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

FORM 10-Q

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

For the quarterly period ended March 31, 2017

OR

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

For the transition period from ___________ to ___________

Commission file number: 000-55314

nFüsz, Inc.
(formerly bBooth, Inc.)
(Exact name of Registrant as Specified in its Charter)

Nevada	**90-1118043**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)

346 S. Hauser Blvd
Suite 210
Los Angeles, CA 90036
(Address of Principal Executive Offices including Zip Code)

(855) 250-2300
(Registrant's Telephone Number, Including Area Code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file reports), and (2) has been subject to such filing requirements for the past 90 days. YES [X] 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 [X] 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 definitions 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 [ ] (Do not check if a smaller reporting company)	Smaller reporting company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES [ ] NO [X]

As of May 10, 2017, 103,641,566 shares of the issuer's common stock, par value of $0.0001 per share, were outstanding.

nFÜSZ, INC.
TABLE OF CONTENTS

PART I — FINANCIAL INFORMATION

ITEM 1 – FINANCIAL STATEMENTS

nFÜSZ, INC.
(formerly bBOOTH, INC.)
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2017 (Unaudited)	December 31, 2016
ASSETS		
Current asssets:		
Cash	$ 123,670	$ 16,762
Accounts receivable	-	8,468
Prepaid expenses	34,284	10,871
Total current assets	157,954	36,101
Property and equipment, net	46,761	52,066
Other assets	12,059	16,036
Total assets	**$ 216,774**	**$ 104,203**
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued expenses	$ 426,500	$ 431,650
Accrued interest (including $114,772 and $56,628 payable to related parties)	196,407	118,137
Accrued officers' salary	311,348	200,028
Notes payable, net of discount of $22,407 and $48,942, respectively	203,893	177,358
Notes payable - related party	1,964,985	1,964,985
Convertible note payable	680,268	680,268
Total current liabilities	3,783,401	3,572,426
Notes Payable Series A Preferred, net of discount of $46,857	268,143	-
Commitments and contingencies		
Stockholders' deficit		
Preferred stock, $0.0001 par value, 15,000,000 shares authorized, none issued or outstanding	-	-
Common stock, $0.0001 par value, 200,000,000 shares authorized, 98,895,733 and 94,661,566 shares issued and outstanding as of March 31, 2017 and December 31, 2016, respectively	9,888	9,465
Additional paid in capital	18,285,582	17,815,732
Stock subscription	(20)	(20,020)
Accumulated deficit	(22,130,220)	(21,273,400)
Total stockholders' deficit	**(3,834,770)**	**(3,468,223)**
Total liabilities and stockholders' deficit	**$ 216,774**	**$ 104,203**

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

nFÜSZ, INC.
(formerly bBOOTH, INC.)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended	
	March 31, 2017	*March 31, 2016*
Costs and Expenses:		
Research and development	$ 89,600	$ 36,450
General and administrative	617,537	508,890
Loss from operations	(707,137)	(545,340)
Interest expense (including $58,142 and $53,944 to related parties)	(84,005)	(72,570)
Interest expense - amortization of debt discount	(39,678)	(79,370)
Loss from extinguishment of accounts payable	(26,000)	-
Net loss	$ **(856,820)**	**$** **(697,280)**
Earnings per share - basic and diluted	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	95,882,696	63,859,000

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

nFÜSZ, INC.
(formerly bBOOTH, INC.)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months Ended	
	March 31, 2017	*March 31, 2016*
Operating Activities:		
Net loss	$ (856,820)	$ (697,280)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	5,305	5,826
Extinguishment of accounts payable	26,000	-
Amortization of debt discount and debt issuance costs	39,678	79,370
Stock compensation	264,273	167,173
Effect of changes in operating assets and liabilities:		
Accounts receivable	8,468	-
Prepaid expenses and other current assets	(23,413)	39,046
Other assets	3,977	-
Accounts payable and accrued expenses	214,440	129,893
Net cash used in operating activities	(318,092)	(275,972)
Financing Activities:		
Proceeds from series A preferred stock	255,000	-
Proceeds from sale of common stock	170,000	132,480
Proceeds from notes payable - related parties	-	82,446
Net cash provided by financing activities	425,000	214,926
Net change in cash	106,908	(61,046)
Cash - beginning of period	16,762	103,019
Cash - end of period	$ 123,670	$ 41,973
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 3,750	$ 3,750
Cash paid for income taxes	$ -	$ -
Supplemental disclosure of non-cash investing and financing activities:		
Accrued management fees payable deemed paid as part of International Monetary extension	$ 30,000	$ -

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

nFÜSZ, INC.
(formerly bBOOTH, INC.)
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS DEFICIT
(Unaudited)

	Common Stock		Additional Paid-in	Stock	Accumulated	
	Shares	Amount	Capital	Subscription	Deficit	Total
Balance at December 31, 2016	**94,661,566**	**$ 9,465**	**$ 17,815,732**	**$ (20,020)**	**$ (21,273,400)**	**$ (3,468,223)**
Fair value vested options	-	-	87,652	-	-	87,652
Proceeds from sale of common stock	2,500,000	250	149,750	20,000	-	170,000
Extinguishment of Debt	400,000	40	55,960	-	-	56,000
Share based compensation - shares issued for vendor services	1,334,167	133	176,488	-	-	176,621
Net loss	-	-	-	-	(856,820)	(856,820)
Balance at March 31, 2017	**98,895,733**	**$ 9,888**	**$ 18,285,582**	**$ (20)**	**(22,130,220)**	**$ (3,834,770)**

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

nFUSZ,INC.
(formerly bBOOTH, INC.)
Notes to Condensed Consolidated Financial Statements
The Three Months Ended March 31, 2017 and 2016
(Unaudited)

1. DESCRIPTION OF BUSINESS

Organization

Cutaia Media Group, LLC ("CMG") was a limited liability company formed on December 12, 2012 under the laws of the State of Nevada. On May 19, 2014, bBooth, Inc. was incorporated under the laws of the State of Nevada. On May 19, 2014, CMG was merged into bBooth, Inc. pursuant to a Plan of Merger unanimously approved by the members of CMG. On October 16, 2014 (with an effective filing date of October 17, 2014), in connection with the reverse merger transaction described below, bBooth, Inc. changed its name to bBooth (USA), Inc. The operations of CMG and bBooth (USA), Inc. are collectively referred to as "bBoothUSA".

On October 16, 2014, bBoothUSA completed a Share Exchange Agreement with Global System Designs, Inc. ("GSD") which was accounted for as a reverse merger transaction. In connection with the closing of the Share Exchange Agreement, GSD management was replaced by bBoothUSA management, and GSD changed its name to bBooth, Inc.

Effective April 21, 2017, the registrant (referred to as "we," "our," or the "Company") changed our corporate name from bBooth, Inc. to nFüsz, Inc. The name change was effected through a parent/subsidiary short-form merger of nFüsz, Inc., our wholly-owned Nevada subsidiary, formed solely for the purpose of the name change, with and into us. We were the surviving entity. To effectuate the merger, we filed Articles of Merger with the Secretary of State of the State of Nevada on April 4, 2017 and a Certificate of Correction with the Secretary of State of the State of Nevada on April 17, 2017. The merger became effective on April 21, 2017. Our board of directors approved the merger, which resulted in the name change on that date. In accordance with Section 92A.180 of the Nevada Revised Statutes, stockholder approval of the merger was not required.

On the effective date of the merger, our name was changed to "nFüsz, Inc." and our Articles of Incorporation, as amended (the "Articles"), were further amended to reflect our new legal name. With the exception of the name change, there were no other changes to our Articles.

Nature of Business

The Company has developed proprietary interactive video technology which serves as the basis for certain products and services that it licenses under the brand name "Notifi". Its NotifiCRM, NotifiADS, NotifiLINKS, and NotifiWEB products are cloud-based, SaaS, CRM, sales lead generation, advertising and social engagement software, accessible on mobile and desktop platforms, for sales-based organizations, consumer brands, marketing and advertising agencies, and artists and social influencers seeking greater levels of viewer engagement, and higher sales conversion rates. The Company's NotifiCRM platform is enterprise scalable and incorporates unique, proprietary, push-to-screen, interactive audio/video messaging and interactive on-screen "virtual salesperson" communications technology. The Company's NotifiLIVE service is a proprietary broadcast video platform allowing viewers to interact with broadcast video content by clicking on links embedded in people, objects, graphics or sponsors' signage displayed on the screen. Viewers can experience NotifiLIVE interactive content and capabilities on most devices available in the market today without the need to download special software or proprietary video players.

The Company was previously engaged in the manufacture, marketing, and operation of audition booths deployed in shopping malls and other high-traffic venues in the United States and in the production of interactive television content. The audition booths were portable recording studio kiosks, branded and marketed as "bBooth," in which customers could audition for TV shows such as, American Idol. The kiosks were Internet connected and integrated into a social media, messaging, gaming, music streaming and video sharing app called bBoothGO.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying condensed consolidated financial statements are unaudited. These unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and applicable rules and regulations of the Securities and Exchange Commission ("SEC") regarding interim financial reporting. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016 filed with the SEC. The condensed consolidated balance sheet as of December 31, 2016 included herein was derived from the audited consolidated financial statements as of that date, but does not include all disclosures, including notes, required by GAAP.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments necessary to fairly present the Company's financial position and results of operations for the interim periods reflected. Except as noted, all adjustments contained herein are of a normal recurring nature. Results of operations for the fiscal periods presented herein are not necessarily indicative of fiscal year-end results.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of nFusz, Inc. and its wholly owned subsidiary Songstagram, Inc. ("Songstagram"). All intercompany transactions have been eliminated in consolidation.

Going Concern

We have incurred operating losses since inception and have negative cash flows from operations. We had a stockholders' deficit of $3,834,770 as of March 31, 2017. These factors raise substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent upon the Company's ability to raise additional funds and implement its business plan. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. In addition, the Company's independent registered public accounting firm, in its report on the Company's December 31, 2016 consolidated financial statements, has raised substantial doubt about the Company's ability to continue as a going concern.

Our continuation as a going concern is dependent on our ability to obtain additional financing until we can generate sufficient cash flows from operations to meet our obligations. We intend to continue to seek additional debt or equity financing to continue our operations. There is no assurance that we will ever be profitable or that debt or equity financing will be available to us. The consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result should we be unable to continue as a going concern.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported periods. Significant estimates include accruals for potential liabilities, assumptions used in determining the fair value of share based payments, and realization of deferred tax assets. Amounts could materially change in the future.

Income Taxes

The Company accounts for income taxes under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740 "Income Taxes." Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The deferred tax assets of the Company relate primarily to operating loss carryforwards for federal income tax purposes. A full valuation allowance for deferred tax assets has not been provided because the Company believes it is not more likely than not that the deferred tax asset will be realized. Realization of deferred tax assets is dependent on the Company generating sufficient taxable income in future periods.

