derivatives

The Company entered into derivative financial instruments to manage its funding of current operations. Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately.

Income Taxes

Income taxes are accounted for under the asset and liability method, whereby deferred income taxes are recorded for temporary differences between financial statement carrying amounts and the tax basis of assets and liabilities. Deferred tax assets and liabilities reflect the tax rates expected to be in effect for the years in which the differences are expected to reverse. A valuation allowance is provided if it is more likely than not that some or all, of the deferred tax asset will not be realized.

Beneficial Conversion Feature of Convertible Notes Payable

The convertible feature of certain notes payable provides for a rate of conversion that is below the market value of the Company's common stock. Such a feature is normally characterized as a "Beneficial Conversion Feature" ("BCF"). In accordance with ASC Topic No. 470-20-25-4, the intrinsic value of the embedded beneficial conversion feature present in a convertible instrument shall be recognized separately at issuance by allocating a portion of the debt equal to the intrinsic value of that feature to additional paid in capital. When applicable, the Company records the estimated fair value of the BCF in the consolidated financial statements as a discount from the face amount of the notes. Such discounts are accreted to interest expense over the term of the notes using the effective interest method.

Advertising Expense

In accordance with ASC Topic No. 720-35-25-1, the Company recognizes advertising expenses the first time the advertising takes place. Such costs are expensed immediately if such advertising is not expected to occur.

Share-Based Compensation

The Company accounts for stock-based compensation to employees in accordance with FASB ASC 718. Stock-based compensation to employees is measured at the grant date, based on the fair value of the award, and is recognized as expense over the requisite employee service period. The Company accounts for stock-based compensation to other than employees in accordance with FASB ASC 505-50. Equity instruments issued to other than employees are valued at the earlier of a commitment date or upon completion of the services, based on the fair value of the equity instruments and is recognized as expense over the service period. The Company estimates the fair value of stock-based payments using the Black-Scholes option-pricing model for common stock options and warrants and the closing price of the Company's common stock for common share issuances.

Reclassifications

Certain prior period amounts have been reclassified to conform to current period presentation.

Recently Issued Accounting Pronouncements

There were various accounting standards and interpretations issued during 2014 and 2013, none of which are expected to have a material impact on the Company's financial position, operations or cash flows.

NOTE 3 - GOING CONCERN

The Company has continuously incurred losses from operations, has a working capital deficit, and has a significant accumulated deficit. The appropriateness of using the going concern basis is dependent upon the Company's ability to obtain additional financing or equity capital and, ultimately, to achieve profitable operations. These conditions raise substantial doubt about its ability to continue as a going concern.

In this regard, management is proposing to raise any necessary additional funds through loans or through additional sales of its common stock. There is no assurance that the Company will be successful in raising additional capital to support the financial needs of the Company or that the Company will ever produce profitable operations. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

NOTE 4 – OTHER SIGNIFICANT TRANSACTIONS

SEC Complaint

On or about June 4, 2012, the United States Securities and Exchange Commission filed a Complaint against the Company and Scott A. Haire, a former officer and director of the Company, in the United States District Court for the Southern District of Florida. The Complaint alleges that from at least July through November 2009, the Company and Haire engaged in a fraudulent scheme and market manipulation involving the Company's stock. The Complaint alleges that (a) Haire arranged to sell Company restricted stock to an FBI agent posing as the trustee of a pension fund and to pay that person a kickback for engaging in the transaction; and (b) Haire arranged to make payments to a fictitious person, putatively a broker, in exchange for the broker's trading in company stock timed with Company press releases. The Complaint asserts claims for violations of Section 17(a) (1) of the Securities Act and Section 10(b) of the Securities Exchange Act and Rule 10b-5 promulgated thereunder. The Complaint seeks (a) a declaration that the Company and Haire committed those violations; (b) an injunction against the further commission of such violations; (c) disgorgement; (d) civil money penalties; (e) an order barring Haire from participating in any offering of a penny stock; and (f) an order barring Haire from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Securities Exchange Act or that is require to tile reports pursuant to Section 15(d) of the Securities Exchange Act.

The Company, separate from Mr. Haire, engaged in settlement discussions with the Securities and Exchange Commission concerning a potential settlement of the action against the Company. On September 14, 2012, the Company filed a Consent of Defendant with the SEC. To resolve the claims against it, the Company has consented to the entry of a permanent injunction against violations of Section 17(a) of the Securities Act and Section 10(b) of the Securities Exchange Act involving the payment of undisclosed compensation to investment advisors, managers, and trustees or the manipulation of the price or volume of any security. As part of the settlement agreement the Company paid a $20,000 civil money penalty. On January 15, 2013, the Company received a final judgment resolving claims against the Company. The judgment was delivered by the United States District Court for the Southern District of Florida.

Forbearance Agreement

On August 17, 2012, Tonaquint, Inc., ("Tonaquint") and the Company entered into a forbearance agreement in connection with a Securities Purchase Agreement by and between Tonaquint and the Company under which Tonaquint purchased a Secured Convertible Promissory Note in the original principal amount of $560,000 (the "Note"). Tonaquint agreed to convert $20,000 in principal amount owed under the Note into shares of the Company's Common Stock and to accept a cash payment of $200,000 as payment in full for the remaining balance on or before October 16, 2012. The forbearance also gave the Company the option to extend the final payment date. In January of 2013, the Company issued 74,993 shares of Common Stock valued at $3,382 according to the original terms of the Forbearance agreement. The Company also paid $45,000 in 2013 and issued an additional 213,147 shares of Common Stock valued at $13,230 to Tonaquint to extend the final payment date to October 15, 2013 at which time the final $200,000 was paid in full. The aggregate fair value of these common shares of $16,612 and the $45,000 of cash payments are presented in the consolidated statements of operations as debt related expense in 2013.

Federal Payroll Tax Settlement Negotiation

In January of 2012, the Company made payment to the Internal Revenue Service (the "IRS") for delinquent tax liabilities from 2004 and 2005. In February of 2013, the IRS accepted Company's offer of Compromise related to unpaid penalties and interest and on March 20, 2013, the Company paid the final $16,000 due under the compromise. This resulted in a gain on the settlement of liabilities of $192,142 during 2013.

Shipping and Consulting Agreement

On September 20, 2013, the Company entered into a Shipping and Consulting Agreement with WellDyne Health, LLC ("WellDyne"). Under the agreement, WellDyne agreed to provide certain storage, shipping, and consulting services, and was granted the right to conduct online resale of certain of the Company's products to U.S. consumers. The agreement has an initial term of 3 years.

As additional consideration, an affiliate of WellDyne was issued 4,500,000 common stock warrants for the purchase of shares of the Company's Common Stock. The warrants vest on the date of grant, have a term of five years and an exercise price of $0.06, subject to adjustment as provided for therin. The fair value of the warrants was determined to be $287,599 and was expensed during the year ended December 31, 2013.

Brookhaven Medical, Inc. Agreement

On October 11, 2013, the Company, together with certain of its subsidiaries, entered into a term loan agreement (the “Loan Agreement”) with Brookhaven Medical, Inc. (“BMI”), pursuant to which BMI made a loan to the Company in the amount of $1,000,000 under a Senior Secured Convertible Promissory Note (the “First BMI Note”). In connection with the Loan Agreement, the Company and BMI also entered into a letter of intent contemplating (i) an additional loan to the Company (the “Additional Loan”) of up to $2,000,000 by BMI (or an outside lender), and (ii) entrance into an agreement and plan of merger (the “Merger Agreement”) pursuant to which the Company would merge with a subsidiary of BMI, subject to various conditions precedent.

The First BMI Note carries an interest rate of 8% per annum, and all unpaid principal and accrued but unpaid interest under the First BMI Note is due and payable on the later of (i) October 10, 2014, or (ii) the first anniversary of the date of the Merger Agreement. The First BMI Note may be prepaid in whole or in part upon ten days’ written notice, and all unpaid principal and accrued interest under the Note may be converted, at the option of BMI, into shares of the Company’s Series C Convertible Preferred Stock (“Series C Preferred Stock”) at a conversion price of $70.00 per share. The Company’s obligations under the First BMI Note are secured by all the assets of the Company and its subsidiaries.

On October 15, 2013, BMI agreed to make the Additional Loan pursuant to a Secured Convertible Drawdown Promissory Note (the “Second BMI Note”), which allows the Company to drawdown, as needed, an aggregate of $2,000,000, subject to an agreed upon drawdown schedule or as otherwise approved by BMI. In connection with the Second BMI Note, the Company, its subsidiaries, and BMI entered into an additional loan agreement as well as an additional security agreement.

The Second BMI Note carries an interest rate of 8% per annum, and (subject to various default provisions) all unpaid principal and accrued but unpaid interest under the Second BMI Note is due and payable on the later of (i) October 15, 2014, or (ii) the first anniversary of the date of the Merger Agreement. The Second BMI Note may be prepaid in whole or in part upon ten days’ written notice, and all unpaid principal and accrued interest under the Second BMI Note may be converted, at the option of BMI, into shares of the Company’s Series C Convertible Preferred Stock at a conversion price of $70.00 per share at any time prior to the Maturity Date.

In December of 2013, the Company and Brookhaven Medical, Inc. announced their mutual decision not to proceed with the proposed merger but to pursue other business relationships between the two companies.

On October 15, 2014, the Company and Brookhaven Medical, Inc. executed an amendment extending the due date of the notes to April 15, 2015. The Company evaluated the modification under ASC 470 and determined that it does not qualify as an extinguishment of debt.

NOTE 5 – NOTES PAYABLE

Notes Payable – Related Parties

Funds are advanced to the Company from various related parties, including from Mr. Robert Lutz. Other shareholders fund the Company as necessary to meet working capital requirements and expenses.

In September of 2014, Mr. Araldo Cossutta, holder of a note payable in the principal amount of $75,000, stepped down from his position on the board of directors. In October of 2014, the note payable to MAH Holding, LLC in the principal amount of $40,620 was acquired by an unrelated third party. As a result, Mr. Cossutta’s $75,000 note and accrued interest of $32,200 and the MAH Holding note of $40,620 and accrued interest of $14,861 are presented as unrelated party notes payable in 2014.

