

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

Form 10-Q

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2015

OR

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

COMMISSION FILE NUMBER 000-54697

3DICON CORPORATION

(Exact Name of small business issuer as specified in its charter)

Oklahoma
(State or other jurisdiction of
incorporation or organization)

73-1479206
(I.R.S. Employer
Identification No.)

6804 South Canton Avenue, Suite 150, Tulsa, Oklahoma 74136
(Address of principal executive offices) (Zip Code)

Issuer's Telephone Number: (918) 494-0505

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

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

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(do not check if smaller reporting company)

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

As of May 13, 2015, the issuer had 811,418,715 outstanding shares of Common Stock.

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PART I

Item 1. Financial Statements.

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3DIcon CORPORATION
BALANCE SHEETS
March 31, 2015 and December 31, 2014

	March 31, 2015	December 31, 2014
	(unaudited)	
Assets		
Current assets:		
Cash	\$ 2,747	\$ 34,485
Accounts receivable	5,122	-
Prepaid expenses	9,875	17,149
Total current assets	<u>17,744</u>	<u>51,634</u>
Deferred debt costs, net	12,291	3,125
Deposits-other	2,315	2,315
Total Assets	<u>\$ 32,350</u>	<u>\$ 57,074</u>
Liabilities and Stockholders' Deficiency		
Current liabilities:		
Current maturities of convertible notes and debentures payable	\$ 402,757	\$ 405,791
Warrant exercise advances	10,746	21,591
Accounts payable	417,390	384,639
Accrued salaries	194,840	158,102
Accrued interest on debentures	48,454	36,777
Total current liabilities	<u>1,074,187</u>	<u>1,006,900</u>
Total Liabilities	<u>1,074,187</u>	<u>1,006,900</u>
Stockholders' deficiency:		
Preferred stock, Series A convertible, \$0.0002 par value, 500,000 shares authorized; 355,000 shares issued and outstanding at March 31, 2015 and December 31, 2014, respectively	71	71
Common stock \$0.0002 par, 1,500,000,000 shares authorized; 683,131,276 and 539,674,567 shares issued and outstanding at March 31, 2015 and December 31, 2014, respectively	136,626	107,935
Additional paid-in capital	20,385,298	20,200,743
Accumulated deficit	(21,563,832)	(21,258,575)
Total Stockholders' Deficiency	<u>(1,041,837)</u>	<u>(949,826)</u>
Total Liabilities and Stockholders' Deficiency	<u>\$ 32,350</u>	<u>\$ 57,074</u>

See notes to financial statements

3DIcon CORPORATION
STATEMENTS OF OPERATIONS
Three Months Ended March 31, 2015 and 2014
(unaudited)

	<u>2015</u>	<u>2014</u>
Income:		
Sales	\$ -	\$ 10,000
Grant income	5,122	28,748
Total income	<u>5,122</u>	<u>38,748</u>
Expenses:		
Research and development	42,909	60,336
General and administrative	258,846	378,109
Interest	8,624	22,807
Total expenses	<u>310,379</u>	<u>461,252</u>
Net loss	<u>\$ (305,257)</u>	<u>\$ (422,504)</u>
Loss per share:		
Basic and diluted	<u>\$ (0.001)</u>	<u>\$ (0.001)</u>
Weighted average shares outstanding, basic and diluted	<u>577,648,385</u>	<u>286,990,688</u>

See notes to financial statements

3DIcon CORPORATION
STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIENCY
Three Months Ended March 31, 2015
(unaudited)

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total
	Shares	Par Value	Shares	Par Value			
Balance December 31, 2014	355,000	\$ 71	539,674,567	\$ 107,935	\$ 20,200,743	\$ (21,258,575)	\$ (949,826)
Warrants and options exercised	-	-	114	-	43,546	-	43,546
Debentures converted	-	-	106,086,492	21,217	88,483	-	109,700
Stock issued for services	-	-	15,000,000	3,000	19,500	-	22,500
Stock issued for liabilities	-	-	22,370,103	4,474	33,026	-	37,500
Net loss for the period	-	-	-	-	-	(305,257)	(305,257)
Balance March 31, 2015	355,000	\$ 71	683,131,276	\$ 136,626	\$ 20,385,298	\$ (21,563,832)	\$ (1,041,837)

See notes to financial statements

3DIcon CORPORATION
STATEMENTS OF CASH FLOWS
Three Months Ended March 31, 2015 and 2014
(unaudited)

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities		
Net loss	\$ (305,257)	\$ (422,504)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock issued for services	22,500	45,000
Amortization of debt issuance costs	(1,499)	33,588
Change in:		
Accounts receivable	(5,122)	-
Prepaid expenses and other assets	7,274	(8,997)
Accounts payable and accrued liabilities	118,666	134,405
Net cash used in operating activities	<u>(163,438)</u>	<u>(218,508)</u>
Cash Flows from Financing Activities		
Proceeds from stock and warrant sales, exercise of warrants and warrant exercise advances	32,700	247,865
Proceeds from issuance of debentures, notes and options	99,000	25,000
Cash paid on debentures	-	(115,680)
Net cash provided by financing activities	<u>131,700</u>	<u>157,185</u>
Net change in cash	(31,738)	(61,323)
Cash, beginning of period	34,485	70,769
Cash, end of period	<u>\$ 2,747</u>	<u>\$ 9,446</u>
Supplemental Disclosures		
Non-Cash Investing and Financing Activities		
Conversion of debentures to common stock (net)	\$ 109,701	\$ 45,700
Cash paid for interest	\$ 283	\$ 397
Stock issued to satisfy payables	\$ 37,500	\$ 15,000

See notes to financial statements

3DIcon CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2015
(Unaudited)

Note 1 – Uncertainties and Use of Estimates

Basis of Presentation

The accompanying financial statements of 3DIcon Corporation (the “Company”) have been prepared without audit pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures normally included in the financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations. The Company believes that the disclosures made are adequate to make the information presented not misleading. These financial statements should be read in conjunction with the Company's year-end audited financial statements and related footnotes included in the previously filed 10-K. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the financial position of the Company as of March 31, 2015, and the statements of its operations for the three months ended March 31, 2015 and March 31, 2014, and cash flows for the three month periods ended March 31, 2015 and 2014. The results of operations for interim periods may not be indicative of the results which may be realized for the full year.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and the disclosure of contingent assets and liabilities. Actual results could differ from the estimates and assumptions used.

Revenue Recognition

Revenues from software license fees are accounted for in accordance with Accounting Standards Codification (“ASC”) 985-605, “Software Revenue Recognition”. The Company recognizes sales revenue when (i) persuasive evidence of an arrangement exists; (ii) delivery has occurred or services have been rendered; (iii) the sales price is fixed or determinable; and (iv) collectability is reasonably assured.

Grant revenue is recognized when earned.

Recent Accounting Pronouncements

The following is a summary of recent accounting pronouncements that are relevant to the Company:

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements - Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*. The guidance requires an entity to evaluate whether there are conditions or events, in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the financial statements are available to be issued when applicable) and to provide related footnote disclosures in certain circumstances. The guidance is effective for the annual period ending after December 15, 2016, and for annual and interim periods thereafter. Early application is permitted. The Company is currently evaluating the impact of the adoption of ASU 2014-15.

The FASB has issued ASU No. 2014-09, Revenue from Contracts with Customers. This ASU supersedes the revenue recognition requirements in FASB ASC 605 - Revenue Recognition and most industry-specific guidance throughout the Codification. The standard requires that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This ASU is effective on January 1, 2017 and should be applied retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying the ASU recognized at the date of initial application. The adoption of this standard is not expected to have a material impact on the Company's financial position and results of operations.

The FASB has issued ASU No. 2014-12, Compensation - Stock Compensation (ASC Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period. This ASU requires that a performance target that affects vesting, and that could be achieved after the requisite service period, be treated as a performance condition. As such, the performance target should not be reflected in estimating the grant date fair value of the award. This update further clarifies that compensation cost should be recognized in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the period(s) for which the requisite service has already been rendered.. The amendments in this ASU are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted. The adoption of this standard is not expected to have a material impact on the Company's financial position and results of operations.

Uncertainties

The accompanying financial statements have been prepared on a going concern basis. The Company is in the development stage and has insufficient revenue and capital commitments to fund the development of its planned product and to pay operating expenses.

The Company has realized a cumulative net loss of \$21,563,832 for the period from inception (January 1, 2001) to March 31, 2015, and a net loss of \$305,257 and \$422,504 for the three months ended March 31, 2015 and 2014, respectively.

The ability of the Company to continue as a going concern depends on the successful completion of the Company's capital raising efforts to fund the development of its planned products. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Management plans to fund the future operations of the Company with existing cash of \$2,747 grants and investor funding with new debentures. Additionally, under the terms of the Golden State 4.75% Convertible Debenture due on December 31, 2016, Golden State is obligated to submit conversion notices in an amount such that Golden State receives 1% of the outstanding shares of the Company every calendar quarter for a period of one year. In connection with each conversion, Golden State is expected to simultaneously exercise a percentage of warrants equal to the percentage of the principal being converted. The warrants are exercisable at \$381.50 per share. The number of warrants exercisable is subject to certain beneficial ownership limitations contained in the 4.75% Convertible Debenture ("the Beneficial Ownership Limitations"). The Beneficial Ownership Limitations prevent Golden State from converting on the 4.75% Convertible Debenture or exercising warrants if such conversion or exercise would cause Golden State's holdings to exceed 9.99% of the Company's issued and outstanding common stock. Subject to the Beneficial Ownership Limitations and provided that Golden State is able to sell the shares under Rule 144, Golden State is required to convert \$85.71 of the 4.75% Convertible Debenture and exercise 857 warrants per month. Based upon the current stock price, the issued and outstanding shares as of March 31, 2015 and ignoring the impact of the Beneficial Ownership Limitations, the Company may receive up to \$327,000 per month in funding for the duration of the debenture from Golden State as a result of warrant exercises. However, due to the Beneficial Ownership Limitations, the Company only received \$32,700 in advances from Golden State during the three-month period ended March 31, 2015. Such advances are recorded within warrant exercise advances on the balance sheets when received.

On July 2, 2013, the Company was awarded a \$300,000 grant in the 2013 Oklahoma Applied Research Support competition sponsored by the Oklahoma Center for the Advancement of Science and Technology ("OCAST"). The grant is being used to support the development of the Company's first Product Platform, which will be the basis for a family of products based on the Company's CSpace® volumetric 3D display technology.

Joint Development Agreement with Schott Defense

As part of the Company's federal funding strategy, the Company intends to effectively compete by forming interdisciplinary teams with potential strategic partners (large and small), academic and commercial laboratories, and systems integrators providing integrated data visualization solutions. The first of these partnerships was reached in March 2014 when the Company signed a Joint Development Agreement with Schott Defense, a federally focused subsidiary of Schott North America.

Additionally, the Company is continuing to pursue financing through private offering of debt or common stock.

Note 2 – Sponsored Research Agreement ("SRA") Common Stock Subject to Put Rights and Call Right

Since April 20, 2002, the Company has entered into a number of SRA's with the University of Oklahoma ("OU") as follows:

Phase I: "Pilot Study to Investigate Digital Holography," April 20, 2004. The Company paid OU \$14,116.

Phase II: "Investigation of 3-Dimensional Display Technologies," April 15, 2005, as amended. The Company paid OU \$528,843.

Phase III: "3-Dimensional Display Development." The Company made partial payment to OU by issuing 121,849 post-split equivalent shares (4,264,707 pre-split shares) with a market price of \$290,000 on October 14, 2008 and final payment on December 1, 2010 in the amount of \$525,481 of which \$40,481 was in cash and 1,685,714 post-split equivalent shares (59,000,000 pre-split) of Company stock (the "Shares"). The Shares are subject to an OU 'put' right and a 3Dicon 'call' right.

OU "Put" Rights on the Shares

First "put" period: December 1, 2012 to November 30, 2013. If the shares (held plus previously sold) are valued at less than \$100,000 then OU can "put" one-tenth of the shares for \$50,000 plus accrued interest retro-active to December 1, 2012 less the value of sold shares. OU currently holds 1,807,563 post-split shares with a market value of less than \$100,000. Under the terms of put rights, the put rights could be exercised by OU and the Company would be obligated to pay OU \$50,000.

Second “put” period: December 1, 2013 to November 30, 2014. If the shares (held & previously sold) are valued at less than \$970,000 then OU can “put” the remaining shares for \$485,000 plus accrued interest retro-active to December 1, 2012 less the value of shares previously sold or redeemed during the first “put.”

The “put” periods expired without OU taking any action. The shares have therefore been restored to the equity section of the Balance Sheet as of December 31, 2014 as the shares are no longer subject to the put and call options.

3DIcon “Call” rights on the Shares

Commencing December 1, 2012, the Company shall have the right to “call” the shares for an amount equal to \$970,000 less the amount (if any) of prior shares by OU including amounts “put” to 3DIcon.

The SRA also amended the previously existing agreements between the Company and OU such that all intellectual property, including all inventions and or discoveries, patentable or un-patentable, developed before July 28, 2008 by OU under the SRA is owned by OU. All intellectual property, including all inventions and/or discoveries, patentable or un-patentable, developed jointly by the Company and OU at any time is jointly owned by the Company and OU. Finally, all intellectual property developed by the Company after July 28, 2008, including all inventions and or discoveries, patentable or un-patentable, is owned by the Company.

Note 3 – OCAST Grant

In July 2013, the Company was awarded a two year grant from OCAST. This is the second \$300,000 grant received from OCAST. The first grant was completed in August 2012. This matching grant is for a total of \$300,000 and commenced September 1, 2013. The Company received \$5,122 in funding during the three-month period ended March 31, 2015. The funds are being used to support the development of the Company’s first Product Platform, which will be the basis for a family of products based on the Company’s CSpace® volumetric 3D display technology.

Note 4 – Debentures and Notes Payable

	March 31 2015	December 31, 2014
Senior convertible Debentures		
10% Convertible debenture to directors’ due June 2015	\$ 30,000	\$ 30,000
10% Convertible debenture due June 2015	29,007	29,007
4.75% Convertible debenture due December 2016	64,695	65,095
5% Convertible note due 2015	34,493	74,502
10% Convertible bridge notes due August 2015 (net of \$1,687 and \$2,813 OID)	73,312	147,187
10% Convertible bridge note to director due June 2015	60,000	60,000
5% Convertible note due March 2017	30,000	-
5% Promissory note due March 2016 (net of \$6,250 OID)	81,250	-
Total Debentures Payable	<u>\$ 402,757</u>	<u>\$ 405,791</u>

10% Convertible Debentures to Directors due June 30, 2015

On June 24, 2013, the Company issued to Victor Keen and Martin Keating, Directors of the Company, (“Directors”) 10% convertible debentures in a principal amount of \$15,000 each, due June 26, 2014 and subsequently extended to June 30, 2015. The Directors may elect to convert all or any portion of the outstanding principal amount of the debentures at an exercise price of \$0.01 per share. Provided that the debentures are paid in full on or before the maturity date, no interest shall accrue on the unpaid balance of the principal amount. In the event that the debentures are not paid in full on or before the maturity date, interest shall accrue on the unpaid outstanding balance of the principal amount of the debentures from June 26, 2013, until paid, at the fixed rate of ten percent (10%) per annum.

10% Convertible Debenture due Newton, O'Connor, Turner & Ketchum, due June 30, 2015

On December 20, 2012, the Company issued to Newton, O'Connor, Turner & Ketchum (“NOTK”) a 10% convertible debenture in a principal amount of \$29,007, initially due September 30, 2013 and extended to June 30, 2015. NOTK may elect to convert all or any portion of the outstanding principal amount of the debenture at an exercise price of \$0.02534 per share. The Company was indebted to NOTK for legal services performed for the Company and reimbursement of expenses in rendition of those services for the period ended December 31, 2012. The debenture was issued in settlement of the indebtedness.