The Company periodically evaluates its tax positions to determine whether it is more likely than not that such positions would be sustained upon examination by a tax authority for all open tax years, as defined by the statute of limitations, based on their technical merits. The Company accrues interest and penalties, if incurred, on unrecognized tax benefits as components of the income tax provision in the accompanying consolidated statements of operations. As of March 31, 2017 and December 31, 2016, the Company has not established a liability for uncertain tax positions.

Share Based Payment

The Company issues stock options, common stock, and equity interests as share-based compensation to employees and non-employees. The Company accounts for its share-based compensation to employees in accordance with FASB ASC 718 "Compensation – Stock Compensation." Stock-based compensation cost is measured at the grant date, based on the estimated fair value of the award, and is recognized as expense over the requisite service period.

The Company accounts for share-based compensation issued to non-employees and consultants in accordance with the provisions of FASB ASC 505-50 *"* Equity - Based Payments to Non-Employees *."* Measurement of share-based payment transactions with non-employees is based on the fair value of whichever is more reliably measurable: (*a*) the goods or services received; or (*b*) the equity instruments issued. The final fair value of the share-based payment transaction is determined at the performance completion date. For interim periods, the fair value is estimated and the percentage of completion is applied to that estimate to determine the cumulative expense recorded.

The Company values stock compensation based on the market price on the measurement date. As described above, for employees this is the date of grant, and for non-employees, this is the date of performance completion. The Company values stock options and warrants using the Black-Scholes option pricing model.

Research and Development Costs

Research and development costs consist of expenditures for the research and development of new products and technology. These costs are primarily expenses paid to vendors contracted to perform research projects and develop enhancements and modifications for and to the Company's Notifi technology and related applications. Research and development costs are expensed as incurred. Total research and development expense for three months ended March 31, 2017 and 2016 was $89,600 and $36,450, respectively.

Net Loss Per Share

Basic net loss per share is computed by using the weighted-average number of common shares outstanding during the period. Diluted net loss per share is computed giving effect to all dilutive potential common shares that were outstanding during the period. Dilutive potential common shares consist of incremental common shares issuable upon exercise of stock options. No dilutive potential common shares were included in the computation of diluted net loss per share because their impact was anti-dilutive. As of March 31, 2017, the Company had a total of 17,530,953 options and 18,455,264 warrants outstanding, which were excluded from the computation of net loss per share because they are anti-dilutive. As of March 31, 2016, the Company had total of 6,500,694 options and 10,967,879 warrants which were excluded from the computation of net loss per share because they are anti-dilutive.

Fair Value of Financial Instruments

Effective January 1, 2008, fair value measurements are determined by the Company's adoption of authoritative guidance issued by the FASB, with the exception of the application of the statement to non-recurring, non-financial assets and liabilities as permitted. The adoption of the authoritative guidance did not have a material impact on the Company's fair value measurements. Fair value is defined in the authoritative guidance as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy was established, which prioritizes the inputs used in measuring fair value into three broad levels as follows:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Inputs, other than the quoted prices in active markets, are observable either directly or indirectly.

Level 3—Unobservable inputs based on the Company's assumptions.

The Company is required to use observable market data if such data is available without undue cost and effort. At March 31, 2017, the carrying amounts for cash, accounts payable and accrued expenses approximate their fair value due to their short-term nature. The principal balance of our notes payable approximates their fair value because the current interest rates and terms offered to the Company for similar debt are substantially the same.

Recent Accounting Pronouncements

On May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers. ASU 2014-09 is a comprehensive revenue recognition standard that will supersede nearly all existing revenue recognition guidance under current U.S. GAAP and replace it with a principle based approach for determining revenue recognition. ASU 2014-09 will require that companies recognize revenue based on the value of transferred goods or services as they occur in the contract. The ASU also will require additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. ASU 2014-09 is effective for interim and annual periods beginning after December 15, 2017. Early adoption is permitted only in annual reporting periods beginning after December 15, 2016, including interim periods therein. Entities will be able to transition to the standard either retrospectively or as a cumulative-effect adjustment as of the date of adoption. The Company is in the process of evaluating the impact of ASU 2014-09 on the Company's financial statements and disclosures.

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, Leases. ASU 2016-02 requires a lessee to record a right of use asset and a corresponding lease liability on the balance sheet for all leases with terms longer than 12 months. ASU 2016-02 is effective for all interim and annual reporting periods beginning after December 15, 2018. Early adoption is permitted. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company is in the process of evaluating the impact of ASU 2016-02 on the Company's financial statements and disclosures.

In March 2016, the FASB issued the ASU 2016-09, Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting. The amendments in this ASU require, among other things, that all income tax effects of awards be recognized in the income statement when the awards vest or are settled. The ASU also allows for an employer to repurchase more of an employee's shares than it can today for tax withholding purposes without triggering liability accounting and allows for a policy election to account for forfeitures as they occur. The amendments in this ASU are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. Early adoption is permitted for any entity in any interim or annual period. The Company is currently evaluating the expected impact that the standard could have on its financial statements and related disclosures.

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statement presentation or disclosures.

3. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of March 31, 2017 and December 31, 2016.

	March 31, 2017	December 31, 2016
Furniture and fixtures	$ 56,890	$ 56,890
Office equipment	50,669	50,669
	107,559	107,559
Less: accumulated depreciation	(60,798)	(55,493)
	$ 46,761	$ 52,066

Depreciation expense amounted to $5,305 and $5,826 for three months ended March 31, 2017 and 2016, respectively.

4. NOTES PAYABLE

The Company has the following notes payable as of March 31, 2017 and December 31, 2016:

Note	Note Date	Maturity Date	Interest Rate	Original Borrowing	Balance at March 31, 2017	Balance at December 31, 2016
Note payable (a)	March 21, 2015	March 20, 2018	12%	$ 125,000	$ 125,000	$ 125,000
Note payable (b)	December 15, 2016	June 15, 2017	5%	$ 101,300	101,300	101,300
Total notes payable					226,300	125,000
Debt discount					(22,407)	(48,942
Total notes payable, net of debt discount					$ 203,893	$ 177,358

(a) March 21, 2015 – The Company entered into an agreement with DelMorgan Group LLC ("DelMorgan"), pursuant to which DelMorgan agreed to act as the Company's exclusive financial advisor. In connection with the agreement, the Company paid DelMorgan $125,000, which was advanced by a third-party lender in exchange for an unsecured note payable issued by the Company bearing interest at the rate of 12% per annum payable monthly beginning on April 20, 2015.

Effective March 20, 2017, the Company entered into an extension agreement (the "Extension Agreement") with DelMorgan to extend the maturity date of the Note to and including March 20, 2018. All other terms of the Note remain unchanged.

(b) On December 15, 2016, the Company entered into an agreement with a buyer, whereby the Company agreed to issue and sell to the Buyer, and the Buyer agreed to purchase from the Company, (i) a non-interest bearing Note in the original principal amount of $250,000, (ii) Warrants, and (iii) shares of the Company's common stock in an amount equal to 30% of the purchase price of the respective tranche divided by the closing price of the Common Stock on the trading day immediately prior to the date of funding of the respective tranche (collectively, the "Inducement Shares"). The "Maturity Date" shall be six months from the date of each payment of Consideration. A one-time interest charge of five percent (5%) ("Interest Rate") is to be applied on the Issuance Date to the original principal amount. In addition, there is a 10% Original Issue Discount that is to be prorated based on the consideration paid by the Buyer.

On December 16, 2016, the Buyer purchased for $80,000 the first tranche of the Note and the respective securities to be issued and the Company sold to it including (i) a three-year warrant to acquire 176,000 shares of the Company's common stock with an exercise price of $0.25 per share, and (ii) 240,000 shares of the Company's common stock.

Upon issuance of the note, the company accounted for an original issue discount of $21,300, which consisted of (i) the 10% original issue discount of $8,800, and (ii) the fixed interest of 5% which aggregated $12,500 (such rate based on the entire funding due of $250,000). The original issue discount will be accreted to interest expense over the life of the note, resulting in a net amount due the holder of $101,300 at maturity. In addition, the (iii) the fair value of the 240,000 common shares of $21,600 issued to the holder, and (iv) the relative fair value of the warrants of $32,059 was considered as additional valuation discount and will be amortized as interest expense over the life of the note.

The aggregate fair value of the original issue discount and the equity securities issued upon inception of the note of $53,659 has been recorded as a valuation discount. The balance of the valuation discount at December 31, 2016 was $48,942. During the three months ended March 31, 2017, $26,535 of this amount was amortized as interest expense, and the remaining unamortized discount was $22,407 as of March 31, 2017.

Upon the occurrence of an event of default, the Holder shall have the right, but not the obligation, to convert the Outstanding Balance into shares of the Company's Common Stock, the "conversion price" shall equal 70% of the average volume weighted average price for the twenty trading days immediately preceding the applicable conversion date. The Company did not account for the conversion feature of the note as it is a contingent event that is payable only upon default of the note. It is the Company's current intention to pay the note off before maturity with either from the funds raised subsequent to year end, or through an additional amount advanced by the majority shareholder.

Total interest expense for notes payable for the three months ended March 31, 2017 and 2016 was $3,750 and $3,750, respectively.

5. NOTES PAYABLE – RELATED PARTIES

The Company has the following related parties notes payable:

Note	Issuance Date	Maturity Date	Interest Rate	Original Borrowing	Balance at March 31, 2017	Balance at December 31, 2016
Note 1	Year 2015	April 1, 2017	12.0%	$ 1,203,242	$ 1,198,883	$ 1,198,883
Note 2	December 1, 2015	April 1, 2017	12.0%	189,000	189,000	189,000
Note 3	December 1, 2015	April 1, 2017	12.0%	111,901	111,901	111,901
Note 4	August 4, 2016	August 4, 2017	12.0%	343,326	343,326	343,326
Note 5	August 4, 2016	August 4, 2017	12.0%	121,875	121,875	121,875
Total notes payable – related parties, net					$ 1,964,985	$ 1,964,985

- On various dates during the year ended December 31, 2015, Rory J. Cutaia, the Company's majority shareholder and Chief Executive Officer, loaned the Company total principal amounts of $1,203,242. The loans were unsecured and all due on demand, bearing interest at 12% per annum. On December 1, 2015, the Company entered into a Secured Convertible Note agreement with Mr. Cutaia whereby all outstanding principal and accrued interest owed to Mr. Cutaia from previous loans amounting to an aggregate total of $1,248,883 and due on demand, was consolidated under a note payable agreement, bearing interest at 12% per annum, and converted from due on demand to due in full on April 1, 2017. In consideration for Mr. Cutaia's agreement to consolidate the loans and extend the maturity date, the Company granted Mr. Cutaia a senior security interest in substantially all current and future assets of the Company. Per the terms of the agreement, at Mr. Cutaia's discretion, he may convert up to $374,665 of outstanding principal, plus accrued interest thereon, into shares of common stock at a conversion rate of $0.07 per share. As of March 31, 2017 and December 31, 2016, the principal amount of the notes payable was $1,198,883.