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The following is a summary of amounts due to related parties, including accrued interest separately recorded, as of December 31, 2013:

Related party	Nature of relationship	Terms of the agreement	Principal amount	Accrued Interest
Araldo A. Cossutta	Mr. Cossutta was a member of the Board of Directors from 1994 until his term ended on September 3, 2014.	See “Third Quarter Secured Promissory Notes” As of March 31, 2015 $75,000 of this note remains due.	$ 75,000	$ 18,512
MAH Holding, LLC	MAH Holding, LLC provided previous lines of credit to affiliates of WMT.	Unsecured note with interest accrued at 10% per annum, due on demand.	40,620	10,743
Total			$ 115,620	$ 29,255

During the year ended December 31, 2013, related parties converted an aggregate of $300,000 of related party debt and $48,600 of accrued interest into 4,980 shares of Series C convertible preferred stock. No such conversions took place in 2014.

Notes Payable

The following is a summary of amounts due to unrelated parties, including accrued interest separately recorded, as of December 31, 2014:

Note Payable	Terms of the agreement	Principal Amount	Discount	Principal Net of Discount	Accrued Interest
March 4, 2011 Note Payable	$223,500 note payable; (i) interest accrues at 13% per annum; (ii) maturity date of September 4, 2011; (iii) $20,000 fee due at maturity date with a $1,000 per day fee for each day the principal and interest is late. This note is currently the subject of litigation (see Note 12 "Legal Proceedings”)	$ 223,500	-	$ 223,500	$ 88,456
MAH Holding, LLC	Unsecured note with interest accrued at 10% per annum, due on demand. This note is currently the subject of litigation (see Note 12 "Legal Proceedings”)	40,620		40,620	14,861
Third Quarter 2012 Secured Subordinated	Seventeen notes in the original aggregate principal amount of $1,055,000; (i) 5% interest due on	110,000	-	110,000	47,483

Promissory Notes	maturity date; (ii) maturity date of October 12, 2012; (iii) after the maturity date interest shall accrue at 18% per annum and the company shall pay to the note holders on a pro rata basis, an amount equal to twenty percent of the sales proceeds received by the Company and its subsidiary, WCI, from the sale of surgical powders, until such time as the note amounts have been paid in full. As of March 31, 2015 three of these notes remain due.							
September 28, 2012 Promissory Note	$51,300 note payable (i) interest accrues at 10% per annum; (ii) original maturity date of December 31, 2012; (iii) default interest rate of 15% per annum. As of March 31, 2014 $11,300 of this note remains due.		11,300		-		11,300	10,379
BMI Convertible Note #1	Note in the principal amount of $1,000,000 which accrues interest at 8% per annum. The note is due April 15, 2015. The note may be converted, at the option of BMI, into shares of the Company's Series C Preferred Stock at a conversion price of $70.00 per share.		1,000,000		-		1,000,000	16,877
Quest Capital Investors, LLC	Furniture purchase agreement in the original amount of $11,700 with $300 payments due each month.		7,500		-		7,500	-
BMI Convertible Note #2	Note payable which accrues interest at 8% per annum and allows the Company to drawdown, as needed, an aggregate of $2,000,000, subject to an agreed upon schedule. The note is due April 15, 2015. The note may be converted, at the option of BMI, into shares of the Company's Series C Preferred Stock at a conversion price of $70.00 per share.		200,000				200,000	3,375
Total		$	1,592,920	$	-	$	1,592,920	$ 181,431

In January of 2014, the Company paid $20,000 in principal on the September 28, 2012 Promissory Note in the original amount of $51,300 and the final $5,000 in principal and $5,000 in accrued interest due on the Second Quarter 2012 Convertible Note in the original amount of $25,000.

In January of 2014, the Company converted $90,000 of principal and $3,728 of accrued interest payable related to the two July 16, 2013 promissory notes into 1,087,762 shares of common stock.

In March of 2014, the Company paid the final $39,900 in principal and $1,995 in accrued interest due on the May 30, 2012 Convertible note.

During the year ended December 31, 2014, the Company paid a total of $3,600 to Quest Capital as part of the furniture purchase agreement in the original amount of $11,700.

During the year ended December 31, 2014, aggregate amortization of debt discounts and deferred financing costs was $140,837 and $1,032, respectively.

The following is a summary of amounts due to unrelated parties, including accrued interest separately recorded, as of December 31, 2013:

Note Payable	Terms of the agreement	Principal Amount	Discount	Principal Net of Discount	Accrued Interest
March 4, 2011 Note Payable	$223,500 note payable; (i) interest accrues at 13% per annum; (ii) maturity date of September 4, 2011; (iii) $20,000 fee due at maturity date with a $1,000 per day fee for each day the principal and interest is late. This note is currently the subject of litigation (see Note 12 "Legal Proceedings")	$ 223,500	-	$ 223,500	$ 58,998
Third Quarter 2012 Secured Subordinated Promissory Notes	Seventeen notes in the original aggregate principal amount of $1,055,000; (i) 5% interest due on maturity date; (ii) maturity date of October 12, 2012; (iii) after the maturity date interest shall accrue at 18% per annum and the company shall pay to the note holders on a pro rata basis, an amount equal to twenty percent of the sales proceeds received by the Company and its subsidiary, WCI, from the sale of surgical powders, until such time as the note amounts have been paid in full. As of March 31, 2014 three of these notes remain due, of which two are with unrelated parties in the aggregate principal amount of $110,000.	35,000	-	35,000	9,013

September 28, 2012 Promissory Note	$51,300 note payable (i) interest accrues at 10% per annum; (ii) maturity date of December 31, 2012; (iii) default interest rate of 15% per annum. As of March 31, 2014 $11,300 of this note is was past due.	31,300	-	31,300	8,763
Second Quarter 2012 Convertible Notes	Two $25,000 notes; (i) issued on April 3 and April 23, respectively; (ii) convertible at $0.19 per share; (iii) interest accrues at 5% per annum; (iv) interest accrues at 9% per annum after the due dates of April 30 and June 30, 2012, respectively. On September 20, 2012, 222,420 shares of Common Stock were issued in conversion of the April 23 note. As of the date of this filing these notes and all related interest are paid in full.	5,000	-	5,000	4,340
May 30, 2012 Convertible Note	Note in the principal amount of up to $275,000 including an approximate original issue discount of 10%; (i) maturity date one year from the effective date (ii) convertible at the lesser of $0.19 or a 30% discount on the fair market value of the Company's common stock; (iv) one time interest charge of 5% will be applied if the note is not repaid within the first 90 days. As of the date of this filing, this note at all related accrued interest has been paid in full.	39,900	(29,406)	10,494	1,995
July 16, 2013 Convertible Notes	Two $45,000 notes; (i) issued July 16, 2013 as part of two settlement agreements; (ii) interest accrues at 8%; (iii) due April 14, 2014; (iv) convertible 180 days after the issue date at 80% of the fair market value of the Company’s common stock. In the first quarter of 2014, the entire principal and accrued interest balance of these notes was converted into common stock.	90,000	-	90,000	3,629
BMI Convertible Note #1	Note in the principal amount of $1,000,000 which accrues interest at 8% per annum. The note is due October 10, 2014. The note may be converted, at the option of BMI, into shares of the Company’s Series	1,000,000	-	1,000,000	18,192

	C Preferred Stock at a conversion price of $70.00 per share.								
Quest Capital Investors, LLC	Furniture purchase agreement in the original amount of $11,700 with $300 payments due each month.		11,100		-		11,100		-
BMI Convertible Note #2	Note payable which accrues interest at 8% per annum and allows the Company to drawdown, as needed, an aggregate of $2,000,000, subject to an agreed upon schedule. The note is due October 15, 2014. The note may be converted, at the option of BMI, into shares of the Company’s Series C Preferred Stock at a conversion price of $70.00 per share.		200,000		(21,431)		178,569		2,652
Total		$	1,635,800	$	(50,837)	$	1,584,963	$	107,582

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During the year ended December 31, 2013, the Company borrowed an aggregate of $290,244 and $1,817,400 under notes payable and convertible notes payable, respectively and repaid an aggregate of $662,169 and $331,500 on notes payable and convertible notes payable, respectively.

In connection with $140,000 of the 2013 borrowings, the Company issued an aggregate of 875,000 common stock warrants to the lenders (see Note 9). The fair value of the warrants was determined to be $51,643 and it was recorded as a discount to the notes that is being amortized to interest expense over the life of the notes using the effective interest rate method. During the year ended December 31, 2013, these discounts were fully amortized to interest expense.

During the year ended December 31, 2013, unrelated parties converted an aggregate of $1,360,822 of debt and $226,778 of accrued interest into 22,680 shares of Series C convertible preferred stock.

During the year ended December 31, 2013, unrelated parties converted an aggregate of $401,145 of debt and $5,500 of accrued interest into 11,239,999 shares of common stock.

$1,200,000 of the 2013 borrowings is convertible at the holder’s option into Series C convertible preferred stock at $70 per share. The $1,200,000 was drawn by the company on multiple dates. The Company evaluated each borrowing under FASB ASC 470-30 to determine if a beneficial conversion feature existed. The company determined beneficial conversion features existed on $200,000 of the borrowings. The intrinsic value of the beneficial conversion features was determined to be $25,000. The beneficial conversion features were recorded as discounts to the notes that are being amortized to interest expense. Amortization of these discounts totaled $3,569 for the year ended December 31, 2013.

In July of 2013, the Company established two notes payable in the amount of $45,000 each according to the terms of a settlement agreement. The company recognized settlement expense of $90,000 during 2013 associated with these notes. The notes are unsecured, bear interest at 8% per annum and are due April 14, 2014. The notes become convertible 180 days after the issue date at 80% of the fair market value of the Company’s common stock.

The convertible notes associated with $628,900 of the 2013 borrowings qualified as derivative liabilities under FASB ASC 815 resulting in discounts to the notes of $617,399 (see Note 10). Also, in connection with these borrowings, the Company incurred original issue discounts totaling $11,500 which are being amortized to interest expense over the life of the notes.

