

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

**AMENDMENT NO. 2 TO FORM S-1
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**

HEALTHIER CHOICES MANAGEMENT CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
*(State or other jurisdiction of
incorporation or organization)*

2100
(Primary Standard Industrial Classification Code Number)

84-1070932
(I.R.S. Employer Identification Number)

**3800 North 28th Way
Hollywood, FL 33020
(305) 600-5004**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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Chief Executive Officer
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(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement is declared effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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 filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price ⁽¹⁾	Amount of Registration Fee
Non-transferable Rights to purchase Shares ⁽²⁾	—	—
Shares issuable upon exercise of Non-transferable Rights	\$100,000,000	\$10,910
Total	\$100,000,000	\$10,910 ⁽³⁾

(1) Aggregate offering prices are estimated solely for purposes of calculating the registration fee in accordance with Rule 457(o) under the Securities Act of 1933. Pursuant to Rule 416 under the Securities Act of 1933, the securities being registered hereunder include such a number of additional securities as may be issuable to prevent dilution resulting from stock splits, stock dividends or similar transactions.

(2) Non-transferable Rights are being issued without consideration.

(3) The Registrant previously paid this fee with a prior filing of this registration statement.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to such Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 18, 2021

PRELIMINARY PROSPECTUS

Subscription Rights to Purchase Up to 70,175,438,596 Shares of Common Stock

We are distributing, at no charge, non-transferable Subscription Rights entitling holders of common stock as of the record date of 5:00 p.m. (Eastern time) on May 18, 2021, one Subscription Right to purchase one share of common stock for every four shares of common stock owned. The per share exercise price (the "Actual Subscription Price") of the Subscription Right will be a 25% discount to the volume-weighted average of the trading prices ("VWAP") of our common stock on the OTC Pink Sheets for the five consecutive trading days ending on the expiration date of the offering. For purposes of this preliminary prospectus, the estimated subscription price is \$0.001425 (the "Estimated Subscription Price"), subject to change when calculated on such expiration date of this offering.

The holders of our Series D convertible preferred stock will also receive Subscription Rights based on the number of shares of common stock that would be received upon conversion in full of such preferred stock. The maximum aggregate amount of subscriptions that will be accepted by the Company will be \$100 million ("Maximum Offering Amount").

Pursuant to your Subscription Rights, you will have the right, which we refer to as your basic right, to purchase a number of shares based on the number of shares of common stock you held as of the record date. If you exercise your basic right in full, you will also have the right, or over-subscription right, to purchase additional shares for which other rights holders do not subscribe. If you wish to exercise your over-subscription right, you may request to purchase any number of shares of common stock. These requests for the exercise of the basic right or the over-subscription right, however, will be subject to a pro-rata reduction in the event that the Maximum Offering Amount is reached, in which case you will only pay for the shares that you are able to purchase and a refund will be issued to you for the unapplied subscription payment. Once made, all exercises of your basic rights and over-subscription rights are irrevocable.

Your basic rights and over-subscription right will expire if not exercised by 5:00 p.m. (Eastern time) on June 3, 2021 (the "Expiration Date"), unless we extend or terminate this offering. We may extend this offering for one or more additional periods in our sole discretion. We will announce any extension in a press release issued no later than 9 a.m. (Eastern time) on the business day after the most recently announced Expiration Date.

There is no minimum number of shares that we must sell in order to complete the rights offering. Stockholders who subscribe for their full basic right will not be diluted as they will continue to own at least the same percentage of the total shares of common stock outstanding. Stockholders who do not participate in the rights offering will continue to own the same number of shares, but will own a smaller percentage of the total shares outstanding to the extent that other stockholders participate in the rights offering. One way a rights offering differs from a reverse stock split is that a stockholder's actual number of shares owned are not reduced in a rights offering. Subscription Rights that are not exercised by the Expiration Date will expire and have no value. The Subscription Right are not transferable.

The purpose of this rights offering is to raise equity capital in a cost-effective and potentially non-dilutive manner that provides all of our existing stockholders the opportunity to participate and purchase up to approximately an additional 22.7% of the Company's common stock. The net proceeds will be used for general working capital purposes, including the protection of our intellectual property rights through litigation and other methods, funding future research and development for both our intellectual property suite and products, and funding for growth initiatives for both our grocery and vape segments.

Our common stock is traded on the OTC Pink Sheets under the symbol "HCMC." The last reported sale price of the common stock on May 17 2021 was \$0.0016 per share.

Investing in our securities involves risks. See "Risk Factors" beginning on page 12 of this prospectus. We and our board of directors are not making any recommendation regarding the exercise of your rights.

We have engaged Maxim Group LLC, or Maxim, to act as dealer-manager for this offering.

Our offering is being conducted on a best-efforts basis, and we do not need to receive any minimum amount of proceeds in order to complete the offering. We have not entered into any standby purchase agreement, backstop commitment or similar arrangement in connection with this offering.

Broadridge Corporate Issuer Solutions, Inc. will serve as the subscription agent for this offering and will hold in escrow funds received from subscribers until we complete or terminate the offering.

	Per Share	Total(1)
Estimated subscription price	\$ 0.001425	\$ 100,000,000
Dealer-manager fees and expenses(2)	\$ 0.000093	\$ 6,500,000
Proceeds to us, before expenses	\$ 0.001332	\$ 93,500,000

(1) Assumes sale of all offered shares.

(2) Represents maximum amount payable. We have agreed to pay Maxim, as dealer-manager, a cash fee equal to 6.5% of the proceeds to us. See "Plan of Distribution" of this prospectus for a complete description of the compensation payable to Maxim.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

It is anticipated that delivery of shares purchased in this offering will be made on or about June __, 2021.

Dealer-Manager

Maxim Group LLC

The date of this prospectus is May __, 2021.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission (the "SEC"). The exhibits to the registration statement contain the full text of certain contracts and other important documents we have summarized in this prospectus. Since these summaries may not contain all the information that you may find important in deciding whether to purchase our securities, you should review the full text of these documents. The registration statement and the exhibits can be obtained from the SEC as indicated under the sections entitled "Where You Can Find Additional Information" and "Incorporation by Reference."

You should rely only on the information contained in this prospectus and any free writing prospectus we may authorize to be delivered to you. We have not, and Maxim has not, authorized anyone to provide you with information different from, or in addition to, that contained in this prospectus and any related free writing prospectus. We and Maxim take no responsibility for, and can provide no assurances as to the reliability of, any information that others may give you. This prospectus is not an offer to sell, nor is it seeking an offer to buy, these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus is only accurate as of the date of this prospectus, regardless of the time of delivery of this prospectus and any sale of shares.

Any reference in this prospectus to information that is "contained," "referred to" or "included" in this prospectus, or any similar expression, includes not only the information expressly set forth in this prospectus but also the information incorporated by reference in this prospectus.

Unless the context requires otherwise, references in this prospectus to "HCMC," "our company," "we," "our" "us" and similar terms refer to Healthie Choices Management Corp., a Delaware corporation, and its subsidiaries, unless the context otherwise requires.

PROSPECTUS SUMMARY

The following summary highlights selected information contained in this prospectus. Because the following is only a summary, it does not contain all of the information you should consider before investing in our securities. Before making an investment decision, you should carefully read all of the information contained in this prospectus, including the risks described under "Risk Factors" and our consolidated financial statements and the related notes incorporated by reference from our 2020 Form 10-K, before making an investment decision.

Our Business

Healthier Choices Management Corp. is a holding company focused on providing consumers with healthier daily choices with respect to nutrition and other lifestyle alternatives. The Company currently operates eight retail vape stores in the Southeast region of the United States, through which it offers e-liquids, vaporizers and related products. The Company also operates Ada's Natural Market, a natural and organic grocery store, through its wholly owned subsidiary Healthy Choice Markets, Inc. and Paradise Health and Nutrition, stores that offer fresh produce, bulk foods, vitamins and supplements, packaged groceries, meat and seafood, deli, baked goods, dairy products, frozen foods, health & beauty products and natural household items through its wholly owned subsidiary-Healthy Choice Markets 2, LLC. The Company also sells vitamins and supplements on its website TheVitaminStore.com and on Amazon.com marketplace through its wholly-owned subsidiary Healthy U Wholesale, Inc.

Through its wholly owned subsidiary, HCMC Intellectual Property Holdings, LLC, the Company manages and intends to expand on its intellectual property portfolio. The Company also markets its Q-Cup® technology under the vape segment. This patented technology is based on a small, quartz cup called The Q-Cup®, which a customer can purchase already filled by a third party in some regions, or can partially fill themselves with either cannabis or CBI concentrate (approximately 50 mg), also purchased from a third party. The Q-Cup® can then be inserted into the patented Q-Unit™, which heats the cup from the outside without coming in direct contact with the solid concentrate. This Q-Cup™® and Q-Unit™ technology provides significantly more efficiency and an "on the go" solution for consumers who prefer to vape concentrates either medicinally or recreationally. The Q-Cup® can also be used in other devices as a convenient micro-dosing system.

For a complete description of our business, financial condition, results of operations and other important information, please read our filings with the SEC that are incorporated by reference in this prospectus, including our 2020 Form 10-K. For instructions on how to find copies of these documents, please read "Where You Can Find Additional Information."

This Offering

Subscription Rights

We are distributing, at no charge, non-transferable Subscription Rights ("Subscription Rights") entitling holders of common stock as of the record date of 5:00 p.m. (Eastern time) on May 18, 2021, whom we refer to as rights holders or you, to purchase additional shares of our common stock. Your Subscription Rights will consist of:

- your basic right, which will entitle you to purchase one share of common stock for every four shares you held as of the record date; and
- your over-subscription right, which will be exercisable only if you exercise your basic right in full and will entitle you to purchase additional shares for which other rights holders do not subscribe, subject to a pro rata allocation of those additional shares to participating rights holders based on your percentage ownership in the Company.

Subscription Price

All shares are being offered and sold at a subscription price equal to 75% of the volume-weighted average of the trading prices (the "VWAP") of our common stock on the OTC Pink Sheets for the five consecutive trading days ending on the Expiration Date (the "Actual Subscription Price"). For purposes of this preliminary prospectus, the estimated subscription price is \$0.001425 ("Estimated Subscription Price"), which is equal to 75% of the VWAP for the five consecutive trading days ending on May 12, 2021. The number of shares purchased will be adjusted for the Actual Subscription Price.

Because the Actual Subscription Price will be determined on the Expiration Date, rights holders will not know the subscription price at the time of exercise. The rights holders, therefore, will be required initially to pay for the shares subscribed for pursuant to their basic rights and any additional shares subscribed for pursuant to the over-subscription right at the Estimated Subscription Price. Stockholders exercising their Subscription Rights are in effect investing a fixed amount in the Company to receive the maximum number of shares of Common Stock issuable at the Actual Subscription Price.

If, on the Expiration Date, the Actual Subscription Price is lower than the Estimated Subscription Price, any excess subscription amounts paid by subscriber (the "Excess Subscription Amount") will be applied towards the purchase of additional shares in the rights offering. If, on the Expiration Date, the Actual Subscription Price is higher than the Estimated Subscription Price, the subscriber will receive less shares than subscribed for and any payments made by a subscriber toward the over-subscription rights will first be applied toward completing the purchase of all shares subscribed for pursuant to their basic rights, and then towards shares subscribed for pursuant to the over-subscription rights, if any. For more information, see "Questions and Answers About the Rights Offering" below.

Exercise of Subscription Rights

Subscription Rights, consisting of basic rights and over-subscription rights, may be exercised at any time during the subscription period, which commences on May 19, 2021 and expires at 5:00 p.m. (Eastern time) on June 3, 2021, or the Expiration Date, unless we extend or terminate this offering. Once made, an exercise of Subscription Rights is irrevocable.

We may extend this offering for one or more additional periods in our sole discretion. We will announce any extension in a press release issued no later than 9:00 a.m. (Eastern time) on the business day after the most recently announced Expiration Date.

Subscription Rights may only be exercised in aggregate for at least one whole right. Any fractional Subscription Rights will be rounded up to one Subscription Right.

Transferability

The Subscription Rights are evidenced by a subscription certificate and are non-transferable. Shares of common stock included in the offering will be transferable following their issuance.

Use of Proceeds

Assuming this offering is fully subscribed, we estimate our net proceeds from the offering will total approximately \$92.0 million, after deducting fees and expenses of Maxim, as dealer-manager, and our other estimated offering expenses. We intend to use the net proceeds for general working capital purposes, including the protection of our intellectual property rights through litigation and other methods, funding future research and development of our intellectual property and products, and funding for growth initiatives for both our grocery and vape segments. See "Use of Proceeds."

Issuance of Our Common Stock

If you purchase shares of common stock through the rights offering, we will issue those shares to you in book-entry, or uncertificated, form as soon as practicable after the completion of the rights offering. Stock certificates will not be issued for shares of our common stock purchased in the rights offering.

Subscription Information

In order to obtain subscription information, you should contact:

- Broadridge Corporate Issuer Solutions, Inc., which will act as the subscription agent and the information agent in connection with this offering, by telephone at (855) 793-5068 or by email at shareholder@broadridge.com; or
- your broker-dealer, trust company or other nominee (including any mobile investment platform) where your Subscription Rights are held.

Subscription Procedures

In order to exercise your Subscription Rights, including your over-subscription right, you should deliver a completed subscription certificate and the required payment to Broadridge Corporate Issuer Solutions, Inc., the subscription agent for this offering, by the Expiration Date.

Important Dates

Set forth below are important dates for this offering, which generally are subject to extension:

Record date	May 18, 2021
Commencement date	May 19, 2021
Expiration Date	June 3, 2021
Deadline for delivery of subscription certificates and payment of subscription prices	June 3, 2021

Dealer-manager

Maxim Group LLC will act as the dealer-manager for the rights offering.

QUESTIONS AND ANSWERS RELATING TO THIS OFFERING

The following are examples of what we anticipate will be common questions about this offering. The answers are based on selected information included elsewhere in this prospectus. The following questions and answers do not contain all of the information that may be important to you and may not address all of the questions that you may have about this offering. This prospectus, including the documents we incorporate by reference, contains more detailed descriptions of the terms and conditions of this offering and provides additional information about our company and our business, including potential risks related to our business, the Rights Offering and common stock.

What is the Rights Offering?

We are issuing to each holder of common stock and the holders of our Series D convertible preferred stock ("Series D Preferred Stock") as of the record date, whom we refer to as a rights holder or you, one non-transferable subscription right for every four shares of common stock then owned by the holder as of the Record Date. Each basic right entitles the holder to purchase one share at the Actual Subscription Price. For purposes of submitting subscription payments, the Estimated Subscription Price will be \$0.001425. The Actual Subscription Price is equal to 75% of the VWAP of our common stock on the OTC Pink Sheets for the five consecutive trading days ending on the Expiration Date. In effect, the participants in the rights offering will be purchasing their shares at a 25% discount to such VWAP.

What is the Subscription Price?

