

True Drinks Holdings, Inc.
Form 10-Q
August 30, 2018

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2018

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

For the transition period from _____ to _____

Commission file number 001-32420

TRUE DRINKS HOLDINGS, INC.
(Exact Name of Registrant as Specified in Its Charter)

Nevada 84-1575085
(State or Other Jurisdiction of Incorporation or Organization) (IRS Employer Identification No.)

2 Park Plaza, Suite 1200, Irvine, CA 92614
(Address of Principal Executive Offices)

(949) 203-3500
(Registrant's Telephone Number, Including Area Code)

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated

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filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

The number of shares of Common Stock, \$0.001 par value per share, outstanding on August 28, 2018 was 228,460,602.

TRUE DRINKS HOLDINGS, INC.

QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED MARCH 31, 2018

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PART I

ITEM 1. FINANCIAL STATEMENTS

TRUE DRINKS HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2018	December 31, 2017
ASSETS		
Current Assets:		
Cash and cash equivalents	\$13,178	\$76,534
Accounts receivable, net	56,837	55,469
Inventory, net	897,719	1,176,101
Prepaid expenses and other current assets	36,803	80,918
Total Current Assets	1,004,537	1,389,022
Property and Equipment, net	4,662	5,896
Goodwill	3,474,502	3,474,502
Total Assets	\$4,483,701	\$4,869,420
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable and accrued expenses	\$7,022,034	\$7,432,799
Debt, Short-term	2,215,306	764,563
Derivative liabilities	8,337	8,337
Total Current Liabilities	9,245,677	8,205,699
Debt, long-term	1,115,000	2,050,000
Total liabilities	10,360,677	10,255,699
Commitments and Contingencies (Note 5)		
Stockholders' Deficit:		
Common Stock, \$0.001 par value, 300,000,000 shares authorized, 220,889,432 and 218,151,591 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively	220,890	218,152
Preferred Stock – Series B (liquidation preference of \$4 per share), \$0.001 par value, 2,750,000 shares authorized, 1,285,585 shares issued and outstanding at March 31, 2018	1,285	1,285

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and December 31, 2017

Preferred Stock – Series C (liquidation preference \$100 per share), \$0.001 par value, 200,000 shares authorized, 105,704 shares issued and outstanding at March 31, 2018 and December 31, 2017	106	106
Preferred Stock – Series D (liquidation preference \$100 per share), \$0.001 par value, 50,000 shares authorized, 34,250 shares issued and outstanding at March 31, 2018 and December 31, 2017	34	34
Additional paid in capital	42,854,443	42,635,493
Accumulated deficit	(48,953,734)	(48,241,349)
Total Stockholders' Deficit	(5,876,976)	(5,386,279)
Total Liabilities and Stockholders' Deficit	\$4,483,701	\$4,869,420

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

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TRUE DRINKS HOLDINGS, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (Unaudited)

	Three Months Ended March 31,	
	2018	2017
Net Sales	\$301,626	\$1,529,752
Cost of Sales	309,505	973,613
Gross (Loss) Profit	(7,879)	556,139
Operating Expenses		
Selling and marketing	176,140	1,583,531
General and administrative	872,999	1,417,908
Total operating expenses	1,049,139	3,001,439
Operating Loss		