- On December 1, 2015, the Company entered into an Unsecured Convertible Note with Mr. Cutaia in the amount of $189,000, bearing interest at 12% per annum, representing a portion of Mr. Cutaia's accrued salary for 2015. The note extends the payment terms from on-demand to due in full on April 1, 2017. The outstanding principal and accrued interest may be converted at Mr. Cutaia's discretion into shares of common stock at a conversion rate of $0.07.

- On December 1, 2015, the Company entered into an Unsecured Note agreement with a consulting firm owned by Michael Psomas, a former member of the Company's Board of Directors, in the amount of $111,901 representing unpaid fees earned for consulting services previously rendered but unpaid as of November 30, 2015. The outstanding amounts bear interest at 12% per annum, and are due in full on April 1, 2017, and is currently past due.

- On April 4, 2016 the Company issued a secured convertible note to the Chief Executive Officer ("CEO") and a director of the Company, in the amount of $343,325, which represents additional sums of $93,326 that the CEO advanced to the Company during the period from December 2015 through March 2016, and the conversion of $250,000 other pre-existing notes. This note bears interest at the rate of 12% per annum, compounded annually. In consideration for this agreement to extend the repayment date to August 4, 2017, the Company granted to the CEO the right to convert up to 30% of the amount of the such note into shares of the Company's common stock at $0.07 per share and issued 2,452,325 share purchase warrants, exercisable at $0.07 per share until April 4, 2019, which warrants represent 50% of the amount of such note.

- April 4, 2016 the Company issued an unsecured convertible note payable to the CEO in the amount of $121,875, which represents the amount of the accrued but unpaid salary owed to the CEO for the period from December 2015 through March 2016. In consideration for this agreement to extend the payment date to August 4, 2017, the Company granted to the CEO the right to convert the amount of the such note into shares of the Company's common stock at $0.07 per share, which approximated the trading price or the Company's common stock on the date of the agreement. This note bears interest at the rate of 12% per annum, compounded annually.

Total interest expense for notes payable to related parties for the three months ended March 31, 2017 and 2016 was $58,142 and $53,944, respectively.

6. CONVERTIBLE NOTE PAYABLE

The Company entered into a series of unsecured loan agreement with Oceanside Strategies, Inc. ("Oceanside") a third party-lender, in the aggregate principal amount of $600,000 through December 31, 2015. The loans bear interest at rates ranging from 5% to 12% per annum and were due on demand.

On April 3, 2016, the Company issued an unsecured convertible note payable to Oceanside in the amount of $680,268 (this amount includes $600,000 principal amount and $80,268 accrued and unpaid interest). This note superseded and replaced all previous notes and current liabilities due to Oceanside for sums Oceanside loaned to the Company in 2014 and 2015. This note bears interest at the rate of 12% per annum, compounded annually. In consideration for Oceanside's agreement to convert the prior notes from current demand notes and extend the maturity date to December 4, 2016, the Company granted Oceanside the right to convert up to 30% of the amount of such note into shares of the Company's common stock at $0.07 per share and issued 2,429,530 share purchase warrants, exercisable at $0.07 per share until April 4, 2019.

Effective December 30, 2016, the Company entered into an extension agreement (the "Extension Agreement") with Oceanside to extend the maturity date of the Note to and including August 4, 2017. All other terms of the Note remain unchanged. In consideration for Oceanside's agreement to extend the maturity date to August 4, 2017, the Company issued Oceanside 2,429,530 share purchase warrants, exercisable at $0.08 per share until December 29, 2019.

As of March 31, 2017, and December 31, 2016, the principal amount of the note payable was $680,268.

7. CONVERTIBLE SERIES A PREFERRED STOCK

Effective February 14, 2017, the Company entered into a Securities Purchase Agreement, (the "Purchase Agreement"), by and between an otherwise unaffiliated, accredited investor (the "Purchaser") and the Company in connection with our issuance and sale to the Purchaser of shares of Series A Preferred Stock under the terms and conditions as set forth in the Purchase Agreement (the "Sale").

In connection with the Sale, our Board of Directors (our "Board") authorized and approved a series of preferred stock to be known as "Series A Convertible Preferred Stock", for which 1,050,000 shares, $0.0001 par value per share, were authorized and a Certificate of Designations, Preferences and Rights of the Series A Convertible Preferred Stock, (the "Certificate"), was filed with the Office of the Secretary of State of the State of Nevada (the "State") to effectuate the authorization. Pursuant to the Purchase Agreement, the purchase of shares of our Series A Preferred Stock may occur in several tranches (each, a "Tranche"; and, collectively, the "Tranches"). The first Tranche of $300,000 ($315,000 in stated value, represented by 315,000 shares of our Series A Preferred Stock) closed simultaneously with the execution of the Purchase Agreement on February 14, 2017 (the "First Closing"), and each additional Tranche shall close at such times and on such financial terms as may be agreed to by the Purchaser and us. The net proceeds to us after offering costs was $255,000.

The Series A PS has the following rights and privileges:

- Senior rights in terms preference as to dividends, distributions and payments upon the liquidation, dissolution and winding up of the Company;
- Accrues dividends at a rate of 5% per annum;
- Mandatorily redeemable at an installment basis starting August 13, 2017 in the amount of $63,000 plus accrued interest. The Company has the option to redeem the Series A shares in cash or in shares of common stock based upon the Company's 5 day Volume Weighted Average Price ("VWAP").

Pursuant to the terms of the Purchase Agreement, the shares of our Series A Preferred Stock issued in the First Closing are to be redeemed by us in five (5) equal weekly payments (each, a "Redemption Payment"), commencing in approximately 180 days from the First Closing. All but one of the Redemption Payments may be made by us in cash or in shares of our common stock, at our option. The Holder shall have the option to demand payment of one Installment Redemption Payment in shares of Common Stock Redemption Payments made using shares of our common stock will be valued based upon a VWAP formula, tied to the then-current quoted price of shares of our common stock, described with greater particularity in the Purchase Agreement.

The Company considered the guidance of ASC 480-10, Distinguishing Liabilities From Equity to determine the appropriate treatment of the Series A shares. Pursuant to ASC 480-10, the Company determined that the Series A shares is an obligation to be settled, at the option of the Company, in cash or in variable number of shares with a fixed monetary value that should be recorded as a liability under ASC 480-10. As a result, the Company determined the fair value of the Series A to be $300,000 upon issuance with the difference of $15,000 from the face amount, and incurred legal fees of $45,000, to be accounted as a debt discount which will be amortized over the term of the redemption period of the Series A shares.

As a result of this transaction, the Company recorded a liability of $315,000 and a debt discount of $60,000, upon issuance. As of March 31, 2017, the remaining unamortized discount was $46,857 resulting in a net amount due of $268,143.

8. EQUITY TRANSACTIONS

Common Stock

Shares Issued to Vendors – The Company issued common shares to vendors for services rendered and are expensed based on fair market value of the stock price at the date of grant. For the three months ended March 31, 2017, the Company issued 1,334,167 shares of common stock to vendors and recorded stock compensation expense of $176,621.

The Company amended an agreement with a vendor and issued 400,000 shares of common stock as full and final payment to the vendor on accounts payable owed of $30,000. The fair value of the shares was $56,000, a loss on extinguishment of debt totaling $26,000 was recorded as part of the transaction. In addition, the Company extended the term for an additional six months and agreed to issue 700,000 shares of common stock for services to be rendered. The shares vest in equal installments every two months and will be valued based upon its vesting.

Shares Issued from Stock Subscription – The Company issued stock subscription to investors. For the three months ended March 31, 2017, the Company issued 2,500,000 common shares for a net proceed of $150,000.

The Company received $20,000 related to the Subscription Receivable that was outstanding as of December 31, 2016.

Stock Options

Effective October 16, 2014, the Company adopted the 2014 Stock Option Plan (the "Plan") under the administration of the board of directors to retain the services of valued key employees and consultants of the Company.

At its discretion, the Company grants share option awards to certain employees and non-employees, as defined by ASC 718, Compensation—Stock Compensation, under the 204 Stock Option Plan (the "Plan") and accounts for its share-based compensation in accordance with ASC 718.

A summary of option activity for the three months ended March 31, 2017 is presented below.

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2016	10,530,953	$ 0.33	4.03	
Granted	7,000,000	0.08		
Exercised	-	-		
Forfeited or expired	-	-		
Outstanding at March 31, 2017	17,530,953	$ 0.25	2.35	$ 169,269
Vested and expected to vest at March 31, 2017	8,103,667	$ 0.37		$ 33,512
Exercisable at March 31, 2017	6,039,286	$ 0.47		$ 20,254

On January 10, 2017, the Company approved and granted 5,000,000 non-qualified stock options to employees and 2,000,000 to a Director with an aggregate fair value of $520,718. Each exercisable into one share of our common stock at a price of $0.08 per share and vest 100% in three years from the grant date.

The Company recognized $87,652 in share-based compensation expense for the three months ended March 31, 2017. As of March 31, 2017, total unrecognized stock-based compensation expense was $779,496, which is expected to be recognized as an operating expense through January 2020. The intrinsic value of the stock options outstanding at March 31, 2017 was $169,629.

The fair value of each share option award on the date of grant is estimated using the Black-Scholes method based on the following weighted-average assumptions:

	3 Months Ended March 31, 2017	3 Months Ended March 31, 2016
Risk-free interest rate	1.05% to 1.93%	1.05% to 1.72%
Expected term (years)	2.5 to 5 Years	2.5 to 5 Years
Expected volatility	83.64% to 160%	1.05% to 1.72%
Expected dividend yield	-	-

The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for periods corresponding with the expected term of the share option award; the expected term represents the weighted-average period of time that share option awards granted are expected to be outstanding giving consideration to vesting schedules and historical participant exercise behavior; the expected volatility is based upon historical volatility of the Company's common stock and peers; and the expected dividend yield is based upon the Company's current dividend rate and future expectations.

Warrants

The Company has the following warrants outstanding as of March 31, 2017 all of which are exercisable:

	Issuance Date	Expiration Date	Warrant Shares		Exercise Price
Warrant #1	November 12, 2014	November 12, 2019	600,000	$	0.50
Warrant #2	March 21, 2015	March 20, 2018	48,000	$	0.10
Warrant #3	October 30, 2015	October 30, 2020	600,000	$	0.50
Warrant #4	December 1, 2015	November 30, 2018	9,719,879	$	0.07
Warrant #5	April 4, 2016	April 4, 2019	2,452,325	$	0.07
Warrant #6	April 4, 2016	April 4, 2019	2,429,530	$	0.07
Warrant #7	December 15, 2016	December 14, 2019	176,000	$	0.25
Warrant #8	December 30, 2016	December 29, 2019	2,429,530	$	0.08
Outstanding at March 31, 2017			18,455,264		

The intrinsic value of the warrants outstanding at March 31, 2017 was $486,643.