The Actual Subscription Price for the shares to be issued pursuant to the offer will equal 75% of the VWAP of our common stock on the OTC Pink Sheets for the five consecutive trading days ending on the Expiration Date. Because the subscription price will be determined on the Expiration Date, rights holders will not know the subscription price at the time of exercise and will be required initially to pay for both the shares subscribed for pursuant to their basic Subscription Rights and, if eligible, any additional shares subscribed for pursuant to the over-subscription right at the Estimated Subscription Price of \$0.001425 per share. The Estimated Subscription Price reflects what the Actual Subscription Price would be if it was calculated using May 12, 2021 as the end date for the VWAP. Stockholders exercising their Subscription Rights are in effect investing a fixed amount in the Company to receive the maximum number of shares of Common Stock issuable at the Actual Subscription Price. Regardless of the Actual Subscription Price, Stockholders who exercise their rights will have no right to rescind their subscriptions after receipt of their completed subscription certificates together with payment for shares by the subscription agent.

By way of example, if you wish to purchase 1,000,000 shares (assuming 500,000 shares pursuant to your basic rights and 500,000 shares pursuant to your over-subscription rights) at the Estimated Subscription Price of \$0.001425, you would be investing \$1,425. The amount of shares that you receive for your \$1,425 will be adjusted based on the Actual Subscription Price. Using the previous example, if the Actual Subscription Price is \$0.00135, you will receive 1,055,556 shares for your same \$1,425 investment. Conversely, if the Actual Subscription Price is increased to \$0.0015 you will receive 950,000 shares for your \$1,425 investment. However, in both cases you will be receiving a 25% discount to the VWAP for the common stock over the five consecutive trading days ending on the Expiration Date. This example assumes the shares in excess of 500,000 were available pursuant to Over-Subscription Rights.

What are the basic rights?

For each basic right held, each rights holder has the opportunity to purchase one share at the Actual Subscription Price, provided that (1) basic rights must be exercised for a whole share (cannot exercise 0.5 Subscription Rights), and (2) the total subscription price payable upon any exercise of Subscription Rights will be rounded to the nearest whole cent. Any fractional basic rights will be rounded up to one Subscription Right. We have granted to you, as a holder of common stock as of the record date, one basic right for each four shares of common stock you then owned. For example, if you owned 4,000 shares of common stock as of the record date, you would receive 1,000 basic rights and would have the right to purchase, for an aggregate Subscription Price, 1,000 shares of common stock. You may exercise all, a portion or none of your basic rights. If you exercise fewer than all of your basic rights, however, you will not be entitled to purchase any additional shares pursuant to the over-subscription right. See "—What is the over-subscription right?" below.

What is the over-subscription right?

If you exercise all of your basic rights, you will have the right, which we refer to as the over-subscription right, to purchase additional shares that remain unsubscribed as a result of any unexercised basic rights. We refer to the basic rights and over-subscription right collectively as Subscription Rights. You should indicate on your subscription certificate, or the form provided by your nominee if your shares are held in the name of a nominee, how many additional shares you would like to purchase pursuant to your over-subscription right. You are entitled to exercise your over-subscription right only if you exercise your basic rights in full. If over-subscription requests exceed the number of shares available, however, we will allocate the available shares pro rata among rights holders who over-subscribe based on their percentage ownership in the Company. See "The Rights Offering—Over-Subscription Right."

May the Subscription Rights that I exercise be reduced for any reason?

Yes. While we are distributing to holders of our common stock and Series D preferred stock one subscription right for every four shares of common stock owned or deemed owned on the Record Date, we are only seeking to raise \$100 million dollars in gross proceeds in this offering. As a result, based on (1) 307,926,082,074 shares of common stock outstanding as of the date of the preliminary prospectus and (2) 2,083,333,333 shares of common stock deemed to be owned by the Series D holders that have a contractual right to participate in this offering and deemed to be outstanding as of the Record Date, we would grant subscription rights to acquire 77,502,353,852 shares of common stock but will only accept subscriptions for 70,175,438,596 shares of common stock based on the Estimated Subscription Amount. Accordingly, sufficient shares may not be available to fulfill all of the subscriptions rights that have been exercised. In the event the Company is not able to fulfill the subscriptions entirely, the Company will reduce the subscriptions pro rata based on your number of basic rights exercised in relation to the total subscription amounts and return any remaining funds to the subscriber.

In addition, sufficient shares may not be available to honor your exercise of the over-subscription right. If exercises of over-subscription rights exceed the number of shares available, we will allocate the available shares pro rata among rights holders who over-subscribe based on the number of over-subscription shares for which the rights holders have subscribed.

Why are we conducting this offering?

In accordance with our strategic plan, we are conducting this offering primarily to raise funds to facilitate the enforcement of our patent rights through litigation and other methods, research and development of our intellectual property suite and products, to accelerate our growth efforts in the health food, vitamin and vape sectors, to improve our overall liquidity, and for other general corporate purposes. Our board of directors has approved this offering and believes it will allow us to raise equity capital in a cost-effective manner that provides all of our existing stockholders the opportunity to participate in a non-dilutive manner. Based on information available to the board, as well as subsequent analyses of the board, the board believes that this offering is in the best interests of our company and stockholders. Our board is not, however, making any recommendation regarding your exercise of the Subscription Rights.

Our board considered and evaluated a number of factors relating to this offering, including:

- the fact that existing stockholders would have the opportunity to purchase additional shares;
- our current capital resources and indebtedness, and our future need for additional liquidity and capital;
- our need for increased financial flexibility in order to enable us to achieve our business plan;
- the size and timing of the offering and alternative securities to be offered;
- the potential dilution to our current stockholders if they choose not to participate in the offering;
- the non-transferability of the Subscription Rights; and
- alternatives available for raising capital.

Am I required to exercise the Subscription Rights I receive in this offering?

No. You may exercise any number of your Subscription Rights, or you may choose not to exercise any of your Subscription Rights. If, however, you choose not to exercise your Subscription Rights or you exercise less than your full amount of Subscription Rights and other stockholders fully exercise their Subscription Rights, the percentage of common stock owned by other stockholders will increase relative to your ownership percentage and your voting and other rights in our company will likewise be diluted due to your reduced ownership in HCMC — see "Description of Securities" for a description of the voting and liquidation rights of our common stock. However, your amount of shares you own will in no instance be reduced.

May I sell, transfer or assign my Subscription Rights?

No. You may not transfer, sell or assign any of the Subscription Rights distributed to you, except that Subscription Rights will be transferable by operation of law (e.g., by death). The Subscription Rights are non-transferable and will not be listed on any securities exchange or included in any automated quotation system. Therefore, there will be no market for the Subscription Rights.

How do I exercise my Subscription Rights if my shares of common stock are held in my name?

If you hold your shares of common stock in your name and you wish to participate in this offering, you must deliver a properly completed and duly executed subscription certificate and all other required subscription documents, together with payment of the full subscription price, to the subscription agent before 5:00 p.m. (Eastern time) on the Expiration Date.

If you send an uncertified check, payment will not be deemed to have been delivered to the subscription agent until the check has cleared. In certain cases, you may be required to provide signature guarantees. If you send an uncertified check, please send it as early as possible to have the best chance of it clearing before the Expiration Date.

Please follow the delivery instructions on the subscription certificate. Please DO NOT deliver documents to HCMC. You are solely responsible for completing delivery of your subscription certificate, all other required subscription documents and subscription payment to the subscription agent. You should allow sufficient time for delivery of your subscription materials to the subscription agent so that the subscription agent receives them by 5:00 p.m. (Eastern time) on the Expiration Date. See "—To whom should I send my forms and payment?" below.

If you send a payment that is insufficient to purchase the shares you requested, or if the number of shares you requested is not specified in the forms, the payment received will be applied to exercise your Subscription Rights to the fullest extent possible based on the amount of the payment received pursuant to your Subscription Rights. Any payment that is received but not so applied will be refunded to you without interest (subject to the rounding of the amount so applied to the nearest whole cent).

What form of payment is required to purchase shares in the offering?

As described in the instructions accompanying the subscription certificate, payments submitted to the subscription agent must be made in U.S. dollars. Checks or bank drafts drawn on U.S. banks should be payable to the order of "Broadridge Corporate Issuer Solutions, Inc., as Subscription Agent for Health Choices Management Corp." Payments by uncertified check will be deemed to have been received upon clearance. Please note that funds paid by uncertified check may take five or more business days to clear. Accordingly, rights holders who wish to pay the subscription price by means of uncertified check are urged to make payment sufficiently in advance of the expiration time to ensure that such payment is received and clears by such date. If you hold your shares of common stock in the name of a broker, dealer, custodian bank or other nominee (including any mobile investment platform), separate payment instructions may apply. Please contact your nominee, if applicable, for further payment instructions.

How do I exercise my Subscription Rights if my shares of common stock are held in the name of a broker, dealer, custodian bank or other nominee?

If you hold shares of common stock in the name of a broker, dealer, custodian bank or other nominee (including any mobile investment platform) that uses the services of Depository Trust Company (DTC), then Depository Trust Company will credit one basic right to your nominee record holder for every four shares of common stock that you beneficially owned as of the record date. If you are not contacted by your nominee (including any mobile investment platform), you should contact your nominee as soon as possible.

How soon must I act to exercise my Subscription Rights?

If your shares of common stock are registered in your name and you elect to exercise any of your Subscription Rights, the subscription agent must receive your properly completed and duly executed subscription certificate, all other required subscription documents and full subscription payment, including final clearance of any uncertified check, before 5:00 p.m. (Eastern time) on the Expiration Date on June 3, 2021. If you hold shares in the name of a broker, dealer, custodian bank or other nominee, your nominee (including any mobile investment platform) may establish an earlier deadline before the expiration of this offering by which time you must provide the nominee with your instructions and payment to exercise your Subscription Rights.

Although we will make reasonable attempts to provide this prospectus to our stockholders to whom rights are distributed, this offering and all related Subscription Rights will expire at 5:00 p.m. (Eastern time) on the Expiration Date, whether or not we have been able to locate and deliver this prospectus to you or any other stockholder.

After I exercise my Subscription Rights, can I change my mind?

No. Once made, all exercises of Subscription Rights are irrevocable, even if you later learn information that you consider to be unfavorable to the exercise of your Subscription Right or if the offering is extended by the board of directors. You should not exercise your subscription right unless you are certain that you wish to purchase shares at the Estimated Subscription Price.

What happens if the Actual Subscription Price is less than the Estimated Subscription Price?

If, on the Expiration Date, the Actual Subscription Price is lower than the Estimated Subscription Price paid by the subscriber, any Excess Subscription Amounts paid by a subscriber will be applied towards the purchase of additional shares in the rights offering. For example, assume that the Estimated Initial Subscription Price is \$0.001425 per share. If you want to exercise your rights to purchase 1,000,000 shares, you will promptly send payment to the subscription agent in the amount of \$1,425. If the Actual Subscription Price decreases to \$0.00135 per share, you will be deemed to have exercised the over-subscription rights and will receive 1,055,556 shares rather than 1,000,000 shares and no cash back. Detailed instructions to exercise your rights, including regarding payment of the subscription price, are also included on your rights certificate. For assistance you may contact the subscription agent, Broadridge Corporate Issuer Solutions, Inc., toll free at 1-888-789-8409 or by e-mail at shareholder@broadridge.com.

What happens if the Actual Subscription Price is more than the Estimated Subscription Price?

If, on the Expiration Date, the Actual Subscription Price is greater than the Estimated Subscription Price paid by the subscriber, any payments made by subscriber with respect to the over-subscription rights will first be applied towards the purchase of shares subscribed for pursuant to the subscriber's basic rights, and then towards shares subscribed for pursuant to the over-subscription rights, if any. If you did not exercise the over-subscription rights, you will receive fewer shares than you elected to purchase pursuant to the basic rights. For example, assume that the Estimated Subscription Price is \$0.001425 per share. If you want to exercise your rights to purchase 1,000,000 shares, you will promptly send payment to the subscription agent in the amount of \$1,425. If the Actual Subscription Price increases to \$0.0015 per share, you will receive 950,000 shares rather than 1,000,000 shares for your payment with respect to your basic rights. In addition, if you made a payment with respect to your over-subscription right, a portion of such payment will be used to fulfill your purchase request for the additional 500,000 shares related to your basic rights. Detailed instructions to exercise your rights, including regarding payment of the subscription price, are also included on your rights certificate. Regardless of the Actual Subscription Price, Stockholders who exercise their rights will have no right to rescind their subscriptions after receipt of their completed subscription certificates together with payment for shares by the subscription agent. For assistance you may contact the subscription agent, Broadridge Corporate Issuer Solutions, Inc., toll free at 1-888-789-8409 or by e-mail at shareholder@broadridge.com.

Does HCMC need to achieve a minimum participation level in order to complete the rights offering?

No. There is no minimum subscription requirement. We may consummate the offering regardless of the amount raised from the exercise of basic and over-subscription rights by the expiration date.

Can this offering be terminated or extended?

Yes. If we terminate this offering, neither we nor the subscription agent will have any obligation with respect to Subscription Rights that have been exercised except to promptly return, without interest or deduction, any subscription payment the subscription agent received from you. If we were to terminate this offering, any money received from subscribing stockholders would be promptly returned, without interest or deduction, and we would not be obligated to issue shares or shares of common stock to rights holders who have exercised their Subscription Rights prior to termination.

Is a rights offering similar to a reverse stock split?

No. These are completely different corporate actions. Among other differences between these actions, the numbers of shares owned by a stockholder is reduced in a reverse stock split. No reduction in shares owned by any stockholder will occur as a result of the rights offering.

How was the subscription price determined?

The subscription price was set by our board of directors, considering, among other things, input from its dealer-manager for this offering. The factors considered by our board are discussed in "The Rights Offering—Reasons for this Offering" and "Determination of the Subscription Price."

Has the board of directors made a recommendation to stockholders regarding the exercise of rights under this offering?

No. Our board of directors has not made, nor will it make, any recommendation to stockholders regarding the exercise of Subscription Rights in this offering. We cannot predict the price at which shares of our outstanding common stock will trade after this offering. You should make an independent investment decision about whether or not to exercise your Subscription Rights. Rights holders who exercise Subscription Rights risk investment loss on new money invested. We cannot assure you that the market price for common stock will remain above the price payable per share of common stock, or that anyone purchasing shares of common stock at the exercise price will be able to sell those shares in the future at the same price or a higher price. If you do not exercise your Subscription Rights, you will lose any value represented by your Subscription Rights, and if you do not exercise your rights in full, your percentage ownership interest and related rights in our company will be diluted due to your reduced ownership in HCMC.

May I participate in this offering if I sell my common stock after the record date?

The record date for this offering is 5:00 p.m. (Eastern time) May 18, 2021. If you own common stock as of the record date, you will receive Subscription Rights and may participate in this offering even if you subsequently sell your common stock.

Are there any risks associated with this offering?

Yes. The exercise of your Subscription Rights involves risks. Exercising your Subscription Rights involves the purchase of common stock and should be considered as carefully as you would consider any other equity investment. Among other things, you should carefully consider the risks described under the heading "Risk Factors" in this prospectus and all other information contained in this prospectus.

Will the directors and executive officers participate in this offering?

No. To the extent they hold common stock as of the record date, our directors and executive officers are entitled to participate in this offering on the same terms and conditions applicable to all other stockholders. Our directors and executive officers, however, have agreed with the Company not to participate in this offering, although they are not required to do so.

May stockholders in all jurisdictions participate in the rights offering?

Although we intend to distribute the rights to all stockholders, we reserve the right in some states to require stockholders, if they wish to participate, to state and agree upon exercise of their respective rights that they are acquiring the shares for investment purposes only, and that they have no present intention to resell or transfer any shares acquired. Our securities are not being offered in any jurisdiction where the offer is not permitted under applicable local laws.