During 2013, the company paid third party debt issuance costs totaling $9,200. These costs are being amortized to interest expense over the life of the associated debt using the effective interest rate method. During 2013, aggregate amortization of deferred financing costs totaled $20,694. During the year ended December 31, 2013, aggregate amortization of debt discounts totaled $833,455.

Debentures

2012 Debentures

On March 27, 2012, the Company entered into a Securities Purchase Agreement and sold $400,000 of convertible debentures with a maturity date of March 27, 2015, to an unrelated party for $360,000. The Debentures may be converted into Common Stock at a conversion price equal to seventy percent (70%) of the lowest closing bid price per share for the twenty (20) trading days immediately preceding the date of conversion; provided that no holder may convert Debentures into, nor shall the Company issue to such holder, shares of common stock to the extent that the conversion would result in a holder and its affiliates together beneficially owning more than 4.99% of the then issued and outstanding shares of Common Stock. Additionally, the Securities Purchase Agreement entitled the purchaser to 200,000 shares of Common Stock

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In accordance with ASC Topic No. 470-20-25-4, a discount in the amount of $171,429 was calculated as the total value of the beneficial conversion feature, which was amortized over the term of the debt. Additionally, a discount of $35,676 was allocated to 200,000 shares of Common Stock based on the relative fair market value of the stock and convertible debt at the time of the agreement.

In 2012, the debenture holder elected to convert $50,000 in principal into 1,387,754 shares of Common Stock. In 2013, the debenture holder elected to convert $300,000 in principal into 8,351,368 shares of Common Stock. A pro rata share of the discount associated with the debentures was expensed with each issuance of Common Stock. The balance of accrued interest payable related to the debentures was $18,238 at December 31, 2012. In 2013, the debenture holder also elected to receive a cash principal payment of $50,000 and accrued interest payable, accrued at 6% per annum, of $30,659. As of December 31, 2013, the debentures were paid in full and all related discounts and debt issuance costs were fully amortized. The balance of accrued interest payable at December 31, 2013 was $0.

NOTE 6 – INTANGIBLE ASSETS

Patent

On September 29, 2009, the Company entered into an Asset Purchase Agreement (the "Agreement"), whereby the Company acquired a patent from in exchange for 500,000 shares of the Company's common stock and the assumption of a legal fee payable in the amount of $47,595 which is related to the patent. Based on the guidance in ASC Topic No. 350-30, the patent was recorded as an intangible asset of $462,715, or approximately $.93 per share plus $47,595 for the assumed liability. The intangible asset is being amortized over an estimated ten year useful life.

The activity for the intangible accounts is summarized below:

	2014	2013
Patent	$510,310	$510,310
Accumulated amortization	(267,913)	(216,882)
Patent, net of accumulated amortization	242,397	293,428
Total intangibles, net of accumulated amortization	$242,397	$293,428

The amount amortized for the year ended December 31, 2014 and 2013 was $51,031 and $51,031, respectively.

NOTE 7 – CUSTOMERS AND SUPPLIERS

WCI had two significant customers which accounted for approximately 27% and 10% of the Company's sales in 2014 and one significant customer that accounted for approximately 14% of the Company's sales in 2013. The loss of the sales generated by these customers would have a significant effect on the operations of the Company.

The Company purchases all inventory from one vendor. If this vendor became unable to provide materials in a timely manner and the Company was unable to find alternative vendors, the Company's business, operating results and financial condition would be materially adversely affected.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Royalty Agreement

Effective November 28, 2007, WCI entered into separate exclusive license agreements with Applied Nutritionals, LLC ("Applied") and its founder George Petito, pursuant to which WCI obtained the exclusive world-wide license to make products incorporating intellectual property covered by a patent related to CellerateRX products.

In consideration for the licenses, WCI agreed to pay to Applied the following royalties, beginning January 3, 2008: (a) an upfront royalty of $100,000; (b) a royalty of fifteen percent (15%) of gross sales occurring during the first year of the license; (c) an additional upfront royalty of $400,000, which was paid October, 2009; plus (d) a royalty of three percent (3%) of gross sales for all sales occurring after the payment of the $400,000 upfront royalty. In addition, WCI must maintain a minimum aggregate annual royalty payment of $375,000 for 2009 and thereafter if the royalty payments made do not meet or exceed that amount. The total unpaid royalties as of December 31, 2014 and 2013 is $324,286 and $375,000, respectively.

On January 21, 2015 the Company made payment in the amount of $324,286 to Applied Nutritionals.

Federal Payroll Taxes

The Company was delinquent in the payment of 2004-2005 tax liabilities with the Internal Revenue Service (the "IRS"). A tax lien was filed against the Company in December 2009. As of December 31, 2011, unpaid payroll taxes and related penalties and interest totaled $116,145 and $224,494 respectively. On January 28, 2012 the Company made payment in the amount of $122,223 to the IRS for the balance due for payroll tax liabilities from 2004-2005 and for a portion of the interest and penalties. In May of 2012 the Company submitted an offer of compromise to the IRS in addition to a payment of $4,000. In February of 2013, the Company received a letter of acceptance of the offer of Compromise. On March 20, 2013 the Company paid the final $16,000 due under the offer of compromise. In 2013, the Company recognized a gain on the settlement of liabilities of $192,142 associated with this settlement. The gain on the settlement is presented in other income in the statement of operations for the year ended December 31, 2013.

Inventory Contract

In December of 2013, WCI entered into a contract with the manufacturer of the CellerateRX product to purchase $139,132 of product. Payment in the amount of $66,111 was made in December of 2013 with the remaining balance due at the time of delivery. This amount was recorded as an asset in the "Prepaid and Other Assets" account at December 31, 2013 based on the contractual obligation of the parties. The remaining balance due of $73,021 was paid in March of 2014. The Company did not have any contractual obligations to purchase product as of December 31, 2014.

Office Leases

The Company's corporate office is located at 16633 Dallas Parkway, Suite 250, Addison, TX 75001. The lease was entered into after the expiration of the Company's old lease with Keystone Exploration, LTD. in November of 2013. The lease expires on April 30, 2017 and requires base rent payments of $5,737 per month for months 1-17, $5,866 for months 18-29, and $5,995 for months 30-41.

The Company also leased real property which it uses for its marketing staff in Denver, Colorado. The lease was a 12 month lease expiring on November 30, 2014 and required base rent payment of $300 per month. As of December 2014, the lease was month-to-month with a required base rent of $300 per month. As of February 28, 2015 the lease was ended.

NOTE 9 - STOCKHOLDERS' EQUITY

Preferred Stock

There are currently 5,000,000 shares of Series A Preferred Stock authorized, with no shares of Series A Preferred Stock issued or outstanding as of December 31, 2014 and 2013.

Effective June 24, 2010, the Company filed a Certificate of Designations, Number, Voting Power, Preferences and Rights of Series B Convertible Redeemable Preferred Stock (the "Certificate") with the Texas Secretary of State, designating 7,500 shares of Series B Preferred Stock, par value $10.00 per share (the "Series B Shares"). The Series B Shares rank senior to shares of all other common and preferred stock with respect to dividends, distributions, and payments upon dissolution. Each of the Series B Shares is convertible at the option of the holder into shares of common stock as provided in the Certificate. There were no Series B Shares issued or outstanding as of December 31, 2014 and 2013.

On October 11, 2013, the Company filed a Certificate of Designations, Number, Voting Power, Preferences and Rights of Series C Convertible Preferred Stock (the "Certificate of Designations"), under which it designated 100,000 shares of Series C Preferred Stock, par value $10.00. The Series C Preferred Stock is entitled to accruing dividends (payable, at the Company's options, in either cash or stock) of 5% per annum until October 10, 2016, and 3% per annum until October 10, 2018. The Series C Preferred Stock is senior to the Company's common stock and any other currently issued series of the Company's preferred stock upon liquidation, and is entitled to a liquidation preference per share equal to the original issuance price of such shares of Series C Preferred Stock together with the amount of all accrued but unpaid dividends thereon. Each of the Series C Shares is convertible at the option of the holder into 1,000 shares of common stock as provided in the Certificate. Additionally, each holder of Series C Preferred Stock shall be entitled to vote on all matters submitted for a vote of the holders of Common Stock a number of votes equal to the number of full shares of Common Stock into which such holder's Series C shares could then be converted. As of December 31, 2014 and December 31, 2013 there were 70,411 and 38,232 shares of Series C Preferred Stock issued and outstanding, respectively.

On November 13, 2013, the Company filed a Certificate of Designations, Number, Voting Power, Preferences and Rights of Series D Convertible Preferred Stock (the "Certificate of Designations"), under which it designated 25,000 shares of Series D Preferred Stock. Shares of Series D Preferred Stock are not entitled to any preference with respect to dividend or upon liquidation, and will automatically convert (at a ratio of 1,000-to-1) into shares of the Company's common stock, par value $0.001 upon approval of the Company's stockholders (and filing of) and amendment to the Company's Certificate of Incorporation increasing the number of authorized shares of Common Stock from 100,000,000 to 250,000,000. As of December 31, 2014 and December 31, 2013 there were 0 and 15,000 shares of Series D Preferred Stock issued and outstanding, respectively. On September 3, 2014, the company increased its authorized common stock to 250,000,000 shares. As a result, all outstanding Series D preferred shares were converted to common stock.

On May 30, 2014, the Company filed a Certificate of Designations, Number, Voting Power, Preferences and Rights of Series E Convertible Preferred Stock (The "Certificate of Designations"), under which it designated 5,000 shares of Series E Preferred Stock. Shares of Series E Preferred Stock are not entitled to any preference with respect to dividends or upon liquidation, and will automatically convert (at a ratio of 1,000 shares of Common Stock for every one share of Series E Preferred Stock) into shares of the Company's common stock, $0.001 par value upon approval of the Company's stockholders (and filing of) and amendment to the Company's Certificate of Incorporation increasing the number of authorized shares of Common Stock from 100,000,000 to 250,000,000. As of December 31, 2014 there were no shares of Series E Preferred Stock issued and outstanding.