9. COMMITMENTS AND CONTINGENCIES

Litigation

We have one pending litigation, filed. on September 19, 2016. The action is captioned as Multicore Technologies, an Indian Corporation, plaintiff, v. Rocky Wright, an individual, bBooth, Inc., a Nevada corporation, and Blabeey, Inc, a Nevada corporation, defendants. The action is pending in the United States District Court for the Central District of California under Case No.: 2:16-cv-7026 DSF (AJWx). The First Amended Complaint was filed on January 27, 2017, alleging breach of Implied-in-fact Contract and Quantum Meruit relating to services Multicore allegedly performed on behalf of bBooth in connection with various web and mobile applications. Multicore is seeking damages of approximately $157,000 plus interest and cost of suit. We filed an Answer denying Multicore's claims on March 13, 2017. We do not believe plaintiff's claims of an implied contract or quantum meruit have any basis in fact, nor do we believe they have any other viable claims against us. We intend to vigorously defend the action and have determined not to create a reserve in our financial statements for an unfavorable outcome.

We know of no material proceedings in which any of our directors, officers or affiliates, or any registered or beneficial stockholder is a party adverse to our company or any of our subsidiaries or has a material interest adverse to our company or any of our subsidiaries.

10. SUBSEQUENT EVENTS

In the month of April, the Company issued 3,675,000 common shares for a net proceed of $260,000.

On April 28, 2017, the Company issued 1,000,000 non-qualified stock options with an exercise price of $.239 to a consultant for services to be rendered. The options vest monthly based on consultant achieving quantifiable milestones.

Effective May 4, 2017, the Company entered into an extension agreement (the "Extension Agreement") with Rory J. Cutaia to extend the maturity date of the Secured Note due on April 1, 2017 with a current balance as of March 31, 2017 of $1,198,883 to and including August 1, 2018. In consideration for extending the Note the Company issued Mr. Cutaia 1,755,192 warrants at a price of $.355. The warrants were fully vested on the date of the grant and expire on May 3, 2020. The warrants will be valued using the Black-Scholes pricing model as of the contract date and will be amortized over the life of the agreement. All other terms of the Note remain unchanged.

Effective May 4, 2017, the Company entered into an extension agreement (the "Extension Agreement") with Rory J. Cutaia to extend the maturity date of the $189,000 Unsecured Note due on April 1, 2017 to and including August 1, 2018. All other terms of the Note remain unchanged.

Effective May 4, 2017, the Company entered into a three-year employment agreement with their Chief Financial Officer. As part of the employment agreement the Company issued 500,000 restricted shares of common stock with a fair value of $177,500 and 500,000 non-qualified options that vest annually over 3 years with an exercise price of $.355.

The Company issued 337,500 shares of common stock to vendors subsequent to March 31, 2017 with a fair value of $63,750 for services rendered.

The Company issued 840,000 common shares to vendors for services to be rendered over six months with a fair value of $101,250. The shares vest in equal installments every two months. The shares will be amortized over the vesting period as the services are performed.

Subsequent to March 31, 2017, 233,333 shares of common stock that were subject to vesting schedules and previously accounted for were issued.

ITEM 1A – RISK FACTORS

An investment in our common stock involves a number of very significant risks. You should carefully consider the following risks and uncertainties in addition to other information in this quarterly report in evaluating our company and its business before purchasing our securities. Our business, operating results and financial condition could be seriously harmed as a result of the occurrence of any of the following risks. You could lose all or part of your investment due to any of these risks.

Risks Related to Our Business

We have incurred significant net losses and cannot assure you that we will achieve or maintain profitable operations, and our auditors have issued a "going concern" audit opinion.

To date, we have not derived any revenues from our operations and have incurred losses since inception. Our net loss was $856,820 for the three months ended March 31, 2017 and $697,280 for the three months ended March 31, 2016. As of March 31, 2017, we had stockholders' deficit of $3,834,770. We will need to raise additional working capital to continue our normal and planned operations. We will need to generate and sustain significant revenue levels in future periods in order to become profitable, and, even if we do, we may not be able to maintain or increase our level of profitability. We anticipate that our operating expenses will increase substantially in the foreseeable future as we undertake increased technology and production efforts to support our business and increase our marketing and sales efforts to drive an increase in the number of customers and clients utilizing our services. In addition, as a public company, we will incur significant accounting, legal and other expenses that we did not incur as a private company. These expenditures will make it necessary for us to continue to raise additional working capital and make it harder for us to achieve and maintain profitability. Our efforts to grow our business may be costlier than we expect, and we may not be able to generate sufficient revenue to offset our higher operating expenses. If we are forced to reduce our expenses, our growth strategy could be compromised. We may incur significant losses in the future for a number of reasons, including unforeseen expenses, difficulties, complications and delays and other unknown events. Accordingly, substantial doubt exists about our ability to continue as a going concern and we cannot assure you that we will achieve sustainable operating profits as we continue to expand our infrastructure, restructure our balance sheet, further develop our marketing efforts, and otherwise implement our growth initiatives.

Our independent auditors have indicated in their report on our December 31, 2016 consolidated financial statements that there is substantial doubt about our ability to continue as a going concern. A "going concern" opinion indicates that the financial statements have been prepared assuming we will continue as a going concern and do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets, or the amounts and classification of liabilities that may result if we do not continue as a going concern. Therefore, you should not rely on our consolidated balance sheet as an indication of the amount of proceeds that would be available to satisfy claims of creditors, and potentially be available for distribution to stockholders, in the event of liquidation.

Our ability to grow and compete in the future will be adversely affected if adequate capital is not available to us or not available on terms favorable to us.

The ability of our business to continue its normal and planned operations and to grow and compete will depend on the availability of adequate capital. We cannot assure you that we will be able to obtain equity or debt financing on acceptable terms, or at all, to continue our normal and planned operations and to implement our growth strategy. As a result, we cannot assure you that adequate capital will be available to continue our normal and planned operations and to finance our current growth plans, take advantage of business opportunities, or respond to competitive pressures, any of which could harm our business.

We will need substantial additional funding to continue our operations, which could result in dilution to our stockholders. We may not be able to raise capital when needed, if at all, which could cause us to have insufficient funds to pursue our operations, or to delay, reduce or eliminate our development of new programs or commercialization efforts.

We expect to incur additional costs associated with operating as a public company and to require substantial additional funding to continue to pursue our business and continue with our expansion plans. We may also encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may increase our capital needs and/or cause us to spend our cash resources faster than we expect. Accordingly, we expect that we will need to obtain substantial additional funding in order to continue our operations. To date, we have financed our operations entirely through equity investments by founders and other investors and the incurrence of debt, and we expect to continue to do so in the foreseeable future. Additional funding from those or other sources may not be available when or in the amounts needed, on acceptable terms, or at all. If we raise capital through the sale of equity, or securities convertible into equity, it would result in dilution to our existing stockholders, which could be significant depending on the price at which we may be able to sell our securities. If we raise additional capital through the incurrence of additional indebtedness, we would likely become subject to further covenants restricting our business activities, and holders of debt instruments may have rights and privileges senior to those of our equity investors. In addition, servicing the interest and principal repayment obligations under debt facilities could divert funds that would otherwise be available to support development of new programs and marketing to current and potential new clients. If we are unable to raise capital when needed or on attractive terms, we could be forced to delay, reduce or eliminate development of new programs or future marketing efforts. Any of these events could significantly harm our business, financial condition and prospects.

Security breaches and other disruptions could compromise our information and expose us to liability, which would cause our business and reputation to suffer.

In the ordinary course of our business, we collect and store sensitive data, including intellectual property, our proprietary business information and that of our customers, and personally identifiable information of our customers and employees. The secure processing, maintenance and transmission of this information is critical to our operations and business strategy. Despite our security measures, our information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, a disruption of our operations, damage to our reputation, or a loss of confidence in our business, any of which could adversely affect our business, revenues and competitive position.

Our business is highly competitive and any failure to adapt to changing consumer preferences may adversely affect our business and financial results.

We operate in a highly competitive, consumer-driven and rapidly changing environment. Our success will, to a large extent, be dependent on our ability to acquire, develop, adopt, upgrade and exploit new and existing technologies to address consumers' changing demands and distinguish our services from those of our competitors. We may not be able to accurately predict technological trends or the success of new products and services. If we choose technologies or equipment that are less effective, cost-efficient or attractive to our customers than those chosen by our competitors, or if we offer services that fail to appeal to consumers, are not available at competitive prices or that do not function as expected, our competitive position could deteriorate, and our business and financial results could suffer. The ability of our competitors to introduce new technologies, products and services more quickly than we do may adversely affect our competitive position. Furthermore, advances in technology, decreases in the cost of existing technologies or changes in competitors' product and service offerings may require us in the future to make additional research and development expenditures or to offer products and services at no additional charge or at a lower price. In addition, the uncertainty of our ability, and the costs, to obtain intellectual property rights from third parties could impact our ability to respond to technological advances in a timely and effective manner.

We expect that the success of our business will be highly correlated to general economic conditions.

We expect that demand for our products and services will be highly correlated with general economic conditions, as we expect a substantial portion of our revenue will be derived from discretionary spending by individuals, which typically falls during times of economic instability. Declines in economic conditions in the United States or in other countries in which we may operate may adversely impact our financial results. Because such declines in demand are difficult to predict, we or the industry may have increased excess capacity as a result. An increase in excess capacity may result in declines in prices for our products and services. Our ability to grow or maintain our business may be adversely affected by sustained economic weakness and uncertainty, including the effect of wavering consumer confidence, high unemployment and other factors.

Legal challenges to our intellectual property rights could adversely affect our financial results and operations.

We rely on licenses and other agreements with our vendors and other parties and other intellectual property rights to conduct our operations. Legal challenges to our intellectual property rights and claims of intellectual property infringement by third parties could require that we enter into royalty or licensing agreements on unfavorable terms, incur substantial monetary liability or be enjoined preliminarily or permanently from further use of the intellectual property in question or from the continuation of our businesses as currently conducted. We may need to change our business practices if any of these events occur, which may limit our ability to compete effectively and could have an adverse effect on our results of operations. Even if we believe any such challenges or claims are without merit, they can be time-consuming and costly to defend and divert management's attention and resources away from our business.