4.75% Convertible Debenture due December 31, 2016

On November 3, 2006, the Company issued to Golden State a 4.75% convertible debenture in a principal amount of \$100,000, due December 31, 2014, subsequently extended to December 31, 2016 and warrants to buy 28,571 shares of the common stock at an exercise price of \$381.50 per share. In connection with each conversion, Golden State is expected to simultaneously exercise a percentage of warrants equal to the percentage of the principal being converted. During 2015, Golden State converted \$400 of the \$100,000 debenture into 18,727,884 shares of common stock, exercised warrants to purchase 114 shares of common stock at \$381.50 per share based on the formula in the convertible debenture. Additionally Golden State advanced \$32,700 against future exercises of warrants of which \$43,545 was applied to the exercise of warrants leaving \$10,746 of unapplied advances at March 31, 2015. The conversion price for the 4.75% \$100,000 convertible debenture is the lesser of (i) \$140 or (ii) 80% of the average of the five lowest volume weighted average prices during the twenty (20) trading days prior to the conversion. If Golden State elects to convert a portion of the debenture and, on the day that the election is made, the volume weighted average pre-split price is below \$0.70, the Company shall have the right to prepay that portion of the debenture that Golden State elected to convert, plus any accrued and unpaid interest, at 135% of such amount.

5% Convertible Bridge Notes

On June 6, 2012 and August 1, 2012, the Company issued and sold convertible promissory notes (the "5% Notes") in aggregate principal amount of \$415,000 to JMJ Financial ("JMJ"). The 5% Notes includes a \$40,000 original issue discount (the "OID") that will be prorated based on the advances actually paid to the Company. During 2015, JMJ earned \$13,504 OID and accrued interest. During 2015, JMJ converted \$48,384 of the 5% Notes into 25,000,000 shares of common stock at an average of \$0.002 per share based on the formula in the 5% Notes. In addition to the OID, the 5% Notes provides for a one-time interest charge of 5% to be applied to the principal sum advanced. Pursuant to the terms of 5% Notes, JMJ may, at its election, convert all or a part of the \$275,000 note and the \$140,000 note into shares of the Company's common stock at a conversion rate equal to the lesser of (i) \$0.15 and \$0.35, respectively or (ii) 70% of the lowest trade price during the twenty-five trading days prior to JMJ's election to convert. If the Company repays the 5% Notes on or before ninety days from the date it was issued, the interest rate will be zero percent. If the Company does not repay the 5% Notes on or before ninety days from the date it was issued, a one-time interest charge of 5% shall be applied to the principal. The Company did not repay the 5% Notes within the ninety day period. The principal of the 5% Notes is due one year from the date of each of the principal amounts advanced.

10% Convertible Debenture due August 2015

On August 15, 2014, the Company issued and sold to an accredited investor a Convertible Debenture (the "10% Debenture") in the principal amount of \$150,000. The 10% Debenture included a 3% original issue discount. Accordingly, the Company received \$145,500 gross proceeds, from which the Company paid legal and fees of \$5,000. During 2015, the holder of the 10% Debenture, converted \$75,000 of the 10% Debenture into 62,358,608 shares of common stock at an average of \$0.0001 per share based on the formula in the 5% Notes. The 10% Debenture has a maturity date of August 15, 2015 and carries a 10% interest rate. Subject to a 4.99% beneficial ownership limitation, the holder of the 10% Debenture may, at any time, elect to convert all or any portion of the outstanding principal amount of the 10% Debenture into shares of Common Stock at a conversion price equal Sixty Five Percent (65%) of the lowest traded VWAP, determined on the then current trading market for the Company's common stock, for 15 trading days prior to conversion.

10% Convertible Bridge Note

On September 11, 2012, the Company issued and sold a Convertible Bridge Note (the "Bridge Note") in the principal amount of \$60,000 to Victor Keen, a director of the Company. The sale of the Bridge Note included a \$10,000 original issue discount. Accordingly, the Company received \$50,000 gross proceeds. The Bridge Note matured in 90 days from the date of issuance and, other than the original issue discount, the Bridge Note does not carry interest. However, in the event the Bridge Note is not paid on maturity, all past due amounts will accrue interest at 15% per annum. Upon maturity of the Bridge Note, the holder of the Bridge Note may elect to convert all or any portion of the outstanding principal amount of the Bridge Note into (i) securities sold pursuant to an effective registration statement at the applicable offering price; or (ii) shares of common stock at a conversion price equal to the lesser of 100% of the Volume Weighted Average Price (VWAP), as reported for the 5 trading days prior to (a) the date of issuance of the Bridge Note, (b) the maturity date of the Bridge Note, or (c) the first closing date of the securities sold pursuant an effective registration statement. On March 16, 2015, the Company entered into a Fifth Amendment agreement (the "Fifth Keen Amendment") with Victor Keen, to amend the Keen Bridge note. Pursuant to the Fifth Keen Amendment, Mr. Keen agreed to extend the maturity of the Note from December 31, 2014 to June 30, 2015 and to waive, if any, existing or prior defaults under the Keen Bridge Note or the Keen SPA.

JMJ March 2015 5% Note

In March 2015, the Company issued and sold a convertible note (the "March 2015 5% Note") in aggregate Principal Sum of \$250,000 to JMJ. The 5% Note includes a \$25,000 original issue discount (the "OID") that will be prorated based on the advances actually paid (the "Principal Sum") to the Company. During 2015, JMJ advanced \$30,000 on the 5% Note. In addition to the OID, the March 2015 5% Note provides for a one-time interest charge of 5% to be applied to the Principal Sum. If the Company repays the 5% Note on or before ninety days from the date of the principal amount advanced, the interest rate will be zero percent. If the Company does not repay the March 2015 5% Note on or before ninety days from the date of the advance, a one-time interest charge of 5% shall be applied to the Principal Sum. Pursuant to the terms of March 2015 5% Note, JMJ may, at its election, convert all or a part of the \$250,000 note into shares of the Company's common stock at a conversion rate 70% of the lowest trade price during the twenty-five trading days prior to JMJ's election to convert. The principal of the March 2015 5% Note is due two years from the date of each of the principal amounts advanced.

Typenex Co-Investment, LLC

In March 2015, the Company issued and sold a convertible note (the "5% Promissory Note") in aggregate Principal Sum of \$87,500 to Typenex Co-Investment, LLC, ("Typenex"). The 5% Promissory Note includes a \$7,500 original issue discount (the "OID") that will be prorated based on the advances actually paid to the Company. Accordingly during 2015, the Company received \$80,000 gross proceeds from which the Company paid legal and documentation fees of \$20,000 and placement agent fees of \$6,750. In addition to the OID, the 5% Promissory Note provides for a one-time interest charge of 5% to be applied to the principal of the 5% Promissory Note. If the Company repays the 5% Promissory Note on or before ninety days from the date of the principal amount advanced, the interest rate will be zero percent. If the Company does not repay the 5% Promissory Note on or before ninety days from the date of the advance, a one-time interest charge of 5% shall be applied to the Principal Sum. Pursuant to the terms of 5% Promissory Note, Typenex may, at its election, convert all or a part of the \$87,500 principal and interest thereon of the 5% Promissory Note into shares of the Company's common stock at a conversion rate 70% of the lowest trade price during the twenty-five trading days prior to the election to convert. The principal of the 5% Promissory Note is due one year from the March 2015 effective date.

Note 5 – Common Stock and Paid-In Capital

Downgraded from the OTCQB to the OTC Pink

On September 2, 2014, the Company received notification from OTC Markets that because the Company's common stock, which trades under the symbol TDCP, has not had a minimum closing bid price of \$.01 during the last thirty days; it has been downgraded from the OTCQB to the OTC Pink, effective September 3, 2014. On March 26, 2014, OTC Markets had announced a series of rule changes to take place between May 1, 2014 and April 1, 2015. These rules set forth new qualifications and fees for quotation of securities on the various tiers of OTC Markets. One of such changes requires that a company's stock have a minimum closing bid price of \$.01 for at least one day in any consecutive thirty day period to continue being quoted on the OTCQB.

The Company has the option of filing an application for reinstatement to have its common stock quoted on the OTCQB. The Company's common stock could be reinstated to the OTCQB commencing at such time as it has had a minimum closing bid price of \$.01 for any consecutive 30 day period. The downgrading of the Company's common stock from the OTCQB to the OCT Pink will have no effect on the common stock's ability to trade or its DWAC (method of electronic transfer of shares) eligibility.

Warrants Issued

As of March 31, 2015, NOTK has warrants outstanding to purchase 125,098 shares of common stock at a price of \$3.15 per share that expire on September 30, 2016 and, warrants to purchase 96,024 shares of common stock at a price of \$3.15 per share that expire on June 1, 2015. Golden State has warrants outstanding to purchase 18,595 shares of common stock at a price of \$381.50 per share which expires December 31, 2016. Global Capital has warrants outstanding to purchase 300,000 shares of common stock at a price of \$0.0032 per shares which expire on March 31, 2019. Additionally from the preferred stock issuance, there are 9,750,000 warrants outstanding to purchase common shares at \$0.0055 per share which expire December 31, 2017 and 9,500,000 warrants outstanding that were issued to Victor Keen, the CEO and Director of the Company, which expire on January 17, 2018.

Common stock and options issued for services and liabilities

During the three-month period ended March 31, 2015, shares of common stock totaling 15,000,000 were issued for consulting services for which the Company recognized \$22,500 of expense. Additionally, during the period ending March 31, 2015, shares totaling 22,370,103 were issued to consultants for previous services provided to the Company for which the accounts payable liability was reduced by \$37,500.

Private Placement

On December 9, 2013 and December 11, 2013 the Company closed on \$195,000 in a private placement (the "Private Placement") contemplated by a Securities Purchase Agreement (the "Securities Purchase Agreement"), dated December 9, 2013, pursuant to which the Company sold 195,000 Units (as defined below) to accredited investors (each, an "Investor" and collectively, the "Investors"), one of whom was Victor Keen, the Company's Chief Executive Officer and a member of the board of directors of the Company. Accordingly, at the closings, the Company issued (i) 195,000 shares of its newly designated Series A Convertible Preferred Stock (the "Series A Preferred"), and (ii) warrants ("Warrants") to purchase an aggregate of 9,750,000 shares of Common Stock for gross proceed of \$195,000.

On January 23, 2014, the Company sold to Victor Keen, the Company's Chief Executive Officer and a member of the Company's Board of Directors, 190,000 Units for a purchase price of \$190,000, as part of the Private Placement (as defined therein) disclosed in the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 13, 2013. Pursuant to such Private Placement, the Company has now received aggregate proceeds equal to \$385,000. Such Private Placement is now closed.

Under the terms of the Securities Purchase Agreement, the Company sold units (“Units”) consisting of: (i) one share of Series A Convertible Preferred Stock and (ii) Warrants to purchase fifty (50) shares of Common Stock. The purchase price of each Unit was \$1.00. The total purchase price of the securities sold in the Private Placement was \$385,000.

The terms of the Series A Convertible Preferred Stock and Warrants are as follows:

Series A Convertible Preferred Stock

A total of 500,000 shares of Series A Convertible Preferred Stock (the “Series A Preferred Stock”) have been authorized for issuance under the Certificate of Designation of Preferences, Rights and Limitation of Series A Convertible Preferred Stock of 3DIcon Corporation (the “Certificate of Designation”), which Certificate of Designation was filed with the Secretary of State of the State of Oklahoma on December 11, 2013. The shares of Series A Preferred Stock have a par value of \$0.0002 per share (the “Stated Value”), and shall receive a dividend of 6% of their Stated Value per annum. Under the Certificate of Designation, the holders of the Series A Preferred Stock have the following rights, preferences and privileges:

The Series A Preferred Stock may, at the option of the Investor, be converted at any time after the first anniversary of the issuance of the Series A Preferred Stock or from time to time thereafter into 50,000,000 shares of Common Stock that Such Investor is entitled to in proportion to the 500,000 shares of Series A Preferred so designated in the Certificate of Designation.

The Series A Preferred Stock will automatically be converted into Common Stock anytime the 5 day average VWAP of the Company’s Common Stock prior to such conversion is equal to \$0.05 or more. Such mandatory conversion would be converted by the same method described above for discretionary conversions.

Except as otherwise required by law, the holders of shares of Series A Preferred Stock shall not have voting rights or powers.

In the event of any (i) liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or ii) sale, merger, consolidation, reorganization or other transaction that results in a change of control of the Company, each holder of a share of Series A Preferred shall be entitled to receive, subject to prior preferences and other rights of any class or series of stock of the Company senior to the Series A Preferred, but prior and in preference to any distribution of any of the assets or surplus funds of the Company to holders of Common Stock, or any other class or series of stock of the Company junior to the Series A Preferred, an amount equal to the Stated Value plus accrued and unpaid dividends (as adjusted for any stock dividends, combinations or splits with respect to such shares) (the “Preference Amount”). After such payment has been made to the holders of Series A Preferred of the full Preference Amount to which such holders shall be entitled, the remaining net assets of the Company available for distribution, if any, shall be distributed pro rata among the holders of Common Stock. In the event the funds or assets legally available for distribution to the holders of Series A Preferred are insufficient to pay the Preference Amount, then all funds or assets available for distribution to the holders of capital stock shall be paid to the holders of Series A Preferred pro rata based on the full Preference Amount to which they are entitled.

The Company may not declare, pay or set aside any dividends on shares of any class or series of capital stock of the Company (other than dividends on shares of Common Stock payable in shares of Common Stock) unless the holders of the Series A Preferred Stock shall first receive, or simultaneously receive, a dividend on each outstanding share of Series A Preferred in an amount equal to the dividend per share that such holders would have received had they converted their shares of Series A Preferred into shares of Common Stock immediately prior to the record date for the declaration of the Common Stock dividend in an amount equal to the average VWAP during the 5 trading days prior to the date such dividend is due.

Warrants

Each Unit under the Securities Purchase Agreement consists of Warrants entitling the Investor to purchase fifty (50) shares of Common Stock for each share of Series A Preferred purchased by such Investor in the Private Placement, at an initial exercise price per share of \$0.0055. The exercise price and number of shares of Common Stock issuable under the Warrants are subject to adjustments for stock dividends, splits, combinations and similar events. On or after the first anniversary of the issuance of the Warrants and prior to close of business on fourth anniversary of the issuance of the Warrants and may be exercised at any time upon the election of the holder, provided however, that an Investor may at any given time convert only up to that number of shares of Common Stock so that, upon conversion, the aggregate beneficial ownership of the Company’s Common Stock (calculated pursuant to Rule 13d-3 of the Securities Exchange Act of 1934, as amended) of such Investor and all persons affiliated with such Investor, is not more than 4.99% of the Company’s Common Stock then outstanding (subject to adjustment up to 9.99% at the Investor’s discretion upon 61 days’ prior notice).

The \$27,000 estimated fair value of warrants for common stock issued in 2013 was determined using the Black-Scholes option pricing model. The expected dividend yield of \$0 is based on the average annual dividend yield at the date issued. Expected volatility of 178% is based on the historical volatility of the stock. The risk-free interest rate of 1.38% is based on the U.S. Treasury Constant Maturity rates as of the issue date. The expected life of the warrants of four years is based on historical exercise behavior and expected future experience.

The \$34,926 estimated fair value of warrants for common stock issued in 2014 was determined using the Black-Scholes option pricing model. The expected dividend yield of \$0 is based on the average annual dividend yield at the date issued. Expected volatility of 180% is based on the historical volatility of the stock. The risk-free interest rate of 1.64% is based on the U.S. Treasury Constant Maturity rates as of the issue date. The expected life of the warrants of four years is based on historical exercise behavior and expected future experience.

Transaction Documents Series A Convertible Preferred Stock

The Securities Purchase Agreement, the Warrants and Certificate of Designation contain ordinary and customary provisions for agreements of this nature, such as representations, warranties, covenants, and indemnification obligations, as applicable. The foregoing descriptions of the Securities Purchase Agreement and the Warrants do not purport to describe all of the terms and provisions thereof and are qualified in their entirety by reference. The Securities Purchase Agreement and the form of Warrant are filed as Exhibits 4.1 and 10.1, respectively, to the Current Report on Form 8-K filed on December 13, 2013.