During the year ended December 31, 2013, the Company issued an aggregate of 27,660 shares of Series C preferred stock for the conversion of $1,660,822 of principal and $275,378 of accrued interest on related party and unrelated party notes payable.

During the year ended December 31, 2013, the Company issued an aggregate of 10,572 shares of Series C preferred stock for cash proceeds of $740,030.

During the year ended December 31, 2014, the Company issued an aggregate of 32,179 shares of Series C preferred stock for cash proceeds of $2,252,510.

The Series C preferred stock earned dividends of $233,792 and $6,271 for the years ended December 31, 2014 and December 31, 2013, respectively. As of the date of this filing, no Series C preferred stock dividends have been declared or paid.

During the year ended December 31, 2013, the Company granted an aggregate of 15,000 shares of Series D preferred stock to employees and nonemployees for services. 13,000 of the shares were granted to employees and vest immediately upon grant, 1,000 of the shares were granted to an employee and vest in equal tranches over three years through October 1, 2016 and 1,000 of the shares were granted to a nonemployee and vest in equal tranches over three years through September 15, 2016. The aggregate fair value of the awards was determined to be $1,046,669 of which $925,787 was recognized during the year ended December 31, 2013 and $79,318 was recognized during the year ended December 31, 2014. $41,565 will be recognized over the remaining vesting periods.

In February of 2014, the Company issued 350 shares of Series D preferred stock to a nonemployee for services rendered. The shares vest immediately and were recorded at their fair value of $42,000

In July of 2014, the Company issued 750 shares of Series D preferred stock valued at $75,000 to a nonemployee for services rendered. The shares vest immediately and were recorded at their fair value of $75,000.

In September, 2014 the Company granted 556 shares of Series D preferred stock valued at $50,040 to a contractor according to the terms of his service agreement. In December, 2014, the contractor returned 111 shares of Series D preferred stock in exchange for cash amount of $9,990. The remaining Series D shares were not yet issued as of the date of this filing.

During the year ended December 31, 2014, the Company granted an aggregate of 1,000 shares of Series D preferred stock to two employees according to the terms of their employment agreements. The shares vest in equal annual amounts over three years and the aggregate fair value of the awards was determined to be $120,000. During the year ended December 31, 2014, $65,178 was expensed and $54,822 remains to be expensed over the remaining vesting period. The Series D shares were not yet issued as of the date of this filing.

On September 3, 2014, the Company increased its authorized common stock to 250,000,000 shares. Accordingly, the 16,545 outstanding shares of Series D preferred stock were automatically converted into 16,545,000 common shares.

The Company evaluated the Series C and Series D preferred stock under FASB ASC 815 and determined that they do not qualify as derivative liabilities. The Company then evaluated the Series C and Series D preferred stock for beneficial conversion features under FASB ASC 470-30 and determined that none existed.

Common Stock

During the year ended December 31, 2013, $5,760 was received and 240,000 common shares were issued for the exercise of 240,000 warrants and 1,029,334 common shares were issued for the cashless exercise of 1,299,769 warrants.

During the year ended December 31, 2013, an aggregate of 288,140 common shares with a fair value of $16,612 were issued according to the terms of the Forbearance Agreement related to the June 21, 2011 Note Payable (see Note 4).

During the year ended December 31, 2013, the Company issued an aggregate of 4,084,615 common shares for services valued at $275,927.

During the year ended December 31, 2013, the Company issued an aggregate of 11,239,999 common shares for the conversion of principal of $401,145 and accrued interest of $5,500 of unrelated party debt.

On September 3, 2014, the Company held its annual meeting of stockholders. The stockholders approved an amendment to the Company's Articles of Incorporation to increase the authorized shares of common stock of the Company from 100,000,000 to 250,000,000.

In January of 2014, the Company issued 1,087,762 common shares for the conversion of notes payable and accrued interest in the amounts of $90,000 and $3,728, respectively.

During the year ended December 31, 2014, the Company issued 500,000 shares of common stock valued at $60,000 to company directors and 1,650,000 shares of common stock for services valued at $162,550.

Warrants

On June 19, 2013, the Company issued a total of 600,000 stock purchase warrants with a five year term to a lender as part of a note payable agreement. Of the 600,000 warrants issued, 225,000 are immediately exercisable at $0.09 per share. The remaining 375,000 warrants are exercisable at $0.09 per share only upon the Company's default under the terms of the note payable agreement. The fair value of the warrants was determined to be $29,365 using the Black-Scholes Option Pricing Model and it was recorded as a discount to the associated debt.

On June 25, 2013, the company issued 175,000 stock purchase warrants to a lender related to a note purchase agreement. The five year warrants are immediately exercisable into common stock at $0.09 per share. The fair value of the warrants was determined to be $11,947 using the Black-Scholes Option Pricing Model and it was recorded as a discount to the associated debt.

On August 12, 2013 the Company issued 200,000 stock purchase warrants with a five year term to a lender as part of a note payable agreement. The warrants are immediately exercisable at $0.075 per share. The fair value of the warrants was determined to be $10,331 using the Black-Scholes Option Pricing Model and it was recorded as a discount to the associated debt.

On September 26, 2013, the Company issued the WelldDyne Warrant (see Note 4 "Significant Transactions"). The warrant allows the purchase of shares of the Company's Common Stock equal to 4,500,000 shares. The WellDyne Warrant has a term of five years and an exercise price of $0.06, subject to adjustment as provided for therein. The fair value of the warrants was determined to be $287,599 using the Black-Scholes Option Pricing Model and it was recognized as warrant expense during the year ended December 31, 2013.

During the fourth quarter of 2013, the Company discovered 1,515,544 outstanding warrants that were originally granted in 2011 for services, but never recognized. The warrants are exercisable at $0.44 per share, vested on August 22, 2011 and expire on August 22, 2016. The initial grant date fair value of the warrants was determined to be $489,614 using the Black-Scholes Option Pricing Model and it was recognized as a true-up related to warrants expense during the year ended December 31, 2013.

At December 31, 2013, there were 15,670,143 warrants outstanding with a weighted average exercise price of $0.37.

At December 31, 2014, there were 10,936,844 warrants outstanding with a weighted average exercise price of $0.23.

A summary of the status of the warrants granted at December 31, 2014 and 2013 and changes during the years then ended is presented below:

For the Year Ended December 31, 2013

	Shares	Weighted Average Exercise Price
Outstanding at beginning of period	12,099,968	$0.65
Granted	6,990,544	0.15
Exercised	(1,539,769)	1.38
Forfeited	(750,000)	0.09
Expired	(1,130,600)	0.83
Outstanding at end of period	15,670,143	$0.37

For the Year Ended December 31, 2014

	Shares	Weighted Average Exercise Price
Outstanding at beginning of period	15,670,143	$0.37
Granted	-	-
Exercised	-	-

Forfeited	-	-
Expired	(4,733,299)	0.68
Outstanding at end of period	10,936,844	$0.23

The following table summarizes the outstanding warrants as of December 31, 2014:

	As of December 31, 2014 Warrants Outstanding			As of December 31, 2014 Warrants Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted-Average Remaining Contract Life	Weighted-Average Exercise Price	Number Exercisable	Weighted-Average Exercise Price
$0.06	4,500,000	3.8	$0.06	4,500,000	$ 0.06
0.08	550,000	3.2	0.08	550,000	0.08
0.09	625,000	3.3	0.09	625,000	0.09
0.15	1,571,300	2.6	0.15	1,571,300	0.15
0.25	120,000	0.8	0.25	120,000	0.25
0.40	3,000,000	0.6	0.40	300,000	0.40
0.44	1,515,544	1.6	0.44	1,515,544	0.44
0.50	370,000	1.3	0.50	370,000	0.50
0.60	975,000	1.7	0.60	975,000	0.60
0.75	120,000	0.8	0.75	120,000	0.75
1.00	290,000	1.4	1.00	290,000	1.00
$0.06-1.00	10,936,844	2.8	$0.23	10,936,844	$ 0.23

The following table summarizes the outstanding warrants as of December 31, 2013:

	As of December 31, 2013 Warrants Outstanding			As of December 31, 2013 Warrants Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted-Average Remaining Contract Life	Weighted-Average Exercise Price	Number Exercisable	Weighted-Average Exercise Price
$0.06	4,500,000	4.8	$0.06	4,500,000	$ 0.06
0.08	550,000	4.2	0.08	550,000	0.08
0.09	625,000	4.3	0.09	625,000	0.09
0.15	1,571,300	3.6	0.15	1,571,300	0.15
0.25	120,000	1.8	0.25	120,000	0.25
0.40	1,299,999	0.7	0.40	300,000	0.40
0.44	1,515,544	2.6	0.44	1,515,544	0.44
0.50	2,236,650	0.5	0.50	370,000	0.50
0.60	975,000	2.7	0.60	975,000	0.60
0.75	120,000	1.8	0.75	120,000	0.75
1.00	2,156,650	0.5	1.00	290,000	1.00
$0.06-1.00	15,670,143	2.7	$0.37	10,936,844	$ 0.37

Stock Options

As of December 31, 2012, $309,450 was recorded as deferred compensation associated with the unvested options granted during 2012. During the year ended December 31, 2013, 100,000 unvested options were forfeited due to a resignation and 1,000,000 unvested options were forfeited due to the vesting performance conditions not being met. These forfeitures resulted in $184,800 of the deferred compensation being reversed during 2013. During the year ended December 31, 2013, $86,350 of the deferred compensation was recognized as expense due to options vesting.

The remaining deferred compensation associated with unvested options of $38,300 was written-off to equity during the year ended December 31, 2013.