When will I receive my shares of common stock?

If you purchase shares of common stock through the rights offering, we will issue those shares to you in book-entry, or uncertificated, form. Although we will endeavor to issue the appropriate book-entries as soon as practicable after completion of this offering, there may be some delay between the Expiration Date and the time that we issue the new book-entries. Stock certificates will not be issued for shares of our common stock purchased in the rights offering.

What effects will this offering have on our outstanding common stock?

Based on shares of common stock outstanding as of May 11, 2021, if this offering is fully subscribed at the Estimated Subscription Price, we will have 378,101,520,610 shares of common stock outstanding, representing an increase of 22.7% in our outstanding shares as of the record date. If you fully exercise your basic rights, your proportional interest in our company will not change. If you exercise only a portion, or none, of your basic rights, your interest in our company will be diluted and your proportional interest in our company will decrease.

The number of shares of common stock outstanding listed in each case above assumes that (1) all of the other shares of common stock issued and outstanding on the record date will remain issued and outstanding and owned by the same persons as of the closing of this offering, and (2) we will not issue any shares of common stock in the period between the record date and the closing of this offering.

Can the holders of the Series D Preferred Stock Participate in the Rights Offering?

Yes. The holders of our Series D Preferred Stock will also receive Subscription Rights based on the number of shares of common stock that would be received upon conversion in full of such preferred stock. Pursuant to our Certificate of Incorporation, the 5,000 shares of the Series D Preferred Stock outstanding may currently convert into 2,083,333,333 shares of our common stock in the aggregate.

How much will HCMC receive from this offering, and how will its proceeds be used?

If this offering is fully subscribed, we estimate our net proceeds from the offering will total approximately \$92.0 million, after deducting fees and expenses of Maxim, as dealer-manager, and our other estimated offering expenses. We intend to use the net proceeds to facilitate the enforcement of our intellectual property rights through litigation and other methods, research and development of our intellectual property suite and products, to accelerate our growth efforts in the health food, vitamin and vape sectors, to improve our overall liquidity, and for other general corporate purposes.

If my exercise of Subscription Rights is cutback due to the offering being oversubscribed, is not valid or if this offering is not completed, will my subscription payment be refunded to me?

Yes. The subscription agent will hold all funds it receives in escrow until the completion or termination of this offering. If your exercise of Subscription Rights is deemed not to be valid or this offering is not completed, all subscription payments received by the subscription agent will be promptly returned, without interest or deduction, following the expiration of the offering. If you own shares through a nominee (including any mobile investment platform), it may take longer for you to receive your subscription price repayment because the subscription agent will return payments through your nominee.

What fees or charges apply if I purchase shares in this offering?

We are not charging any fee or sales commission to issue rights to you or, if you exercise any of your Subscription Rights, to issue shares to you. If you exercise your Subscription Rights through a broker, dealer, custodian bank or other nominee (including any mobile investment platform), you are responsible for paying any fees your nominee may charge you.

What are the U.S. federal income tax consequences of exercising my Subscription Rights?

For U.S. federal income tax purposes, a rights holder should not recognize income or loss in connection with the receipt or exercise of rights in this offering. You should consult your tax advisor as to your particular tax consequences resulting from the offering. For a summary of certain U.S. federal income tax consequences of this offering, see "Material U.S. Federal Income Tax Considerations."

To whom should I send my forms and payment?

If your shares of common stock are held in the name of a broker, dealer, custodian bank or other nominee (including any mobile investment platform), then you should deliver all required subscription documents and subscription payments pursuant to the instructions provided by your nominee. If your shares of common stock are held in your name, then you should send your subscription certificate, all other required subscription documents and your subscription payment by mail to:

Broadridge Corporate Issuer Solutions, Inc.
Attn: BCIS re-Organization Dept.
P.O. Box 1317
Brentwood, NY 11717-0718

or by hand delivery or overnight courier to:

Broadridge Corporate Issuer Solutions, Inc.
Attn: BCIS IWS
51 Mercedes Way
Edgewood, NY 11717

You and, if applicable, your nominee are solely responsible for completing delivery to the subscription agent of your subscription certificate, as well as for completing delivery of all other required subscription documents and your subscription payment. You should allow sufficient time for delivery of your subscription materials to the subscription agent and for clearance of payments before the expiration of this offering. If you hold your common stock through a broker, dealer, custodian bank or other nominee (including any mobile investment platform), your nominee may establish an earlier deadline before the Expiration Date of this offering.

Who is the dealer-manager?

Maxim will act as dealer-manager for this offering. Under the terms and subject to the conditions contained in the dealer-manager agreement, Maxim will act as an advisor for purposes of this offering. We have agreed to pay Maxim certain fees for acting as dealer-manager and to reimburse it for certain expenses incurred in connection with this offering. Maxim is not underwriting, soliciting or placing any of the Subscription Rights or the shares of common stock being issued in this offering and is not making any recommendation with respect to such Subscription Rights (including with respect to the exercise or expiration of such Subscription Rights) or shares of common stock.

Whom should I contact if I have other questions?

If you have any questions regarding this offering, completion of the subscription certificate or any other subscription documents or submitting payment in the offering, please contact Broadridge Corporate Issuer Solutions, Inc. by telephone at (855) 793-5068 or by email at shareholder@broadridge.com.

RISK FACTORS

Investing in our securities involves a high degree of risk. You should consider and read carefully all of the risks and uncertainties described below, as well as other information contained in this prospectus, before making an investment decision with respect to our securities. The occurrence of any of the following risks or those incorporated by reference, or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition, results of operations or cash flows. In any such case, the trading price of common stock, could decline, and you may lose all or part of your investment. This prospectus also contains forward-looking statements and estimates that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of specific factors, including the risks and uncertainties described below and those incorporated by reference.

RISKS RELATED TO THE RIGHTS OFFERING

This offering may cause the price of common stock to decline, and the price may not recover for a substantial period of time, or at all.

The subscription price of shares in this offering, together with the number of shares of common stock we propose to issue and ultimately will issue in the offering, may result in an immediate decrease in the market value of the common stock. If the market price of common stock falls, you may have irrevocably committed to buy shares of common stock in this offering at an effective price per share greater than the prevailing market price. Further, if a substantial number of Subscription Rights are exercised and the exercising rights holders choose to sell some or all of the shares purchased directly, the resulting sales could depress the market price of common stock. We cannot assure you that the market price of common stock will not decline prior to the expiration of this offering or that, after shares of common stock are issued upon exercise of Subscription Rights, you will be able to sell shares of common stock purchased in the offering at a price greater than or equal to the effective price paid in the offering.

The subscription price determined for this offering may not be indicative of the fair value of common stock.

The subscription price was set by our board of directors, and you should not consider the subscription price as an indication of the fair value of common stock. The subscription price does not necessarily bear any relationship to the book value of our assets, net worth, past operations, cash flows, earnings/losses, financial condition or any other established criteria for fair value. The market price of common stock could decline during or after this offering, and you may not be able to sell shares of common stock purchased in the offering, at a price equal to or greater than the effective price paid in the offering, or at all.

Your interest in our company may be diluted as a result of this offering.

If you do not fully exercise your basic rights, you will, at the completion of this offering, own a smaller proportional interest in our company on a fully diluted basis than would have been the case if you had fully exercised your basic rights. Based on shares outstanding as of May 11, 2021, after giving effect to this offering (assuming the offering is fully subscribed at the Estimated Subscription Price of \$0.001425), we would have 378,101,520,610 shares of common stock outstanding, representing an increase in outstanding shares of 22.7%.

The Subscription Rights are non-transferable.

You cannot transfer or sell your Subscription Rights to anyone else. We therefore do not intend to list the Subscription Rights on any securities exchange or include them in any automated quotation system and there will be no market for the Subscription Rights.

We may have broad discretion in the use of a significant portion of the net proceeds from this offering and may not use those net proceeds effectively.

We intend to use the net proceeds to facilitate enforcement of our intellectual property rights through litigation and other methods, research and development of our intellectual property rights and products to accelerate our growth rate in the health food, vitamin and vape segments to improve our overall liquidity and reduce our indebtedness, and for other general corporate purposes. We cannot specify with any certainty the particular uses of the net proceeds, if any, that we receive from this offering. Our management will have broad discretion in the application of those additional net proceeds, and we may spend or invest those net proceeds in a way with which stockholders disagree. The failure by management to apply these funds effectively could harm our business and financial condition. Pending their use, we may invest the net proceeds in a manner that does not produce income or that loses value.

Our common stock price may be more volatile as a result of this Rights Offering.

Historically, the market price of our common stock has fluctuated over a wide range for a variety of reasons, including company-specific factors and industry-wide conditions and events. The price of the common stock that will prevail in the market after this Rights Offering may be higher or lower than the Actual Subscription Price depending on many factors, some of which are beyond our control and may not be directly related to our operating performance. Financings that may be available to us under current market conditions frequently involve sales at prices below the prices at which our common stock currently trades on the OTC Pink Sheets, as well as the issuance of warrants or convertible equity that require exercise or conversion prices that are calculated in the future at a discount to the then market price of our common stock.

We cannot assure you that the trading price of our common stock will not decline after you exercise your Subscription Rights. If that occurs, you may have bought shares of common stock in the rights offering at a price greater than the prevailing market price and could have an immediate unrealized loss. Moreover, we cannot assure you that, following the purchase of common stock in the rights offering, you will be able to sell your common stock at a price equal to or greater than the Actual Subscription Price, and you may lose all or part of your investment in our common stock. Until shares of common stock are delivered upon expiration of the Rights Offering, you will not be able to sell the shares of our common stock that you purchase in the Rights Offering. Shares of our common stock purchased in the rights offering will be issued as soon as practicable after the rights offering has expired, payment for the shares subscribed for has cleared, and all prorating calculations and reductions contemplated by the terms of the rights offering have been effected. We will not pay you interest on funds delivered to the Subscription Agent pursuant to your exercise of Subscription Rights.

We may amend or modify the terms of the Rights Offering at any time before the expiration of the Rights Offering in a way that could adversely affect your investment.

Our Board of Directors reserves the right to amend or modify the terms of the Rights Offering. The amendments or modifications may be made for any reason and may adversely affect your Subscription Rights. These changes may include, for example, changes to the Subscription Price or other matters that may induce greater participation by our stockholders in the Rights Offering. If we make any fundamental change (such as subscription price or the shares available to purchase pursuant to the basic right) to the terms of the Rights Offering after the date of effectiveness of this prospectus, we will file a post-effective amendment to the registration statement in which this prospectus is included and offer subscribers the opportunity to cancel their subscriptions. In such event, we will issue subscription refunds to each stockholder subscribing to purchase shares in the rights offering and recirculate an amended prospectus after the post-effective amendment is declared effective with the Commission. If we extend the Expiration Date in connection with any post-effective amendment, we will allow holders of Subscription Rights a reasonable period of additional time to make new investment decisions on the basis of the new information set forth in the prospectus that will form a part of the post-effective amendment. In such event, we will issue a press release announcing the changes to the rights offering and the new Expiration Date. Even if an amendment does not rise to the level that is fundamental and would thus require us to offer to return your subscription payment, the amendment may nonetheless adversely affect your rights and any prospective return on your investment.

You may not be able to immediately resell any shares of our common stock that you purchase upon the exercise of Subscription Rights immediately upon expiration of the Rights Offering.

If you exercise your Subscription Rights, you may not be able to resell the common stock you purchase by exercising your Subscription Rights until you (or your broker or other nominee) have received a book-entry representing those shares. Although we will endeavor to issue the appropriate book-entries as soon as practicable after completion of this offering, there may be some delay between the Expiration Date and the time that we issue the new book-entries. Until shares of common stock are delivered upon expiration of the Rights Offering, you will not be able to sell or transfer the common stock that you purchase in the Rights Offering. The price of our common stock as quoted on the OTC Pink Sheets may decrease in the time period between the Expiration Date when you purchase your shares and the date you access to such shares and may have the ability to sell them.

You may not revoke your exercise of rights.

Once you exercise your subscription rights, you may not revoke or change the exercise unless we are required by law to permit revocation. Accordingly, if you exercise your subscription rights and the market price of our common stock increases above the Estimated Subscription Price or you later learn information about us or the rights offering that you consider unfavorable to the exercise of your subscription rights, you will be committed to buying shares and may not revoke or change your exercise.

We do not know how many stockholders will participate in the Rights Offering.

We have no other agreements or understandings with any persons or entities with respect to their exercise of rights or their participation as an underwriter, broker or dealer in the rights offering. We therefore do not know how many other stockholders, if any, will participate in our rights offering. If the rights offering is not otherwise fully subscribed, we will not have the capital necessary to fund our contemplated uses of the net proceeds of the rights offering and might need to look to other sources of funding for these contemplated uses. There is no assurance that these alternative sources will be available and at what cost.

Exercising the Subscription Rights limits your ability to engage in certain hedging transactions that could provide you with financial benefits.

By exercising the Subscription Rights, you are representing to us that you have not entered into any short sale or similar transaction with respect to our common stock since the Record Date for the rights offering. This requirement prevents you from pursuing certain investment strategies that could provide you greater financial benefits than you might have realized if the Subscription Rights did not contain these requirements.

If we terminate this offering, neither we, nor the subscription agent will have any obligation to you except to promptly return your subscription payments.

We may terminate this offering at any time. If we do, neither we, nor the subscription agent will have any obligation to you with respect to Subscription Rights that you have exercised, other than to promptly return, without interest or deduction, the subscription payment you delivered to the subscription agent.

If you do not act on a timely basis and follow subscription instructions, your exercise of Subscription Rights may be rejected.

Holders of common stock who desire to purchase shares in this offering must act on a timely basis to ensure that all required forms and payments are actually received by the subscription agent prior to 5:00 p.m. (Eastern Time) on the Expiration Date, unless extended. If you are a beneficial owner of shares of common stock and you wish to exercise your Subscription Rights, you must act promptly to ensure that your broker, custodian bank or other nominee (including any mobile investment platform) acts for you and that all required forms and payments are actually received by your broker, custodian bank or other nominee (including any mobile investment platform) in sufficient time to deliver such forms and payments to the subscription agent in order to exercise your Subscription Rights by 5:00 p.m. (Eastern time) on the Expiration Date, unless extended. We will not be responsible if your broker, custodian or nominee (including any mobile investment platform) fails to ensure that all required forms and payments are actually received by the subscription agent in a timely manner.

If you fail to complete and sign the required subscription forms, send an incorrect payment amount, or otherwise fail to follow the subscription procedures that apply to your exercise of rights, the subscription agent may, depending on the circumstances, reject your subscription or accept it only to the extent of the payment received. Neither we, nor the subscription agent undertakes to contact you concerning an incomplete or incorrect subscription form or payment, nor are we or the subscription agent under any obligation to correct such forms or payment. We have the sole discretion to determine whether a subscription exercise properly follows the subscription procedures.

If you pay the subscription price by uncertified check, your check may not clear in sufficient time to enable you to exercise your Subscription Rights.

Any uncertified check used to pay for the subscription price in this offering must clear prior to the Expiration Date of this offering. The clearing process may require five or more business days. If you choose to pay the subscription price, in whole or in part, by uncertified check and your check does not clear prior to the Expiration Date of this offering, you will not have satisfied the conditions to exercise your rights and you will not receive the shares you wish to purchase.

You may not receive all of the shares for which you subscribe pursuant to basic rights or the over-subscription right.