The following summary reflects warrant and option activity for the three-month period ended March 31, 2015:

	<u>Attached Warrants</u>	<u>Golden State Warrants</u>	<u>Options</u>
Outstanding December 31, 2014	19,771,122	18,595	23,030,274
Granted/purchased	9,500,000	-	-
Exercised	-	(114)	-
Cancelled	-	-	-
Outstanding March 31, 2015	<u>19,771,122</u>	<u>18,481</u>	<u>23,030,274</u>

Stock options are valued at the date of award, which does not precede the approval date, and compensation cost is recognized in the period the options are granted. Stock options generally become exercisable on the date of grant and expire based on the terms of each grant.

The estimated fair value of options for common stock granted was determined using the Black-Scholes option pricing model. The expected dividend yield is based on the average annual dividend yield as of the grant date. Expected volatility is based on the historical volatility of our stock. The risk-free interest rate is based on the U.S. Treasury Constant Maturity rates as of the grant date. The expected life of the option is based on historical exercise behavior and expected future experience.

Note 6 – Incentive Stock Plan

In March 2014, the Company established the 3DIcon Corporation 2014 Equity Incentive Plan (the “2014 EIP”). The total number of shares of stock which may be purchased or granted directly by options, stock awards or restricted stock purchase offers, or purchased indirectly through exercise of options granted under the 2014 EIP shall not exceed fifty million (50,000,000) shares. The shares are included in a registration statement filed March 2014. Shares totaling 6,793,478 were issued from the 2014 EIP during 2015 for services rendered. As of March 31, 2015, there were 750,103 shares available for issuance under the 2014 EIP.

In March 2015, the Company established the 3DIcon Corporation 2015 Equity Incentive Plan (the “2015 EIP”). The total number of shares of stock which may be purchased or granted directly by options, stock awards or restricted stock purchase offers, or purchased indirectly through exercise of options granted under the 2015 EIP shall not exceed eighty-five million (85,000,000) shares. The shares are included in a registration statement filed March, 2015. Shares totaling 40,119,185 were issued from the 2015 EIP during 2015 for legal and consulting services rendered. There are 44,880,815 shares available for issuance under the 2015 EIP.

Note 7 – Office Lease

The Company has an Office Lease that expires to July 31, 2015. The minimum future lease payment to be paid under the remaining 2015 term is \$8,000.

Note 8 – Related Party Transaction

3DIcon has engaged the law firm of Newton, O’Connor, Turner & Ketchum as its outside corporate counsel since 2005. John O’Connor, a director of 3DIcon, is the Chairman of Newton, O’Connor, Turner & Ketchum. During the three-month ending March 31, 2015 and March 31, 2014, the Company incurred legal fees to Newton, O’Connor, Turner & Ketchum in the amount of \$1,238, and \$1,940, respectively.

Note 9 – Subsequent Events

Common stock issued for services and liabilities

Subsequent to March 31, 2015, Golden State converted \$150 of the 4.75% convertible debenture into 13,748,500 shares of common stock at \$0.00001 per share and exercised 43 warrants at \$381.50 per share for \$16,404, advanced \$16,350 and applied \$16,404 of warrant exercise advances leaving \$10,692 in warrant exercise advances under the terms of the securities purchase agreements.

Subsequent to March 31, 2015, the holder of the 10% Convertible Bridge Note, converted \$75,000 of the note into 86,996,336 shares of common stock at \$0.0009 under the terms of the securities purchase agreements.

Subsequent to March 31, 2015, the holder of the 5% Convertible Bridge Note, converted \$15,120 of the note into 18,000,000 shares of common stock at \$0.00008 under the terms of the securities purchase agreements.

Subsequent to March 31, 2015, shares of common stock totaling 9,542,560 were issued for 2014 consulting services for which the Company reduced accounts payable by \$36,500.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements

The information in this report contains forward-looking statements. All statements other than statements of historical fact made in this report are forward looking. In particular, the statements herein regarding industry prospects and future results of operations or financial position are forward-looking statements. These forward-looking statements can be identified by the use of words such as "believes," "estimates," "could," "possibly," "probably," "anticipates," "projects," "expects," "may," "will," or "should" or other variations or similar words. No assurances can be given that the future results anticipated by the forward-looking statements will be achieved. Forward-looking statements reflect management's current expectations and are inherently uncertain. Our actual results may differ significantly from management's expectations.

The following discussion and analysis should be read in conjunction with our financial statements, included herewith. This discussion should not be construed to imply that the results discussed herein will necessarily continue into the future, or that any conclusion reached herein will necessarily be indicative of actual operating results in the future. Such discussion represents only the best present assessment of our management.

Plan of Operation

Background:

3DIcon Corporation ("3DIcon," "the Company," "we," "us" or "our") was incorporated on August 11, 1995, under the laws of the State of Oklahoma as First Keating Corporation. Our articles of incorporation were amended August 1, 2003 to change the name to 3DIcon Corporation. The initial focus of First Keating Corporation was to market and distribute books written by its founder, Martin Keating. During 2001, First Keating Corporation began to focus on the development of 360-degree holographic technology. The effective date of this transition was January 1, 2001. We accounted for this transition as reorganization and accordingly, restated its capital accounts as of January 1, 2001. At the inception on January 1, 2001, our primary activity was the raising of capital in order to pursue its goal of becoming a significant participant in the formation and commercialization of interactive, optical holography for the communications and entertainment industries.

In April 2004, we engaged the University of Oklahoma (the "University" or "OU") to conduct a pilot study to determine the opportunity and feasibility for the creation of volumetric three dimensional display systems.

On July 15, 2005, we entered into a Sponsored Research Agreement ("SRA") with the University, which expired on January 14, 2007. Under this agreement, the University conducted a research project entitled "Investigation of 3-Dimensional Display Technologies".

On February 23, 2007, we entered into an SRA with the University, which expired on March 31, 2010. Under this agreement, the University conducted a research project entitled "3-Dimensional Display Development".

In the fourth quarter of 2007 we announced the release of our first product, "Pixel Precision". On February 12, 2009, version 2.0 of Pixel Precision was released to expand capabilities and provide new compatibility with Texas Instrument's newly released DLP® Discovery 4000 kits. This is a companion software application to the DMD Discovery line of products manufactured by Texas Instruments®.

In July 2013, the Company won first place in the Oklahoma Center for the Advancement of Science and Technology's Oklahoma Applied Research Support competition, securing \$300,000 in grant funding over two years. This matching grant had a start date of September 1, 2013. We successfully completed year 1 and are part way through year 2. The grant will be completed by December 2015. The Company is using the funds provided by the grant to support the development of its First Product Platform, which will be the basis of a family of products leveraging the Company's CSpace® volumetric 3D display technology.

Overview of Business

We are a development stage company. Our mission is to pursue, develop and market full-color volumetric 3D technology. Through a SRA with the University of Oklahoma, we have obtained the exclusive worldwide marketing rights to certain 3D display technologies under development by the University. The developments to date have resulted in the University filing seven provisional patents; six of the seven provisional patents have been combined and converted to four utility patents.

At this time, we do not own any intellectual property rights in these technologies, and, apart from the SRA with the University, have no contracts or agreements pending to acquire such rights or any other interest in such rights. We plan to market the technology and the intellectual property developed by the University and our staff by targeting various industries, such as retail, manufacturing, entertainment, medical, healthcare, transportation, homeland security and the military. On April 6, 2009, we filed a provisional patent on an emissive two-dimensional screen that is controlled and driven by a standard digital light projector or other optical input source. This provisional patent is called "Flexible/Inflexible Front/Back Projection screen or display" and owned solely by 3DIcon Corporation. Through the current agreement with the University of Oklahoma, the University filed a continuation patent application on November 19, 2010, called "3D Light Surface Display". This application provides additional protections of our CSpace technology.

Since March of 2012, the Company has been evaluating a number of second-generation, glasses-free flat screen 3D display technologies and the companies that are developing these technologies with the possibility of an acquisition of such a company in mind. Our goal was to identify a new technology that could deliver significantly better performance (3D impact and image quality) than current large area multiple-viewer glasses-free 3D flat screen displays without compromising resolution and brightness, as do current displays. The ideal company would also have a great technical team, a broad patent portfolio, and a credible technology roadmap to ensure that these competitive advantages are sustainable into the future. As a result of the above evaluation process, the Company previously entered into a non-binding Letter of Intent to acquire Dimension Technologies, Inc. (DTI) www.dti3d.com located in Rochester, NY. However, that Letter of Intent has since expired. Notwithstanding the expiration of the Letter of Intent, the Company's interest in a potential acquisition of a small 3D flat screen display company remains. Currently, we do not have any agreements in place that would allow entry into the flat screen segment of the glasses-free 3D display industry or digital signage industry and no assurances can be made that such an agreement will ever be consummated. The Company is not actively seeking such acquisitions in the glasses-free 3D flat screen display segment at this time.

Recent Developments

In April 2015, we announced the departure of Dr. Hakki Refai, our former technology officer who lead the development of our CSpace technology. Dr. Refai's responsibilities were assumed by Doug Freitag, our Vice President of Technology and Business Development since January 2015, who has over 25 years of experience in advanced materials and over 20 years of federal grant and contract expertise. Freitag now oversees the development of our technology and will continue to oversee key personnel and strategic partnerships as we work to bring our 3D volumetric display technology to market.

Intellectual Property History, Status & Rights

On May 26, 2009, the United States Patent and Trademark Office ("USPTO") approved the pending patent called "Volumetric Liquid Crystal Display" for rendering a three-dimensional image and converted it to US patent No. 7,537,345. On July 16, 2013, USPTO approved the pending patent called "Computer System with Digital Micromirror Device," and issued US patent No. 8,487,865.

CSpace Patents are as follow: On December 28, 2010, USPTO approved the pending patent called "Light Surface Display for Rendering a Three-Dimensional Image," and issued the United States Patent No. 7,858,913. On August 21, 2012, the USPTO approved a continuation patent called "3D Volumetric Display" and issued the US Patent No. 8,247,755. On December 13, 2011, USPTO approved a continuation patent called "3D Light Surface Display," and issued the US Patent No. 8,075,139. On July 31, 2013, 3DIcon filed provisional patent called "Ultra High-Resolution Volumetric Three-Dimensional Display," (US patent application serial No. 61859145).

Through a SRA with the University, we have obtained the exclusive worldwide marketing rights to certain 3D display technologies under development by the University. The development to date has resulted in the University filing eight provisional patents; five of the eight provisional patents have been combined and converted to five utility US patents, one pending European patent and one pending Japanese patent.

Key Patents Exclusively Licensed to 3DIcon from OU:

Patents Granted

- "3D Volumetric Display" – 8,247,755, August 21, 2012
- "3DLight Surface Display" – 8,075,139, December 13, 2011
- "Light Surface Display for Rendering a Three-Dimensional Image" – 7,858,913, December 28, 2010
- "Volumetric Liquid Crystal Display" – 7,537,345, May 26, 2009
- "Computer System with Digital Micromirror Device" – 8,487,865, July 16, 2013

International Patents Granted

- Granted – Japan
 - o “Light Surface Display for Rendering a Three-Dimensional Image” – Japanese Patent Number 5,594,718, August 15, 2014

International Patents Pending

- Pending
 - o “Light Surface Display for Rendering a Three-Dimensional Image” – European Application Number EP07755984, Filed April 25, 2007
- Pending – Europe
 - o “Ultra High Resolution Three-Dimensional Display” – July 26, 2013
 - o “Holoform Projection Display” – March 12, 2013

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2015 COMPARED TO THE THREE MONTHS ENDED MARCH 31, 2014

Revenue

The second two year matching grant, for a total of \$300,000 had a start date of September 1, 2013. We earned \$5,122 and \$28,748 from OCAST during the three month periods ending March 31, 2015 and 2014 respectively.

In January 2008 we launched our first software product Pixel Precision. We appointed Digital Light Innovations for the sales and distribution of this product in March 2008. We had \$- and \$10,000 income from the sales of Pixel Precision for the three-month periods ended March 31, 2015 and March 31, 2014, respectively.

We expect sales of Pixel Precision to the installed and active user base of the earlier D1100 and D3000 systems in the near term and as companion product sales to D4000 systems. We expect that the revenue from this product to contribute to the operating expenses (general and administrative, research and development, interest) but do not expect the revenue generated in 2015 to cover the operating expenses.

Research and Development Expenses

The research and development expenses were \$42,909 for the three months ended March 31, 2015, as compared to \$60,336 for the three months ended March 31, 2014. The net decrease was a result of the decrease in cost for engaging outside research and development consultants of approximately \$12,000, and a decrease in options issued in 2014 of \$6,000.

General and Administrative Expenses

Our general and administrative expenses were \$258,846 for the three months ended March 31, 2015, as compared to \$378,109 for the three months ended March 31, 2014. The decrease is due primarily to a decrease in fees paid to the public relations firm of \$23,000, fees paid in settlement of debt under Section 3(a) (10) of the Securities Act of 1933 of \$68,000, a decrease in filing fees of \$3,000, a decrease of \$13,000 of legal fees paid, and a decrease of \$13,000 in accounting and consulting fees.

Interest Expense

Interest expense for the three months ended March 31, 2015 was \$8,624 as compared to \$22,807 for the three months ended March 31, 2014. The decrease was a result of the amount of OID amortized in 2015.

Financial Condition, Liquidity and Capital Resources

Management remains focused on controlling cash expenses. We recognize our limited cash resources and plan our expenses accordingly. We intend to leverage stock-for-services wherever possible. The operating budget consists of the following expenses:

- Research and development expenses pursuant to our SRA with the University. This includes development of an initial demonstrable prototype and a second prototype for static volume technology.
- Acceleration of research and development through increased research personnel as well as other research agencies.
- General and administrative expenses: salaries, insurance, investor related expenses, rent, travel, website, etc.
- Hiring executive officers for technology, operations and finance.
- Development, support and operational costs related to Pixel Precision software.
- Professional fees for accounting and audit; legal services for securities and financing; patent research and protection.

Our independent registered public accountants, in their audit report accompanying our financial statements for the year ended December 31, 2014, expressed substantial doubt about our ability to continue as a going concern due to our status as a development stage organization with insufficient revenues to fund development and operating expenses.

We had net cash of \$2,747 at March 31, 2015.

We had negative working capital of \$1,056,443 at March 31, 2015.

During the three months ended March 31, 2015, we used \$163,438 of cash for operating activities, a decrease of \$55,070 or 25% compared to the three months ended March 31, 2014. The decrease in the use of cash for operating activities was a result of the increase in accounts payable of \$15,739, an increase of \$22,500 in stock issued for services, an increase in amortization of debt cost of \$35,087, an increase in accounts receivable of \$5,122, a decrease in prepaid expense of \$16,271 and a decrease in the net loss of \$117,247.

There was no cash used in investing activities during the three months ended March 31, 2015 or for the three months ended March 31, 2014.

Cash provided by financing activities during the three months ended March 31, 2015 was \$131,700, a decrease of \$25,485 or 16% compared to the three months ended March 31, 2014. The net decrease was the result of the increase warrant exercise advances from Golden State under the terms of our 4.75% convertible debenture of \$215,165, an increase of \$74,000 in debentures issued from 2014 and the cash payment of approximately \$116,000 on the 3 (a) (10) settlement agreement.

We expect to fund the ongoing operations through the existing financing in place (see below); through raising additional funds as permitted by the terms of Golden State financing as well as reducing our monthly expenses.

Our ability to fund the operations of the Company is highly dependent on the underlying stock price of the Company.

Director Debenture

On June 24, 2013, the Company issued to Victor Keen and Martin Keating, Directors of the Company, ("Directors") 10% convertible debentures in a principal amount of \$15,000 each, due June 26, 2014 and subsequently extended to June 30, 2015. The Directors may elect to convert all or any portion of the outstanding principal amount of the debentures at an exercise price of \$0.01 per share. Provided that the debentures are paid in full on or before the maturity date, no interest shall accrue on the unpaid balance of the principal amount. In the event that the debentures are not paid in full on or before the maturity date, interest shall accrue on the unpaid outstanding balance of the principal amount of the debentures from June 26, 2013, until paid, at the fixed rate of ten percent (10%) per annum.