A summary of the status of the stock options granted for the years ended December 31, 2014 and 2013, and changes during the period then ended is presented below:

For the Year Ended December 31, 2013

	Options	Weighted Average Exercise Price
Outstanding at beginning of period	5,043,500	$0.15
Granted	-	-
Exercised	-	-
Forfeited	(1,100,000)	0.15
Expired	-	-
Outstanding at end of period	3,943,500	$0.15

For the Year Ended December 31, 2014

	Options	Weighted Average Exercise Price
Outstanding at beginning of period	3,943,500	$0.15
Granted	-	-
Exercised	-	-
Forfeited	-	-
Expired	-	-
Outstanding at end of period	3,943,500	$0.15

The following table summarizes the outstanding options as of December 31, 2014:

	As of December 31, 2014 Stock Options Outstanding			As of December 31, 2014 Stock Options Exercisable	
Exercise Price	Number Outstanding	Weighted-Average Remaining Contract Life	Weighted-Average Exercise Price	Number Exercisable	Weighted-Average Exercise Price
$0.15	3,943,500	2.63	0.15	3,943,500	$ 0.15

The following table summarizes the outstanding options as of December 31, 2013:

	As of December 31, 2013 Stock Options Outstanding			As of December 31, 2013 Stock Options Exercisable	
Exercise Price	Number Outstanding	Weighted-Average Remaining Contract Life	Weighted-Average Exercise Price	Number Exercisable	Weighted-Average Exercise Price
$0.15	3,943,500	3.62	0.15	3,826,833	$ 0.15

NOTE 10 – DERIVATIVE LIABILITIES

During 2014 and 2013, the Company had outstanding common stock warrants that contained anti-dilution provisions including provisions for the adjustment of the exercise price if the Company issues common stock or common stock equivalents at a price less than the exercise price. In addition, the Company also had outstanding convertible notes payable to various lenders that were convertible at discounts ranging from 30% to 50% of the fair market value of the Company's common stock.

As of December 31, 2013, the Company did not have a sufficient number of common shares authorized to fulfill the possible exercise of all outstanding warrants and the conversion of all outstanding convertible notes payable. As a result, the Company determined that the warrants and the embedded beneficial conversion features of the debt instruments do not qualify for equity classification. Accordingly, the warrants and conversion options are treated as derivative liabilities and are carried at fair value. During 2014, the convertible notes were repaid or converted to stock. As of December 31, 2014, some of the outstanding common stock warrants with the anti-dilution provision remained outstanding.

The Company estimates the fair value of the derivative warrant liabilities by using the Black-Scholes Option Pricing Model and the derivative liabilities related to the conversion features in the outstanding convertible notes using the Black-Scholes Option Pricing Model assuming maximum value, a Level 3 input, with the following assumptions used:

Year	2013	2014
Dividend yield:	0%	0%
Expected volatility	106.09% to 196.26%	103.35% to 155.36%
Risk free interest rate	.07% to 1.75%	.13% to 1.07%
Expected life (years)	0.16 to 5.00	0.82 to 2.57

The following table sets forth the changes in the fair value of derivative liabilities for the years ended December 31, 2014 and 2013:

Balance, December 31, 2012	$(1,336,574)
Fair value of warrant derivatives on date of grant	(812,705)
Convertible debt derivatives recognized as derivative loss	(151,336)
Convertible debt derivatives recognized as debt discount	(617,399)
Resolution of warrant derivatives upon exercises	48,630
Resolution of convertible debt derivatives upon conversions	1,311,702
Gain on change in fair value of derivative liabilities	516,832
Balance, December 31, 2013	(1,040,850)
Convertible debt derivatives recognized as derivative loss	(22,500)
Convertible debt derivatives recognized as debt discount	(90,000)
Resolution of convertible debt derivatives upon conversions	132,417
Resolution of convertible debt derivatives upon debt payoff	59,311
Resolution of warrant derivatives no longer qualifying as derivative liabilities	918,580
Gain on change in fair value of derivative liabilities	41,334
Balance, December 31, 2013	$(1,708)

The aggregate gain on derivative liabilities for the years ended December 31, 2013 and December 31, 2014 was $365,496 and $78,145, respectively.

NOTE 11 – INCOME TAXES

The Company accounts for income taxes in accordance with ASC Topic No. 740, “Income Taxes.” This standard requires the Company to provide a net deferred tax asset or liability equal to the expected future tax benefit or expense of temporary reporting differences between book and tax accounting and any available operating loss or tax credit carry forwards.

A 100% valuation allowance has been provided for all deferred tax assets, as the ability of the Company to generate sufficient taxable income in the future is uncertain.

The unexpired net operating loss carry forward at December 31, 2013 is approximately $32,300,000 with various expiration dates between 2018 and 2034 if not utilized. All tax years starting with 2011 are open for examination.

Non-current deferred tax asset:

	2014	2013
34% of net operating loss carry forwards	$10,968,027	$9,948,987
Valuation allowance	(10,968,027)	(9,948,987)
Net non-current deferred tax asset	-	-

Reconciliations of the expected federal income tax benefit based on the statutory income tax rate of 34% to the actual benefit for the years ended December 31, 2014 and 2013 are listed below.

	2014	2013
Expected federal income tax benefit	$774,580	$1,410,350
Change in valuation allowance	(1,019,040)	(734,830)
Goodwill amortization	142,386	-
Derivative gain	26,569	124,269
Amortization of beneficial conversion discount	(47,008)	(290,411)
Other	300,706	198,464
Stock-based compensation	(178,193)	(707,842)
Income tax expense (benefit)	$-	$-

The Company has no tax positions at December 31, 2014 and 2013 for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility.

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. During the years ended December 31, 2012 and 2011, the Company recognized no interest and penalties. All tax years starting with 2009 are open for examination.

NOTE 12 – LEGAL PROCEEDINGS

On November 14, 2011, Ken Link instituted litigation against the Company and Scott A. Haire in the District Court of Tarrant County Texas, 342nd Judicial District alleging default under the terms of a certain promissory note executed by Wound Management Technologies, Inc. and guaranteed by Scott A. Haire. Ken Link asserts that the unpaid balance of the note, including accrued interest as of December 4, 2011, is the sum of $355,292 plus 200,000 shares of the Company's common stock. Mr. Link is also seeking attorney's fees. We have disputed the claim, because we believe the contract is tainted by usury, and therefore, a usury counterclaim will more than offset the unpaid balance of the promissory note. The note, in the original principal amount of $223,500, required the payment of interest accrued at 13% per annum, an additional one-time charge of $20,000 due on maturity, the issuance of 200,000 shares of stock as interest, and a $1,000 per day late fee for each day the principal and interest is late. It is our contention that these sums make the contract usurious and the usury claims more than offset the amount of the unpaid indebtedness. Furthermore, we have filed an action for recovery of damages for usury under the Texas Finance Code for a note which was previously executed by the Company and payable to Ken Link, which was in fact paid to Mr. Link in full. In addition, Wound Management is seeking recovery of attorney's fees pursuant to the usury provisions of the Texas Finance Code. While the amount of the promissory note remains unpaid, the counterclaims more than offset the maximum amount that could be asserted on the promissory note. The case was set for trial for the week of October 21, 2013, but after three days of trial before a jury, the judge declared a mistrial. The case has now been reset for trial for the week of July 20, 2015. Subsequent to the declaration of mistrial, Ken Link amended his pleadings and alleges now that Wound Management Technologies, Inc. never intended to pay the $223,500 promissory note, which included $1,000 per day late charge, a $20,000 one-time fee, and 200,000 shares of stock, and asserting a damage claim of $223,500 and the loss of the benefit of the bargain related to the shares of stock, plus interest as set forth in the note, exemplary damages, and attorney's fees. We are taking steps to vigorously defend this matter, however, we are unable at this time to determine the ultimate outcome of this matter or determine the effect it may have on our business, financial condition or result of operations.

On February 13, 2015, Wound Management Technologies, Inc. was served with a lawsuit styled Beeleve, LLC v. Wound Management Technologies, Inc., in the 95th District Court of Dallas County, Texas. The action is a suit of apparently seeking the rights under a promissory note, which was originally executed to MAH Holdings, LLC. Discovery has commenced, but the discovery responses are not due until April 7, 2015. The case is currently set for trial for October 19, 2015. We are taking steps to vigorously defend this matter, however, we are unable at this time to determine the ultimate outcome of this matter or determine the effect it may have on our business, financial condition or result of operations.

NOTE 13 – CAPITAL LEASE OBLIGATION

In December 2014, the Company entered into a Capital Lease agreement for the purchase of a phone system. The agreement required a down payment of $2,105 and 36 monthly payments of $375. The Company recorded an asset of $13,512 and a capital lease obligation of $13,512. Aggregate payments under the capital lease were $375 during 2014. At December 31, 2014, a total lease liability of $13,137 remained. Of that amount, $4,504 will be due in 2015.

NOTE 14 -- SUBSEQUENT EVENTS

In accordance with applicable accounting standards for the disclosure of events that occur after the balance sheet date but before the financial statements are issued, all significant events or transactions that occurred after December 31, 2014 are outlined below:

In March of 2015, the Company granted 150,000 common stock options for services which vest in tranches of 25,000, 25,000 and 100,000 options upon the achievement of certain sales targets.

In March of 2015, the Company granted 900,000 common stock options for services of which 100,000 vest upon grant and the remaining 800,000 vest in tranches of 300,000, 250,000 and 250,000 upon the achievement of certain sales targets.

In March of 2015, the Company granted 100,000 shares of common stock to a contractor for services which vest after 90 days.

In March of 2015, the Company converted 357 shares of series C stock and deferred dividends into 374,264 shares of common stock at the request of the shareholder.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

In accordance with Exchange Act Rules 13a-15(e), we carried out an evaluation, under the supervision and with the participation of management, including our Principal Executive Officer and Principal Financial Officer, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2014 and as of the date of this filing.

Management’s Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based on our evaluation under the framework in Internal Control—Integrated Framework issued by COSO, our management concluded that our internal control over financial reporting was effective as of December 31, 2014 in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Board of Directors

The following table sets forth the names, ages, and positions of the current directors of Wound Management.