The Actual Subscription Price may be greater than the Estimated Subscription Price. If you sent in payment for only your maximum basic rights, the price increase will cause you to receive less than your maximum shares subscribed for pursuant to the basic rights. For example, if you have basic rights to acquire 1,000,000 shares, you will send in \$1,425 (based on the Estimated Subscription Price of \$0.001425 to acquire 1,000,000 shares) as your subscription payment. If the Actual Subscription Price is \$0.0015, you will only receive 950,000 shares in the right offering. If you elected to exercise your over-subscription right, the remaining shares related to your basic rights will be purchased first using these funds to the extent available.

Rights holders who fully exercise their basic rights will have the right, pursuant to their over-subscription rights, to purchase additional shares to the extent other rights holders do not exercise their basic rights in full. Over-subscription rights will be allocated pro rata among rights holders who over-subscribe, based on the number of over-subscription shares for which the rights holders have subscribed. We cannot guarantee that you will receive all, or a significant portion, of the shares for which you subscribe pursuant to your over-subscription right.

If the number of shares allocated to you is less than your subscription request, the excess funds held by the subscription agent on your behalf will be promptly returned to you, without interest or deduction, after this offering has expired, and we will have no further obligations to you.

This offering may cause the market price of our common stock to decrease.

The subscription price, together with the number of shares of common stock we propose to issue and ultimately will issue in the rights offering, may result in an immediate decrease in the market price of our common stock. This decrease may continue throughout and after the completion of the rights offering. If that occurs, you may have committed to buy common stock in the rights offering at a price greater than the prevailing market price of our common stock. Further, if a substantial number of subscription rights are exercised and the subscribing holders choose to sell some or all of the shares of common stock received upon exercise of those rights, the resulting sales could depress the market price of our common stock. There is no assurance that following the rights offering you will be able to sell your shares of common stock purchased in the rights offering at a price equal to or greater than the subscription price.

Because no minimum subscription is required and because we do not have formal commitments from our stockholders for the entire amount we seek to raise pursuant to the rights offering, we cannot assure you of the amount of proceeds that we will receive from the rights offering.

No minimum subscription is required for consummation of the rights offering. We do not have formal commitments from our stockholders for the amount we seek to raise pursuant to the Rights Offering, and it is possible that no other rights will be exercised in connection with the Rights Offering. As a result, we cannot assure you of the amount of proceeds that we will receive in the Rights Offering. Therefore, if you exercise all or any portion of your subscription rights, but other stockholders do not, we may not raise the desired amount of capital in the Rights Offering, the market price of our common stock could be adversely impacted and we may find it necessary to pursue alternative means of financing, which may be dilutive to your investment.

Your receipt of Subscription Rights may be treated as a taxable dividend to you.

The distribution of Subscription Rights in this offering should be a non-taxable stock dividend under Section 305(a) of the Internal Revenue Code of 1986. This position is not binding on the Internal Revenue Service or the courts, however. If this offering is part of a "disproportionate distribution" under Section 305 of the Internal Revenue Code, your receipt of Subscription Rights may be treated as the receipt of a distribution equal to the fair market value of the rights. Any such distribution treated as a disproportionate distribution would be treated as dividend income to the extent of our current and accumulated earnings and profits, with any excess being treated as a return of basis to the extent thereof and then as capital gain. See "Material U.S. Federal Income Tax Considerations."

Maxim, as dealer-manager, is not acting as an underwriter or placement agent of the Subscription Rights or the securities underlying the Subscription Rights.

Maxim will act as dealer-manager for this offering and, in that capacity, will provide marketing assistance in connection with the offering. Maxim is not underwriting, soliciting or placing any of the Subscription Rights or the shares (or the common stock comprising the shares) and is not making any recommendation with respect to such Subscription Rights (including with respect to the exercise or expiration of such Subscription Rights) or shares. Maxim will not be subject to any liability to us in rendering services to us except for an act involving bad faith, willful misconduct or gross negligence.

Because we do not have a standby purchase agreement, backstop commitment or similar arrangement in connection with this offering, the net proceeds we receive from the offering may be less than we intend.

We have currently not entered into any standby purchase agreement, backstop commitment or similar arrangement in connection with this offering. We therefore cannot assure you that any of our stockholders will exercise all or any part of their Subscription Rights. We do not have arrangements under which Maxim or any other investment bank, financial advisor or other entity will be obligated to sell securities not purchased in this offering. If rights holders subscribe for fewer shares than anticipated, the net proceeds we receive from this offering could be significantly reduced. Regardless of whether this offering is fully subscribed.

We have not paid dividends and do not expect to pay dividends in the future. Any return on investment may be limited to the value of our common stock.

We have not paid cash dividends on our common stock and do not anticipate doing so in the foreseeable future. The payment of dividends on our common stock will depend on earnings, financial condition and other business and economic factors affecting us at such time as our board of directors may consider relevant. If we do not pay dividends, our common stock may be less valuable because a return on your investment will only occur if our stock price appreciates.

The Rights Offering May Result in the Reduction of the Conversion Price of the Series D Preferred Stock and Dilution to Existing Shareholders.

The conversion price for the Series D Preferred Stock is currently \$0.0024. The conversion price will be lesser of \$0.0024 and either (1) 85% of the average of the volume weighted average price (VWAP) during the 10 trading days immediately following the effective date and public announcement of the next reverse stock split of HCMC, (2) 80% of the lowest daily VWAP during the 5 trading days immediately preceding the date the conversion shares are either registered for resale or may be sold pursuant to Rule 144 and (3) the per share price at which Company securities are sold in the future. If the Actual Subscription Price is less than \$0.0024, the conversion price for the Series D Preferred Stock will be reduced to such price, causing dilution to existing stockholders upon conversion of the Series D Preferred Stock.

Risks Related to Our Securities

The market price of our common stock has been and may continue to be volatile and investors could incur substantial losses.

The market price of our common stock has been volatile, and fluctuates widely in price in response to various factors, which are beyond our control. The price of our common stock is not necessarily indicative of our operating performance or long-term business prospects. In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our common stock. We may continue to incur rapid and substantial increases or decreases in our stock price in the foreseeable future that do not coincide in timing with the disclosure of news or developments by us. Accordingly, the market price of our shares of common stock may fluctuate dramatically, and may decline rapidly, after you purchase shares in this offering, irrespective of any developments in our business. Factors such as the following could cause the market price of our common stock to fluctuate substantially:

- our quarterly operating and financial results;
- government regulation of our industry;
- the introduction of new products by our competitors;
- changing conditions in the electronic cigarette and tobacco industries; as well as the grocery business
- developments concerning proprietary rights;
- factors in the public trading market for our stock that may produce price movements that may or may not comport with macro, industry or company-specific fundamentals, including, without limitation, the sentiment of retail investors (including as may be expressed on financial trading and other social media sites and online forums), the direct access by retail investors to broadly available trading platforms, the amount and status of short interest in our securities, access to margin debt, trading in options and other derivatives on our common stock and any related hedging and other trading factors;
- speculation in the press or investment community about our company or industry;
- the outcome of the pending patent infringement lawsuit against Phillip Morris USA, Inc. and Phillip Morris Products S.A.; or
- litigation or public concern about the safety of our products.

The stock market in general experiences from time to time extreme price and volume fluctuations. Periodic and/or continuous market fluctuations could result in extreme volatility in the price of our common stock, which could cause a decline in the value of our common stock. Price volatility may be worse if the trading volume of our common stock is low.

These broad market and industry factors may seriously harm the market price of our common stock, regardless of our operating performance. In the past, following periods of volatility in the market, securities class action litigation has often been instituted against companies. Such litigation, if instituted against us, could result in substantial costs and diversion of management's attention and resources, which could materially and adversely affect our business, financial condition, results of operations and growth prospects.

Our common stock may become the target of a "short squeeze."

In the past several weeks, securities of certain companies have increasingly experienced significant and extreme volatility in stock price due to short sellers of shares of common stock, known as a "short squeeze." These short squeezes have caused extreme volatility in those companies and in the market and have led to the price per share of those companies to trade at a significantly inflated rate that is disconnected from the underlying value of the company. Many investors who have purchased shares in those companies at an inflated rate face the risk of losing a significant portion of their original investment as the price per share has declined steadily as interest in those stocks have abated. There can be no assurance that we will not, in the future be, a target of a short squeeze, and you may lose a significant portion or all of your investment if you purchase our shares at a rate that is significantly disconnected from our underlying value.

Future sales of our common stock may depress our stock price.

As of May 11, 2021, we had 307,926,082,074 billion shares of our common stock outstanding. Approximately 285 billion of our outstanding shares are eligible for resale without restrictions. If any significant number of these shares are sold, such sales could have a depressive effect on the market price of our stock. The remaining shares are eligible, and some of the shares underlying the restricted stock options upon issuance, will be eligible to be offered from time to time in the public market pursuant to registration statements we have filed and Rule 144 Securities Act, and any such sale of these shares may have a depressive effect as well. We are unable to predict the effect, if any, that the sale of shares, or the availability of shares for future sale, will have on the market price of the shares prevailing from time to time. Sales of substantial amounts of shares in the public market, or the perception that such sales could occur, could depress prevailing market prices for the shares. Such sales may also make it more difficult for us to sell equity securities or equity-related securities in the future at a time and price, which we deem appropriate.

Costs incurred because we are a public company may affect our profitability.

As a public company, we incur significant legal, accounting, and other expenses, and we are subject to the SEC's rules and regulations relating to public disclosure that generally involve a substantial expenditure of financial resources. In addition, the Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the SEC, requires changes in corporate governance practices of public companies. We expect that full compliance with such rules and regulations will significantly increase our legal and financial compliance costs and make some activities more time-consuming and costly, which may negatively impact our financial results. To the extent our earnings suffer as a result of the financial impact of our SEC reporting or compliance costs, our ability to develop an active trading market for our securities could be harmed.

We do not expect to pay dividends for the foreseeable future, and we may never pay dividends.

We currently intend to retain any future earnings to support the development and expansion of our business and do not anticipate paying cash dividends in the foreseeable future. Our payment of any future dividends will be at the discretion of our Board of Directors after taking into account various factors, including but not limited to, our financial condition, operating results, cash needs, growth plans and the terms of any credit agreements that we may be a party to at the time. In addition, our ability to pay dividends on our common stock may be limited by state law. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize certain returns on their investment.

Our common stock may become a "penny stock," and thereby be subject to additional sale and trading regulations that may make it more difficult to sell.

Our common stock could be considered to be a "penny stock." It may not qualify for one of the exemptions from the definition of "penny stock" under Section 3a51-1 of the Exchange Act. The principal result or effect of being designated a "penny stock" is that securities broker-dealers participating in sales of our common stock are subject to the "penny stock" regulations set forth in Rules 15-2 through 15g-9 promulgated under the Securities Exchange Act. For example, Rule 15g-2 requires broker-dealers dealing in penny stocks to provide potential investors with a document disclosing the risks of penny stocks and to obtain a manually signed and dated written receipt of the document at least two business days before effecting any transaction in a penny stock for the investor's account. Moreover, Rule 15g-9 requires broker-dealers in penny stocks to approve the account of any investor for transactions in such stocks before selling any penny stock to that investor. This procedure requires the broker-dealer to (i) obtain from the investor information concerning his or her financial situation, investment experience and investment objectives; (ii) reasonably determine, based on that information, that transactions in penny stocks are suitable for the investor and that the investor has sufficient knowledge and experience as to be reasonably capable of evaluating the risks of penny stock transactions; (iii) provide the investor with a written statement setting forth the basis on which the broker-dealer made the determination in (ii) above; and (iv) receive a signed and dated copy of such statement from the investor, confirming that it accurately reflects the investor's financial situation, investment experience and investment objectives. Compliance with these requirements may make it more difficult and time consuming for holders of our common stock to resell their shares to third parties or to otherwise dispose of them in the market or otherwise.

FINRA sales practice requirements may limit a stockholder's ability to buy and sell our common shares.

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 shares, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

Our Board of Directors' ability to issue undesignated preferred stock and the existence of anti-takeover provisions may depress the value of our common stock.

Our authorized capital includes 1,000,000 shares of preferred stock. Of this amount, 5,000 of such shares have been designated as Series D Convertible Preferred Stock and all such shares are issued and outstanding. Our Board of Directors has the power to issue any or all of the shares of undesignated preferred stock, including the authority to establish one or more series and to fix the powers, preferences, rights and limitations of such class or series, without seeking stockholder approval. Further, as a Delaware corporation, we are subject to provisions of the Delaware General Corporation Law regarding "business combinations." We may, in the future, consider adopting additional anti-takeover measures. The authority of our Board of Directors to issue undesignated stock and the anti-takeover provisions of Delaware law, as well as any future anti-takeover measures adopted by us, may, in certain circumstances, delay, deter or prevent takeover attempts and other changes in control of the company not approved by our Board of Directors. As a result, our stockholders may lose opportunities to dispose of their shares at favorable prices generally available in takeover attempts or that may be available under a merger proposal and the market price, voting and other rights of the holders of common stock may also be affected.

Future sales and issuances of our common stock or rights to purchase common stock could result in additional dilution of the percentage ownership of our stockholders and could cause our share price to fall.

We also expect that additional capital will be needed in the future to continue our planned operations. To the extent that we raise additional capital by issuing equity securities, our stockholders may experience substantial dilution. We may sell common stock, convertible securities, or other equity securities in one or more transactions at prices and in a manner, we determine from time to time. If we sell common stock, convertible securities or other equity securities in more than one transaction, investors may be materially diluted by subsequent sales. Such sales may also result in material dilution to our existing stockholders, and new investors could gain rights superior to our existing stockholders.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results. As a result, we could become subject to sanctions or investigations by regulatory authorities and/or stockholder litigation, which could harm our business and have an adverse effect on our stock price.

As a public reporting company, we are required to comply with the Sarbanes-Oxley Act of 2002 and the related rules and regulations of the SEC, including periodic reports, disclosures and more complex accounting rules. As directed by Section 404 of Sarbanes-Oxley, the SEC adopted rules requiring public companies to include a report of management on a company's internal control over financial reporting in their Annual Report on Form 10-K. Based on current rules, we are required to report under Section 404(a) of Sarbanes-Oxley regarding the effectiveness of our internal control over financial reporting. If we were to determine that we have material weaknesses, it may be necessary to make restatements of our consolidated financial statements and investors will not be able to rely on the completeness and accuracy of the financial information contained in our filings with the SEC and this could potentially subject us to sanctions or investigations by the SEC or other regulatory authorities or stockholder litigation.

Our management conducted an evaluation of the effectiveness of our internal control over financial reporting and concluded that our internal control over financial reporting was not effective as of December 31, 2020. If we fail to remediate these issues and maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud.

Our management conducted an evaluation of the effectiveness of our internal control over financial reporting and concluded that our internal control over financial reporting was not effective as of December 31, 2020 as a result of material weaknesses. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of our company's financial statements will not be prevented, or detected and corrected on a timely basis. The primary material weaknesses identified by management related to a lack of accounting personnel and the failure to have properly documented and designed controls and procedures.