Newton, O'Connor, Turner & Ketchum 10% Convertible Debenture

On December 20, 2012, the Company issued to Newton, O'Connor, Turner & Ketchum ("NOTK") a 10% convertible debenture in a principal amount of \$29,007, initially due September 30, 2013 and subsequently extended to June 30, 2015. NOTK may elect to convert all or any portion of the outstanding principal amount of the debenture at an exercise price of \$0.02534 per share. The Company was indebted to NOTK for legal services performed for the Company and reimbursement of expenses in rendition of those services for the period ended December 31, 2012. The debenture was issued in settlement of the indebtedness.

5% Convertible Bridge Notes

On June 6, 2012 and August 1, 2012, the Company issued and sold convertible promissory notes (the "5% Notes") in aggregate principal amount of \$415,000 to JMJ Financial ("JMJ"). The 5% Notes includes a \$40,000 original issue discount (the "OID") that will be prorated based on the advances actually paid to the Company. During 2015, JMJ earned \$13,504 OID and accrued interest. During 2015, JMJ converted \$48,384 of the 5% Notes into 25,000,000 shares of common stock at an average of \$0.002 per share based on the formula in the 5% Notes. In addition to the OID, the 5% Notes provides for a one-time interest charge of 5% to be applied to the principal sum advanced. Pursuant to the terms of 5% Notes, JMJ may, at its election, convert all or a part of the \$275,000 note and the \$140,000 note into shares of the Company's common stock at a conversion rate equal to the lesser of (i) \$0.15 and \$0.35, respectively or (ii) 70% of the lowest trade price during the twenty-five trading days prior to JMJ's election to convert. If the Company repays the 5% Notes on or before ninety days from the date it was issued, the interest rate will be zero percent. If the Company does not repay the 5% Notes on or before ninety days from the date it was issued, a one-time interest charge of 5% shall be applied to the principal. The Company did not repay the 5% Notes within the ninety day period. The principal of the 5% Notes is due one year from the date of each of the principal amounts advanced.

The 5% Notes were subject to a Mandatory Registration Agreement (the "Registration Agreement") whereby no later than August 31, 2012, the Company agreed to file, at its own expense, an amendment (the "Amendment") to the S-1 Registration Statement (the "Registration Statement") the Company filed with the SEC on July 3, 2012, to include in such Amendment 4,750,000 shares of common stock issuable under the 5% Notes. The Company agreed, thereafter, to use its best efforts to cause such Registration Statement to become effective as soon as possible after such filing but in no event later than one hundred and twenty (120) days from the date of the Registration Agreement. Since the Company failed to get the Registration Statement declared effective within the 120 days of the date of the Registration Agreement, a penalty/liquidated damages of \$25,000 was added to the balance of the 5% Notes.

10% Convertible Bridge Note to Director

On September 11, 2012, the Company issued and sold to Victor F. Keen, a Director and an accredited investor a Convertible Bridge Note (the "Keen Bridge Note") in the principal amount of \$60,000. The sale of the Keen Bridge Notes in the principal of \$60,000 included a \$10,000 OID. Accordingly, the Company received \$50,000 gross proceeds. The Keen Bridge Note matured 90 days from the date of issuance and, other than the OID, the Keen Bridge Note does not carry interest. However, in the event the Keen Bridge Note is not paid on maturity, all past due amounts will accrue interest at 15% per annum. Upon maturity of the Keen Bridge Note, the holders of the Keen Bridge Note may elect to convert all or any portion of the outstanding principal amount of the Keen Bridge Note into (i) securities sold pursuant to an effective registration statement at the applicable offering price; or (ii) shares of common stock at a conversion price equal to the lesser of 100% of the Volume Weighted Average Price (VWAP), as reported for the 5 trading days prior to (a) the date of issuance of the Keen Bridge Note, (b) the maturity date of the Keen Bridge Note, or (c) the first closing date of the securities sold pursuant to an effective registration statement.

On March 16, 2015, the Company entered into a Fifth Amendment agreement (the "Fifth Keen Amendment") with Keen to amend the Keen Bridge note. Pursuant to the Fifth Keen Amendment, Keen agreed to extend the maturity of the Note from December 31, 2014 to June 30, 2015 and to waive, if any, existing or prior defaults under the Keen Bridge Note or the Keen SPA.

15% Convertible Bridge Notes due 2014

On October 1, 2013 (the "Date of Issuance"), the Company issued and sold to an accredited investor a Senior Convertible Note (the "Senior Note") in the principal amount of \$205,000 and a warrant to purchase 300,000 shares of the Company's common stock at an exercise price equal to 110% of the closing bid price on September 30, 2013 (the "October 2013 Warrant"). The Senior Note included a \$30,750 OID. Accordingly, the Company received \$174,250 gross proceeds from which the Company paid legal and documentation fees of \$22,500 and placement agent fees of \$15,682.

The Senior Note matured on July 1, 2014 and did not carry interest. However, in the event the Senior Note was not paid on maturity, all past due amounts would accrue interest at 15% per annum. The Senior Note was paid on maturity and interest was not incurred. At any time subsequent to six months following the Date of Issuance, the Senior Note holder may elect to convert all or any portion of the outstanding principal amount of the Senior Note into shares of Common Stock at a conversion price equal to the lesser of 100% of the VWAP, as reported for the 5 trading days prior to the Date of Issuance or 80% of the average VWAP during the 5 days prior to the date the holder delivers a conversion notice to the Company. During 2014, the holder of the \$205,000 note converted \$180,000 of the note into 83,705,721 common shares at an average price of \$0.0021 per share under the terms of the debenture agreement. The remaining \$25,000 balance of the note was paid in cash to retire the note.

The estimated fair value of the warrants for common stock issued of \$2,130 was determined using the Black-Scholes option pricing model. The expected dividend yield of zero is based on the average annual dividend yield as of the issue date. Expected volatility of 173.64% is based on the historical volatility of our stock. The risk-free interest rate of 1.39% is based on the U.S. Treasury Constant Maturity rate for five years as of the issue date. The expected life of five years of the warrant is based on historical exercise behavior and expected future experience.

The October 2013 Warrant is exercisable at any time on or after March 31, 2014 and on or prior to the close of business on March 31, 2019. At the election of the October 2013 Warrant holder, the October 2013 Warrant may be exercised using a cashless exercise method.

Effective August 15, 2014, the Company entered into a Securities Settlement Agreement (the "SSA") with an accredited investor (the "Investor") to whom the \$205,000 Senior Convertible Note was assigned. Pursuant to the SSA, the Investor agreed to extend the maturity of the \$205,000 principal owed (the "Debt") under the Senior Note until August 15, 2015 and the Company agreed, among other things, to (i) pay 10% interest on the Debt; (ii) pay 125% of principal in the event the Company elects to prepay any portion of the Debt; (iii) allow the Investor to convert the Debt, in whole or in part, into shares of the Company's common stock at a conversion price equal to 58% percent of the lowest traded VWAP, determined on the then current trading market for the Company's common stock, for the 15 trading days prior to conversion.

10% Convertible Debenture due August 2015

On August 15, 2014, the Company issued and sold to an accredited investor a Convertible Debenture (the "10% Debenture") in the principal amount of \$150,000. The 10% Debenture included a 3% OID. Accordingly, the Company received \$145,500 gross proceeds, from which the Company paid legal and fees of \$5,000. The 10% Debenture has a maturity date of August 15, 2015 and carries a 10% interest rate. Subject to a 4.99% beneficial ownership limitation, the holder of the 10% Debenture may, at any time, elect to convert all or any portion of the outstanding principal amount of the 10% Debenture into shares of Common Stock at a conversion price equal Sixty Five Percent (65%) of the lowest traded VWAP, determined on the then current trading market for the Company's common stock, for 15 trading days prior to conversion.

Series A Convertible Preferred Stock

January 23, 2014, the Company sold to Victor Keen, the Company's Chief Executive Officer and a member of the Company's Board of Directors, 190,000 Units for a purchase price of \$190,000, as part of the Private Placement (as defined therein) disclosed in the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 13, 2013. Pursuant to such Private Placement, the Company has now received aggregate proceeds equal to \$385,000. Such Private Placement is now closed.

Off Balance Sheet Arrangements

The Company does not engage in any off balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, revenues, and results of operations, liquidity or capital expenditures.

Significant Accounting Policies

Research and Development Costs

The Company expenses all research and development costs as incurred. Until we have developed a commercial product, all costs incurred in connection with the SRA with the University, as well as all other research and development costs incurred, will be expensed as incurred. After a commercial product has been developed, we will report costs incurred in producing products for sale as assets, but we will continue to expense costs incurred for further product research and development activities.

Stock-Based Compensation

Since its inception 3DIcon has used its common stock or warrants to purchase its common stock as a means of compensating our employees and consultants. Financial Accounting Standards Board ("FASB") guidance on accounting for share based payments requires us to estimate the value of securities used for compensation and to charge such amounts to expense over the periods benefited.

The estimated fair value at date of grant of options for our common stock is estimated using the Black-Scholes option pricing model, as follows:

The expected dividend yield is based on the average annual dividend yield as of the grant date. Expected volatility is based on the historical volatility of our stock. The risk-free interest rate is based on the U.S. Treasury Constant Maturity rates as of the grant date. The expected life of the option is based on historical exercise behavior and expected future experience.

Subsequent Events

Common stock issued for services and liabilities

Subsequent to March 31, 2015, Golden State converted \$150 of the 4.75% convertible debenture into 13,748,500 shares of common stock at \$0.00001 per share and exercised 43 warrants at \$381.50 per share for \$16,404, advanced \$16,350 and applied \$16,404 of warrant exercise advances leaving \$10,692 in warrant exercise advances under the terms of the securities purchase agreements.

Subsequent to March 31, 2015, the holder of the 10% Convertible Bridge Note, converted \$50,000 of the note into 54,945,054 shares of common stock at \$0.0009 under the terms of the securities purchase agreements.

Subsequent to March 31, 2015, the holder of the 5% Convertible Bridge Note, converted \$15,120 of the note into 18,000,000 shares of common stock at \$0.00008 under the terms of the securities purchase agreements.

Subsequent to March 31, 2015, shares of common stock totaling 9,542,560 were issued for 2014 consulting services for which the Company reduced accounts payable by \$36,500.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not Applicable.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of the end of the period covered by this report. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this report were effective such that the information required to be disclosed by us in reports filed under the Securities Exchange Act of 1934 is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management to allow timely decisions regarding disclosure. A controls system cannot provide absolute assurance, however, that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.



Changes in Internal Control Over Financial Reporting. During the most recent quarter ended March 31, 2015, there has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. Legal Proceedings.

We are not a party to any pending legal proceeding, nor is our property the subject of a pending legal proceeding, that is not in the ordinary course of business or otherwise material to the financial condition of our business. None of our directors, officers or affiliates is involved in a proceeding adverse to our business or has a material interest adverse to our business.

Item 1A. Risk Factors.

Not Applicable.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During the three-month period ended March 31, 2015, shares of common stock totaling 15,000,000 were issued for consulting services for which the Company charged operations \$22,500,000.

During the three-month period ended March 31, 2015, an aggregate of \$109,700 5 of outstanding convertible debentures were converted into 106,086,492 shares of common stock.

During the three-month period ended March 31, 2015, an aggregate of 114 warrants to purchase shares of common stock were exercised at a purchase price of \$381.50 per share.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosure.

None.

Item 5. Other Information.

JMJ March 2015 5% Note

In March 2015, the Company issued and sold a convertible note (the "March 2015 5% Note") in aggregate Principal Sum of \$250,000 to JMJ Financial ("JMJ"). The March 2015 5% Note includes a \$25,000 original issue discount (the "OID") that will be prorated based on the advances actually paid (the "Principal Sum") to the Company. During 2015, JMJ advanced \$30,000 on the March 2015 5% Note and earned \$3,000 OID. In addition to the OID, the March 2015 5% Note provides for a one-time interest charge of 5% to be applied to the Principal Sum. If the Company repays the March 2015 5% Note on or before ninety days from the date of the principal amount advanced, the interest rate will be zero percent. If the Company does not repay the March 2015 5% Note on or before ninety days from the date of the advance, a one-time interest charge of 5% shall be applied to the Principal Sum. Pursuant to the terms of March 2015 5% Note, JMJ may, at its election, convert all or a part of the Principal Sum of the March 2015 5% Note into shares of the Company's common stock at a conversion rate 70% of the lowest trade price during the twenty-five trading days prior to JMJ's election to convert. The Principal Sum of the March 2015 5% Note is due two years from the date of each of the principal amounts advanced.

Typenex Co-Investment, LLC

In March 2015, the Company issued and sold a convertible note (the "5% Promissory Note") in aggregate principal of \$87,500 to Typenex Co-Investment, LLC, ("Typenex"). The 5% Promissory Note includes a \$7,500 OID. In March 2015, the Company received \$80,000 gross proceeds from which the Company paid legal and documentation fees of \$20,000 and placement agent fees of \$6,750. In addition to the OID, the 5% Promissory Note provides for a one-time interest charge of 5% to be applied to the principal of the 5% Promissory Note. If the Company repays the 5% Promissory Note on or before ninety days from the date of the principal amount advanced, the interest rate will be zero percent. If the Company does not repay the 5% Promissory Note on or before ninety days from the date of the advance, a one-time interest charge of 5% shall be applied to the principal. Pursuant to the terms of 5% Promissory Note, Typenex may, at its election, convert all or a part of the \$87,500 principal and interest thereon of the 5% Promissory Note into shares of the Company's common stock at a conversion rate 70% of the lowest trade price during the twenty-five trading days prior to the election to convert. The principal of the 5% Promissory Note is due one year from the March 2015 effective date.

In connection with the securities issuances reported in this Item, the Company relied upon the exemption from securities registration afforded by Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act"). No advertising or general solicitation was employed in offering any securities.

The foregoing description of the March 2015 5% Note and the 5% Promissory Note is qualified in its entirety by reference to the full text of the March 2015 5% Note and the 5% Promissory Note, copies of which are attached hereto as Exhibit 4.1 and Exhibit 4.2, and which are incorporated herein by reference.

Item 6. Exhibits.**Exhibit**

Number	Description of Exhibit
4.1	Convertible Promissory Note dated March 5, 2015
4.2	Convertible Note dated March 4, 2105
31.1	Certifications required by Rule 13a-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certifications required by Rule 13a-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Principal Accounting Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation
101.DEF	XBRL Taxonomy Extension Definition
101.LAB	XBRL Taxonomy Extension Labels
101.PRE	XBRL Taxonomy Extension Presentation

SIGNATURES

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

3DICON CORPORATION

Date: May 15, 2015

/s/ Victor F. Keen

Name: Victor F. Keen
Title: Chief Executive Officer
(Principal Executive Officer)

/s/ Ronald W. Robinson

Name: Ronald W. Robinson
Title: Chief Financial Officer
(Principal Financial Officer)

CONVERTIBLE PROMISSORY NOTE

Effective Date: March 5, 2015

U.S. \$87,500.00

FOR VALUE RECEIVED, 3DIcon Corporation, an Oklahoma corporation ("**Borrower**"), promises to pay to Typenex Co-Investment, LLC, a Utah limited liability company, or its successors or assigns ("**Lender**"), \$87,500.00 and any interest, fees, and charges in accordance with the terms set forth herein. This Convertible Promissory Note (this "**Note**") is issued and made effective as of February 11, 2015 (the "**Effective Date**").

The purchase price for this Note is \$75,000.00 (the "**Purchase Price**") payable by wire transfer. The initial Outstanding Balance of this Note shall include the Purchase Price, a \$7,500.00 original issue discount ("**OID**"), and \$5,000.00 to cover Lender's legal fees, accounting costs, due diligence, monitoring and other transaction costs incurred in connection with the purchase and sale of this Note (the "**Transaction Expense Amount**"). This Note shall be due and payable on the date that is twelve (12) months from the Effective Date (the "**Maturity Date**"). For purposes hereof, the term "**Purchase Price Date**" means the date the Purchase Price is delivered by Lender to Borrower. Certain capitalized terms used herein are defined in Section 22 below.