The capacity, reliability and security of our information technology hardware and software infrastructure are important to the operation of our current business, which would suffer in the event of system failures. Likewise, our ability to expand and update our information technology infrastructure in response to our growth and changing needs is important to the continued implementation of our new service offering initiatives. Our inability to expand or upgrade our technology infrastructure could have adverse consequences, which could include the delayed provision of services or implementation of new service offerings, and the diversion of development resources. We rely on third parties for various aspects of our hardware and software infrastructure. Third parties may experience errors or disruptions that could adversely impact us and over which we may have limited control. Interruption and/or failure of any of these systems could disrupt our operations and damage our reputation, thus adversely impacting our ability to provide our services, retain our current users and attract new users. In addition, our information technology hardware and software infrastructure may be vulnerable to unauthorized access, misuse, computer viruses or other events that could have a security impact. If one or more of such events occur, our customer and other information processed and stored in, and transmitted through, our information technology hardware and software infrastructure, or otherwise, could be compromised, which could result in significant losses or reputational damage. We may be required to expend significant additional resources to modify our protective measures or to investigate and remediate vulnerabilities or other exposures, and we may be subject to litigation and financial losses.

We are dependent on third parties to, among other things, maintain our servers, provide the bandwidth necessary to transmit content, and utilize the content derived therefrom for the potential generation of revenues.

We depend on third party service providers, suppliers and licensors to supply some of the services, hardware, software and operational support necessary to provide some of our products and services. Some of these third parties do not have a long operating history or may not be able to continue to supply the equipment and services we desire in the future. If demand exceeds these vendors' capacity, or if these vendors experience operating or financial difficulties or are otherwise unable to provide the equipment or services we need in a timely manner, at our specifications and at reasonable prices, our ability to provide some products and services might be materially adversely affected, or the need to procure or develop alternative sources of the affected materials or services might delay our ability to serve our users. These events could materially and adversely affect our ability to retain and attract users, and have a material negative impact on our operations, business, financial results and financial condition.

If the market for SaaS business software applications develops more slowly than we expect or declines, our business would be adversely affected.

The market for SaaS business software applications is less mature than the market for on-premise business software applications, and the adoption rate of SaaS business software applications may be slower among subscribers in industries with heightened data security interests or business practices requiring highly customizable application software. Our success will depend to a substantial extent on the widespread adoption of SaaS business applications in general, and of SaaS customer service applications in particular. Many organizations have invested substantial personnel and financial resources to integrate traditional on-premise business software applications into their businesses, and therefore may be reluctant or unwilling to migrate to SaaS applications. It is difficult to predict customer adoption rates and demand for our customer service platform, live chat software, and analytics software, the future growth rate and size of the SaaS business applications market or the entry of competitive applications. The expansion of the SaaS business applications market depends on a number of factors, including the cost, performance, and perceived value associated with SaaS, as well as the ability of SaaS providers to address data security and privacy concerns. Additionally, government agencies have adopted, or may adopt, laws and regulations regarding the collection, use, and transfer of personal information obtained from consumers and other individuals, or may seek to access information on our platform, either of which may reduce the overall demand for our platform. If we or other SaaS providers experience data security incidents, loss of customer data, disruptions in delivery, or other problems, the market for SaaS business applications, including our customer service platform, live chat software, and analytics software, may be negatively affected. If SaaS business applications do not continue to achieve market acceptance, if there is a reduction in demand for SaaS business applications caused by a lack of customer acceptance, or if there are technological challenges, weakening economic conditions, data security or privacy concerns, governmental regulation, competing technologies and products, or decreases in information technology spending, it would result in decreased revenue and our business would be adversely affected.

Our future success depends on our key executive officers and our ability to attract, retain, and motivate qualified personnel.

Our future success largely depends upon the continued services of our executive officers and management team, especially our President and Chief Executive Officer, Mr. Rory Cutaia. If one or more of our executive officers are unable or unwilling to continue in their present positions, we may not be able to replace them readily, if at all. Additionally, we may incur additional expenses to recruit and retain new executive officers. If any of our executive officers joins a competitor or forms a competing company, we may lose some or all of our customers. Finally, we do not maintain “key person” life insurance on any of our executive officers. Because of these factors, the loss of the services of any of these key persons could adversely affect our business, financial condition, and results of operations, and thereby an investment in our stock.

Our continuing ability to attract and retain highly qualified personnel will also be critical to our success because we will need to hire and retain additional personnel as our business grows. There can be no assurance that we will be able to attract or retain highly qualified personnel. We face significant competition for skilled personnel in our industries. This competition may make it more difficult and expensive to attract, hire, and retain qualified managers and employees. Because of these factors, we may not be able to effectively manage or grow our business, which could adversely affect our financial condition or business. As a result, the value of your investment could be significantly reduced or completely lost.

Risks Related to Ownership of our Common and Preferred Stock

Our board of directors is authorized to issue additional shares of our common stock that would dilute existing stockholders.

We are currently authorized to issue up to 200,000,000 shares of common stock and 15,000,000 shares of preferred stock, of which 98,895,733 shares of common stock and 315,000 shares of preferred stock are currently issued and outstanding as of March 31, 2017. We expect to seek additional financing in order to provide working capital to our business. Our board of directors has the power to issue any or all of such authorized but unissued shares at any price they consider sufficient, without stockholder approval. The issuance of additional shares of common stock in the future will reduce the proportionate ownership and voting power of current stockholders.

Trading on the OTC Bulletin Board and the OTCQB may be volatile and sporadic, which could depress the market price of our common stock and make it difficult for our stockholders to resell their shares.

Our common stock is quoted on the Over the Counter Bulletin Board and on the OTCQB operated by the OTC Markets Group, Inc. Trading in stock quoted on these markets is often thin and characterized by wide fluctuations in trading prices, due to many factors that may have little to do with our operations or business prospects. This volatility could depress the market price of our common stock for reasons unrelated to operating performance. Moreover, the neither of these markets are a stock exchange, and trading of securities on these markets is often more sporadic than the trading of securities listed on a national securities exchange like the NASDAQ or the NYSE. Accordingly, stockholders may have difficulty reselling any of our shares.

A decline in the price of our common stock could affect our ability to raise further working capital, it may adversely impact our ability to continue operations and we may go out of business.

A prolonged decline in the price of our common stock could result in a reduction in the liquidity of our common stock and a reduction in our ability to raise capital. Because we may attempt to acquire a significant portion of the funds we need in order to conduct our planned operations through the sale of equity securities, a decline in the price of our common stock could be detrimental to our liquidity and our operations because the decline may cause investors not to choose to invest in our stock. If we are unable to raise the funds we require for all our planned operations, we may be forced to reallocate funds from other planned uses and may suffer a significant negative effect on our business plan and operations, including our ability to develop new products and continue our current operations. As a result, our business may suffer, and not be successful and we may go out of business. We also might not be able to meet our financial obligations if we cannot raise enough funds through the sale of our common stock and we may be forced to go out of business.

Because we do not intend to pay any cash dividends on our shares of common stock in the near future, our stockholders will not be able to receive a return on their shares unless they sell them.

We intend to retain any future earnings to finance the development and expansion of our business. We do not anticipate paying any cash dividends on our common stock in the near future. The declaration, payment and amount of any future dividends will be made at the discretion of the board of directors, and will depend upon, among other things, the results of operations, cash flows and financial condition, operating and capital requirements, and other factors as the board of directors considers relevant. There is no assurance that future dividends will be paid, and if dividends are paid, there is no assurance with respect to the amount of any such dividend. Unless we pay dividends, our stockholders will not be able to receive a return on their shares unless they sell them.

If we are unable to establish appropriate internal financial reporting controls and procedures, it could cause us to fail to meet our reporting obligations, result in the restatement of our financial statements, harm our operating results, subject us to regulatory scrutiny and sanction, cause investors to lose confidence in our reported financial information and have a negative effect on the market price for shares of our common stock.

Effective internal controls are necessary for us to provide reliable financial reports and to effectively prevent fraud. We maintain a system of internal control over financial reporting, which is defined as a process designed by, or under the supervision of, our principal executive officer and principal financial officer, or persons performing similar functions, and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

As a public company, we have significant requirements for enhanced financial reporting and internal controls. We are required to document and test our internal control procedures in order to satisfy the requirements of Section 404 of the *Sarbanes-Oxley Act of 2002* , which requires annual management assessments of the effectiveness of our internal controls over financial reporting and a report by our independent registered public accounting firm addressing these assessments. The process of designing and implementing effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and economic and regulatory environments, and to expend significant resources to maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company.

We cannot assure you that we will, in the future, identify areas requiring improvement in our internal control over financial reporting. We cannot assure you that the measures we will take to remediate any areas in need of improvement will be successful or that we will implement and maintain adequate controls over our financial processes and reporting in the future as we continue our growth. If we are unable to establish appropriate internal financial reporting controls and procedures, it could cause us to fail to meet our reporting obligations, result in the restatement of our financial statements, harm our operating results, subject us to regulatory scrutiny and sanction, cause investors to lose confidence in our reported financial information and have a negative effect on the market price for shares of our common stock.

The market price of our common stock may be volatile.

The market price of our common stock may be highly volatile. Some of the factors that may materially affect the market price of our common stock are beyond our control, such as changes in financial estimates by industry and securities analysts, conditions or trends in the industry in which we operate, or sales of our common stock. These factors may materially adversely affect the market price of our common stock, regardless of our performance. In addition, public stock markets have experienced extreme price and trading volume volatility. This volatility has significantly affected the market prices of securities of many companies for reasons frequently unrelated to the operating performance of the specific companies. These broad market fluctuations may adversely affect the market price of our common stock.

Because our directors and executive officers are among our largest stockholders, they can exert significant control over our business and affairs and have actual or potential interests that may depart from those of investors.

Certain of our executive officers and directors own a significant percentage of our outstanding capital stock. As of the date of this quarterly filing, our executive officers and directors and their respective affiliates beneficially own over 40% of our outstanding voting stock. The holdings of our directors and executive officers may increase further in the future upon vesting or other maturation of exercise rights under any of the options or warrants they may hold or in the future be granted, or if they otherwise acquire additional shares of our common stock. The interests of such persons may differ from the interests of our other stockholders. As a result, in addition to their board seats and offices, such persons will have significant influence and control over all corporate actions requiring stockholder approval, irrespective of how our company's other stockholders may vote, including the following actions:

- to elect or defeat the election of our directors;
- to amend or prevent amendment of our certificate of incorporation or by-laws;
- to effect or prevent a merger, sale of assets or other corporate transaction; and
- to control the outcome of any other matter submitted to our stockholders for a vote.

This concentration of ownership by itself may have the effect of impeding a merger, consolidation, takeover or other business consolidation, or discouraging a potential acquirer from making a tender offer for our common stock, which in turn could reduce our stock price or prevent our stockholders from realizing a premium over our stock price.

Penny stock rules will limit the ability of our stockholders to sell their stock.

The Securities and Exchange Commission has adopted regulations which generally define a "penny stock" to be any equity security that has a market price (as defined) less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of $5,000,000 or individuals with a net worth in excess of $1,000,000 or annual income exceeding $200,000 or $300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the Securities and Exchange Commission that provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

The Financial Industry Regulatory Authority, or FINRA, has adopted sales practice requirements that may also limit a stockholder's ability to buy and sell our stock.