NAME	AGE	POSITION	YEAR FIRST ELECTED
Robert Lutz, Jr.	65	Chairman and Chief Executive Officer	2012
John Feltman	67	Director	2013
Dr. Philip J. Rubinfeld	59	Director	2010
John Siedhoff	55	Director	2014

Robert Lutz, Jr. is Chairman of the Board and Chief Executive Officer and President of the Company. He also currently serves as the President of R.L. Investments Inc. and Lutz Investments LP. From June 1994 to March 31, 2000, he served as the Chairman and Chief Executive Officer of AMRESCO, Inc., and prior to that, served as the President and Chief Operating Officer of Balcor/Allegiance Realty Group, a subsidiary of the American Express Company. Mr. Lutz has extensive management and leadership experience with both public and private companies, including subsidiaries of Liberty Corp, American Express and AMRESCO. He has been an Independent Director of Felcor Lodging Trust Inc., a General Partner of Felcor Lodging LP (a publicly-traded REIT) since July 1998. He serves as a Trustee of Urban Land Institute. He served as a Trust Manager of AMRESCO Capital Trust since 1998. Mr. Lutz served as a Director of Bristol Hotel Company from December 1995 to its merger into Felcor Lodging Trust Inc. in July 1998.

Dr. Philip J. Rubinfeld has served as the Director of Anesthesiology and Pain Management at Surgery Center of Northwest Jersey, LLC since 2001, and he has served as Medical Director and Director of Anesthesiology at Specialty Surgical Center, LLC since 2007. Dr. Rubinfeld has also worked in private practice specializing in pain management since 1996.

John Feltman has served a Director of the Company since October 11, 2013. Mr. Feltman is currently the Chair and Chief Executive Officer of both Brookhaven Medical, Inc. (“BMI”), and Brookhaven Capital Corporation, and also serves on the boards of Futurematrix Interventional, Inc., NCAT, Inc., and CreatiVasc Medical, Inc. Mr. Feltman—who was appointed to the Board in connection with a loan agreement between BMI and the Company, as further described in the Company’s Current Report on Form 8-K filed with the SEC on brings years of both governance experience and industry-specific expertise to the Board.

John Siedhoff earned a Bachelor of Science Degree in Mechanical Engineering from Iowa State University, and spent the next 12 years working for Fluor Corporation and Controls Southeast, Inc., in the design, manufacture and installation of high temperature, high pressure piping systems for oil refineries and petrochemical plants, both foreign and domestic. Mr. Siedhoff's turnaround and merger and acquisition experience started as Chief Operating Officer of Enduro Systems, Inc., acquiring companies to vertically integrate material handling operations for the weighing, conveying, and filling of oil refined products, to the rapid loading of grain.

EXECUTIVE OFFICERS

The following table sets forth the names, ages and positions of the executive officers of Wound Management.

NAME	AGE	POSITION
Robert Lutz, Jr.	65	Chairman and Chief Executive Officer
Deborah Jenkins Hutchinson	56	President
Darren Stine	44	Chief Financial Officer
Cathy Bradshaw	61	President of WCI

A biography for Mr. Lutz is listed in the Board of Directors Section.

Deborah Jenkins Hutchinson—President. Ms. Hutchison has served as the Company's President since October 16, 2013. She previously served as the Company's President from January 12, 2010 until March 20, 2012. From 2005 until January 12, 2010, she served in various capacities, including most recently, as President of Virtual Technology Licensing, LLC, a subsidiary of HEB, the Company's largest shareholder. Prior to joining Virtual Technology Licensing, she was the Managing Member of Cognitive Communications, LLC, a business consulting company and served as Special Consultant to Health Office India for strategy development and operations assistance for work with US clients in medical transcription and coding services. Ms. Hutchinson is currently on the Board of Directors of Private Access, Inc.

Darren Stine—Chief Financial Officer. Mr. Stine has over twenty years of progressive and broad experience developing, managing, and leading finance and accounting functions for companies. In addition to holding senior management positions at JPO Management, County Fresh, Aventine Renewable Energy, and EcoProduct Solution, he has also owned a successful tax and accounting consulting firm. Darren's strengths include in-depth understanding of Federal and State Tax, SOX, Treasury, SEC Reporting, Auditing, and Finance & Accounting processes. He has been instrumental in strategically aligning companies to meet and exceed owner/shareholders expectation and in streamlining corporate procedures.

Cathy Bradshaw—President of Wound Care Innovations, LLC—Ms. Bradshaw has over 25 years of healthcare management experience in homecare, pharmacy & infusion services, long term care, and DME, including serving as SE Regional VP at Ivonyx, Inc. (home infusion) and Sr. VP of Managed Care/Contracting at Flag Ship Home Health in Florida. Cathy is responsible for the Science and Technology of CellerateRX®.

Indebtedness of Directors and Executive Officers

None of our directors or officers or their respective associates or affiliates is indebted to us.

Family Relationships

There are no family relationships among our directors or executive officers.

Independent Directors

The Board presently has one member from our management team—Robert Lutz, Jr.—and three non-management directors. All of our directors are independent, as defined by Rule 4200(a) (15) of the NASDAQ's listing standards, except for Mr. Lutz, who is not independent because he is currently Chief Executive Officer.

Under the NASDAQ's listing standards, no director qualifies as independent unless the Board affirmatively determines that he or she has no material relationship with Wound Management. Based upon information requested from and provided by each director concerning their background, employment, and affiliations, including commercial, banking, consulting, legal, accounting, charitable, and familial relationships, the Board has determined that, other than being a director and/or shareholder of Wound Management, each of the independent directors named above has either no relationship with Wound Management, either directly or as a partner, shareholder, or officer of an organization that has a relationship with Wound Management, or has only immaterial relationships with Wound Management, and is independent under the NASDAQ's listing standards.

Meetings and Committees of the Board of Directors

Our business is managed under the direction of the Board of Directors. The Board of Directors meets on a regular basis—at least quarterly—to review significant developments affecting us and to act on matters requiring approval of the Board of Directors. It also holds special meetings when an important matter requires attention or action by the Board of Directors between scheduled meetings. The Board of Directors does not currently have a standing audit, compensation, nominating or governance committee, and the entire Board of Directors performs the functions of each such committees, participating in all relevant decisions thereof. It is the expectation of the Company that, upon election of the new directors, it will be able to form standing committees so as to more efficiently perform their various functions, and that each such committee will adopt a charter as appropriate and make such charter available on the Company's website. The Company further recognizes that none of its directors currently qualifies as an audit committee financial expert. The Board of Directors continues to search for qualified candidates to fill such role.

Nominations

The existing directors work to identify qualified candidates to serve as nominees for director. When identifying director nominees, the Board may consider, among other factors, the person's reputation, integrity, and independence from the Company; skills and business, government or other professional acumen, bearing in mind the composition of the Board and the current state of the Company and the industry generally; the number of other public companies for which the person serves as director; and the availability of the person's time and commitment to the Company. In the case of current directors being considered for re-nomination, the Board will also take into account the director's tenure as a member of the Board, the director's history of attendance at meetings of the Board and committees thereof and the director's preparation for and participation in such meetings.

Shareholders seeking to nominate director candidates may do so by writing the Corporate Secretary of the Company and giving the recommended candidate's name, biographical data and qualifications, if such recommendations are submitted by shareholders in compliance with the Company's bylaws.

Following identification of the need to replace a director, add a director or re-elect a director to the Board, and consideration of the above criteria and any shareholder recommendations, the Board will submit its recommended nominees to the shareholders for election. The Board utilizes this process, rather than a formal nominations committee, because they have found that, for the Company, the functions of a nominations committee are more than adequately addressed by this process.

Board Leadership Structure

The Board has no set policy with respect to the separation of the offices of Chairman and the Chief Executive Officer. Currently, Robert Lutz, Jr. serves as our Chairman and Chief Executive Officer. There are currently no lead independent directors serving on the Board.

Our Board leadership structure is commonly utilized by other public companies in the United States, and we believe that it is effective for us. This leadership structure is appropriate for us given the size and scope of our business, the experience and active involvement of our independent directors, and our corporate governance practices, which include regular communication with and interaction between and among the Chief Executive Officer and the Chief Financial Officer and the independent directors. Of the four members of our Board, three are independent from management.

Risk Management

The Board is responsible for overseeing our management and operations. The Board serves in the role of Audit Committee, fulfilling its responsibilities for general oversight of the integrity of Wound Management's financial statements, Wound Management's compliance with legal and regulatory requirements, the independent auditor's qualifications and independence, the performance of Wound Management's internal audit function, and risk assessment and risk management. We believe that the Board provides effective oversight of risk management functions. On a regular basis we perform a risk review wherein the management team evaluates the risks we expect to face in the upcoming year and over a longer term horizon. From this risk assessment plans are developed to deal with the risks identified. In addition, members of our management periodically present to the Board the strategies, issues and plans for the areas of our business for which they are responsible. While the Board oversees risk management, our management is responsible for day-to-day risk management processes. Additionally, the Board requires that management raise exceptional issues to the Board. We believe this division of responsibilities is the most effective approach for addressing the risks we face and that the Board leadership structure supports this approach.

Meeting Attendance

During the fiscal year ended December 31, 2014, the Board of Directors held 8 meetings. During 2014, each director (other than Tom Kirchhofer and Robert Gross) attended all Board meetings (no director attended fewer than 75% of the meetings), and no directors received any compensation in 2014 for service to Wound Management in their role as director. See “Executive Compensation—Director Compensation.” Wound Management encourages, but does not require, directors to attend the annual meeting of shareholders; however, such attendance allows for direct interaction between shareholders and members of the Board of Directors.

Code of Ethics

On April 2, 2012 we adopted a Code of Ethics applicable to our principal executive, financial and accounting officers. The Code of Ethics can be found on our website at http://wmgtech.com under Investor Relations.

Shareholder Communications with the Board

Any Company shareholder or other interested party who wishes to communicate with the non-management directors as a group may direct such communications by writing to the:

Corporate Secretary
Wound Management Technologies, Inc.
16633 Dallas Parkway, Suite 250
Addison, TX 75001

The communication must be clearly addressed to the Board or to a specific director. If a response is desired, the individual should also provide contact information such as name, address and telephone number.