1 . Prepayment; Interest. Borrower may repay this Note at any time on or before the date that is 90 days from the Purchase Price Date (the "**Prepayment Opportunity Date**"). If Borrower repays this Note on or before the Prepayment Opportunity Date, the interest rate shall be ZERO PERCENT (0%). If Borrower does not repay the entire Outstanding Balance of this Note on or before the applicable Prepayment Opportunity Date, a one-time interest charge of 5% (the "**Interest Charge**") shall be applied to the Outstanding Balance of this Note. Any interest payable is in addition to any applicable OID. Any OID remains payable regardless of the time and manner of payment by Borrower. Following the Prepayment Opportunity Date, this Note may be prepaid by Borrower. Upon Borrower's election to prepay all or any portion of this Note, Borrower shall pay to Lender 125% of the portion of the Outstanding Balance that the Borrower intends to prepay.

2 . Conversion. Lender has the right at any time following an Event of Default, at its election, to convert (each instance of conversion is referred to herein as a "**Conversion**") all or any part of the Outstanding Balance of this Note into shares ("**Conversion Shares**") of fully paid and non-assessable Common Stock as per the following conversion formula: the number of Conversion Shares equals the amount being converted (the "**Conversion Amount**") divided by the Conversion Price. Conversion notices, in the form attached hereto as Exhibit A (a "**Conversion Notice**"), under this Note may be effectively delivered to Borrower by any method of Lender's choice (including but not limited to facsimile, email, mail, overnight courier, or personal delivery), and all Conversions shall be cashless and not require further payment from Lender. If no objection is delivered from Borrower to Lender regarding any variable or calculation of the Conversion Notice within 24 hours of delivery of the Conversion Notice, Borrower shall have been thereafter deemed to have irrevocably confirmed and irrevocably ratified such Conversion Notice and waived any objection thereto. Borrower shall deliver the Conversion Shares from any Conversion to Lender within three (3) Trading Days of Lender's delivery of the Conversion Notice to Borrower (the "**Delivery Date**").

3. Conversion Delays. If Borrower fails to deliver Conversion Shares in accordance with the timeframes stated in Section 2, Lender, at any time prior to selling all of those Conversion Shares, may rescind in whole or in part that particular Conversion attributable to the unsold Conversion Shares, with a corresponding increase to the Outstanding Balance (any returned Conversion Amount will tack back to the Purchase Price Date). In addition, for each Conversion, in the event that Conversion Shares are not delivered by the Delivery Date, a late fee equal to the greater of (i) \$500.00 per day and (ii) 2% of the applicable Conversion Share Value rounded to the nearest multiple of \$100.00 (but in any event the cumulative amount of such late fees for each Conversion shall not exceed 200% of the applicable Conversion Share Value) will be assessed for each day after the Delivery Date until Conversion Share delivery is made; and such late fee will be added to the Outstanding Balance (such fees, the “**Conversion Delay Late Fees**”). For illustration purposes only, if Lender delivers a Conversion Notice to Borrower pursuant to which Borrower is required to deliver 100,000 Conversion Shares to Lender and on the Delivery Date such Conversion Shares have a Conversion Share Value of \$20,000.00 (assuming a Closing Trade Price on the Delivery Date of \$0.20 per share of Common Stock), then in such event a Conversion Delay Late Fee in the amount of \$500.00 per day (the greater of \$500.00 per day and \$20,000.00 multiplied by 2%, which is \$400.00) would be added to the Outstanding Balance of this Note until such Conversion Shares are delivered to Lender. For purposes of this example, if the Conversion Shares are delivered to Lender twenty (20) days after the applicable Delivery Date, the total Conversion Delay Late Fees that would be added to the Outstanding Balance would be \$10,000.00 (20 days multiplied by \$500.00 per day). If the Conversion Shares are delivered to Lender one hundred (100) days after the applicable Delivery Date, the total Conversion Delay Late Fees that would be added to the Outstanding Balance would be \$40,000.00 (100 days multiplied by \$500.00 per day, but capped at 200% of the Conversion Share Value).

4. Reservation of Shares. Until all of Borrower’s obligations hereunder are paid and performed in full, Borrower will reserve from its authorized and unissued Common Stock to provide for the issuance of Common Stock upon the full conversion of this Note. Borrower will at all times reserve at least three times the number of shares of Common Stock necessary to convert the total Outstanding Balance of this Note as of any given date (the “**Share Reserve**”), but in no event shall less than 150,000,000 shares of Common Stock be reserved for such purpose (the “**Transfer Agent Reserve**”). Borrower further agrees that it will cause its transfer agent to immediately add shares of Common Stock to the Transfer Agent Reserve in increments of 25,000,000 shares as and when requested by Borrower or Lender in writing from time to time, provided that such incremental increases do not cause the Transfer Agent Reserve to exceed the Share Reserve. In furtherance thereof, from and after the date hereof and until such time that this Note has been paid in full, Borrower shall require its transfer agent to reserve for the purpose of issuance to Lender pursuant to conversions under this Note a number of shares of Common Stock equal to the Transfer Agent Reserve. Borrower shall further require its transfer agent to hold such shares of Common Stock exclusively for the benefit of Lender and to issue such shares to Lender promptly upon Lender’s delivery of a conversion notice under this Note.

5 . Borrower Representations and Warranties. Borrower represents and warrants to Lender that, as of the date hereof: (i) Borrower is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation and has the requisite corporate power to own its properties and to carry on its business as now being conducted; (ii) Borrower is duly qualified as a foreign corporation to do business and is in good standing in each jurisdiction where the nature of the business conducted or property owned by it makes such qualification necessary; (iii) Borrower has registered its Common Stock under Section 15(d) of the Securities Exchange Act of 1934, as amended (the “1934 Act”), and is obligated to file reports pursuant to Section 13 or Section 15(d) of the 1934 Act; (iv) this Note and the transactions contemplated hereby have been duly and validly authorized by Borrower; (v) this Note has been duly executed and delivered by Borrower and constitutes the valid and binding obligation of Borrower enforceable in accordance with its terms, subject as to enforceability only to general principles of equity and to bankruptcy, insolvency, moratorium, and other similar laws affecting the enforcement of creditors’ rights generally; (vi) the execution and delivery of this Note by Borrower, the issuance of Conversion Shares in accordance with the terms hereof, and the consummation by Borrower of the other transactions contemplated by this Note do not and will not conflict with or result in a breach by Borrower of any of the terms or provisions of, or constitute a default under (a) Borrower’s formation documents or bylaws, each as currently in effect, (b) any indenture, mortgage, deed of trust, or other material agreement or instrument to which Borrower is a party or by which it or any of its properties or assets are bound, including any listing agreement for the Common Stock except as herein set forth, or (c) to Borrower’s knowledge, any existing applicable law, rule, or regulation or any applicable decree, judgment, or order of any court, United States federal or state regulatory body, administrative agency, or other governmental body having jurisdiction over Borrower or any of Borrower’s properties or assets; (vii) no authorization, approval or consent of any court, governmental body, regulatory agency, self-regulatory organization, or stock exchange or market or the stockholders or any lender of Borrower is required to be obtained by Borrower for the issuance of this Note or the Conversion Shares to Lender, except such authorizations, approvals and consents that have been obtained; (viii) none of Borrower’s filings with the SEC contained, at the time they were filed, any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; (ix) Borrower has filed all reports, schedules, forms, statements and other documents required to be filed by Borrower with the SEC under the 1934 Act on a timely basis or has received a valid extension of such time of filing and has filed any such report, schedule, form, statement or other document prior to the expiration of any such extension; (x) Borrower is not, nor has it ever been, a “Shell Company,” as such type of “issuer” is described in Rule 144(i)(1) under the 1933 Act or is in compliance with Rule 144(i)(2); (xi) with respect to any brokerage commissions, placement agent or finder’s fees or similar payments that will or would become due and owing by Borrower to any person or entity as a result of this Note or the transactions contemplated hereby (“**Broker Fees**”), any such Broker Fees will be made in full compliance with all applicable laws and regulations and only to a person that is a registered investment adviser or registered broker-dealer; (xii) Lender shall have no obligation with respect to any such Broker Fees or with respect to any claims made by or on behalf of other persons or entities for fees of a type contemplated herein that may be due in connection with the transactions contemplated hereby and Borrower shall indemnify and hold harmless each of Lender, Lender’s employees, officers, directors, stockholders, managers, agents, and partners, and their respective affiliates, from and against all claims, losses, damages, costs (including the costs of preparation and attorneys’ fees) and expenses suffered in respect of any such claimed or existing fees; and (xiii) Borrower has performed due diligence and background research on Lender and its affiliates including, without limitation, John M. Fife, and, to its satisfaction, has made inquiries with respect to all matters Borrower may consider relevant to the undertakings and relationships contemplated by this Note including, among other things, the following: <http://investing.businessweek.com/research/stocks/people/person.asp?personId=7505107&ticker=UAHC>; SEC Civil Case No. 07-C-0347 (N.D. Ill.); SEC Civil Action No. 07-CV-347 (N.D. Ill.); and FINRA Case #2011029203701. Borrower, being aware of the matters described in the foregoing clause (xiii), acknowledges and agrees that such matters, or any similar matters, have no bearing on the transactions contemplated by this Note and covenants and agrees it will not use any such information as a defense to performance of its obligations under this Note or in any attempt to avoid, modify or reduce such obligations.

6 . Borrower Covenants. Until all of Borrower’s obligations hereunder are paid and performed in full, or within the timeframes otherwise specifically set forth below, Borrower shall comply with the following covenants: (i) so long as Lender beneficially owns this Note or any Conversion Shares and for at least twenty (20) Trading Days thereafter, Borrower shall file all reports required to be filed with the SEC pursuant to Sections 13 or 15(d) of the 1934 Act, and shall take all reasonable action under its control to ensure that adequate current public information with respect to Borrower, as required in accordance with Rule 144, is publicly available, and shall not terminate its status as an issuer required to file reports under the 1934 Act even if the 1934 Act or the rules and regulations thereunder would permit such termination; (ii) the Common Stock shall be listed or quoted for trading on any of (a) NYSE, (b) NASDAQ, (c) OTCQX, (d) OTCQB, or (e) OTC Pink Current; (iii) Borrower shall use the net proceeds received from this Note for working capital and general corporate purposes only; and (iv) when issued, each of the Conversion Shares will be duly authorized, validly issued, fully paid for and non-assessable, free and clear of all liens, claims, charges and encumbrances.

7. Default.

7.1. Events of Default. The following are events of default under this Note (each, an “**Event of Default**”): (i) Borrower shall fail to pay any principal, interest, fees, charges, or any other amount when due and payable hereunder; or (ii) Borrower shall fail to deliver any Conversion Shares in accordance with the terms hereof; or (iii) a receiver, trustee or other similar official shall be appointed over Borrower or a material part of its assets and such appointment shall remain uncontested for twenty (20) days or shall not be dismissed or discharged within sixty (60) days; or (iv) Borrower shall become insolvent or generally fails to pay, or admits in writing its inability to pay, its debts as they become due, subject to applicable grace periods, if any; or (v) Borrower shall make a general assignment for the benefit of creditors; or (vi) Borrower shall file a petition for relief under any bankruptcy, insolvency or similar law (domestic or foreign); or (vii) an involuntary proceeding shall be commenced or filed against Borrower; or (viii) Borrower, at any time after the Effective Date, is not DWAC Eligible; or (ix) Borrower shall default or otherwise fail to observe or perform any covenant, obligation, condition or agreement of Borrower contained herein, other than those specifically set forth in this Section 7.1; or (x) Borrower shall become delinquent in its filing requirements as a fully-reporting issuer registered with the SEC or shall fail to timely file any required quarterly or annual reports or any other filings that are necessary to enable Lender to sell Conversion Shares pursuant to Rule 144; or (xi) any representation, warranty or other statement made or furnished by or on behalf of Borrower to Lender herein or in connection with the issuance of this Note shall be false, incorrect, incomplete or misleading in any material respect when made or furnished; or (xii) Borrower shall fail to maintain the Share Reserve as required pursuant to Section 4 above; or (xiii) Borrower effectuates a reverse split of its Common Stock without twenty (20) Trading Days prior written notice to Lender; or (xiv) any money judgment, writ or similar process shall be entered or filed against Borrower or any subsidiary of Borrower or any of its property or other assets for more than \$100,000, and shall remain unvacated, unbonded or unstayed for a period of twenty (20) calendar days unless otherwise consented to by Lender; or (xv) Borrower shall fail to deliver to Lender original signature pages to this Note within five (5) Trading Days of the Purchase Price Date.

7.2. Cross Default. A breach or default by Borrower of any covenant or other term or condition contained in any Other Agreements shall, at the option of Lender, be considered an Event of Default under this Note, in which event Lender shall be entitled (but in no event required) to apply all rights and remedies of Lender under the terms of this Note. For the avoidance of doubt, all existing and future loan transactions between Borrower and Lender and their respective affiliates will be cross-defaulted with each other loan transaction and with all other existing and future debt of Borrower to Lender.

8. Remedies. Upon the occurrence of any Event of Default, Borrower shall within one (1) Trading Day deliver written notice thereof via facsimile, email or reputable overnight courier (with next day delivery specified) (an “**Event of Default Notice**”) to Lender. At any time and from time to time after the earlier of Lender’s receipt of an Event of Default Notice and Lender becoming aware of the occurrence of any Event of Default, Lender may accelerate this Note by written notice to Borrower, with the Outstanding Balance becoming immediately due and payable in cash at the Mandatory Default Amount. Notwithstanding the foregoing, at any time following the occurrence of any Event of Default, Lender may, at its option, elect to increase the Outstanding Balance by applying the Default Effect (subject to the limitation set forth below) via written notice to Borrower without accelerating the Outstanding Balance, in which event the Outstanding Balance shall be increased as of the date of the occurrence of the applicable Event of Default pursuant to the Default Effect, but the Outstanding Balance shall not be immediately due and payable unless so declared by Lender (for the avoidance of doubt, if Lender elects to apply the Default Effect pursuant to this sentence, it shall reserve the right to declare the Outstanding Balance immediately due and payable at any time and no such election by Lender shall be deemed to be a waiver of its right to declare the Outstanding Balance immediately due and payable as set forth herein unless otherwise agreed to by Lender in writing). Notwithstanding the foregoing, upon the occurrence of any Event of Default described in clauses (iii), (iv), (v), (vi) or (vii) of Section 7.1, the Outstanding Balance as of the date of acceleration shall become immediately and automatically due and payable in cash at the Mandatory Default Amount, without any written notice required by Lender. At any time following the occurrence of any Event of Default, upon written notice given by Lender to Borrower, interest shall accrue on the Outstanding Balance beginning on the date the applicable Event of Default occurred at an interest rate equal to the lesser of 22% per annum or the maximum rate permitted under applicable law (“**Default Interest**”). Additionally, following the occurrence of any Event of Default, Borrower may, at its option, pay any Conversion in cash instead of Conversion Shares by paying to Lender on or before the applicable Delivery Date a cash amount equal to the number of Conversion Shares set forth in the applicable Conversion Notice multiplied by the highest intra-day trading price of the Common Stock that occurs during the period beginning on the date the applicable Event of Default occurred and ending on the date of the applicable Conversion Notice. In connection with such acceleration described herein, Lender need not provide, and Borrower hereby waives, any presentment, demand, protest or other notice of any kind, and Lender may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such acceleration may be rescinded and annulled by Lender at any time prior to payment hereunder and Lender shall have all rights as a holder of this Note until such time, if any, as Lender receives full payment pursuant to this Section 8. No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon. Nothing herein shall limit Lender’s right to pursue any other remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to Borrower’s failure to timely deliver Conversion Shares upon Conversion of this Note as required pursuant to the terms hereof.

9. Effect of Certain Events.

9.1. Adjustment Due to Distribution. If Borrower shall declare or make any distribution of its assets (or rights to acquire its assets) to holders of Common Stock as a dividend, stock repurchase, by way of return of capital or otherwise (including any dividend or distribution to Borrower's stockholders in cash or shares (or rights to acquire shares) of capital stock of a subsidiary (i.e., a spin-off) (a "**Distribution**"), then Lender shall be entitled, upon any conversion of this Note after the date of record for determining stockholders entitled to such Distribution, to receive the amount of such assets which would have been payable to Lender with respect to the shares of Common Stock issuable upon such conversion had Lender been the holder of such shares of Common Stock on the record date for the determination of stockholders entitled to such Distribution.