In addition to the "penny stock" rules described above, FINRA has adopted rules that require that, in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

Trends, Risks and Uncertainties

We have sought to identify what we believe to be the most significant risks to our business, but we cannot predict whether, or to what extent, any of such risks may be realized nor can we guarantee that we have identified all possible risks that might arise. Investors should carefully consider all of such risk factors before making an investment decision with respect to our common stock.

If the market for SaaS business software applications develops more slowly than we expect or declines, our business would be adversely affected.

The market for SaaS business software applications is less mature than the market for on-premise business software applications, and the adoption rate of SaaS business software applications may be slower among subscribers in industries with heightened data security interests or business practices requiring highly customizable application software. Our success will depend to a substantial extent on the widespread adoption of SaaS business applications in general, and of SaaS customer service applications in particular. Many organizations have invested substantial personnel and financial resources to integrate traditional on-premise business software applications into their businesses, and therefore may be reluctant or unwilling to migrate to SaaS applications. It is difficult to predict customer adoption rates and demand for our customer service platform, live chat software, and analytics software, the future growth rate and size of the SaaS business applications market or the entry of competitive applications. The expansion of the SaaS business applications market depends on a number of factors, including the cost, performance, and perceived value associated with SaaS, as well as the ability of SaaS providers to address data security and privacy concerns. Additionally, government agencies have adopted, or may adopt, laws and regulations regarding the collection, use, and transfer of personal information obtained from consumers and other individuals, or may seek to access information on our platform, either of which may reduce the overall demand for our platform. If we or other SaaS providers experience data security incidents, loss of customer data, disruptions in delivery, or other problems, the market for SaaS business applications, including our customer service platform, live chat software, and analytics software, may be negatively affected. If SaaS business applications do not continue to achieve market acceptance, if there is a reduction in demand for SaaS business applications caused by a lack of customer acceptance, or if there are technological challenges, weakening economic conditions, data security or privacy concerns, governmental regulation, competing technologies and products, or decreases in information technology spending, it would result in decreased revenue and our business would be adversely affected.

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

Forward-Looking Statements

This quarterly report contains "forward-looking statements". All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws, including, but not limited to, any projections of earnings, revenue or other financial items; any statements of the plans, strategies and objections of management for future operations; any statements concerning proposed new services, products or developments; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing.

Forward-looking statements may include the words "may," "could," "estimate," "intend," "continue," "believe," "expect" or "anticipate" or other similar words. These forward-looking statements present our estimates and assumptions only as of the date of this quarterly report. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the dates on which they are made. Except as required by applicable law, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, even if experience or future changes make it clear that any projected results or events expressed or implied therein will not be realized. You are advised, however, to consult any further disclosures we make in future public filings, statements and press releases.

Forward-looking statements in this quarterly report include express or implied statements concerning our future revenues, expenditures, capital and funding requirements; the adequacy of our current cash and working capital to fund present and planned operations and financing needs; our proposed expansion of, and demand for, product offerings; the growth of our business and operations through acquisitions or otherwise; and future economic and other conditions both generally and in our specific geographic and product markets. These statements are based on currently available operating, financial and competitive information and are subject to various risks, uncertainties and assumptions that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements due to a number of factors including, but not limited to, those set forth below in the section entitled "Risk Factors" in this quarterly report, which you should carefully read. Given those risks, uncertainties and other factors, many of which are beyond our control, you should not place undue reliance on these forward-looking statements. You should be prepared to accept any and all of the risks associated with purchasing any securities of our company, including the possible loss of all of your investment.

In this quarterly report, unless otherwise specified, all references to "common shares" refer to the common shares in our capital stock.

As used in this quarterly report on Form 10-Q, the terms "we", "us" "our" and "nFusz" refer to nFusz, Inc., a Nevada corporation unless otherwise specified.

The discussion and analysis of our financial condition and results of operations are based on our financial statements, which we have prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, as well as the reported revenues and expenses during the reporting periods. On an ongoing basis, we evaluate estimates and judgments, including those described in greater detail below. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The following discussion should be read together with the information contained in the unaudited condensed consolidated financial statements and related notes included in Item 1 – Financial Statements, in this Form 10-Q.

Overview

The Company has developed proprietary interactive video technology which serves as the basis for certain products and services that it licenses under the brand name "Notifi". Its NotifiCRM, NotifiADS, NotifiLINKS, and NotifiWEB products are cloud-based, SaaS, CRM, sales lead generation, advertising, and social engagement software, accessible on mobile and desktop platforms, for sales-based organizations, consumer brands, marketing and advertising agencies, and artists and social influencers seeking greater levels of viewer engagement and higher sales conversion rates. The Company's NotifiCRM platform is enterprise scalable and incorporates unique, proprietary, push-to-screen, interactive audio/video messaging and interactive on-screen "virtual salesperson" communications technology. The Company's NotifiLIVE service is a proprietary broadcast video platform allowing viewers to interact with broadcast video content by clicking on links embedded in people, objects, graphics or sponsors' signage displayed on the screen. Viewers can experience NotifiLIVE interactive content and capabilities on most devices available in the market today without the need to download special software or proprietary video players.

The Company was previously engaged in the manufacture, marketing, and operation of audition booths deployed in shopping malls and other high-traffic venues in the United States and in the production of interactive television content. The audition booths were portable recording studio kiosks, branded and marketed as "bBooth," in which customers could audition for TV shows such as American Idol. The kiosks were Internet connected and integrated into a social media, messaging, gaming, music streaming and video sharing app called bBoothGO.

Critical Accounting Policies

Our company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States, which require that we make certain assumptions and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net revenue and expenses during each reporting period. On an ongoing basis, management evaluates its estimates, including those related to valuation of the fair value of financial instruments, share based compensation arrangements and long-lived assets. These estimates are based on historical experience and on various other factors that it believes to be reasonable under the circumstances. Actual results could differ from those estimates.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported periods. Significant estimates include the value of share based payments. Amounts could materially change in the future.

Long-Lived Assets

The Company evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that their net book value may not be recoverable. When such factors and circumstances exist, the Company compares the projected undiscounted future cash flows associated with the related asset or group of assets over their estimated useful lives against their respective carrying amount. Impairment, if any, is based on the excess of the carrying amount over the fair value, based on market value when available, or discounted expected cash flows, of those assets and is recorded in the period in which the determination is made. No impairment of long-lived assets was required for the three months ended March 31, 2017.

Stock- Compensation

The Company periodically issues stock options and warrants to employees and non-employees in non-capital raising transactions for services and for financing costs. The Company accounts for stock option and warrant grants issued and vesting to employees based on the authoritative guidance provided by the Financial Accounting Standards Board whereas the value of the award is measured on the date of grant and recognized over the vesting period. The Company accounts for stock option and warrant grants issued and vesting to non-employees in accordance with the authoritative guidance of the Financial Accounting Standards Board whereas the value of the stock compensation is based upon the measurement date as determined at either a) the date at which a performance commitment is reached, or b) at the date at which the necessary performance to earn the equity instruments is complete. Non-employee stock-based compensation charges generally are amortized over the vesting period on a straight-line basis. In certain circumstances where there are no future performance requirements by the non-employee, option grants are immediately vested and the total stock-based compensation charge is recorded in the period of the measurement date.

The fair value of the Company's common stock option grant is estimated using the Black-Scholes Option Pricing model, which uses certain assumptions related to risk-free interest rates, expected volatility, expected life of the common stock options, and future dividends. Compensation expense is recorded based upon the value derived from the Black-Scholes Option Pricing model, and based on actual experience. The assumptions used in the Black-Scholes Option Pricing model could materially affect compensation expense recorded in future periods.

Recent Accounting Policies

For a summary of our recent accounting policies, refer to Note 2 of our unaudited condensed consolidated financial statements included under Item 1 – Financial Statements in this Form 10-Q.

Results of Operations for the Three Months Ended March 31, 2017 as Compared to the Three Months Ended March 31, 2017.

Operating Expenses

Research and development expenses were $89,600 for the three months ended March 31 2017, as compared to $36,450 for the three months ended March 31, 2016. The increase was primarily due to an increase in software development enhancements and modifications during the current quarter.

General and administrative expenses for the three months ended March 31, 2017 and 2016 was $617,537 and $508,890, respectively. The increase was primarily due to an increase in stock based compensation expense.

Interest expense, net, for the three months ended March 31, 2017 amounted to $123,683. This represented interest expense on outstanding notes payable, notes payable to related parties, convertible notes payable and amortization of debt discount during this timeframe. The amount of interest expense for the same period in 2016 was $151,940. The decrease in interest expense for the three months ended March 31, 2017 compared to the same period in 2016 was due to lower amortization of debt discount.

Liquidity and Capital Resources

The following is a summary of our cash flows from operating, investing and financing activities for the three months ended March 31, 2017 and 2016.

	For the Three Months Ended	
	March 31, 2017	March 31, 2016
Cash used in operating activities	$ (318,092)	$ (275,972)
Cash used in investing activities	-	-
Cash provided by financing activities	425,000	214,926
Increase / (Decrease) in cash	$ 106,908	$ (61,046)

For the three months ended March 31, 2017, our cash flows used in operating activities amounted to $318,092 compared to cash used in 2016 of $275,972. The primary reason for the change relates to higher spending in 2017 relating to research and development.

Our cash provided by financing activities for the three months ended March 31, 2017 amounted to $425,000 which represented $170,000 of proceeds received from issuances of common stock and $255,000 of proceeds received from the issuance of convertible series A preferred stock. Our cash provided by financing activities for the three months ended March 31, 2016 amounted to $214,926 which represented $132,480 of proceeds received from common stock subscriptions and $82,446 of additional borrowings from our Chief Executive Officer.

As of March 31, 2017, we had cash of $123,670. We estimate our operating expenses for the next three months may continue to exceed any revenues we generate, and we may need to raise capital through either debt or equity offerings to continue operations.

We are in the early stages of our business. We are required to fund growth from financing activities, and we intend to rely on a combination of equity and debt financings. Due to market conditions and the early stage of our operations, there is considerable risk that our company will not be able to raise such financings at all, or on terms that are not overly dilutive to our existing shareholders. We can offer no assurance that we will be able to raise such funds.

Going Concern

We have incurred operating losses since inception and have negative cash flows from operations. We had a stockholders' deficit of $3,834,770 as of March 31, 2017. As a result, our continuation as a going concern is dependent on our ability to obtain additional financing until we can generate sufficient cash flows from operations to meet our obligations. We intend to continue to seek additional debt or equity financing to continue our operations.

Our consolidated financial statements have been prepared on a going concern basis, which implies we may not continue to meet our obligations and continue our operations for the next fiscal year. The continuation of our Company as a going concern is dependent upon our ability to obtain necessary debt or equity financing to continue operations until our Company begins generating positive cash flow.

There is no assurance that we will ever be profitable or that debt or equity financing will be available to us. The consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result should we be unable to continue as a going concern.