We have undertaken initiatives to improve our internal control over financial reporting and disclosure controls. However, the implementation of these initiatives may not fully address the material weaknesses in our internal control over financial reporting. In addition, the process of designing and implementing an effective financial reporting system is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a financial reporting system that satisfies our reporting obligations. Our failure to remediate the material weaknesses or our failure to discover and address any other material weaknesses or deficiencies may result in inaccuracies in our financial statements, delay in the preparation of our financial statements, and the loss of investor confidence in the reliability of our financial statements, which in turn could negatively influence the trading price of our common stock. Also, as a result, our business, financial condition, results of operations and prospects may be materially and adversely affected.

General Risks

If we fail to retain our key personnel, we may not be able to achieve our anticipated level of growth and our business could suffer.

Our future depends, in part, on our ability to attract and retain key personnel and the continued contributions of our executive officers, each of whom may be difficult to replace. In particular, Jeffrey Holman, our Chief Executive Officer, is important to the management of our business and operations and the development of our strategic direction. The loss of the services of this officer, and the process to replace him would involve significant time and expense and may significantly delay or prevent the achievement of our business objectives.

The COVID-19 Pandemic and related economic repercussions may affect our business.

The COVID-19 pandemic and related economic repercussions have created significant volatility, uncertainty, and turmoil in businesses globally. While these events have not yet had a material adverse effect on our business and B2C platforms like ours have seen elevated sales levels from consumer shifts to online purchasing, we can offer no assurance that the COVID-19 pandemic will not have an adverse effect in the future, particularly if the pandemic worsens or endures for an extended period of time.

At the onset of the pandemic we implemented several changes to enhance safety and mitigate health risk in our work environment. For our warehouse and manufacturing operations, these included split shifts, temperature scans, additional contactless hand sanitizing stations, protective equipment, social distancing guidelines, and increased cleaning and sanitization. These changes resulted in higher operational costs, and as a result, we instituted cost savings programs to offset these increased costs. We also put a hold on new spending commitments as we cautiously manage through this environment.

The COVID-19 pandemic may adversely impact our results. Our supply chain has remained operational otherwise, but we can offer no assurance that it will not be adversely affected in the future, particularly as the COVID-19 pandemic continues to worsen. If the impact of the COVID-19 pandemic continues for an extended period of time or worsens, it could have a material adverse effect on our supply chain or workforce, either of which could have a material adverse effect on our business, financial condition and liquidity. In addition, if the impact of the COVID-19 pandemic continues it may heighten the other risks that could affect our business.

Reliance on information technology means a significant disruption could affect our communications and operations.

We increasingly rely on information technology systems for our internal communications, controls, reporting and relations with customers and suppliers and information technology is becoming a significantly important tool for our sales staff. In addition, our reliance on information technology exposes us to cybersecurity risks, which could have a material adverse effect on our ability to compete. Security and privacy breaches may expose us to liability and cause us to lose customers or may disrupt our relationships and ongoing transactions with other entities with whom we contract throughout our supply chain. The failure of our information systems to function as intended, or the penetration by outside parties' intent on disrupting business processes, could result in significant costs, loss of revenue, assets or personal or other sensitive data and reputational harm.

Risks Relating to Our Vaporizer Business

We have incurred significant operating losses in the past and cannot assure you that we will achieve and/or maintain profitable operations or liquidity.

The Company reported a net loss allocable to common stockholders of approximately \$2.799 million and \$3.722 million for the years ended December 31, 2019 and 2020. Our operating losses are primarily due to, among other reasons, increasing competition, in both our vape and grocery businesses.

The Company's liquidity and capital resources have decreased significantly as a result of the net operating losses. We cannot assure you that we will be able to generate operating profits in the future on a sustainable basis or at all as we continue to expand our infrastructure, further develop our marketing efforts and otherwise implement our growth initiatives. Future working capital limitations could impinge on our day-to-day operations, thus contributing to continued operating losses.

If the FDA passed regulations to extend its authority to e-vapor products, including e-cigarettes, vaporizers and e-liquids, necessitating stringent and costly product review requirements, such regulations could curtail or prevent our ability to sell e-vapor products and significantly reduce the number of e-vapor products available for sale to the public.

It is anticipated that the FDA's prospective regulation of e-vapor products, including requiring costly formal product approvals, limiting the manufacture and distribution of e-vapor products will impact availability. Any such regulations and approval process would make product development and manufacture cost prohibitive for the Company. A reduction in available e-vapor products would diminish the need for our dedicated retail stores.

The recent development of electronic cigarettes has not allowed the medical profession to study the long-term health effects of electronic cigarette use.

Because electronic cigarettes were recently developed the medical profession has not had a sufficient period of time to study the long-term health effects of electronic cigarette use. Currently, therefore, there is no way of knowing whether or not electronic cigarettes are safe for their intended use. If the medical profession were to determine conclusively that electronic cigarette usage poses long-term health risks, electronic cigarette usage could decline, which could have a material adverse effect on our business, results of operations and financial condition.

Our business, results of operations and financial condition could be adversely affected if our products are taxed like other tobacco products.

Presently the sale of electronic cigarettes and vaporizers is not subject to federal, state and local excise taxes like the sale of conventional cigarettes or other tobacco products, all of which have faced significant increases in the amount of taxes collected on their sales. Should federal, state and local governments and or other taxing authorities impose excise taxes similar to those levied against conventional cigarettes and tobacco products on our products, it may have a material adverse effect on the demand for our products, as consumers may be unwilling to pay the increased costs for our products.

Because we face intense competition from big tobacco companies and other competitors, our failure to compete effectively could have a material adverse effect on our business, results of operations and financial condition.

Competition in the electronic cigarette and vaporizer industry is intense. The nature of our competitors is varied as the market is highly fragmented and the barriers to entry into the business are low.

We compete primarily on the basis of product quality, brand recognition, brand loyalty, service, marketing, advertising and price. We are subject to highly competitive conditions in all aspects of our business. The competitive environment and our competitive position can be significantly influenced by weak economic conditions, erosion of consumer confidence, competitors' introduction of low-priced products or innovative products, cigarette excise taxes, higher absolute prices and larger gaps between price categories, and product regulation that diminishes the ability to differentiate tobacco products.

Our principal competitors are "big tobacco," U.S. cigarette manufacturers of both conventional tobacco cigarettes and electronic cigarettes like Altria Group Inc., Lorillard, Inc. and Reynolds American Inc. We compete against "big tobacco" which offers not only conventional tobacco cigarettes and electronic cigarettes but also smokeless tobacco products such as "snus" (a form of moist ground smokeless tobacco that is usually sold in sachet form that resembles small tea bags), chewing tobacco and snuff, and now so called "heat not burn" (HNB) products such as "IQOS". Furthermore, we believe that "big tobacco" will devote more attention and resources to developing and offering electronic cigarettes (including vaporizers and HNB) as the market grows. Because of their well-established sales and distribution channels, marketing expertise and significant financial and marketing resources, "big tobacco" is better positioned than small competitors like us to capture a larger share of the electronic cigarette market. We also compete against numerous other smaller manufacturers or importers of cigarettes. There can be no assurance that we will be able to compete successfully against any of our competitors, some of whom have far greater resources, capital, experience, market penetration, sales and distribution channels than us. If our major competitors were, for example, to significantly increase the level of price discounts offered to consumers, we could respond by offering price discounts, which could have a materially adverse effect on our business, results of operations and financial condition.

Sales of conventional tobacco cigarettes have been declining, which could have a material adverse effect on our business.

The overall U.S. market for conventional tobacco cigarettes has generally been declining in terms of volume of sales, as a result of restrictions on advertising and promotions, funding of smoking prevention campaigns, increases in regulation and excise taxes, a decline in the social acceptability of smoking, and other factors, and such sales are expected to continue to decline. While the sales of vaporizers have been increasing over the last several years, the vaporizer and electronic cigarettes market is only developing and is a fraction of the size of the conventional tobacco cigarette market. A continual decline in cigarette sales may adversely affect the growth of the vaporizer and electronic cigarette market, which could have a material adverse effect on our business, results of operations and financial condition.

If we are subject to intellectual property litigation, we may incur substantial additional costs which will adversely affect our results of operations.

The cost to prosecute infringements of our intellectual property or the cost to defend our products against patent infringement or other intellectual property litigation by others could be substantial. We cannot assure you that:

- pending and future patent applications will result in issued patents;
- patents we own or which are licensed by us will not be challenged by competitors;
- the patents will be found to be valid or sufficiently broad to protect our technology or provide us with a competitive advantage;
- we will be successful in defending against patent infringement claims asserted against our products; and
- we will be successful in prosecuting patent infringement claims asserted.

Both the patent application process and the process of managing patent disputes can be time consuming and expensive. In addition, changes in the U.S. patent laws could prevent or limit us from filing patent applications or patent claims to protect our products and/or technologies or limit the exclusivity periods that are available to patent holders.

If a third-party asserts that we are infringing on its intellectual property, whether successful or not, it could subject us to costly and time-consuming litigation or require us to obtain expensive licenses, and our business may be adversely affected.

Although we have issued patents and patents pending, the vaporizer and electronic cigarette industry is nascent and third parties may claim patent rights over one or more types of vaporizers and electronic cigarettes. Third party lawsuits alleging our infringement of patents, trade secrets or other intellectual property rights could cause us to do one or more of the following:

- stop selling products or using technology that contains the allegedly infringing intellectual property;
- incur significant legal expenses;
- cause our management to divert substantial time to our defenses;
- pay substantial damages to the party whose intellectual property rights we may be found to be infringing;
- indemnify distributors and customers;
- redesign those products that contain the allegedly infringing intellectual property; or
- attempt to obtain a license to the relevant intellectual property from third parties, which may not be available to us on reasonable terms or at all.

Third party lawsuits alleging our infringement of patents, trade secrets or other intellectual property rights could have a material adverse effect on our business, results of operations and financial condition.

If we cannot protect our intellectual property rights, we may be unable to compete with competitors developing similar technologies.

We believe that patents, trademarks, trade secrets and other intellectual property we use and are developing are important to sustaining and growing our business. We utilize third party manufacturers to manufacture our products in China, where the validity, enforceability and scope of protection available under intellectual property laws are uncertain and still evolving. Implementation and enforcement of Chinese intellectual property-related laws have historically been deficient, ineffective and hampered by corruption and local protectionism. Accordingly, we may not be able to adequately protect our intellectual property in China, which could have a material adverse effect on our business, results of operations and financial condition. Furthermore, policing unauthorized use of our intellectual property in China and elsewhere is difficult and expensive, and we may need to resort to litigation to enforce or defend our intellectual property or to determine the enforceability, scope and validity of our proprietary rights or those of others. Such litigation and an adverse determination in any such litigation, if any, could result in substantial costs and diversion of resources and management attention, which could harm our business and competitive position.

We may experience product liability claims in our business, which could adversely affect our business.

The tobacco industry in general has historically been subject to frequent product liability claims. As a result, we may experience product liability claims from the marketing and sale of electronic cigarettes or vaporizers. Any product liability claim brought against us, with or without merit, could result in:

- liabilities that substantially exceed our product liability insurance, which we would then be required to pay from other sources, if available;
- an increase of our product liability insurance rates or the inability to maintain insurance coverage in the future on acceptable terms, or at all;
- damage to our reputation and the reputation of our products, resulting in lower sales;
- regulatory investigations that could require costly recalls or product modifications;
- litigation costs; and
- the diversion of management's attention from managing our business.

Any one or more of the foregoing could have a material adverse effect on our business, results of operations and financial condition.

If we experience product recalls, we may incur significant and unexpected costs and our business reputation could be adversely affected.

We may be exposed to product recalls and adverse public relations if our products are alleged to cause illness or injury, or if we are alleged to have violated governmental regulations. A product recall could result in substantial and unexpected expenditures and could harm our reputation, which could have a material adverse effect on our business, results of operations and financial condition. In addition, a product recall may require significant management time and attention and may adversely impact on the value of our brands. Product recalls may lead to greater scrutiny by federal or state regulatory agencies and increased litigation, which could have a material adverse effect on our business, results of operations and financial condition.

If the economy declines, such decline may adversely affect the demand for our products.

Vaporizers and electronic cigarettes may be regarded by users as a novelty item and expendable as such demand for our products may be extra sensitive to economic conditions. When economic conditions are prosperous, discretionary spending typically increases; conversely, when economic conditions are unfavorable, discretionary spending often declines. Any significant decline in economic conditions that affects consumer spending could have a material adverse effect on our business, results of operations and financial condition.

Our future growth and profitability will depend in large part upon the effectiveness of our marketing and advertising expenditures.

Our future growth and profitability will depend in large part upon our media performance, including our ability to:

- create greater awareness of our products and stores;
- identify the most effective and efficient level of spending in each market and specific media vehicle;
- determine the appropriate creative message and media mix for advertising, marketing, and promotional expenditures; and
- effectively manage marketing costs (including creative and media).

Our planned marketing expenditures may not result in increased revenue. If our media performance is not effective, our future results of operations and financial condition will be adversely affected.

If we are unable to promote and maintain our brands, our results of operations will be adversely affected.

We believe that establishing and maintaining the brand identities of our products is a critical aspect of attracting and expanding a large customer base. Promotion and enhancement of our brands will depend largely on our success in continuing to provide high quality products. If our customers and end users do not perceive our products to be of high quality, or if we introduce new products or enter into new business ventures that are not favorably received by our customers and end users, we will risk diluting our brand identities and decreasing their attractiveness to existing and potential customers.

Moreover, in order to attract and retain customers and to promote and maintain our brand equity in response to competitive pressures, we may have to increase substantially our financial commitment to creating and maintaining a distinct brand loyalty among our customers. If we incur significant expenses in an attempt to promote and maintain our brands, our business, results of operations and financial condition could be adversely affected.

If we are unable to adapt to trends in our industry, our results of operations will be adversely affected.

We may not be able to adapt as the vaporizer and electronic cigarette industry and customer demand evolve, whether attributable to regulatory constraints or requirements, a lack of financial resources or our failure to respond in a timely and/or effective manner to new technologies, customer preferences, changing market conditions or new developments in our industry. Any of the failures to adapt for the reasons cited herein or otherwise could make our products obsolete and would have a material adverse effect on our business, financial condition and results of operations.

If our third-party manufacturers produce unacceptable or defective products or do not provide products in a timely manner, our business will be adversely affected.

We depend on third party manufacturers for our electronic cigarettes, vaporizers and accessories. Our customers associate certain characteristics of our products including the weight, feel, draw, unique flavor, packaging and other attributes of our products to the brands we market, distribute and sell. Any interruption in supply, consistency of our products may adversely impact our ability to deliver our products to our wholesalers, distributors and customers and otherwise harm our relationships and reputation with customers, and have a materially adverse effect on our business, results of operations and financial condition.

Although we believe that several alternative sources for the components, chemical constituents and manufacturing services necessary for the production of our products are available, any failure to obtain any of the foregoing would have a material adverse effect on our business, results of operations and financial condition.

Because we rely on Chinese manufacturers to produce our products, we are subject to potential adverse safety and other issues.

The majority of our manufacturers are based in China. Certain Chinese factories and the products they export have recently been the source of safety concerns and recalls, which is generally attributed to lax regulatory, quality control and safety standards. Should Chinese factories continue to draw public criticism for exporting unsafe products, whether those products relate to our products or not we may be adversely affected by the stigma associated with Chinese production, which could have a material adverse effect on our business, results of operations and financial condition.

Our results of operations could be adversely affected by currency exchange rates and currency devaluations.