9.2. Adjustments for Stock Split. Notwithstanding anything herein to the contrary, any references to share numbers or share prices shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction.

10. No Offset. Borrower acknowledges that this Note is an unconditional, valid, binding and enforceable obligation of Borrower not subject to offset, deduction or counterclaim of any kind. Borrower hereby waives any rights of offset it now has or may have hereafter against Lender, its successors and assigns, and agrees to make the payments or conversions called for herein in accordance with the terms of this Note.

11. Ownership Limited to 9.99% of Common Stock Outstanding. Notwithstanding anything to the contrary contained in this Note, if at any time Lender shall or would be issued shares of Common Stock, but such issuance would cause Lender (together with its affiliates) to beneficially own a number of shares exceeding 4.99% of the number of shares of Common Stock outstanding on such date (including for such purpose the shares of Common Stock issuable upon such issuance) (the “**Maximum Percentage**”), then Borrower must not issue to Lender shares of the Common Stock which would exceed the Maximum Percentage. For purposes of this section, beneficial ownership of Common Stock will be determined pursuant to Section 13(d) of the 1934 Act. The shares of Common Stock issuable to Lender that would cause the Maximum Percentage to be exceeded are referred to herein as the “**Ownership Limitation Shares**”. Borrower will reserve the Ownership Limitation Shares for the exclusive benefit of Lender. From time to time, Lender may notify Borrower in writing of the number of the Ownership Limitation Shares that may be issued to Lender without causing Lender to exceed the Maximum Percentage. Upon receipt of such notice, Borrower shall be unconditionally obligated to immediately issue such designated shares to Lender, with a corresponding reduction in the number of the Ownership Limitation Shares. Notwithstanding the forgoing, the term “4.99%” above shall be replaced with “9.99%” at such time as the Market Capitalization is less than \$10,000,000.00. Notwithstanding any other provision contained herein, if the term “4.99%” is replaced with “9.99%” pursuant to the preceding sentence, such increase to “9.99%” shall remain at 9.99% until increased, decreased or waived by Lender as set forth below. By written notice to Borrower, Lender may increase, decrease or waive the Maximum Percentage as to itself but any such waiver will not be effective until the 61st day after delivery thereof. The foregoing 61-day notice requirement is enforceable, unconditional and non-waivable and shall apply to all affiliates and assigns of Lender.

12. Rights and Remedies Cumulative. All rights, remedies, and powers conferred in this Note are cumulative and not exclusive of any other rights or remedies, and shall be in addition to every other right, power, and remedy that Lender may have, whether specifically granted in this Note, or existing at law, in equity, or by statute, and any and all such rights and remedies may be exercised from time to time and as often and in such order as Lender may deem expedient. The parties acknowledge and agree that upon Borrower’s failure to comply with the provisions of this Note, Lender’s damages would be uncertain and difficult (if not impossible) to accurately estimate because of the parties’ inability to predict future interest rates and future share prices, Lender’s increased risk, and the uncertainty of the availability of a suitable substitute investment opportunity for Lender, among other reasons. Accordingly, any fees, charges, and default interest due under this Note are intended by the parties to be, and shall be deemed, liquidated damages (under Borrower’s and Lender’s expectations that any such liquidated damages will tack back to the Purchase Price Date for purposes of determining the holding period under Rule 144). The parties agree that such liquidated damages are a reasonable estimate of Lender’s actual damages and not a penalty, and shall not be deemed in any way to limit any other right or remedy Lender may have hereunder, at law or in equity. The parties acknowledge and agree that under the circumstances existing at the time this Note is entered into, such liquidated damages are fair and reasonable and are not penalties. All fees, charges, and default interest provided for in this Note are agreed to by the parties to be based upon the obligations and the risks assumed by the parties as of the Effective Date and are consistent with investments of this type. The liquidated damages provisions of this Note shall not limit or preclude a party from pursuing any other remedy available at law or in equity; *provided, however*, that the liquidated damages provided for in this Note are intended to be in lieu of actual damages.

13. Arbitration. The parties shall submit all Claims (as defined in the Arbitration Provisions) arising under this Note or other agreements between the parties and their affiliates to binding arbitration pursuant to the arbitration provisions set forth in Exhibit B attached hereto (the “**Arbitration Provisions**”). The parties hereby acknowledge and agree that the Arbitration Provisions are unconditionally binding on the parties hereto and are severable from all other provisions of this Note. Any capitalized term not defined in the Arbitration Provisions shall have the meaning set forth in this Note. By executing this Note, Borrower represents, warrants and covenants that Borrower has reviewed the Arbitration Provisions carefully, consulted with legal counsel about such provisions (or waived its right to do so), understands that the Arbitration Provisions are intended to allow for the expeditious and efficient resolution of any dispute hereunder, agrees to the terms and limitations set forth in the Arbitration Provisions, and that Borrower will not take a position contrary to the foregoing representations. Borrower acknowledges and agrees that Lender may rely upon the foregoing representations and covenants of Borrower regarding the Arbitration Provisions.

14. Governing Law. This Note shall be governed by and interpreted in accordance with the laws of the State of Utah for contracts to be wholly performed in such state and without giving effect to the principles thereof regarding the conflict of laws. Each party consents to and expressly agrees that exclusive venue for arbitration of any dispute arising out of or relating to this Note or the relationship of the parties or their affiliates shall be in Salt Lake County or Utah County, Utah. Without modifying the parties obligations to resolve disputes hereunder pursuant to the Arbitration Provisions, for any litigation arising in connection with this Note, each party (a) consents to and expressly submits to the exclusive personal jurisdiction of any state or federal court sitting in Salt Lake County, Utah, (b) expressly submits to the exclusive venue of any such court for the purposes hereof, and (c) waives any claim of improper venue and any claim or objection that such courts are an inconvenient forum or any other claim or objection to the bringing of any such proceeding in such jurisdictions or to any claim that such venue of the suit, action or proceeding is improper.

15. Calculation Disputes. Notwithstanding the Arbitration Provisions, in the case of a dispute as to any determination or arithmetic calculation under this Note, including without limitation, calculating the Outstanding Balance, Conversion Price, Conversion Factor, Conversion Shares, or VWAP (collectively, “**Calculations**”), Borrower or Lender (as the case may be) shall submit the disputed Calculations via facsimile or email with confirmation of receipt (a) within two (2) Trading Days after receipt of the applicable notice giving rise to such dispute to Borrower or Lender (as the case may be) or (b) if no notice gave rise to such dispute, at any time after Lender learned of the circumstances giving rise to such dispute. If Lender and Borrower are unable to agree upon such Calculation within two (2) Trading Days of such disputed Calculation being submitted to Borrower or Lender (as the case may be), then Lender shall, within two (2) Trading Days, submit via facsimile the disputed Calculation to Unkar Systems Inc. (“**Unkar Systems**”). Borrower shall cause Unkar Systems to perform the Calculation and notify Borrower and Lender of the results no later than ten (10) Trading Days from the time it receives such Calculation. Unkar Systems’ determination of the disputed Calculation shall be binding upon all parties absent demonstrable error. Unkar Systems’ fee for performing such Calculation shall be paid by the incorrect party, or if both parties are incorrect, by the party whose Calculation is furthest from the correct Calculation as determined by Unkar Systems. In the event Borrower is the losing party, no extension of the Delivery Date shall be granted and Borrower shall incur all effects for failing to deliver the applicable shares in a timely manner as set forth herein. Notwithstanding the foregoing, Lender may, in its sole discretion, designate an independent, reputable investment bank or accounting firm other than Unkar Systems to resolve any such dispute and in such event, all references to “Unkar Systems” herein will be replaced with references to such independent, reputable investment bank or accounting firm so designated by Lender.

16. Attorneys' Fees and Cost of Collection. In the event of any arbitration or action at law or in equity to enforce or interpret the terms of this Note, the parties agree that the party who is awarded the most money shall be deemed the prevailing party for all purposes and shall therefore be entitled to an additional award of the full amount of the attorneys' fees, deposition costs, and expenses paid by such prevailing party in connection with arbitration or litigation without reduction or apportionment based upon the individual claims or defenses giving rise to the fees and expenses. Nothing herein shall restrict or impair an arbitrator's or a court's power to award fees and expenses for frivolous or bad faith pleading. If (a) this Note is placed in the hands of an attorney for collection or enforcement prior to commencing arbitration or legal proceedings, or is collected or enforced through any arbitration or legal proceeding, or Lender otherwise takes action to collect amounts due under this Note or to enforce the provisions of this Note; or (b) there occurs any bankruptcy, reorganization, receivership of Borrower or other proceedings affecting Borrower's creditors' rights and involving a claim under this Note; then Borrower shall pay the costs incurred by Lender for such collection, enforcement or action or in connection with such bankruptcy, reorganization, receivership or other proceeding, including, without limitation, attorneys' fees, deposition costs, and disbursements.

17. Notices. Any notice required or permitted hereunder (including Conversion Notices) must be in writing and either personally served, sent by facsimile or email, or sent by overnight courier. Notices will be deemed effectively delivered at the time of transmission if by facsimile or email, and if by overnight courier the business day after such notice is deposited with the courier service for delivery. A notice may be sent to a party's last known address, including the last known address of Borrower set forth in its most recent SEC filing.

18. Opinion of Counsel. In the event that an opinion of counsel is needed for any matter related to this Note, Lender has the right to have any such opinion provided by its counsel. Lender also has the right to have any such opinion provided by Borrower's counsel.

19. Time of the Essence. Time is expressly made of the essence with respect to each and every provision of this Note. If the last day of any time period stated herein shall fall on a Saturday, Sunday or non-Trading Day, then such time period shall be extended to the next Trading Day.

20. Assignments. Borrower may not assign this Note without the prior written consent of Lender. This Note and any shares of Common Stock issued upon conversion of this Note may be offered, sold, assigned or transferred by Lender without the consent of Borrower.

21. Par Value Adjustments. If at any time Lender delivers a Conversion Notice to Borrower and as of such date the Conversion Price is less than the Par Value, then the Conversion Amount and the Outstanding Balance will each be deemed to have increased immediately prior to the delivery of the Conversion Notice in an amount equal to the Par Value Adjustment Amount (the "**Par Value Adjustment**"). The number of Conversion Shares deliverable pursuant to any relevant Conversion Notice following a Par Value Adjustment shall be equal to (a) the Adjusted Conversion Amount divided by (b) the Par Value. Lender and Borrower also agree that the Par Value Adjustment shall occur automatically and without further action by Lender. In the event of a Par Value Adjustment, Lender will use a Conversion Notice in substantially the form attached hereto as Exhibit C.

22. Definitions.

22.1. **Adjusted Conversion Amount**" means, with respect to any given Conversion Amount subject to a Par Value Adjustment, the Conversion Amount plus the Par Value Adjustment Amount.

22.2. **"Common Stock"** means shares of Borrower's common stock, par value \$0.0002 per share.

22.3. **“Closing Bid Price”** and **“Closing Trade Price”** means the last closing bid price and last closing trade price, respectively, for the Common Stock on its principal market, as reported by Bloomberg, or, if its principal market begins to operate on an extended hours basis and does not designate the closing bid price or the closing trade price (as the case may be) then the last bid price or last trade price, respectively, of the Common Stock prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or, if its principal market is not the principal securities exchange or trading market for the Common Stock, the last closing bid price or last trade price, respectively, of the Common Stock on the principal securities exchange or trading market where the Common Stock is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the last closing bid price or last trade price, respectively, of the Common Stock in the over-the-counter market on the electronic bulletin board for the Common Stock as reported by Bloomberg, or, if no closing bid price or last trade price, respectively, is reported for the Common Stock by Bloomberg, the average of the bid prices, or the ask prices, respectively, of any market makers for the Common Stock as reported by OTC Markets Group, Inc., and any successor thereto. If the Closing Bid Price or the Closing Trade Price cannot be calculated for the Common Stock on a particular date on any of the foregoing bases, the Closing Bid Price or the Closing Trade Price (as the case may be) of the Common Stock on such date shall be the fair market value as mutually determined by Lender and Borrower. If Lender and Borrower are unable to agree upon the fair market value of the Common Stock, then such dispute shall be resolved in accordance with the procedures in Section 15. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

22.4. **“Conversion Factor”** means 70%, subject to the following adjustments. If at any time the lowest Closing Trade Price in the twenty-five (25) Trading Days immediately preceding any date of the measurement is below \$0.001, then in such event the Conversion Factor shall be reduced by 5% for all future Conversions (subject to other reductions set forth in this section). Additionally, if at any time after the Effective Date, Borrower is not DWAC Eligible, then the Conversion Factor will automatically be reduced by 5% for all future Conversions under this Note. If at any time after the Effective Date, Borrower is not DTC Eligible, then the Conversion Factor will automatically be reduced by an additional 5% for all future Conversions under this Note. Finally, in addition to the Default Effect, if any Major Default occurs after the Effective Date, the Conversion Factor shall automatically be reduced for this Note for all future Conversions by 5% for each of the first three (3) Major Defaults that occur after the Effective Date (for the avoidance of doubt, each occurrence of any Major Default shall be deemed to be a separate occurrence for purposes of the foregoing reductions in Conversion Factor, even if the same Major Default occurs three (3) separate times). For example, the first time Borrower is not DWAC Eligible, the Conversion Factor for all future Conversions under this Note thereafter will be reduced from 70% to 65%. Following such event, the first time Borrower is not DTC Eligible, the Conversion Factor for all future Conversions under this Note will be reduced from 65% to 60%. By way of a second example, if Borrower remains DWAC Eligible, but there are three (3) separate occurrences of a Major Default pursuant to Section 7.1(x), then for purposes of this example the Conversion Factor for this Note would be reduced from 70% to 65% for the first such occurrence, and so on for each of the second and third occurrences of such Major Default. However, in no event shall the Conversion Factor be adjusted below 55%.

22.1. **“Conversion Price”** means the Conversion Factor multiplied by the lowest Closing Trade Price in the twenty-five (25) Trading Days immediately preceding the applicable Conversion.

22.2. **“Conversion Share Value”** means the product of the number of Conversion Shares deliverable pursuant to any Conversion multiplied by the Closing Trade Price of the Common Stock on the Delivery Date for such Conversion.

22.3. **“Default Effect”** means a calculation obtained by multiplying the Outstanding Balance as of the date the applicable Event of Default occurred by (i) 15% for each occurrence of any Major Default, or (ii) 5% for each occurrence of any Minor Default, and then adding the resulting product to the Outstanding Balance as of the date the applicable Event of Default occurred, with the sum of the foregoing then becoming the Outstanding Balance under this Note as of the date the applicable Event of Default occurred; provided that the Default Effect may only be applied three (3) times hereunder with respect to Major Defaults and three (3) times hereunder with respect to Minor Defaults; and provided further that the Default Effect shall not apply to any Event of Default pursuant to Section 7.1(ii) hereof.

- 22.4. “**DTC**” means the Depository Trust Company.
- 22.5. “**DTC Eligible**” means, with respect to the Common Stock, that such Common Stock is eligible to be deposited in certificate form at the DTC, cleared and converted into electronic shares by the DTC and held in the name of the clearing firm servicing Lender’s brokerage firm for the benefit of Lender.
- 22.6. “**DTC/FAST Program**” means the DTC’s Fast Automated Securities Transfer program.
- 22.7. “**DWAC**” means DTC’s Deposit/Withdrawal at Custodian program.
- 22.8. “**DWAC Eligible**” means that (i) the Common Stock is eligible at the DTC for full services pursuant to DTC’s operational arrangements, including without limitation transfer through DTC’s DWAC system, (ii) Borrower has been approved (without revocation) by the DTC’s underwriting department, (iii) Borrower’s transfer agent is approved as an agent in the DTC/FAST Program, (iv) the Conversion Shares are otherwise eligible for delivery via DWAC; (v) Borrower’s transfer agent does not have a policy prohibiting or limiting delivery of the Conversion Shares via DWAC; and (vi) Borrower has previously delivered all Conversion Shares to Lender under this Note via DWAC.
- 22.9. “**Major Default**” means any Event of Default occurring under Sections 7.1(i), (x), or (xii) of this Note.
- 22.10. “**Mandatory Default Amount**” means the greater of (i) the Outstanding Balance divided by the Conversion Price on the date the Mandatory Default Amount is demanded, multiplied by the VWAP on the date the Mandatory Default Amount is demanded, or (ii) the Default Effect.
- 22.11. “**Market Capitalization**” means the product equal to (a) the average VWAP of the Common Stock for the immediately preceding fifteen (15) Trading Days, multiplied by (b) the aggregate number of outstanding shares of Common Stock as reported on Borrower’s most recently filed Form 10-Q or Form 10-K.
- 22.12. “**Minor Default**” means any Event of Default that is not a Major Default.
- 22.13. “**Other Agreements**” means, collectively, (a) all existing and future agreements and instruments between, among or by Borrower (or an affiliate), on the one hand, and Lender (or an affiliate), on the other hand, and (b) any financing agreement or a material agreement that affects Borrower’s ongoing business operations.
- 22.14. “**Outstanding Balance**” means the Purchase Price (as defined below), as reduced or increased, as the case may be, pursuant to the terms hereof for payment, conversion or otherwise, plus the OID, the Transaction Expense Amount, accrued but unpaid interest, collection and enforcements costs, and any other fees or charges (including without limitation late charges) incurred under this Note.