NOTES PAYABLE

The Company has the following notes payable as of March 31, 2017 and December 31, 2016:

Note	Note Date	Maturity Date	Interest Rate	Original Borrowing	Balance at March 31, 2017	Balance at December 31, 2016
Note payable (a)	March 21, 2015	March 20, 2018	12.0%	$ 125,000	$ 125,000	$ 125,000
Note payable (b)	December 15, 2016	June 15, 2017	5%	$ 101,300	101,300	101,300
Total notes payable					226,300	125,000
Debt discount					(22,407)	(48,942
Total notes payable, net of debt discount					$ 203,893	$ 177,358

(a) March 21, 2015 – The Company entered into an agreement with DelMorgan Group LLC (“DelMorgan”), pursuant to which DelMorgan agreed to act as the Company’s exclusive financial advisor. In connection with the agreement, the Company paid DelMorgan $125,000, which was advanced by a third-party lender in exchange for an unsecured note payable issued by the Company bearing interest at the rate of 12% per annum payable monthly beginning on April 20, 2015.

Effective March 20, 2017, the Company entered into an extension agreement (the “Extension Agreement”) with DelMorgan to extend the maturity date of the Note to and including March 20, 2018. All other terms of the Note remain unchanged.

(b) On December 15, 2016, the Company entered into an agreement with a buyer, whereby the Company agreed to issue and sell to the Buyer, and the Buyer agreed to purchase from the Company, (i) a non-interest bearing Note in the original principal amount of $250,000, (ii) Warrants, and (iii) shares of the Company’s common stock in an amount equal to 30% of the purchase price of the respective tranche divided by the closing price of the Common Stock on the trading day immediately prior to the date of funding of the respective tranche (collectively, the “Inducement Shares”). The “Maturity Date” shall be six months from the date of each payment of Consideration. A one-time interest charge of five percent (5%) (“Interest Rate”) is to be applied on the Issuance Date to the original principal amount. In addition, there is a 10% Original Issue Discount that is to be prorated based on the consideration paid by the Buyer.

On December 16, 2016, the Buyer purchased for $80,000 the first tranche of the Note and the respective securities to be issued and the Company sold to it including (i) a three-year warrant to acquire 176,000 shares of the Company's common stock with an exercise price of $0.25 per share, and (ii) 240,000 shares of the Company's common stock.

Upon the occurrence of an event of default, the Holder shall have the right, but not the obligation, to convert the Outstanding Balance into shares of the Company's Common Stock, the "conversion price" shall equal 70% of the average volume weighted average price for the twenty trading days immediately preceding the applicable conversion date. The Company did not account for the conversion feature of the note as it is a contingent event that is payable only upon default of the note. It is the Company's current intention to pay the note off before maturity with either from the funds raised subsequent to year end, or through an additional amount advanced by the majority shareholder.

Total interest expense for notes payable for the three months ended March 31, 2017 and 2016 was $3,750 and $3,750, respectively.

NOTES PAYABLE – RELATED PARTIES

The Company has the following related parties notes payable:

Note	Issuance Date	Maturity Date	Interest Rate	Original Borrowing	Balance at March 31, 2017	Balance at December 31, 2016
Note 1	Year 2015	April 1, 2017	12.0%	$1,203,242	$ 1,198,883	$ 1,198,883
Note 2	December 1, 2015	April 1, 2017	12.0%	189,000	189,000	189,000
Note 3	December 1, 2015	April 1, 2017	12.0%	111,901	111,901	111,901
Note 4	August 4, 2016	August 4, 2017	12.0%	343,326	343,326	343,326
Note 5	August 4, 2016	August 4, 2017	12.0%	121,875	121,875	121,875
Total notes payable – related parties, net					$ 1,964,985	$ 1,964,985

- On various dates during the year ended December 31, 2015, Rory J. Cutaia, the Company's majority shareholder and Chief Executive Officer, loaned the Company total principal amounts of $1,203,242. The loans were unsecured and all due on demand, bearing interest at 12% per annum. On December 1, 2015, the Company entered into a Secured Convertible Note agreement with Mr. Cutaia whereby all outstanding principal and accrued interest owed to Mr. Cutaia from previous loans amounting to an aggregate total of $1,248,883 and due on demand, was consolidated under a note payable agreement, bearing interest at 12% per annum, and converted from due on demand to due in full on April 1, 2017. In consideration for Mr. Cutaia's agreement to consolidate the loans and extend the maturity date, the Company granted Mr. Cutaia a senior security interest in substantially all current and future assets of the Company. Per the terms of the agreement, at Mr. Cutaia's discretion, he may convert up to $374,665 of outstanding principal, plus accrued interest thereon, into shares of common stock at a conversion rate of $0.07 per share.

- On December 1, 2015, the Company entered into an Unsecured Convertible Note with Mr. Cutaia in the amount of $189,000, bearing interest at 12% per annum, representing a portion of Mr. Cutaia's accrued salary for 2015. The note extends the payment terms from on-demand to due in full on April 1, 2017. The outstanding principal and accrued interest may be converted at Mr. Cutaia's discretion into shares of common stock at a conversion rate of $0.07.

- On December 1, 2015, the Company entered into an Unsecured Note agreement with a consulting firm owned by Michael Psomas, a former member of the Company's Board of Directors, in the amount of $111,901 representing unpaid fees earned for consulting services previously rendered but unpaid as of November 30, 2015. The outstanding amounts bear interest at 12% per annum, and are due in full on April 1, 2017, and past due.

- On April 4, 2016 the Company issued a secured convertible note to the Chief Executive Officer ("CEO") and a director of the Company, in the amount of $343,325, which represents additional sums of $93,326 that the CEO advanced to the Company during the period from December 2015 through March 2016, and the conversion of $250,000 other pre-existing notes including the $200,000 December note bearing 12% interest. This note bears interest at the rate of 12% per annum, compounded annually. In consideration for this agreement to extend the repayment date to August 4, 2017, the Company granted to the CEO the right to convert up to 30% of the amount of the such note into shares of the Company's common stock at $0.07 per share and issued 2,452,325 share purchase warrants, exercisable at $0.07 per share until April 4, 2019, which warrants represent 50% of the amount of such note.

- April 4, 2016 the Company issued an unsecured convertible note payable to the CEO in the amount of $121,875, which represents the amount of the accrued but unpaid salary owed to the CEO for the period from December 2015 through March 2016. In consideration for this agreement to extend the payment date to August 4, 2017, the Company granted to the CEO the right to convert the amount of the such note into shares of the Company's common stock at $0.07 per share, which approximated the trading price or the Company's common stock on the date of the agreement. This note bears interest at the rate of 12% per annum, compounded annually.

Total interest expense for notes payable to related parties for the three months ended March 31, 2017 and 2016 was $58,142 and $53,944, respectively.

CONVERTIBLE NOTE PAYABLE

The Company entered into a series of unsecured loan agreement with Oceanside Strategies, Inc. ("Oceanside") a third party-lender, in the aggregate principal amount of $600,000 through December 31, 2015. The loans bear interest at rates ranging from 5% to 12% per annum and were due on demand.

On April 3, 2016, the Company issued an unsecured convertible note payable to Oceanside in the amount of $680,268 (this amount includes $600,000 principal amount and $80,268 accrued and unpaid interest). This note superseded and replaced all previous notes and current liabilities due to Oceanside for sums Oceanside loaned to the Company in 2014 and 2015. This note bears interest at the rate of 12% per annum, compounded annually. In consideration for Oceanside's agreement to convert the prior notes from current demand notes and extend the maturity date to December 4, 2016, the Company granted Oceanside the right to convert up to 30% of the amount of such note into shares of the Company's common stock at $0.07 per share and issued 2,429,530 share purchase warrants, exercisable at $0.07 per share until April 4, 2019.

Effective December 30, 2016, the Company entered into an extension agreement (the "Extension Agreement") with Oceanside to extend the maturity date of the Note to and including August 4, 2017. All other terms of the Note remain unchanged. In consideration for Oceanside's agreement to extend the maturity date to August 4, 2017, the Company issued Oceanside 2,429,530 share purchase warrants, exercisable at $0.08 per share until December 29, 2019.

As of March 31, 2017, and December 31, 2016, the principal amount of the note payable was 680,268.

CONVERTIBLE SERIES A PREFERRED STOCK

Effective February 14, 2017, the Company entered into a Securities Purchase Agreement, (the "Purchase Agreement"), by and between an otherwise unaffiliated, accredited investor (the "Purchaser") and the Company in connection with our issuance and sale to the Purchaser of shares of Series A Preferred Stock under the terms and conditions as set forth in the Purchase Agreement (the "Sale").

In connection with the Sale, our Board of Directors (our "Board") authorized and approved a series of preferred stock to be known as "Series A Convertible Preferred Stock", for which 1,050,000 shares, $0.0001 par value per share, were authorized and a Certificate of Designations, Preferences and Rights of the Series A Convertible Preferred Stock, (the "Certificate"), was filed with the Office of the Secretary of State of the State of Nevada (the "State") to effectuate the authorization. Pursuant to the Purchase Agreement, the purchase of shares of our Series A Preferred Stock may occur in several tranches (each, a "Tranche"; and, collectively, the "Tranches"). The first Tranche of $300,000 ($315,000 in stated value, represented by 315,000 shares of our Series A Preferred Stock) closed simultaneously with the execution of the Purchase Agreement on February 14, 2017 (the "First Closing"), and each additional Tranche shall close at such times and on such financial terms as may be agreed to by the Purchaser and us. The net proceeds to us after offering costs was $255,000, including legal fees.

Pursuant to the terms of the Purchase Agreement, the shares of our Series A Preferred Stock issued in the First Closing are to be redeemed by us in five (5) equal weekly payments (each, a "Redemption Payment"), commencing in approximately 180 days from the First Closing. All but one of the Redemption Payments may be made by us in cash or in shares of our common stock, at our option. The Holder shall have the option to demand payment of one Installment Redemption Payment in shares of Common Stock. Redemption Payments made using shares of our common stock will be valued based upon a VWAP formula, tied to the then-current quoted price of shares of our common stock, described with greater particularity in the Purchase Agreement.

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4 - CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, (the "Exchange Act"), that are designed to ensure that information required to be disclosed in our reports under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and our principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

We carried out an evaluation under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d- 15(e) under the Exchange Act) as of the end of the period covered by this quarterly report. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were not effective as of March 31, 2017.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

We have one pending litigation filed on September 19, 2016. The action is captioned as Multicore Technologies, an Indian Corporation, plaintiff, v. Rocky Wright, an individual, bBooth, Inc., a Nevada corporation, and Blabeey, Inc, a Nevada corporation, defendants. The action is pending in the United States District Court for the Central District of California under Case No.: 2:16-cv-7026 DSF (AJWx). The First Amended Complaint was filed on January 27, 2017, alleging breach of Implied-in-fact Contract and Quantum Meruit relating to services Multicore allegedly performed on behalf of bBooth in connection with various web and mobile applications. Multicore is seeking damages of approximately $157,000 plus interest and cost of suit. We filed an Answer denying Multicore's claims on March 13, 2017. We do not believe plaintiff's claims of an implied contract or quantum meruit have any basis in fact, nor do we believe they have any other viable claims against us. We intend to vigorously defend the action and have determined not to create a reserve in our financial statements for an unfavorable outcome.