All such communications will be reviewed initially by the Company Secretary. The Company Secretary will forward to the appropriate director(s) all correspondence, except for items of the following nature:

advertising;

promotions of a product or service;

patently offensive material; and

matters completely unrelated to the Board's functions, Company performance, Company policies or that could not reasonably be expected to affect the Company's public perception.

The Company Secretary will prepare a periodic summary report of all such communications for the Board. Correspondence not forwarded to the Board will be retained by the Company and will be made available to any director upon request.

ITEM 11. EXECUTIVE COMPENSATION

The following table and the accompanying notes provide summary information for each of the last two fiscal years concerning cash and non-cash compensation awarded to, earned by or paid to executive officers (or those acting in a similar capacity).

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-equity incentive compensation ($)	Non-qualified deferred compensation earnings ($)	All other compensation ($)	Total ($)
Robert Lutz, Jr	2013	125,000	-	420,000	-	-	-	-	545,000

	2014	150,000	-	-	-	-	-	-	150,000
Deborah J. Hutchinson (a)	2013	32,500	-	140,000	-	-	-	-	172,500
	2014	150,000	-	-	-	-	-	-	150,000
Darren Stine (b)	2013	-	-	-	-	-	-	-	-
	2014	94,416	-	60,000	-	-	-	-	154,416
Cathy Bradshaw (c)	2013	120,000	-	70,000	-	-	-	-	190,000
	2014	120,000	-	-	-	-	-	-	120,000

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Notes to Summary Compensation Table

(a) Deborah J. Hutchinson was appointed as the Company's President effective October 16, 2013.

(b) Darren Stine was appointed as the Company's Chief Financial Officer effective March 17, 2014.

(c) Cathy Bradshaw is the President of WCI and, because the primary focus of the Company has been concentrated within this subsidiary, her compensation has been included in this Executive Compensation disclosure.

Employment Agreements

None of our executive officers or employees listed above has an employment agreements or change in control agreements with the Company or its subsidiaries and there are no verbal agreements with any of these executives or other employees regarding their employment or compensation.

In November of 2013, Ms. Cathy Bradshaw received a grant of 1,000 shares of Series D Preferred Stock, which shares will vest in equal tranches over three years.

Director Compensation

We do not pay our directors a fee for attending scheduled and special meetings of our board of directors. We intend to reimburse each director for reasonable travel expenses related to such director's attendance at board of directors and committee meetings. In the year 2014, the Company did not issue any equity compensation to the members of its Board of Directors in respect of their service thereon. In the future we might have to offer additional compensation to attract the caliber of independent board members the Company is seeking.

Wound Management does not sponsor a pension benefits plan, a non-qualified deferred compensation plan or a non-equity incentive plan for its directors. No other or additional compensation for services were paid to any of the directors. We will continue to periodically reevaluate with assistance from independent compensation consultants retained by the Compensation Committee.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END

The following table provides information concerning outstanding equity awards at December 31, 2014 for our named executive officers. We do not currently have an equity incentive plan; therefore, these columns have been omitted from the following table.

	OPTION AWARDS				STOCK AWARDS	
Name	Number of Securities Underlying Unexercised Options (Exercisable)	Number of Securities Underlying Unexercised Options (Unexercisable)	Option Exercise Price ($)	Option Expiration Date	Number of Shares of Stock That Have Not Vested	Market Value of Shares of Stock That Have Not Vested ($)
Deborah J. Hutchinson	18,750	—	0.15	9/11/2017	—	—
John Feltman	—	—	—	—	—	—
Dr. Philip J. Rubinfeld	18,750	—	0.15	9/11/2017	—	—
Darren Stine (1)	—	—	—	—	500	27,500
Cathy Bradshaw (2)	133,333	66,667	0.15	8/17/2017	333	18,315

170,833	66,667	833	45,815

Footnotes to Outstanding Equity Awards table:

(1) Mr. Stine was issued 500 shares Series D Preferred Stock pursuant to a restricted stock agreement on 3/6/14, which shares vest over a 3-year period.

(2) Ms. Bradshaw's 200,000 stock purchase options issued on 8/17/2012 vest over a 3-year period beginning on the first anniversary of issuance. Additionally, Ms. Bradshaw was issued 1,000 shares Series D Preferred Stock pursuant to a restricted stock agreement on 11/13/13, which shares vest over a 3-year period.

Pension Benefits

Wound Management does not sponsor any pension benefit plans and none of the named executive officers contribute to such a plan.

Non-Qualified Deferred Compensation

Wound Management does not sponsor any non-qualified defined compensation plans or other non-qualified deferred compensation plans and none of the named executive officers contribute to any such plans.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth, as of December 31, 2014 the number and percentage of outstanding shares of our common stock owned by: (a) each person who is known by us to be the beneficial owner of more than 5% of our outstanding shares of common stock; (b) each of our directors; (c) the named executive officers as defined in Item 402 of Regulation S-K; and (d) all current directors and executive officers, as a group. As of December 31, 2014: (a) there were 92,902,320 and 92,898,231 shares of common stock issued and outstanding, respectively, with 4,089 shares held as treasury stock, (b) 74,110 shares of Series C Preferred Stock issued and outstanding, and 12,545 shares of Series D Preferred Stock issued and outstanding.

Beneficial ownership has been determined in accordance with Rule 13d-3 under the Exchange Act. Under this rule, certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire shares (for example, upon exercise of an option or warrant) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares is deemed to include the amount of shares beneficially owned by such person by reason of such acquisition rights. As a result, the percentage of outstanding shares of any person as shown in the following table does not necessarily reflect the person's actual voting power at any particular date.

	Common Stock			Preferred Stock		
Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Beneficial Ownership Percentage		Number of Shares Beneficially Owned	Beneficial Ownership Percentage	
HEB LLC 777 Main St. Suite 3100 Fort Worth, TX 76102	9,973,064	10.73	%	—	—	
Araldo A. Cossutta (1) 920 5th Ave New York, NY 10021	6,270,000	6.74	%	—	—	
Applied Nutritionals, LLC 1890 Bucknell Drive, Bethlehem, PA 18015	6,000,000	6.46	%	—	—	
James W Stuckert TTEE (2) James W Stuckert Rev TR	3,170,000	3.41	%	31,087	35.87	%

500 W. Jefferson St.
Lousville, KY 40202

Officers and Directors:	Common Stock Number of Shares Beneficially Owned	Beneficial Ownership Percentage		Preferred Stock Number of Shares Beneficially Owned	Beneficial Ownership Percentage	
Robert Lutz, Jr. (3)	3,250,000	3.39	%	9,257	10.68	%
Dr. Philip J. Rubinfeld (4)	468,750	0.50	%	1,723	1.99	%
Cathy Bradshaw (5)	450,000	0.48	%	1,000	1.15	%
Deborah J. Hutchinson (6)	268,750	0.29	%	2,000	2.31	%
John Feltman (7)	112,000	0.12	%	—	—	
Ronald Goode	—	—		—	—	
Jeff Lewis	—	—		—	—	
John Siedhoff (8)	6,250,000	6.73	%	750	0.87	%
Darren Stine (9)	—	—		500	0.58	%
All directors and executive officers as a group (8 persons)	10,687,500	11.62	%	15,230	17.58	%

(1) Reflects 127,000 shares issuable upon the exercise of warrants and/or options.
(2) Reflects 1,400,000 shares held by Diane V Stucert, TTEE FBO, James Stuckert Family Trust
(3) Reflects 3,000,000 shares issuable upon the exercise of options. Mr. Robert Lutz Jr. may be deemed to beneficially own 250,000 shares of stock held by his wife. Ownership of Preferred Stock includes 6,000 shares of Series D Preferred Stock and 3,257 shares of Series C Preferred Stock.
(4) Reflects 118,750 shares issuable upon the exercise of warrants and/or options. Ownership of Preferred Stock includes 1,723 shares of Series C Preferred Stock
(5) Reflects 200,000 shares issuable upon the exercise or warrants and/or options. Ownership of Preferred Stock includes 1,000 shares of Series D Preferred Stock.
(6) Reflects 18,750 shares issuable upon the exercise of warrants. Ownership of Preferred Stock includes 2,000 shares of Series D Preferred Stock.
(7) Reflects 112,000 shares issued pursuant to a restricted grant.
(8) Reflects 6,250,000 shares issued pursuant to restricted grant. Ownership of Preferred Stock includes 750 shares of Series D Preferred Stock
(9) Reflects 500 shares of Series D Preferred Stock issued pursuant to a restricted grant.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

In Addition to the officer and director compensation arrangements disclosed herein, the Company was involved in the following transactions with related parties during fiscal years 2013 or 2014.

Funds are advanced to the Company from various related parties, including from Mr. Robert Lutz. Other shareholders fund the Company as necessary to meet working capital requirements and expenses.

In September of 2014, Mr. Araldo Cossutta, holder of a note payable in the principal amount of $75,000, stepped down from his position on the board of directors. In October of 2014, the note payable to MAH Holding, LLC in the principal amount of $40,620 was acquired by an unrelated third party. As a result, Mr. Cossutta's $75,000 note and accrued interest of $32,200 and the MAH Holding note of $40,620 and accrued interest of $14,861 are presented as unrelated party notes payable in 2014.

The following is a summary of amounts due to related parties, including accrued interest separately recorded, as of December 31, 2013:

Related party	Nature of relationship	Terms of the agreement	Principal amount	Accrued Interest
Araldo A. Cossutta	Mr. Cossutta was a member of the Board of Directors from 1994 until his term ended on September 3, 2014.	See "Third Quarter Secured Promissory Notes" As of March 31, 2015 $75,000 of this note remains due.	$ 75,000	$ 18,512
MAH Holding, LLC	MAH Holding, LLC provided previous lines of credit to affiliates of WMT.	Unsecured note with interest accrued at 10% per annum, due on demand.	40,620	10,743
Total			$ 115,620	$ 29,255

During the year ended December 31, 2013, related parties converted an aggregate of $300,000 of related party debt and $48,600 of accrued interest into 4,980 shares of Series C convertible preferred stock. No such conversions took place in 2014.