Our functional currency is the U.S. dollar; substantially all of our purchases and sales are currently generated in U.S. dollars. However, our manufacturers and suppliers of vape products are located in China. The Chinese currency, the renminbi, has appreciated significantly against the U.S. dollar in recent years. Fluctuations in exchange rates between our respective currencies could result in higher production and supply costs to us which would have a material adverse effect on our results of operations if we are not willing or able to pass those costs on to our customers.

Risks Related to Government Regulation

Changes in laws, regulations and other requirements could adversely affect our business, results of operations or financial condition.

In addition to the anticipated regulation of our business by the FDA, our business, results of operations or financial condition could be adversely affected by new or future legal requirements imposed by legislative or regulatory initiatives, including, but not limited to, those relating to health care, public health and welfare and environmental matters. New legislation or regulations may result in increased costs directly for our compliance or indirectly to the extent such requirements increase the prices of goods and services because of increased costs or reduced availability. We cannot predict whether such legislative or regulatory initiatives will result in significant changes to existing laws and regulations and/or whether any changes in such laws or regulations will have a material adverse effect on our business, results of operations or financial condition.

Limitation by states on sales of vaporizers and electronic cigarettes may have a material adverse effect on our ability to sell our products.

If one or more states from which we generate or anticipate generating significant sales bring actions to prevent us from selling our products unless we obtain certain licenses, approvals or permits and if we are not able to obtain the necessary licenses, approvals or permits for financial reasons or otherwise and/or any such license, approval or permit is determined to be overly burdensome to us then we may be required to cease sales and distribution of our products to those states, which would have a material adverse effect on our business, results of operations and financial condition.

The application of the Prevent All Cigarette Trafficking Act and/or the Federal Cigarette Labeling and Advertising Act to vaporizers and/or electronic cigarettes would have a material adverse effect on our business.

The Prevent All Cigarette Trafficking Act (which prohibits the use of the U.S. Postal Service to mail most tobacco products and which amends the Jenkir Act, which would require individuals and businesses that make interstate sales of cigarettes or smokeless tobacco to comply with state tax laws) and the Federal Cigarette Labeling and Advertising Act (which governs how cigarettes can be advertised and marketed) apply to vaporizers and/or electronic cigarettes. These federal laws to either vaporizers and/or electronic cigarettes could result in additional expenses, could prohibit us from selling products through the Internet and require us to change our advertising and labeling and method of marketing our products, any of which would have a material adverse effect on our business, results of operations and financial condition.

We may face the same governmental actions aimed at conventional cigarettes and other tobacco products.

The tobacco industry expects significant regulatory developments to take place over the next few years, driven principally by the World Health Organization's Framework Convention on Tobacco Control, or the FCTC. The FCTC is the first international public health treaty on tobacco, and its objective is to establish a global agenda for tobacco regulation with the purpose of reducing initiation of tobacco use and encouraging cessation. Regulatory initiatives that have been proposed, introduced or enacted include:

- the levying of substantial and increasing tax and duty charges;
 - restrictions or bans on advertising, marketing and sponsorship;
 - the display of larger health warnings, graphic health warnings and other labeling requirements;
 - restrictions on packaging design, including the use of colors and generic packaging;
 - restrictions or bans on the display of tobacco product packaging at the point of sale, and restrictions or bans on cigarette vending machines;
 - requirements regarding testing, disclosure and performance standards for tar, nicotine, carbon monoxide and other smoke constituent's levels;
 - requirements regarding testing, disclosure and use of tobacco product ingredients;
 - increased restrictions on smoking in public and work places and, in some instances, in private places and outdoors;
 - elimination of duty free allowances for travelers; and
 - encouraging litigation against tobacco companies.
- If vaporizers and/or electronic cigarettes are subject to one or more significant regulatory initiatives enacted under the FCTC, our business, results of operations and financial condition could be materially and adversely affected.

Risks Related To Our Natural Grocery Business

We may not be successful in our efforts to grow our grocery business.

Our growth largely depends on our ability to increase sales in our existing natural grocery stores and successfully open and operate new stores on a profitable basis. Our comparable store sales growth could be lower than our historical average for various reasons, including the opening of new competing stores that cannibalize sales in existing stores, increased competition, general economic conditions, regulatory changes, price changes as a result of competitive factors and product pricing and availability.

Delays or failures in opening new stores, or achieving lower than expected sales in new stores, could materially and adversely affect our growth. Our plans for expansion could place increased demands on our financial, managerial, operational and administrative resources. For example, our planned expansion will require us to increase the number of people we employ and may require us to upgrade our management information system and our distribution infrastructure. These increased demands and operating complexities could cause us to operate our business less efficiently, which could materially and adversely affect our operations, financial performance and future growth.

We may not be able to open new stores on schedule or operate them successfully. Our ability to successfully open new stores depends upon a number of factors, including our ability to select suitable sites for our new store locations, to negotiate and execute leases, to coordinate the contracting work on our new stores, to identify and recruit store managers, and other staff, to secure and manage the inventory necessary for the launch and successful operation of our new stores and to effectively promote and market our new stores. If we are ineffective in performing these activities, our efforts to open and operate new stores may be unsuccessful or unprofitable, which could materially and adversely affect our operations, financial performance and future growth.

Our natural grocery stores and any newly acquired stores may negatively impact our financial results in the short-term, and may not achieve expected sales and operating levels on a timely basis or at all.

We will actively pursue new store growth. Our new store openings may not be successful or reach the sales and profitability levels of our existing stores. Although we target particular levels of cash-on-cash returns and capital investment for each of our new stores, new stores may not meet these targets. Any store we open may not be profitable or achieve operating results similar to those of our existing store. New store openings may negatively impact our financial results in the short-term due to the effect of store opening costs and lower sales and contribution to overall profitability during the initial period following opening. New stores build their sales volume and their customer base over time and, as a result, generally have lower margins and higher operating expenses, as a percentage of net sales, than our existing store. New stores may not achieve sustained sales and operating levels consistent with our more mature store base on a timely basis or at all. This may have an adverse effect on our financial condition and operating results.

The Company could be adversely affected if consumers lose confidence in the safety and quality of the food supply chain. Adverse publicity about these types of concerns, whether or not valid, could discourage consumers from buying our products. The real or perceived sale of contaminated food products by us could result in a loss of consumer confidence and product liability claims, which could have a material adverse effect on our sales and operations.

Inflation and deflation in the prices of food and other products we sell may affect our sales, gross profit and gross margin. The short-term impact of inflation and deflation is largely dependent on whether or not the effects are passed through to our customers, which is subject to competitive market conditions. Food inflation and deflation is affected by a variety of factors and our determination of whether to pass on the effects of inflation or deflation to our customers is made in conjunction with our overall pricing and marketing strategies. Although we may experience periodic effects on sales, gross profit and gross margins as a result of changing prices, the effect of inflation could have an adverse impact on our future revenues.

In addition, we may not be able to successfully integrate new stores into existing stores and those new stores may not be as profitable as existing stores. Further, we have experienced in the past, and expect to experience in the future, some sales volume transfer from our existing stores to our new stores as some of our existing customers switch to new, closer locations. If our new stores are less profitable than our existing stores, or if we experience sales volume transfer from our existing stores, our financial condition and operating results may be adversely affected.

If we are unable to successfully identify market trends and react to changing consumer preferences in a timely manner, our sales may decrease.

We believe our success depends, in substantial part, on our ability to:

- o anticipate, identify and react to natural and organic grocery and dietary supplement trends and changing consumer preferences in a timely manner;
- o translate market trends into appropriate, saleable product and service offerings in our stores before our competitors; and
- o develop and maintain vendor relationships that provide us access to the newest merchandise, and dairy products that satisfy upgraded standards, on reasonable terms.

Consumer preferences often change rapidly and without warning, moving from one trend to another among many product or retail concepts. Our performance is impacted by trends regarding natural and organic products, dietary supplements and at-home meal preparation. Consumer preferences towards dietary supplements or natural and organic food products might shift as a result of, among other things, economic conditions, food safety perceptions, reduced or changed consumer choices and the cost of these products. Our store offerings are comprised of natural and organic products and dietary supplements. A change in consumer preferences away from our offerings, including as a result of, among other things, reductions or changes in our offerings, would have a material adverse effect on our business. Additionally, negative publicity regarding the safety of natural and organic products or dietary supplements, or new or upgraded regulatory standards may adversely affect demand for our products and could result in lower customer traffic, sales and results of operations. In addition, reduced or changed consumer choices may result from, among other things, the implementation of our requirements for dairy products that satisfy our pasture-based, non-confinement standards.

If we are unable to anticipate and satisfy consumer merchandise preferences in the regions where we operate, our net sales may decrease, and we may be forced to increase markdowns of slow-moving merchandise, either of which could have a material adverse effect on our business, financial condition and results of operations.

Our comparable store sales and quarterly financial performance may fluctuate for a variety of reasons.

Our comparable store sales and quarterly results of operations have fluctuated in the past, and we expect them to continue to fluctuate in the future. A variety of other factors affect our comparable store sales and quarterly financial performance, including:

- o changes in our merchandising strategy or product mix;
- o performance of our newer and remodeled stores;
- o the effectiveness of our inventory management;
- o the timing and concentration of new store openings, and the related additional human resource requirements and pre-opening and other start-up costs;
- o the cannibalization of existing store sales by new store openings;
- o levels of pre-opening expenses associated with new stores;
- o timing and effectiveness of our marketing activities;
- o seasonal fluctuations due to weather conditions and extreme weather-related disruptions;
- o actions by our existing or new competitors, including pricing changes;
- o regulatory changes affecting availability and marketability of products;
- o supply shortages; and
- o general United States economic conditions and, in particular, the retail sales environment.

Accordingly, our results for any one fiscal year or quarter are not necessarily indicative of the results to be expected for any other year or quarter, and comparable store sales of any particular future period may decrease. In the event of such a decrease, the price of our common stock would likely decline.

We may be unable to compete effectively in our markets, which are highly competitive.

The markets for natural and organic groceries and dietary supplements are large, fragmented and highly competitive, with few barriers to entry. Our competition varies by market and includes conventional supermarkets, natural, gourmet and specialty food markets, mass and discount retailers, warehouse clubs, independent health food stores, dietary supplement retailers, drug stores, farmers' markets, food co-ops, mail order and online retailers and multi-level marketers. These businesses compete with us for customers on the basis of price, selection, quality, customer service, shopping experience or any combination of these or other factors. They also compete with us for products and locations. In addition, some of our competitors are expanding to offer a greater range of natural and organic foods. Many of our competitors are larger, more established and have greater financial, marketing and other resources than us, and may be able to adapt to changes in consumer preferences more quickly, devote greater resources to the marketing and sale of their products, or generate greater brand recognition. An inability to compete effectively may cause us to lose market share to our competitors and could have a material adverse effect on our business, financial condition and results of operations.

If we, or our third-party suppliers fail to comply with regulatory requirements, or are unable to provide products that meet our specifications, our business and our reputation could suffer.

If we, or our third-party suppliers, including suppliers of our private label products, fail to comply with applicable regulatory requirements or to meet our quality specifications, we could be required to take costly corrective action and our reputation could suffer. We do not own or operate any manufacturing facilities, except for our bulk food repackaging facility and distribution center discussed below, and therefore depend upon independent third-party vendors to produce our private label branded products, such as vitamins, minerals, dietary supplements, body care products, food products and bottled water. Third-party suppliers of our private label products may not maintain adequate controls with respect to product specifications and quality. Such suppliers may be unable to produce products on a timely basis or in a manner consistent with regulatory requirements. We depend upon our bulk food repackaging facility and distribution center for the majority of our private label bulk food products. We may also be unable to maintain adequate product specification and quality controls at our bulk food repackaging facility and distribution center, or produce products on a timely basis and in a manner consistent with regulatory requirements. In addition, we may be required to find new third-party suppliers of our private label products or to find third-party suppliers to source our bulk foods. There can be no assurance that we would be successful in finding such third-party suppliers that meet our quality guidelines.

Disruptions affecting our significant suppliers, or our relationships with such suppliers, could negatively affect our business.

Due to this concentration of purchases from third-party suppliers, the cancellation or non-renewal of our distribution agreement or the disruption, delay or inability of these third party suppliers to deliver product to our stores may materially and adversely affect our operating results and we may be unable to establish alternative distribution channels on reasonable terms or at all.

Certain of our vendors use overseas sourcing to varying degrees to manufacture some or all of their products. Any event causing a sudden disruption of manufacturing or imports from such foreign countries, including the imposition of additional import restrictions, unanticipated political changes, increased customs duties, labor disputes, health epidemics, adverse weather conditions, crop failure, acts of war or terrorism, legal or economic restrictions on overseas suppliers' ability to produce and deliver products, and natural disasters, could increase our costs and materially harm our business and financial condition and results of operations. Our business is also subject to a variety of other risks generally associated with indirectly sourcing goods from abroad, such as political instability, disruption of imports by labor disputes and local business practices. In addition, requirements imposed by the FSMA compel importers to verify that food products and ingredients produced by a foreign supplier comply with all applicable legal and regulatory requirements enforced by the FDA, which could result in certain products being deemed inadequate for import.

The current geographic concentration of our stores creates exposure to local economies, regional downturns or severe weather or catastrophic occurrences.

Our existing natural grocery stores are all located in Florida in Ft. Myers, Palm Bay and Melbourne and we expect new stores to also be located in Florida. As a result, our business is currently more susceptible to regional conditions than the operations of more geographically diversified competitors, and we are vulnerable to economic downturns in those regions. Any unforeseen events or circumstances that negatively affect these areas could materially adversely affect our revenues and profitability. These factors include, among other things, changes in demographics, population, competition, consumer preferences, new or revised laws or regulations, fires, floods or other natural disasters in these regions.

Consumers or regulatory agencies may challenge certain claims made regarding our products.

Our reputation could also suffer from real or perceived issues involving the labeling or marketing of our products. Products that we sell may carry claims as to their origin, ingredients or health benefits, including, by way of example, the use of the term "natural." Although the FDA and USDA each has issued statements regarding the appropriate use of the word "natural," there is no single, United States government regulated definition of the term "natural" for use in the food industry. The resulting uncertainty has led to consumer confusion, distrust and legal challenges. Plaintiffs have commenced legal actions against a number of food companies that market "natural" products, asserting false, misleading and deceptive advertising and labeling claims, including claims related to genetically modified ingredients. In limited circumstances, the FDA has taken regulatory action against products labeled "natural" but that nonetheless contain synthetic ingredients or components. Should we become subject to similar claims, consumers may avoid purchasing products from us or seek alternatives, even if the basis for the claim is unfounded. Adverse publicity about these matters may discourage consumers from buying our products. The cost of defending against any such claims could be significant. Any loss of confidence on the part of consumers in the truthfulness of our labeling or ingredient claims would be difficult and costly to overcome and may significantly reduce our brand value. Any of these events could adversely affect our reputation and brand and decrease our sales, which would have a material adverse effect on our business, financial condition and results of operations.

Perishable food product losses could materially impact our results of operations.

Our stores offer a significant number of perishable products. Our offering of perishable products may result in significant product inventory losses in the event of extended power or other utility outages, natural disasters or other catastrophic occurrences.

The decision by certain of our suppliers to distribute their specialty products through other retail distribution channels could negatively impact our revenue from the sale of such products.