We know of no other material pending legal proceedings to which our company or any of our subsidiaries is a party or of which any of our assets or properties, or the assets or properties of any of our subsidiaries, is the subject. In addition, we do not know of any such proceedings contemplated by any governmental authorities.

We know of no material proceedings in which any of our directors, officers or affiliates, or any registered or beneficial stockholder is a party adverse to our company or any of our subsidiaries or has a material interest adverse to our company or any of our subsidiaries.

ITEM 2 - UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Common Stock

The Company issued common shares to vendors for services rendered and are expensed based on fair market value of the stock price at the date of grant. For the three months ended March 31, 2017, the Company issued 1,334,167 shares of common stock to vendors and recorded stock compensation expense of $176,621.

The Company amended an agreement with a vendor and issued 400,000 shares of common stock as full and final payment to the vendor on accounts payable owed of $30,000. The fair value of the shares was $56,000, a loss on extinguishment of debt totaling $26,000 was recorded as part of the transaction. In addition, the Company extended the term for an additional six months and agreed to issue 700,000 shares of common stock for services to be rendered. The shares vest in equal installments every two months and will be valued based upon its vesting.

Shares Issued from Stock Subscription – The Company issued stock subscription to investors. For the three months ended March 31, 2017, the Company issued 2,500,000 common shares for a net proceed of $150,000.

Effective February 14, 2017, the Company entered into a Securities Purchase Agreement, (the “Purchase Agreement”), by and between an otherwise unaffiliated, accredited investor (the “Purchaser”) and the Company in connection with our issuance and sale to the Purchaser of shares of Series A Preferred Stock under the terms and conditions as set forth in the Purchase Agreement (the “Sale”).

In connection with the Sale, our Board of Directors (our “Board”) authorized and approved a series of preferred stock to be known as “Series A Convertible Preferred Stock”, for which 1,050,000 shares, $0.0001 par value per share, were authorized and a Certificate of Designations, Preferences and Rights of the Series A Convertible Preferred Stock, (the “Certificate”), was filed with the Office of the Secretary of State of the State of Nevada (the “State”) to effectuate the authorization. Pursuant to the Purchase Agreement, the purchase of shares of our Series A Preferred Stock may occur in several tranches (each, a “Tranche”; and, collectively, the “Tranches”). The first Tranche of $300,000 ($315,000 in stated value, represented by 315,000 shares of our Series A Preferred Stock) closed simultaneously with the execution of the Purchase Agreement on February 14, 2017 (the “First Closing”), and each additional Tranche shall close at such times and on such financial terms as may be agreed to by the Purchaser and us.

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4 - MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5 - OTHER INFORMATION

None.

ITEM 6 - EXHIBITS

The following exhibits are filed as part of, or incorporated by reference into this Report:

Exhibit No.	Description
2.1 (2)	Share Exchange Agreement dated as of August 11, 2014 by and among Global System Designs, Inc., bBooth (USA), Inc. (formerly bBooth, Inc.) and the stockholders of bBooth (USA), Inc. (formerly bBooth, Inc.)
3.1 (1)	Articles of Incorporation
3.2 (1)	Bylaws
3.3 (2)	Certificate of Change
3.4 (2)	Articles of Merger
10.1 (2)	2014 Stock Option Plan
10.3 (3)	Employment Agreement – Rory Cutaia
10.4 (4)	Secured Promissory Note dated December 11, 2014 from Songstagram, Inc.
10.5 (4)	Secured Promissory Note dated December 11, 2014 from Rocky Wright
10.6 (4)	Security Agreement dated December 11, 2014 from Songstagram, Inc.
10.7 (4)	Security Agreement dated December 11, 2014 from Rocky Wright
10.8 (5)	Acquisition Agreement dated January 20, 2015 among our company, Songstagram, Inc. and Rocky Wright
10.9 (5)	Surrender of Collateral, Consent to Strict Foreclosure and Release Agreement dated January 20, 2015 between our company and Songstagram, Inc.
10.10 (5)	Form of Termination Agreement and Release dated January 20, 2015
10.11 (6)	Settlement and Release Agreement dated February 6, 2015 among our company, Songstagram, Inc. and Jeff Franklin
10.12 (7)	Engagement letter dated March 20, 2015 among bBooth, Inc., DelMorgan Group LLC and Globalist Capital, LLC
10.13 (7)	Form of Note Purchase Agreement dated March 20, 2015
10.14 (7)	Form of Warrant Certificate dated March 20, 2015
10.15 (8)	12% Secured Convertible Note Issued to Rory J. Cutaia
10.16 (8)	Security Agreement Issued to Rory J. Cutaia in Connection with 12% Secured Convertible Note
10.17 (8)	12% Unsecured Convertible Note issued to Rory J. Cutaia
10.18 (8)	12% Unsecured Note issued to Audit Prep Services, LLC
10.19 (9)	Form of Stock Repurchase Agreements
10.20 (10)	Form of Private Placement Subscription Agreement
10.21 (10)	Form of 12% Secured Convertible Note Issued to Rory J. Cutaia
10.22 (10)	Form of Security Agreement Issued to Rory J. Cutaia in Connection with 12% Secured Convertible Note
10.23 (10)	Form of Warrant Agreement for Rory J. Cutaia
10.24 (10)	Form of 12% Unsecured Convertible Note issued to Rory J. Cutaia

10.25 (10)	Form of 12% Unsecured Convertible Note issued to Oceanside Strategies, Inc.
10.26 (10)	Form of Warrant Agreement for Oceanside Strategies, Inc.
10.27 (11)	Private Placement Subscription Agreement
10.28 (11)	Form of Option Agreement for Messrs. Geiskopf and Cutaia
10.29 (12)	July 12, 2016 Term Sheet with Nick Cannon
10.30 (12)	Form of Option Agreement for Jeff Clayborne

10.31 (13)	Form of Engagement Agreement dated August 8, 201 between bBooth, Inc. and International Monetary
10.32 (14)	Private Placement Subscription Agreement
10.33 (15)	April 2016 12% Unsecured Convertible Note issued to Oceanside Strategies, Inc.
10.34 (15)	Extension Agreement and Amendment to 12% Unsecured Convertible Note issued to Oceanside Strategies, Inc.
10.35 (15)	Warrant Agreement for Oceanside Strategies, Inc.
10.36 (16)	Securities Purchase Agreement by and between the Company and the Purchaser, dated February 13, 2017
10.37 (16)	Certificate of Designations, Preferences and Rights of the Series A Convertible Preferred Stock, dated February 13, 2017
10.38 (16)	Letter from Anton & Chia, LLP, dated February 15, 2017 to the Securities and Exchange Commission
10.39 (17)	Articles of Merger, as filed with the Secretary of State of the State of Nevada on April 4, 2017
10.40 (17)	Certificate of Correction, as filed with the Secretary of State of the State of Nevada on April 17, 2017
14.1 (2)	Code of Ethics and Business Conduct
21.1	Subsidiaries bBooth (USA), Inc. (Nevada) Global System Designs Inc. (Canada)
31.1*	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer and Principal Accounting Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Principal Financial Officer and Principal Accounting Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Filed herewith

(1) Previously filed as exhibits to our company's registration statement on Form S-1, on April 8, 2013, File Number 333-187782 and incorporated herein.

(2) Previously filed as exhibits to our company's current report on Form 8-K on October 22, 2014 and incorporated herein.

(3) Previously filed as an exhibit to our company's current report on Form 8-K on November 24, 2014 and incorporated herein.

(4) Previously filed as an exhibit to our company's current report on Form 8-K on December 17, 2014 and incorporated herein.

(5) Previously filed as an exhibit to our company's current report on Form 8-K on January 26, 2015 and incorporated herein.

(6) Previously filed as an exhibit to our company's current report on Form 8-K on March 9, 2015 and incorporated herein.

(7) Previously filed as an exhibit to our company's current report on Form 8-K on March 27, 2015 and incorporated herein.

(8) Previously filed as an exhibit to our company's current report on Form 8-K on December 1, 2015 and incorporated herein.

(9) Previously filed as an exhibit to our company's current report on Form 8-K on January 28, 2016 and incorporated herein.

(10) Previously filed as an exhibit to our company's current report on Form 8-K on April 4, 2016 and incorporated herein.

(11) Previously filed as an exhibit to our company's current report on Form 8-K on May 5, 2016 and incorporated herein.

(12) Previously filed as an exhibit to our company's current report on Form 8-K on July 12, 2016 and incorporated herein.

(13) Previously filed as an exhibit to our company's current report on Form 8-K on August 8, 2016 and incorporated herein.

(14) Previously filed as an exhibit to our company's current report on Form 8-K on September14, 2016 and incorporated herein.

(15) Previously filed as an exhibit to our company's current report on Form 8-K on January 7, 2017 and incorporated herein.

(16) Previously filed as an exhibit to our company's current report on Form 8-K on February 14, 2017 and incorporated herein.

(17) Previously filed as an exhibit to our company's current report on Form 8-K on April 21, 2017 and incorporated herein.

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.

	nFÜSZ, INC.
May 10, 2017	By: */s/ Rory Cutaia*
	Rory J. Cutaia President, Chief Executive Officer, Secretary, and Director (Principal Executive Officer)
May 10, 2017	By: */s/ Jeff Clayborne*
	Jeff Clayborne Chief Financial Officer

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Rory J. Cutaia, certify that:

1. I have reviewed this quarterly report on Form 10-Q nFüsz, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my 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 my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. 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 functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 10, 2017

/s/ Rory Cutaia

Rory Cutaia
President, Secretary, Chief Executive Officer, Director,
and Principal Executive Officer

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeff Clayborne, certify that:

1. I have reviewed this quarterly report on Form 10-Q of nFüsz, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my 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 my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. 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 functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

May 10, 2017

/s/ Jeff Clayborne

Jeff Clayborne
Chief Financial Officer, Principal Financial Officer, and
Principal Accounting Officer

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, Rory J. Cutaia, hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that

1. the quarterly report on Form 10-Q of nFüsz, Inc. for the quarterly period ended March 31, 2017 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 Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of nFüsz Inc.

May 10, 2017

/s/ Rory Cutaia
Rory J. Cutaia
President, Secretary, Chief
Executive Officer, Director, and Principal Executive Officer

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, Jeff Clayborne, hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that

1. the quarterly report on Form 10-Q of nFüsz, Inc. for the quarterly period ended March 31, 2017 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 Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of nFüsz, Inc.

May 10, 2017

/s/ Jeff Clayborne

Jeff Clayborne
Chief Financial Officer, Principal Financial Officer, and Principal Accounting Officer