22.15. **“Par Value”** means the par value of the Common Stock on any relevant date of determination. The Par Value as of the Effective Date is \$0.0002.

22.16. **“Par Value Adjustment Amount”** means an amount added to both the Conversion Amount and the Outstanding Balance pursuant to Section 21, calculated as follows: (a) the number of Conversion Shares deliverable under a particular Conversion Notice (prior to any Par Value Adjustment) multiplied by the Par Value, less (b) the Conversion Amount (prior to any Par Value Adjustment). For illustration purposes only, if for a given Conversion, the Conversion Amount was \$20,000, the Conversion Price was \$0.0008 and the Par Value was \$0.001 then the Par Value Adjustment Amount would be \$5,000 (25,000,000 Conversion Shares (\$20,000/\$0.0008) multiplied by the Par Value of \$0.001 (\$25,000) minus the Conversion Amount of \$20,000 equals \$5,000).

22.17. **“Trading Day”** means any day on which the Common Stock is traded or tradable for any period on the principal securities exchange or other securities market on which the Common Stock is then being traded.

22.18. **“VWAP”** means volume weighted average price.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed as of the Effective Date set out above.

BORROWER:
3DIcon Corporation

By: _____
Name: _____
Title: _____

ACKNOWLEDGED, ACCEPTED AND AGREED:

LENDER:

Typenex Co-Investment, LLC

By: Red Cliffs Investments, Inc., its Manager

By: _____
John M. Fife, President

[Signature Page to Convertible Promissory Note]

EXHIBIT A

Typenex Co-Investment, LLC
303 East Wacker Drive, Suite 1040
Chicago, Illinois 60601

Date: _____
3DIcon Corporation
Attn: Victor Keen
6804 South Canton Avenue, Suite 150
Tulsa, Oklahoma 74136

CONVERSION NOTICE

The above-captioned Lender hereby gives notice to 3DIcon Corporation, a Oklahoma corporation (“**Borrower**”), pursuant to that certain Convertible Promissory Note made by Borrower in favor of Lender on March 4, 2015 (the “**Note**”), that Lender elects to convert the portion of the Outstanding Balance of the Note set forth below into fully paid and non-assessable shares of Common Stock of Borrower as of the date of conversion specified below. Such conversion shall be based on the Conversion Price set forth below. In the event of a conflict between this Conversion Notice and the Note, the Note shall govern, or, in the alternative, at the election of Lender in its sole discretion, the Lender may provide a new form of Conversion Notice to conform to the Note.

- A. Date of conversion: _____
- B. Conversion #: _____
- C. Conversion Amount: _____
- D. Lowest Closing Trade Price: _____ (lowest Closing Trade Price in the preceding 25 Trading Days)
- E. Conversion Factor: _____ (70%, as may be adjusted per the Note)
- F. Conversion Price: _____ (D multiplied by E)
- G. Conversion Shares: _____ (C divided by F)
- H. Remaining Outstanding Balance of Note: _____ *

* Subject to adjustments for corrections, defaults, and other adjustments permitted by the Note the terms of which shall control in the event of any dispute between the terms of this Conversion Notice and the Note.

Please transfer the Conversion Shares electronically (via DWAC) to the following account:

Broker: _____ Address: _____
DTC#: _____
Account #: _____
Account Name: _____

To the extent the Conversion Shares are not able to be delivered to the Lender electronically via the DWAC system, please deliver all such certificated shares to Lender via reputable overnight courier after receipt of this Conversion Notice (by facsimile transmission or otherwise) to:

[Signature page follows]

Sincerely,

Typenex Co-Investment, LLC

By: Red Cliffs Investments, Inc., its Manager

By:

John M. Fife, President

EXHIBIT B

ARBITRATION PROVISIONS

1. Dispute Resolution. For purposes of this Exhibit B, the term “**Claims**” means any disputes, claims, demands, causes of action, liabilities, damages, losses, or controversies whatsoever arising from related to or connected with the transactions contemplated in the Note and any communications between the parties related thereto, including without limitation any claims of mutual mistake, mistake, fraud, misrepresentation, failure of formation, failure of consideration, promissory estoppel, unconscionability, failure of condition precedent, rescission, and any statutory claims, tort claims, contract claims, or claims to void, invalidate or terminate the Note or any of the other transaction documents. The term “Claims” specifically excludes a dispute over Calculations (as defined in the Note). The parties hereby agree that the arbitration provisions set forth in this Exhibit B (“**Arbitration Provisions**”) are binding on the parties hereto and are severable from all other provisions in the Note or any of the other transaction documents. As a result, any attempt to rescind the Note or declare the Note or any other transaction document invalid or unenforceable for any reason is subject to these Arbitration Provisions. These Arbitration Provisions shall also survive any termination or expiration of the Note.

 2. Arbitration. Except as otherwise provided herein, all Claims must be submitted to arbitration (“**Arbitration**”) to be conducted in Salt Lake County, Utah or Utah County, Utah and pursuant to the terms set forth in these Arbitration Provisions. The parties agree that the award of the arbitrator shall be final and binding upon the parties; shall be the sole and exclusive remedy between them regarding any Claims, counterclaims, issues, or accountings presented or pleaded to the arbitrator; and shall promptly be payable in United States dollars free of any tax, deduction or offset (with respect to monetary awards). Any costs or fees, including without limitation attorneys’ fees, incident to enforcing the arbitrator’s award shall, to the maximum extent permitted by law, be charged against the party resisting such enforcement. The award shall include Default Interest (as defined in the Note) both before and after the award. Judgment upon the award of the arbitrator will be entered and enforced by a state court sitting in Salt Lake County, Utah. The parties hereby incorporate herein the provisions and procedures set forth in the Utah Uniform Arbitration Act, U.C.A. § 78B-11-101 *et seq.* (as amended or superseded from time to time, the “**Arbitration Act**”). Pursuant to Section 105 of the Arbitration Act, in the event of conflict between the terms of these Arbitration Provisions and the provisions of the Arbitration Act, the terms of these Arbitration Provisions shall control.

 3. Arbitration Proceedings. Arbitration between the parties will be subject to the following procedures:
 - 3.1. Pursuant to Section 110 of the Arbitration Act, the parties agree that a party may initiate Arbitration by giving written notice to the other party (“**Arbitration Notice**”) in the same manner that notice is permitted under Section 17 of the Note; *provided, however*, that the Arbitration Notice may not be given by email or fax. Arbitration will be deemed initiated as of the date that the Arbitration Notice is deemed delivered under Section 17 of the Note (the “**Service Date**”). After the Service Date, information may be delivered, and notices may be given, by email or fax pursuant to Section 17 of the Note. The Arbitration Notice must describe the nature of the controversy, the remedies sought, and the election to commence Arbitration proceedings. All Claims in the Arbitration Notice must be pleaded consistent with the Utah Rules of Civil Procedure.
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3.2. Within ten (10) calendar days after the Service Date, Investor shall select and submit to Borrower the names of three arbitrators that are designated as “neutrals” or qualified arbitrators by Utah ADR Services (<http://www.utahadrservices.com>) (such three designated persons hereunder are referred to herein as the “**Proposed Arbitrators**”). For the avoidance of doubt, each Proposed Arbitrator must be qualified as a “neutral” with Utah ADR Services. Within ten (10) calendar days after Investor has submitted to Borrower the names of the Proposed Arbitrators, Borrower must select, by written notice to Investor, one (1) of the Proposed Arbitrators to act as the arbitrator for the parties under these Arbitration Provisions. If Borrower fails to select one of the Proposed Arbitrators in writing within such 10-day period, then Investor may select the arbitrator from the Proposed Arbitrators by providing written notice of such selection to Borrower. If Lender fails to identify the Proposed Arbitrators within the time period required above, then Borrower may at any time prior to Lender designating the Proposed Arbitrators, select the names of three arbitrators that are designated as “neutrals” or qualified arbitrators by Utah ADR Service by written notice to Lender. Lender may then, within ten (10) calendar days after Borrower has submitted notice of its selected arbitrators to Lender, select, by written notice to Borrower, one (1) of the selected arbitrators to act as the arbitrator for the parties under these Arbitration Provisions. If Lender fails to select in writing and within such 10-day period one of the three arbitrators selected by Borrower, then Borrower may select the arbitrator from its three previously selected arbitrators by providing written notice of such selection to Lender. Subject to subparagraph 3.12 below, the cost of the arbitrator must be paid equally by both parties; *provided, however*, that if one party refuses or fails to pay its portion of the arbitrator fee, then the other party can advance such unpaid amount (subject to the accrual of Default Interest thereupon), with such amount added to or subtracted from, as applicable, the award granted by the arbitrator. If Utah ADR Services ceases to exist or to provide a list of neutrals, then the arbitrator shall be selected under the then prevailing rules of the American Arbitration Association. The date that the selected arbitrator agrees in writing to serve as the arbitrator hereunder is referred to herein as the “**Arbitration Commencement Date**”.

3.3. An answer and any counterclaims to the Arbitration Notice, which must be pleaded consistent with the Utah Rules of Civil Procedure, shall be required to be delivered to the other party within twenty (20) calendar days after the Service Date. Upon request, the arbitrator is hereby instructed to render a default award, consistent with the relief requested in the Arbitration Notice, against a party that fails to submit an answer within such time period.

3.4. The party that delivers the Arbitration Notice to the other party shall have the option to also commence legal proceedings with any state court sitting in Salt Lake County, Utah (“**Litigation Proceedings**”), subject to the following: (i) the complaint in the Litigation Proceedings is to be substantially similar to the claims set forth in the Arbitration Notice, provided that an additional cause of action to compel arbitration will also be included therein, (ii) so long as the other party files an answer to the complaint in the Litigation Proceedings and an answer to the Arbitration Notice, the Litigation Proceedings will be stayed pending an award of the arbitrator hereunder, (iii) if the other party fails to file an answer in the Litigation Proceedings or an answer in the Arbitration Proceedings, then the party initiating Arbitration shall be entitled to a default judgment consistent with the relief requested, to be entered in the Litigation Proceedings, and (iv) any legal or procedural issue arising under the Arbitration Act that requires a decision of a court of competent jurisdiction may be determined in the Litigation Proceedings. Any award of the arbitrator may be entered in such Litigation Proceedings pursuant to the Arbitration Act.

3.5. Pursuant to Section 118(8) of the Arbitration Act, the parties agree that discovery shall be conducted in accordance with the Utah Rules of Civil Procedure; *provided, however*, that incorporation of such rules will in no event supersede the Arbitration Provisions set forth herein, including without limitation the time limitation set forth in Paragraph 3.9 below, and the following:

(a) Discovery will only be allowed if the likely benefits of the proposed discovery outweigh the burden or expense, and the discovery sought is likely to reveal information that will satisfy a specific element of a claim or defense already pleaded in the Arbitration. The party seeking discovery shall always have the burden of showing that all of the standards and limitations set forth in these Arbitration Provisions are satisfied. The scope of discovery in the Arbitration proceedings shall also be limited as follows:

(i) To facts directly connected with the transactions contemplated by the Note.

(ii) To facts and information that cannot be obtained from another source that is more convenient, less burdensome or less expensive.

(b) No party shall be allowed (a) more than fifteen (15) interrogatories (including discrete subparts), (b) more than fifteen (15) requests for admission (including discrete subparts), (c) more than ten (10) document requests (including discrete subparts), or (d) more than three depositions (excluding expert depositions) for a maximum of seven (7) hours per deposition.

3.6. Any party submitting any written discovery requests, including interrogatories, requests for production, subpoenas to a party or a third party, or requests for admissions, must prepay the estimated attorneys' fees and costs, as determined by the arbitrator, before the responding party has any obligation to produce or respond.

(a) All discovery requests must be submitted in writing to the arbitrator and the other party before issuing or serving such discovery requests. The party issuing the written discovery requests must include with such discovery requests a detailed explanation of how the proposed discovery requests satisfy the requirements of these Arbitration Provisions and the Utah Rules of Civil Procedure. Any party will then be allowed, within ten (10) calendar days of receiving the proposed discovery requests, to submit to the arbitrator an estimate of the attorneys' fees and costs associated with responding to such written discovery requests and a written challenge to each applicable discovery request. After receipt of an estimate of attorneys' fees and costs and/or challenge(s) to one or more discovery requests, the arbitrator will make a finding as to the likely attorneys' fees and costs associated with responding to the discovery requests and issue an order that (A) requires the requesting party to prepay the attorneys' fees and costs associated with responding to the discovery requests, and (B) requires the responding party to respond to the discovery requests as limited by the arbitrator within a certain period of time after receiving payment from the requesting party. If a party entitled to submit an estimate of attorneys' fees and costs and/or a challenge to discovery requests fails to do so within such 10-day period, the arbitrator will make a finding that (A) there are no attorneys' fees or costs associated with responding to such discovery requests, and (B) the responding party must respond to such discovery requests (as may be limited by the arbitrator) within a certain period of time as determined by the arbitrator.

(b) In order to allow a written discovery request, the arbitrator must find that the discovery request satisfies the standards set forth in these Arbitration Provisions and the Utah Rules of Civil Procedure. The arbitrator must strictly enforce these standards. If a discovery request does not satisfy any of the standards set forth in these Arbitration Provisions or the Utah Rules of Civil Procedure, the arbitrator may modify such discovery request to satisfy the applicable standards, or strike such discovery request in whole or in part.

(c) Discovery deadlines will be set forth in a scheduling order issued by the arbitrator. The parties hereby authorize and direct the arbitrator to take such actions and make such rulings as may be necessary to carry out the parties' intent for the arbitration proceedings to be efficient and expeditious.

3.7. Each party may submit expert reports (and rebuttals thereto), provided that such reports must be submitted by the deadlines established by the arbitrator. Expert reports must contain the following: (a) a complete statement of all opinions the expert will offer at trial and the basis and reasons for them; (b) the expert's name and qualifications, including a list of all publications within the preceding 10 years, and a list of any other cases in which the expert has testified at trial or in a deposition or prepared a report within the preceding 10 years; and (c) the compensation to be paid for the expert's report and testimony. The parties are entitled to depose any other party's expert witness one time for no more than 4 hours. An expert may not testify in a party's case-in-chief concerning any matter not fairly disclosed in the expert report.

3.8. All information disclosed by either party during the Arbitration process (including without limitation information disclosed during the discovery process) shall be considered confidential in nature. Each party agrees not to disclose any confidential information received from the other party during the discovery process unless (i) prior to or after the time of disclosure such information becomes public knowledge or part of the public domain, not as a result of any inaction or action of the receiving party, (ii) such information is required by a court order, subpoena or similar legal duress to be disclosed if such receiving party has notified the other party thereof in writing and given it a reasonable opportunity to obtain a protective order from a court of competent jurisdiction prior to disclosure; or (iii) disclosed to the receiving party's agents, representatives and legal counsel on a need to know basis who each agree in writing not to disclose such information to any third party. Pursuant to Section 118(5) of the Arbitration Act, the arbitrator is hereby authorized and directed to issue a protective order to prevent the disclosure of privileged information and confidential information upon the written request of either party.