Some of the specialty retail products that we sell in our stores are not generally available through other retail distribution channels such as drug stores, conventional grocery stores or mass merchandisers. In the future, our suppliers could decide to distribute such products through other retail distribution channels, allowing more of our competitors to offer these products, and adversely affecting the desirability of these products to our core customers, which could negatively impact our revenues.

A widespread health epidemic could materially impact our business.

Our business could be severely impacted by a widespread regional, national or global health epidemic. A widespread health epidemic may cause customers to avoid public gathering places such as our stores or otherwise change their shopping behaviors. Additionally, a widespread health epidemic could adversely impact our business by disrupting production and delivery of products to our stores and by impacting our ability to appropriately staff our stores.

Union activity at third-party transportation companies or labor organizing activities among our employees could disrupt our operations and harm our business.

Independent third-party transportation companies deliver the majority of our merchandise to our stores and to our customers. Some of these third parties employ personnel represented by labor unions. Disruptions in the delivery of merchandise or work stoppages by employees of these third parties could delay the timely receipt of merchandise, which could result in cancelled sales, a loss of loyalty to our stores and excess inventory.

While all of our employees are currently non-union, our employees may attempt to organize and join a union. That effort was unsuccessful. We could face union organizing activities at other locations. The unionization of all or a portion of our workforce could result in work slowdowns, could increase our overall costs and reduce the efficiency of our operations at the affected locations, could adversely affect our flexibility to run our business competitively, and could otherwise have a material adverse effect on our business, financial condition and results of operations.

Our products could suffer from real or perceived quality or food safety concerns and may cause unexpected side effects, illness, injury or death that could result in their discontinuance or expose us to lawsuits, any of which could result in unexpected costs and damage to our reputation.

We could be materially, adversely affected if consumers lose confidence in the safety and quality of products we sell. There is substantial governmental scrutiny of and public awareness regarding food safety. We believe that many customers hold us to a higher quality standard than other retailers. Many of our products are vitamins, herbs and other ingredients that are classified as foods or dietary supplements and are not subject to pre-market regulatory approval in the United States. Our products could contain contaminated substances, and some of our products contain ingredients that do not have long histories of human consumption. Previously unknown adverse reactions resulting from human consumption of these ingredients could occur. Unexpected side effects, illness, injury or death caused by our products could result in the discontinuance of sales of our products or prevent us from achieving market acceptance of the affected products. Such side effects, illnesses, injuries and death could also expose us to product liability or negligence lawsuits. Any claims brought against us may exceed our existing or future insurance policy coverage or limits. Any judgment against us that is in excess of our policy limits would have to be paid from our cash reserves, which would reduce our capital resources. Further, we may not have sufficient capital resources to pay a judgment in which case our creditors could levy against our assets. The real or perceived sale of contaminated or harmful products would cause negative publicity regarding our company, brand or products, including negative publicity in social media, which could in turn harm our reputation and net sales and could have a material adverse effect on our business, financial condition and results of operations, or result in our insolvency.

Increases in the cost of raw materials could hurt our sales and profitability.

Costs of the raw agricultural commodities used in our private label products, including our bulk repackaged products could increase. Such commodities are generally subject to availability constraints and price volatility caused by weather, supply conditions, government regulations, energy prices, price inflation and general economic conditions and other unpredictable factors. An increase in the demand for or a reduced supply of raw agricultural commodities could cause our vendors to seek price increases from us, which could cause the retail price we charge for certain products to increase, in turn decreasing our sales of such products. Supply shortages may cause certain items to be unavailable, which could negatively affect our sales. Our profitability may be adversely impacted as a result of such developments through reduced gross margins or a decline in the number and average size of customer transactions. The cost of construction materials we use to build and remodel our stores is also subject to significant price volatility based on market and economic conditions. Higher construction material prices would increase the capital expenditures needed to construct a new store or remodel an existing store and, as a result, could increase the rent payable by the Company under its leases.

Legal proceedings could adversely affect our business, financial condition and results of operations.

Our operations, which are characterized by transactions involving a high volume of customer traffic and a wide variety of product selections, carry a higher exposure to consumer litigation risk when compared to the operations of companies operating in certain other industries. Consequently, we have been, are, and may in the future become a party to individual personal injury, product liability and other legal actions in the ordinary course of our business. While these actions are generally routine in nature, incidental to the operation of our business and immaterial in scope, the outcome of litigation is difficult to assess or quantify. Additionally, we could be exposed to industry-wide or class-action claims arising from the products we carry or industry-specific business practices. Further, we have been, are and may in the future become subject to claims for discrimination, harassment, wages and hours and other federal or state employment matters. While we maintain insurance, such coverage may not be adequate or may not cover a specific legal claim. Moreover, the cost to defend against litigation may be significant. As a result, litigation could have a material adverse effect on our business, financial position and results of operations.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 or the Securities Act, Section 21E of the Securities Exchange Act of 1934 or the Exchange Act, and the Private Securities Litigation Reform Act of 1995. Forward-looking statements are those that reflect our current views with respect to future events and financial performance, and all statements other than statements of historical fact are statements that are, or could be, deemed forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "might," "will," "intend," "should," "could," "can," "would," "believe," "expect," "seek," "anticipate," "intend," "estimate," "plan," "target," "project," "forecast," "envision" or the negative of these terms, and other similar phrases. All statements contained in this prospectus and any prospectus supplement regarding future financial position, sales, costs, earnings, losses, cash flows, other measures of results of operations, capital expenditures or debt levels and plans, objectives, outlook, targets, guidance or goals are forward-looking statements.

You should not place undue reliance on our forward-looking statements because they are not guarantees of future performance or expectations, and involve risks and uncertainties. Our forward-looking statements are based on the information currently available to us and speak only as of the date on the cover of this prospectus, the date of any prospectus supplement, or, in the case of forward-looking statements incorporated by reference, the date of the filing that includes the statement. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements relate to future events or our future operational or financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Except as required by applicable law, we assume no obligation, and disclaim any obligation, to update forward-looking statements whether as a result of new information, events or otherwise.

The forward-looking statements contained in this prospectus are set forth principally in "Risk Factors" above, and in "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and other sections in our 2020 Form 10-K. In addition, there may be events in the future that we are not able to predict accurately or control which may cause actual results to differ materially from expectations expressed or implied by forward-looking statements. Please consider our forward-looking statements in light of these risks as you read this prospectus and any prospectus supplement.

USE OF PROCEEDS

If this offering is fully subscribed, we estimate our net proceeds from the offering will total approximately \$92.0 million, after deducting fees and expenses of Maxim, as dealer-manager, and our other estimated offering expenses. However there is no minimum number of Subscription Rights that must be exercised in order for this offering to close.

We intend to use the net proceeds to facilitate enforcement of our intellectual property rights through litigation and other methods, research development of our intellectual property rights and products to accelerate our growth rate in the health food, vitamin and vape sectors to, improve our overall liquidity and reduce our indebtedness, and for other general corporate purposes. Because we cannot currently specify with any certainty the particular uses of a significant portion of our net proceeds, our management will have broad discretion in the application of those net proceeds.

Pending use of our net proceeds, we may invest the excess net proceeds in short-term, investment-grade, interest-bearing instruments, certificates of deposit, or direct or guaranteed obligation of the U.S. government.

CAPITALIZATION

The table below sets forth our capitalization as of March 31, 2021 on an actual basis and on a pro forma basis to reflect our issuance and sale of 70,175,438,596 shares of common stock in this offering and our receipt of the proceeds from this offering (based on the Estimated Subscription Price), after deducting fees and expenses of Maxim, as dealer-manager, and our other estimated offering expenses. This table should be read in conjunction with "Use of Proceeds" above and our consolidated audited and unaudited financial statements and the notes thereto incorporated by reference in this prospectus.

	March 31, 2021	
	Actual	Pro Forma
Debt – current portion	842,228	\$ 842,228
Long-term debt	778,411	778,441
Stockholders' equity:		
Series D Preferred Stock, \$1,000 par value per share, 5,000 shares authorized and 5,000 shares issued and outstanding	5,000,000	5,000,000
Common Stock, \$0.0001 par value per share, 750,000,000,000 shares authorized; 307,726,082,074 and 377,901,520,670 shares issued and outstanding, respectively	30,772,608	37,790,152
Additional paid-in capital	5,330,562	98,313,018
Accumulated deficit	(33,055,129)	(33,055,129)
Total stockholders' equity	8,048,041	108,048,041
Total capitalization	8,826,452	108,828,482

The table above excludes:

- 69,087,230,680 shares of common stock issuable upon the exercise of outstanding options and other equity awards; and
- 9,805,249,996 shares of common stock reserved for issuance under our equity incentive plan.

DILUTION

If you invest in our common stock in this offering, your ownership interest will be diluted immediately to the extent of the difference between the public offering price per share of our common stock and the pro forma as adjusted net tangible book value per share of our common stock immediately after this offering.

Our historical net tangible book value (deficit) as of March 31, 2021 was \$6.0 million, or \$0.000194 per share of our common stock. Our historical net tangible book value (deficit) is the amount of our total tangible assets less our total liabilities. Historical net tangible book value per share represents historical net tangible book value (deficit) divided by the number of shares of our common stock outstanding as of March 31, 2021.

Our pro forma net tangible book value as of March 31, 2021 was \$98 million, or \$0.000259 per share of our common stock. Pro forma net tangible book value represents the amount of our total tangible assets less our total liabilities. Pro forma net tangible book value per share represents pro forma net tangible book value divided by the total number of shares outstanding as of March 31, 2021.

After giving further effect to our issuance and sale of 70,175,438,596 shares of common stock in this offering at an assumed public offering price of \$0.001425 per share, which is the Estimated Subscription Price, and after deducting estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of March 31, 2021 would have been approximately \$98 million, or approximately \$0.000259 per share. This represents an immediate increase in pro forma as adjusted net tangible book value per share of \$0.000240 to our existing stockholders and an immediate dilution in pro forma as adjusted net tangible book value per share of approximately \$0.001166 to investors purchasing common stock in this offering. Dilution per share to investors purchasing common stock in this offering is determined by subtracting pro forma as adjusted net tangible book value per share after this offering from the assumed public offering price per share paid by investors.

The following table illustrates this dilution on a per share basis:

Offering price per share	\$ 0.001425
Net tangible book value per share as of March 31, 2021	\$ 0.000019
Increase in net tangible book value per share attributable to investors in this offering	\$ 0.000240
As adjusted net tangible book value per share as of March 31, 2021 after giving effect to this offering	\$ 0.000259
Dilution per share to investors participating in this offering	\$ 0.001166

The number of shares of common stock that will be outstanding after this offering is based on 307,726,082,074 shares of common stock outstanding as of March 31, 2021, and excludes the following:

- 69,087,230,680 shares of common stock issuable upon exercise of options to purchase shares of common stock outstanding as of March 31, 2021, with a weighted-average exercise price of \$0.0001 per share;
- 5,000 shares of Series D Preferred Stock issued and outstanding that convert into 2,083,333,333 shares of common stock; and
- 9,805,249,996 shares of common stock reserved for future issuance under our Equity Incentive Plan.

To the extent that any outstanding options are exercised or new options are issued, or we issue additional shares of common stock or convertible securities in the future, there will be further dilution to investors participating in this offering.

MARKET FOR COMMON STOCK AND DIVIDEND POLICY

Common stock is quoted on the OTC Pink Sheets under the symbol "HCMC." As of May 11, 2021, the last reported sale price of the common stock reported on the OTC Pink Sheets was \$0.0016 per share. As of May 11, 2021, there were approximately 1,236 holders of record of common stock. The actual number of stockholders is greater than this number of record holders and includes stockholders who are beneficial owners but whose shares are held in street name by brokers and other nominees (including any mobile investment platform).

We have not paid cash dividends on shares of our common stock and do not plan to pay cash dividends in the foreseeable future.

THE RIGHTS OFFERING

Before deciding whether to exercise your Subscription Rights, you should carefully read this prospectus, including the information set forth under the heading "Risk Factors" and the information incorporated by reference into this prospectus.

Reasons for this Offering

In accordance with our strategic plan, we are conducting this offering primarily to accelerate our restructuring efforts, improve our overall liquidity and reduce our indebtedness, and for other general corporate purposes. Our board of directors has approved this offering, and it established the pricing and other financial terms of the securities in the offering. Based on information available to the board, as well as subsequent analyses of the board, the board believes that this offering is in the best interests of our company and stockholders. Our board is not, however, making any recommendation regarding your exercise of the Subscription Rights.

Our board considered and evaluated a number of factors relating to this offering, including:

- the fact that existing stockholders would have the opportunity to purchase additional shares;
- our current capital resources and indebtedness, and our future need for additional liquidity and capital;
- our need for increased financial flexibility in order to enable us to achieve our business plan;
- the size and timing of the offering and alternative securities to be offered;
- the potential dilution to our current stockholders if they choose not to participate in the offering;
- the non-transferability of the Subscription Rights; and
- alternatives available for raising capital.

Terms of this Offering

Share Amount. We are issuing, at no charge, non-transferable Subscription Rights entitling holders of common stock as of the record date, whom we refer to as rights holders or you. Your Subscription Rights will consist of:

- your basic right, which will entitle you to purchase one share for every four shares of common stock you held as of the record date; and
- your over-subscription right, which will be exercisable only if you exercise your basic right in full and will entitle you to purchase additional shares for which other rights holders do not subscribe, subject to the pro rata allocations and ownership limitation described in "—Over-Subscription Right."

For purposes of determining the number of shares a rights holder may acquire in this offering, broker-dealers, trust companies, banks or others whose shares are held of record by Cede & Co. or by any other depository or nominee will be deemed to be the holders of the Subscription Rights that are issued to Cede & Co. or the other depository or nominee on their behalf. Any fractional Subscription Rights will be rounded up to one Subscription Right.

Subscription Period. Subscription Rights may be exercised at any time during the subscription period, which commences on May 19, 2021, and ends at 5:00 p.m. (Eastern time) on June 3, 2021, the Expiration Date, unless extended by us.

Subscription Price. All shares are being offered and sold at the Actual Subscription Price. Because the subscription price will be determined on the Expiration Date, stockholders will not know the actual subscription price at the time of exercise of their Subscription Rights. Stockholders will be required to pay for the shares subscribed for at the Estimated Subscription Price as set forth in the prospectus. Stockholders exercising their Subscription Rights are in effect investing a fixed amount in the Company to receive the maximum number of shares of Common Stock issuable at the Actual Subscription Price. If, on the Expiration Date, the Actual Subscription Price is lower than the Estimated Subscription Price, any excess subscription amounts paid by a subscriber (the "Excess Subscription Amount") will be deemed an exercise of the over-subscription rights and will be put towards the purchase of additional shares in the rights offering. For more information, see "Questions and Answers About the Rights Offering" above.

No Minimum Offering; Maximum Offering Amount. There is no minimum number of Subscription Rights that must be exercised in order for this offering to close. While we are distributing to holders of our common stock and Series D preferred stock one subscription right for every four shares of common stock owned or deemed owned as of the date of the preliminary prospectus, we are only seeking to raise \$100 million dollars in gross proceeds in this offering. As a result, based on (1) 307,926,082,074 shares of common stock outstanding as of the Record Date and (2) 2,083,333,333 shares of common stock deemed to be owned by the Series D holders that have a contractual right to participate in this offering and deemed to be outstanding as of the Record Date, we would grant subscription rights to acquire 77,502,353,852 shares of common stock but will only accept subscriptions for 70,175,438,596 shares of common stock based on the Estimated Subscription Amount. Accordingly, sufficient shares may not be available to honor your subscription in full. If the Company receives \$100 million or less in subscriptions, there will be a sufficient number of shares available for sale to honor your basic rights in full. As a result, unless this offering results in subscription proceeds in excess of \$100 million, you will receive shares to the full extent you have properly exercised your basic rights in whole or in part for such shares. In the event the subscription proceeds exceed \$100 million, the Company will reduce the subscriptions pro rata based on current share ownership in relation to the total subscription amounts.