All of our directors are independent, as defined by Rule 4200(a) (15) of the NASDAQ's listing standards, except for Mr. Lutz, who serves as Chief Executive Officer of the Company.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees. We engaged MaloneBailey, LLP to conduct our audits for the year ended December 31, 2014 and three-month period ended September 30, 2013, and the twelve-month period ended December 31, 2013, and our audit fees for services performed such periods were $50,000 and $54,000 respectively. Our prior audit firm was Pritchett, Siler & Hardy, P.C., and our audit fees for services performed during the first two quarters of 2013 were $15,292.

Audit-Related Fees. The aggregate fees billed by Pritchett, Siler & Hardy, P.C. and MaloneBailey LLP for assurance and related services that were reasonably related to the performance of the audit or review of Wound Management's financial statements which are not reported in "audit fees" above, for the years ended December 31, 2014 and December 31, 2013, were $0 and $0, respectively.

Tax Fees. Pritchett, Siler & Hardy, P.C., our tax fees for services performed for the years ended December 31, 2014 and December 31, 2013, were $0 and $12,532, respectively.

All Other Fees. The aggregate fees billed by Pritchett, Siler & Hardy, P.C. and MaloneBailey LLP for other services, exclusive of the fees disclosed above relating to financial statement audit and audit-related services and tax compliance, advice or planning, for the years ended December 31, 2013 and 2014, was $0.

Consideration of Non-audit Services Provided by the Independent Auditors. The Board has considered whether the services provided for non-audit services are compatible with maintaining MaloneBailey LLP's independence, and has concluded that the independence of such firm has been maintained.

AUDIT COMMITTEE PRE-APPROVAL POLICY

The policy of the Board, in its capacity as the Company's audit committee, is to pre-approve all audit, audit-related and non-audit services provided by the independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. The Board approved all of the fees described above. The Board may also pre-approve particular services on a case-by-case basis. The independent public accountants are required to periodically report to the Board regarding the extent of services provided by the independent public accountants in accordance with such pre-approval. The Board may also delegate pre-approval authority to one or more of its members. Such member(s) must report any decisions to the Board at the next scheduled meeting.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated as of September 17, 2009, by and among BioPharma Management Technologies, Inc., a Texas corporation, Wound Management Technologies, Inc., a Texas corporation, BIO Acquisition, Inc., and the undersigned shareholders (Incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed September 21, 2009)
3.1	Articles of Incorporation (Incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1 filed April 11, 2008)
3.2	Articles of Amendment to Articles of Incorporation (Incorporated by reference to Exhibit A to the Company's Information Statement filed with the Commission on May 13, 2008)
3.3	Bylaws (Incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-1 filed April 11, 2008)
4.1	Certificate of Designations, Number, Voting Power, Preferences and Rights of Series A Convertible Preferred Stock (Incorporated by reference to Exhibit 3.1(i) to the Company's Current Report on Form 8-K filed November 30, 2007)
4.2	Certificate of Designations, Number, Voting Power, Preferences and Rights of Series B Convertible Redeemable Preferred Stock (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed June 25, 2010)
4.3	Wound Management Technologies, Inc. 2010 Omnibus Long Term Incentive Plan dated March 12, 2010 effective subject to shareholder approval on or before March 11, 2011 (Incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q filed August 16, 2010)
4.4	Certificate of Designations, Number, Voting Power, Preferences and Rights of Series C Convertible Preferred Stock (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K/A filed February 6, 2014 amending the Company's Current Report on Form 8-K filed October 15, 2013)
4.5	Certificate of Designations, Number, Voting Power, Preferences And Rights of Series D Convertible Preferred Stock (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed November 14, 2013)
10.1	Settlement Agreement and Mutual Release dated March 20, 2012, among Juventas, LLC, BGM, Inc., LB Technologies, Inc., GO Investments, Bryant Gaines, Jeff Ott, Wound Management Technologies, Inc., Wound Care Innovations, LLC, HEB, LLC, BioPharma Management Technologies, Inc., Resorbable Orthopedic Product, LLC and Scott Haire (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed March 29, 2012)
10.2	Secured Promissory Note dated March 20, 2012, among Wound Management Technologies, Inc., Wound Care Innovations, LLC, BioPharma Management Technologies, Inc., Resorbable Orthopedic Products, LLC and Juventas, LLC (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed March 29, 2012)
10.3	Forbearance Agreement dated July 13, 2012 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed July 19, 2012)
10.4	Form of Secured Subordinated Promissory Note (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed July 19, 2012)
10.5	Form of Warrant to Purchase Shares of Common Stock (Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed July 19, 2012)
10.6	Commitment Letter dated July 10, 2012 (Incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed July 19, 2012)
10.7	Amendment to Forbearance Agreement dated July 25, 2012 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed July 30, 2012)
10.8	

	Forbearance Agreement dated August 17, 2012 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed December 11, 2012)
10.9	Amendment to Forbearance Agreement dated December 5, 2012 (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed December 11, 2012)
10.1	Second Amendment to Forbearance Agreement dated effective January 2, 2013 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed January 9, 2013)
10.11	Form of Convertible Promissory Note (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed March 22, 2013)
10.12	Manufacturer Exclusive Distributor Agreement dated June 21, 2013 by and between Wound Care Innovations, LLC and Academy Medical, LLC (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed July 8, 2013)
10.13	Shipping and Consulting Agreement dated September 20, 2013 by and between the Company and WellDyne Health, LLC (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed September 26, 2013)
10.14	Warrant for the Purchase of Shares of Common Stock, dated September 26, 2013 by and between Company and WellEnterprises USA, LLC (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed September 26, 2013)
10.15	Amendment A to Manufacturer Exclusive Distributor Agreement, dated August 7, 2013 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed October 2, 2013)
10.16	Amendment B to Manufacturer Exclusive Distributor Agreement, dated October 1, 2013 (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed October 2, 2013)
10.17	Letter of Intent dated October 10, 2013 by and between Brookhaven Medical, Inc. and the Company (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed October 15, 2013)
10.18	Term Loan Agreement dated October 10, 2013 by and among the Company, Wound Care Innovations, LLC, Resorbable Orthopedic Products, LLC, Biopharma Management Technologies, Inc., and Brookhaven Medical, Inc. (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed October 15, 2013)
10.19	Senior Secured Convertible Promissory Note by and among the Company, Wound Care Innovations, LLC, Resorbable Orthopedic Products, LLC, Biopharma Management Technologies, Inc., and Brookhaven Medical, Inc. dated October 10, 2013 by and between (Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed October 15, 2013)
10.20	Security Agreement dated October 10, 2013 by and among the Company, Wound Care Innovations, LLC, Resorbable Orthopedic Products, LLC, Biopharma Management Technologies, Inc., and Brookhaven Medical, Inc. (Incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed October 15, 2013)
10.21	Senior Secured Convertible Drawdown Promissory Note dated October 15, 2013 by and among the Company, Wound Care Innovations, LLC, Resorbable Orthopedic Products, LLC, Biopharma Management Technologies, Inc., and Brookhaven Medical, Inc. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K/A filed October 22, 2013)

10.22	Drawdown Loan Agreement dated October 15, 2013 by and among the Company, Wound Care Innovations, LLC, Resorbable Orthopedic Products, LLC, Biopharma Management Technologies, Inc., and Brookhaven Medical, Inc. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed October 22, 2013)
10.23	Security Agreement dated October 15, 2013 by and among the Company, Wound Care Innovations, LLC, Resorbable Orthopedic Products, LLC, Biopharma Management Technologies, Inc., and Brookhaven Medical, Inc. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed October 22, 2013)
10.24	First Amendment to Letter of Intent dated November 8, 2013 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed November 14, 2013)
10.25	First Amendment to Senior Secured Convertible Drawdown Promissory Note (original Note dated October 15, 2013) dated November 8, 2013 (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed November 14, 2013)
10.26	First Amendment to Drawdown Loan Agreement (original Loan Agreement dated October 15, 2013) dated November 8, 2013 (Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed November 14, 2013)
10.27	Funding Agreement dated December 18, 2013 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed December 19, 2013)
10.28	Office Lease was made and entered into on October 31, 2013, by and between SCG/CP One Hanover Park Owner, LLC and Wound Management Technologies, Inc. for office space located at 16633 North Dallas Parkway, Suite 250, Town of Addison, Dallas County, Texas. The lease term is 41 months beginning on December 1, 2013.
16.1	Accountant Letter from Pritchett, Siler & Hardy, P.C., the former accountants of the Company regarding their agreement with the statements made by the Company in its Current Report on Form 8-K filed August 21, 2013 (Incorporated by reference to Exhibit 16.1 to the Company's Current Report on Form 8-K filed August 21, 2013)
21.1	List of Subsidiaries.*
31.1	Certification of Principal Executive Officer in accordance with 18 U.S.C. Section 1350, as adopted by Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of Principal Financial Officer in accordance with 18 U.S.C. Section 1350, as adopted by Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification of Principal Executive Officer in accordance with 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002*
32.2	Certification of Principal Financial Officer in accordance with 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002*
101	Interactive Data Files pursuant to Rule 405 of Regulation S-T.

SIGNATURES

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

		WOUND MANAGEMENT TECHNOLOGIES, INC.
April 9, 2015	By:	/s/ Robert Lutz, Jr. Robert Lutz, Jr. Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Robert Lutz, Jr. Robert Lutz, Jr.	Chief Executive Officer and Chairman (Principal Executive Officer)	April 9, 2015
/s/ Darren Stine Darren E. Stine	Chief Financial Officer (Principal Financial and Accounting Officer)	April 9, 2015
/s/ Dr. Philip J. Rubinfeld Dr. Philip J. Rubinfeld	Director	April 9, 2015
/s/ Mr. John Feltman Mr. John Feltman	Director	April 9, 2015
/s/ Mr. John Siedhoff Mr. John Siedhoff	Director	April 9, 2015