3.9. The parties hereby authorize and direct the arbitrator to take such actions and make such rulings as may be necessary to carry out the parties' intent for the arbitration proceedings to be efficient and expeditious. Pursuant to Section 120 of the Arbitration Act, the parties hereby agree that an award of the arbitrator must be made within 150 days after the Arbitration Commencement Date. The arbitrator is hereby authorized and directed to hold a scheduling conference within ten (10) calendar days after the Arbitration Commencement Date in order to establish a scheduling order with various binding deadlines for discovery, expert testimony, and the submission of documents by the parties to enable the arbitrator to render a decision prior to the end of such 150-day period. The Utah Rules of Evidence will apply to any final hearing before the arbitrator.

3.10. The arbitrator shall have the right to award or include in the arbitrator's award any relief which the arbitrator deems proper under the circumstances, including, without limitation, specific performance and injunctive relief, provided that the arbitrator may not award exemplary or punitive damages.

3.11. If any part of these Arbitration Provisions is found to violate applicable law or to be illegal, then such provision shall be modified to the minimum extent necessary to make such provision enforceable under applicable law.

3.12. The arbitrator is hereby directed to require the losing party to (i) pay the full amount of any unpaid costs and fees of the arbitrator, and (ii) reimburse the prevailing party the reasonable attorneys' fees, arbitrator costs, deposition costs, and other discovery costs incurred by the prevailing party.

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EXHIBIT C

Typenex Co-Investment, LLC
303 East Wacker Drive, Suite 1040
Chicago, Illinois 60601

Date: _____
3DIcon Corporation
Attn: Victor Keen
6804 South Canton Avenue, Suite 150
Tulsa, Oklahoma 74136

CONVERSION NOTICE

The above-captioned Lender hereby gives notice to 3DIcon Corporation, an Oklahoma corporation (the “**Company**”), pursuant to that certain Convertible Promissory Note made by the Company in favor of the Lender on March 5, 2015 (the “**Note**”), that the Lender elects to convert the portion of the Outstanding Balance of the Note set forth below into fully paid and non-assessable shares of Common Stock of the Company as of the date of conversion specified below. Such conversion shall be based on the Conversion Price set forth below. In the event of a conflict between this Conversion Notice and the Note, the Note shall govern, or, in the alternative, at the election of the Lender in its sole discretion, the Lender may provide a new form of Conversion Notice to conform to the Note.

- A. Date of Conversion: _____
- B. Conversion #: _____
- C. Conversion Amount: _____
- D. Par Value Adjustment Amount: _____
- E. Adjusted Conversion Amount: _____ (C plus D)
- F. Conversion Price: _____ (Par Value)
- G. Conversion Shares: _____ (E divided by F)
- H. Remaining Outstanding Balance of Note: _____*

* Subject to adjustments for corrections, defaults, and other adjustments permitted by the Note the terms of which shall control in the event of any dispute between the terms of this Conversion Notice and the Note.

Please transfer the Conversion Shares electronically (via DWAC) to the following account:

Broker: _____ Address: _____
DTC#: _____
Account #: _____
Account Name: _____

To the extent the Conversion Shares are not able to be delivered to the Lender electronically via the DWAC system, please deliver all such certificated shares to Lender via reputable overnight courier after receipt of this Conversion Notice (by facsimile transmission or otherwise) to:

Sincerely,

Lender:

Typenex Co-Investment, LLC

By: Red Cliffs Investments, Inc., its Manager

By:

John M. Fife, President

TDCP

250,000 CONVERTIBLE NOTE

*Interest free if paid in full
within 3 months*

FOR VALUE RECEIVED, **3DIcon Corp.**, a Oklahoma corporation (the “Issuer” of this Security) with at least 350,000,000 common shares issued and outstanding, issues this Security and promises to pay to JMJ Financial, a Nevada sole proprietorship, or its Assignees (the “Investor”) the Principal Sum along with the Interest Rate and any other fees according to the terms herein. This Note will become effective only upon execution by both parties and delivery of the first payment of Consideration by the Investor (the “Effective Date”).

The Principal Sum is \$250,000 (two hundred fifty thousand) plus accrued and unpaid interest and any other fees. The Consideration is \$225,000 (two hundred twenty five thousand) payable by wire (there exists a \$25,000 original issue discount (the “OID”). The Investor shall pay \$30,000 of Consideration upon closing of this Note. The Investor may pay additional Consideration to the Issuer in such amounts and at such dates as the Investor and Issuer agree. **THE PRINCIPAL SUM DUE TO THE INVESTOR SHALL BE PRORATED BASED ON THE CONSIDERATION ACTUALLY PAID BY INVESTOR (PLUS AN APPROXIMATE 10% ORIGINAL ISSUE DISCOUNT THAT IS PRORATED BASED ON THE CONSIDERATION ACTUALLY PAID BY THE INVESTOR AS WELL AS ANY OTHER INTEREST OR FEES) SUCH THAT THE ISSUER IS ONLY REQUIRED TO REPAY THE AMOUNT FUNDED AND THE ISSUER IS NOT REQUIRED TO REPAY ANY UNFUNDED PORTION OF THIS NOTE.** The Maturity Date is two years from the Effective Date of each payment (the “Maturity Date”) and is the date upon which the Principal Sum of this Note, as well as any unpaid interest and other fees, shall be due and payable. The Conversion Price is 70% of the lowest trade price in the 25 trading days previous to the conversion (In the case that conversion shares are not deliverable by DWAC an additional 5% discount will apply; and if the shares are ineligible for deposit into the DTC system and only eligible for Xclearing deposit an additional 7.5% discount shall apply; in the case of both an additional cumulative 12.5% discount shall apply). Unless otherwise agreed in writing by both parties, at no time will the Investor convert any amount of the Note into common stock that would result in the Investor owning more than 4.99% of the common stock outstanding.

1. **ZERO Percent Interest for the First Three Months.** The Issuer may repay this Note at any time on or before 90 days from the Effective Date, after which the Issuer may not make further payments on this Note prior to the Maturity Date without written approval from the Investor. **If the Issuer repays a payment of Consideration on or before 90 days from the Effective Date of that payment, the Interest Rate on that payment of Consideration shall be ZERO PERCENT (0%).** If the Issuer does not repay a payment of Consideration on or before 90 days from its Effective Date, a one-time Interest charge of 5% shall be applied to the Principal Sum. Any interest payable is in addition to the OID, and that OID (or prorated OID, if applicable) remains payable regardless of time and manner of payment by the Issuer.

2. **Conversion.** The Investor has the right, at any time after the Effective Date, at its election, to convert all or part of the outstanding and unpaid Principal Sum and accrued interest (and any other fees) into shares of fully paid and non-assessable shares of common stock of the Issuer as per this conversion formula: Number of shares receivable upon conversion equals the dollar conversion amount divided by the Conversion Price. Conversions shall be delivered to the Issuer by method of the Investor’s choice (including but not limited to email, facsimile, mail, overnight courier, or personal delivery), and all conversions shall be cashless and not require further payment from the Investor. If no objection is delivered from the Issuer to the Investor regarding any variable or calculation of the conversion notice within 24 hours of delivery of the conversion notice, the Issuer shall have been thereafter deemed to have irrevocably confirmed and irrevocably ratified such notice of conversion and waived any objection thereto. The Issuer shall deliver the shares from any conversion to the Investor (in any name directed by the Investor) within 3 (three) business days of conversion notice delivery.

3. **Conversion Delays.** If the Issuer fails to deliver shares in accordance with the timeframe stated in Section 2, the Investor, at any time prior to selling all of those shares, may rescind any portion, in whole or in part, of that particular conversion attributable to the unsold shares and have the rescinded conversion amount returned to the Principal Sum with the rescinded conversion shares returned to the Issuer (under the Investor’s and the Issuer’s expectations that any returned conversion amounts will tack back to the original date of the Note). In addition, for each conversion, in the event that shares are not delivered by the fourth business day (inclusive of the day of conversion), a penalty of \$1,000 per day will be assessed for each day after the third business day (inclusive of the day of the conversion) until share delivery is made; and such penalty will be added to the Principal Sum of the Note (under the Investor’s and the Issuer’s expectations that any penalty amounts will tack back to the original date of the Note).

4. **Reservation of Shares.** At all times during which this Note is convertible, the Issuer will reserve from its authorized and unissued Common Stock to provide for the issuance of Common Stock upon the full conversion of this Note. Upon the initial closing of this Note, the Issuer will reserve at least 220,000,000 shares of Common Stock for conversion.

5. **Piggyback Registration Rights.** The Issuer shall include on the next registration statement (other than on Form S-4 or Form S-8) the Issuer files with SEC (or on the subsequent registration statement if such registration statement is withdrawn) all shares issuable upon conversion of this Note, unless such shares may be sold under Rule 144. Failure to do so will result in liquidated damages of 25% of the outstanding principal balance of this Note, but not less than \$25,000, being immediately due and payable to the Investor at its election in the form of cash payment or addition to the balance of this Note.

6. **Terms of Future Financings.** So long as this Note is outstanding, upon any issuance by the Issuer or any of its subsidiaries of any security (in an amount under \$200,000) with any term more favorable to the holder of such security or with a term in favor of the holder of such security that was not similarly provided to the Investor in this Note, then the Issuer shall notify the Investor of such additional or more favorable term and such term, at the Investor’s option, shall become a part of the transaction documents with the Investor. The types of terms contained in another security that may be more favorable to the holder of such security include, but are not limited to, terms addressing conversion discounts, conversion lookback periods, interest rates, original issue discounts, stock sale price, private placement price per share, and warrant coverage.

7. **Default.** The following are events of default under this Note: (i) the Issuer shall fail to pay any principal under the Note when due and payable (or payable by conversion) thereunder; or (ii) the Issuer shall fail to pay any interest or any other amount under the Note when due and payable (or payable by conversion) thereunder; or (iii) a receiver, trustee or other similar official shall be appointed over the Issuer or a material part of its assets and such appointment shall remain uncontested for twenty (20) days or shall not be dismissed or discharged within sixty (60) days; or (iv) the Issuer shall become insolvent or generally fails to pay, or admits in writing its inability to pay, its debts as they become due, subject to applicable grace periods, if any; or (v) the Issuer shall make a general assignment for the benefit of creditors; or (vi) the Issuer shall file a petition for relief under any bankruptcy, insolvency or similar law (domestic or foreign); or (vii) an involuntary proceeding shall be commenced or filed against the Issuer; or (viii) the Issuer shall lose its status as "DTC Eligible" or the Issuer's shareholders shall lose the ability to deposit (either electronically or by physical certificates, or otherwise) shares into the DTC System; or (ix) the Issuer shall become delinquent in its filing requirements as a fully-reporting issuer registered with the SEC; or (x) the Issuer shall fail to meet all requirements to satisfy the availability of Rule 144 to the Investor or its assigns (and such failure is not cured within 10 days) including but not limited to timely fulfillment of its filing requirements as a fully-reporting issuer registered with the SEC, requirements for XBRL filings, and requirements for disclosure of financial statements on its website.

8. **Remedies.** In the event of any default, the outstanding principal amount of this Note, plus accrued but unpaid interest, liquidated damages, fees and other amounts owing in respect thereof through the date of acceleration, shall become, at the Investor's election, immediately due and payable in cash at the Mandatory Default Amount. The Mandatory Default Amount means the greater of (i) the outstanding principal amount of this Note, plus all accrued and unpaid interest, liquidated damages, fees and other amounts hereon, divided by the Conversion Price on the date the Mandatory Default Amount is either demanded or paid in full, whichever has a lower Conversion Price, multiplied by the VWAP on the date the Mandatory Default Amount is either demanded or paid in full, whichever has a higher VWAP, or (ii) 150% of the outstanding principal amount of this Note, plus 100% of accrued and unpaid interest, liquidated damages, fees and other amounts hereon. Commencing five (5) days after the occurrence of any event of default that results in the eventual acceleration of this Note, the interest rate on this Note shall accrue at an interest rate equal to the lesser of 18% per annum or the maximum rate permitted under applicable law. In connection with such acceleration described herein, the Investor need not provide, and the Issuer hereby waives, any presentment, demand, protest or other notice of any kind, and the Investor may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such acceleration may be rescinded and annulled by the Investor at any time prior to payment hereunder and the Investor shall have all rights as a holder of the note until such time, if any, as the Investor receives full payment pursuant to this Section 8. No such rescission or annulment shall affect any subsequent event of default or impair any right consequent thereon. Nothing herein shall limit the Investor's right to pursue any other remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Issuer's failure to timely deliver certificates representing shares of Common Stock upon conversion of the Note as required pursuant to the terms hereof.

9. **No Shorting.** The Investor agrees that so long as this Note from the Issuer to the Investor remains outstanding, the Investor will not enter into or effect "short sales" of the Common Stock or hedging transaction which establishes a net short position with respect to the Common Stock of the Issuer. The Issuer acknowledges and agrees that upon delivery of a conversion notice by the Investor, the Investor immediately owns the shares of Common Stock described in the conversion notice and any sale of those shares issuable under such conversion notice would not be considered short sales.

10. **Assignability.** The Issuer may not assign this Note. This Note will be binding upon the Issuer and its successors and will inure to the benefit of the Investor and its successors and assigns and may be assigned by the Investor to anyone without the Issuer's approval.

11. **Governing Law.** This Note will be governed by, and construed and enforced in accordance with, the laws of the State of Nevada, without regard to the conflict of laws principles thereof. Any action brought by either party against the other concerning the transactions contemplated by this Agreement shall be brought only in the state courts of Florida or in the federal courts located in Miami-Dade County, in the State of Florida. Both parties and the individuals signing this Agreement agree to submit to the jurisdiction of such courts.

12. **Delivery of Process by the Investor to the Issuer.** In the event of any action or proceeding by the Investor against the Issuer, and only by the Investor against the Issuer, service of copies of summons and/or complaint and/or any other process which may be served in any such action or proceeding may be made by the Investor via U.S. Mail, overnight delivery service such as FedEx or UPS, email, fax, or process server, or by mailing or otherwise delivering a copy of such process to the Issuer at its last known attorney as set forth in its most recent SEC filing.

13. **Attorney Fees.** If any attorney is employed by either party with regard to any legal or equitable action, arbitration or other proceeding brought by such party for enforcement of this Note or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Note, the prevailing party will be entitled to recover from the other party reasonable attorneys' fees and other costs and expenses incurred, in addition to any other relief to which the prevailing party may be entitled.

14. **Opinion of Counsel.** In the event that an opinion of counsel is needed for any matter related to this Note, the Investor has the right to have any such opinion provided by its counsel. Investor also has the right to have any such opinion provided by Issuer's counsel.

15. **Notices.** Any notice required or permitted hereunder (including Conversion Notices) must be in writing and either personally served, sent by facsimile or email transmission, or sent by overnight courier. Notices will be deemed effectively delivered at the time of transmission if by facsimile or email, and if by overnight courier the business day after such notice is deposited with the courier service for delivery.

Issuer:

Investor:

Victor F. Keen
3DIcon Corp.
Chief Executive Officer

JMJ Financial
Its Principal

Date: March 4, 2015

Date: _____

[Signature Page to \$250,000 Convertible Note]

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Victor F. Keen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of 3DIcon Corporation.
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial data; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Dated: May 15, 2015

By: /s/ Victor F. Keen

Victor F. Keen
Chief Executive Officer

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Ronald W. Robinson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of 3DIcon Corporation.
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial data; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Dated: May 15, 2015

By: /s/ Ronald W. Robinson
Ronald W. Robinson
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of 3DIcon Corporation (the "Company") on Form 10-Q for the quarter ended March 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Victor F. Keen, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350 of the Sarbanes-Oxley Act of 2002, that:

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

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. section 1350 and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Date: May 15, 2015

By: /s/ Victor F. Keen

Victor F. Keen

Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of 3DIcon Corporation (the "Company") on Form 10-Q for the quarter ended March 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ronald W. Robinson, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350 of the Sarbanes-Oxley Act of 2002, that:

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

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. section 1350 and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Date: May 15, 2015

By: /s/ Ronald W. Robinson

Ronald W. Robinson
Chief Financial Officer