Over-Subscription Right

If you exercise your basic rights in full, you may also choose to exercise your over-subscription right.

Allocation of Shares Available for Over-Subscription Rights

Subject to the ownership limitation described below, we will seek to honor the over-subscription requests in full if less than \$100,000,000 in Subscription Rights are exercised. If over-subscription requests exceed the number of shares available, however, we will allocate the available shares pro rata among the rights holders in proportion to their percentage ownership in the Company. Broadridge Corporate Issuer Solutions, Inc., which will act as the subscription agent in connection with this offering and which we refer to as the subscription agent, will determine the over-subscription allocation based on the formula described above.

To the extent your aggregate subscription payment for the actual number of unsubscribed shares available to you pursuant to the over-subscription right is less than the amount you actually paid in connection with the exercise of the over-subscription right, you will be allocated only the number of unsubscribed shares available to you, and any excess subscription payment will be promptly returned to you, without interest or deduction, after the expiration of this offering.

We can provide no assurances that you will actually be entitled to purchase the number of shares issuable upon the exercise of your over-subscription right in full at the expiration of this offering.

Ownership Limitation

Each rights holder exercising its rights will be required to represent to us in its subscription certificate that, together with any of its affiliates or associates, it will not beneficially own more than 49% of our outstanding shares of common stock (calculated immediately upon closing of this offering) as a result of the exercise of rights. Any rights holder found to be in violation of such representation will have granted to us in the subscription certificate, with respect to any such excess shares, (1) an irrevocable proxy and (2) a right for a limited period of time to repurchase such excess shares at the lesser of the subscription price and market price, as set forth in more detail in the subscription certificate.

Expiration of Offer

This offering will expire at 5:00 p.m. (Eastern time) on June 3, 2021, unless extended by us, and Subscription Rights may not be exercised thereafter.

Our board of directors may determine to extend the subscription period, and thereby postpone the Expiration Date, to the extent it determines that doing so is in the best interest of our stockholders.

Any extension of this offering will be followed as promptly as practicable by announcement thereof, and in no event later than 9:00 a.m. (Eastern time) on the next business day following the previously scheduled Expiration Date. Without limiting the manner in which we may choose to make such announcement, we will not, unless otherwise required by law, have any obligation to publish, advertise or otherwise communicate any such announcement other than by issuing a press release or such other means of announcement as we deem appropriate.

Determination of the Subscription Price

The subscription price was set by our board of directors considering, among other things, input from its dealer-manager for this offering. In approving the subscription price, the board of directors considered, among other things, the following factors:

- the market price of common stock prior to public announcement of the subscription price;
- the fact that the Subscription Rights will be non-transferable;
- the liquidity of our common stock;
- the fact that holders of rights will have an over-subscription right;
- the terms and expenses of this offering relative to other alternatives for raising capital, including fees payable to Maxim, and our ability to access capital through such alternatives;
- comparable precedent transactions, including the range of discounts to market value represented by the subscription prices in other rights offerings;
- the size of this offering; and
- the general condition of the securities market.

Subscription Agent

Broadridge Corporate Issuer Solutions, Inc., the subscription agent and information agent, will receive for its administrative, processing, invoicing and other services a fee estimated to be approximately \$700,000, plus reimbursement for all out-of-pocket expenses related to the offering.

A completed subscription certificate, together with full payment of the subscription price, must be sent to the subscription agent for all whole numbers of shares subscribed for through the exercise of a basic right and the over-subscription right by one of the methods described below. We will accept only properly completed and duly executed subscription certificates actually received at any of the addresses listed below, at or prior to 5:00 p.m. (Eastern time) on the Expiration Date of this offering. See "Payment for Securities" below. In this prospectus, close of business means 5:00 p.m. (Eastern Time) on the relevant date.

Subscription Certificate Delivery Method	Address/Number
By Mail:	Broadridge Corporate Issuer Solutions, Inc. Attn: BCIS re-Organization Dept. P.O. Box 1317 Brentwood, NY 11717-0718
By Hand or Overnight Courier:	Broadridge Corporate Issuer Solutions, Inc. Attn: BCIS IWS 51 Mercedes Way Edgewood, NY 11717

Delivery to an address other than one of the addresses listed above may not constitute valid delivery and, accordingly, may be rejected by us.

Any questions or requests for assistance concerning the method of subscribing for shares or for additional copies of this prospectus or subscription certificates may be directed to Broadridge Corporate Issuer Solutions, Inc., by telephone at (855) 793-5068 or by email at shareholder@broadridge.com.

Rights holders may also contact their broker-dealers or nominees for information with respect to this offering.

Information Agent

Kingsdale Advisors will also serve as an information agent for the Rights Offering. We will pay all fees and expenses of the information agent related to the Rights Offering and have also agreed to indemnify the information agent from certain liabilities that it may incur in connection with the Rights Offering.

Methods for Exercising Subscription Rights

Exercise of the Subscription Right

Subscription Rights are evidenced by subscription certificates that, except as described below under "Foreign Stockholders," will be mailed to record date stockholders or, if a record date stockholder's shares are held by a depository or nominee (including any mobile investment platform) on his, her or its behalf, to such depository or nominee. Subscription Rights may be exercised by completing and signing the subscription certificate that accompanies this prospectus and mailing it in the envelope provided, or otherwise delivering the completed and duly executed subscription certificate to the subscription agent, together with payment in full for the shares at the estimated subscription price by the Expiration Date of this offering. Completed subscription certificates and related payments must be received by the subscription agent prior to 5:00 p.m. (Eastern time) on or before the Expiration Date at the offices of the subscription agent at the address set forth above.

Exercise of the Over-Subscription Right

Rights holders who fully exercise all of their basic rights may purchase additional shares in accordance with the over-subscription right by indicating on their subscription certificate the number of additional shares they are willing to acquire. If sufficient shares are available after all exercises of basic rights, we will seek to honor over-subscriptions requests in full, subject to the pro rata allocations and ownership limitation described in "—Over-Subscription Right."

Record Date Stockholders Whose Shares are Held by a Nominee

Record date stockholders whose shares are held by a nominee, such as a bank, broker-dealer, trustee, depositories or mobile investment platform, must contact that nominee to exercise their Subscription Rights. In that case, the nominee will complete the subscription certificate on behalf of the record date stockholder and arrange for proper payment by one of the methods set forth under "Payment for Securities" below.

Nominees

Nominees, such as brokers, trustees, depositories or mobile investment platforms for securities, who hold shares of common stock for the account of others, should notify the respective beneficial owners of the shares as soon as possible to ascertain the beneficial owners' intentions and to obtain instructions with respect to the Subscription Rights. If the beneficial owner so instructs, the nominee should complete the subscription certificate and submit it to the subscription agent with the proper payment as described under "Payment for Securities" below.

General

All questions as to the validity, form, eligibility (including times of receipt and matters pertaining to beneficial ownership) and the acceptance of subscription forms and the subscription price will be determined by us, which determinations will be final and binding. No alternative, conditional or contingent subscriptions will be accepted. We reserve the right to reject any or all subscriptions not properly submitted or the acceptance of which would, in the opinion of our counsel, be unlawful.

We reserve the right to reject any exercise of rights if such exercise is not in accordance with the terms of this offering or not in proper form or if the acceptance thereof or the issuance of shares thereto could be deemed unlawful. We reserve the right to waive any deficiency or irregularity with respect to any subscription certificate. Subscriptions will not be deemed to have been received or accepted until all irregularities have been waived or cured within such time as we determine in our sole discretion. We will not be under any duty to give notification of any defect or irregularity in connection with the submission of subscription certificates or incur any liability for failure to give such notification.

No Revocation or Change

Once you submit the subscription certificate or have instructed your nominee of your subscription request, you are not allowed to revoke or change the exercise or request a refund of monies paid. All exercises of Subscription Rights are irrevocable, even if you learn information about us that you consider to be unfavorable. You should not exercise your Subscription Rights unless you are certain that you wish to purchase shares at the Estimated Subscription Price.

Transferability

The Subscription Rights are evidenced by a subscription certificate and are non-transferable. The Subscription Rights will not be listed for trading on any securities exchange or trading system. The shares of common stock included in shares will be transferable following their issuance.

Regulatory Limitations; No Unlawful Subscriptions

We will not mail this prospectus or Subscription Rights Certificates to stockholders or holders of record with addresses that are outside the United States or that have an army post office or foreign post office address. The Subscription Agent will hold these Subscription Rights Certificates for their account. To exercise Subscription Rights, our foreign stockholders must notify the Subscription Agent prior to 5:00 p.m., Eastern Time, on May 31, 2021, the third business day prior to the Expiration Date, of your exercise of Subscription Rights and provide evidence satisfactory to us, such as a legal opinion from local counsel, that the exercise of such Subscription Rights does not violate the laws of the jurisdiction in which such stockholder resides and provide payment by a U.S. bank in U.S. dollars before the expiration of the rights offering. If no notice is received by such time or the evidence presented is not satisfactory to us, the Subscription Rights represented thereby will expire.

We will not be required to issue to you shares of our common stock acquired pursuant to the rights offering if, in our opinion, you are required to obtain prior clearance or approval from any state or federal regulatory authorities to own or control such shares and if, at the time the rights offering expires, you have not obtained such clearance or approval.

We reserve the absolute right to reject any subscriptions not properly submitted or the acceptance of which would be unlawful. We are not soliciting, selling or accepting any offers to participate in our rights offering in any jurisdictions where such actions are prohibited. No offers to purchase any shares of our common stock are made to Subscription Rights holders who are residents of such jurisdictions, and we will not sell or accept offers for the purchase of our common stock from such Subscription Rights holders.

Payment for Securities

Participating rights holders should send to the subscription agent (1) payment of the subscription price for shares acquired in the basic right and any additional shares subscribed for pursuant to the over-subscription right and (2) a properly completed and duly executed subscription certificate, which must be received by the subscription agent at the subscription agent's offices set forth above (see "—Subscription Agent"), at or prior to 5:00 p.m. (Eastern Time) on the Expiration Date. A properly completed and duly executed subscription certificate and full payment for the shares must be received by the subscription agent at or prior to 5:00 p.m. (Eastern Time) on June 3, 2021, unless this offering is extended by us.

All payments by a participating rights holder must be in U.S. dollars by money order or check or bank draft drawn on a bank or branch located in the United States and payable to the order of Broadridge Corporate Issuer Solutions, Inc., as Subscription Agent for Healthier Choices Management Corp. Payment also may be made by wire transfer to the account maintained by Broadridge Corporate Issuer Solutions, Inc., as subscription agent, for purposes of accepting subscriptions in this offering at U.S. Bank, N.A., ABA #123000848, Account #153910728465, with reference to the rights holder's name. The subscription agent will deposit all funds received by it prior to the final payment date into a segregated account pending pro-rata and distribution of the shares.

The method of delivery of subscription certificates and payment of the subscription price to us will be at the election and risk of the participating rights holders, but if sent by mail it is recommended that such certificates and payments be sent by registered mail, properly insured, with return receipt requested, and that a sufficient number of days be allowed to ensure delivery to the subscription agent and clearance of payment prior to 5:00 p.m. (Eastern Time) on the Expiration Date. Because uncertified personal checks may take at least five business days to clear, you are strongly urged to pay, or arrange for payment, by means of wire transfer certified or cashier's check or money order.

Whichever of the two methods described above is used, Subscription Rights will not be successfully exercised unless the subscription agent actually receives checks and actual payment. If a participating rights holder who subscribes for shares as part of the basic right or over-subscription right does not make payment of any amounts due by the Expiration Date, the subscription agent reserves the right to take any or all of the following actions: (i) reallocate the shares to other participating rights holders in accordance with the over-subscription right; (ii) apply any payment actually received by it from the participating rights holder toward the purchase of the greatest whole number of shares that could be acquired by such participating rights holder upon exercise of the basic right and/or the over-subscription right; and/or (iii) exercise any and all other rights or remedies to which it may be entitled, including the right to set off against payments actually received by it with respect to such subscribed for shares.

All questions concerning the timeliness, validity, form and eligibility of any exercise of Subscription Rights will be determined by us, whose determinations will be final and binding. We may waive any defect or irregularity, or permit a defect or irregularity to be corrected within such time as we may determine, or reject the purported exercise of any right. Subscriptions will not be deemed to have been received or accepted until all irregularities have been waived or cured within such time as we determine. The subscription agent will not be under any duty to give notification of any defect or irregularity in connection with the submission of subscription certificates or incur any liability for failure to give such notification.

Escrow Arrangements; Return of Funds

The subscription agent will hold funds received in payment for shares in a segregated account pending completion of the rights offering. The subscription agent will hold this money in escrow until the rights offering is completed or is terminated. If the rights offering is terminated for any reason, all subscription payments received by the subscription agent will be returned, without interest or penalty, as soon as practicable.

Delivery of Securities

Stockholders whose shares are held of record by Cede & Co. or by any other depository or nominee on their behalf or their broker-dealers' behalf will have any shares of common stock comprising shares that they acquire credited to the account of Cede & Co. or the other depository or nominee. With respect to all other stockholders, certificates for all common stock acquired will be mailed after payment for all the shares subscribed for has cleared, which may take up to 15 business days from the Expiration Date. If you purchase shares of common stock through the rights offering, we will issue those shares to you in book-entry, or uncertificated, form as soon as practicable after the completion of the rights offering. Stock certificates will not be issued for shares of our common stock purchased in the rights offering.

Conditions and Termination

We reserve the right to terminate the rights offering before its expiration for any reason. In particular, we may terminate the rights offering, in whole or in part, if at any time before completion of the rights offering there is any judgment, order, decree, injunction, statute, law or regulation entered, enacted, amended or held to be applicable to the rights offering that in the sole judgment of the board would or might make the rights offering or its completion, whether in whole or in part, illegal or otherwise restrict or prohibit completion of the rights offering. We may choose to proceed with the rights offering even if one or more of these events occur. If we terminate the rights offering in whole or in part, we will issue a press release notifying the stockholders of such event, all affected Subscription Rights will expire without value, and all excess subscription payments received by the subscription agent will be returned, without interest or penalty, as soon as practicable following such termination.

Termination

If this offering is terminated by our board of directors, all rights will expire without value and we will promptly arrange for the refund, without interest or deduction, of all funds received from rights holders. All monies received by the subscription agent in connection with this offering will be held in escrow by the subscription agent, on our behalf, in a segregated account. Any interest earned on such account shall be payable to us even if we determine to terminate this offering and return your subscription payment.

No Recommendation to Stockholders

Our board of directors has not made, nor will it make, any recommendation to stockholders regarding the exercise of Subscription Rights under this offering. We cannot predict the price at which shares of our outstanding common stock will trade after this offering. You should consult with your legal, tax and financial advisors prior to making your independent investment decision about whether or not to exercise your Subscription Rights.

Holders who exercise Subscription Rights risk investment loss on new money invested. We cannot assure you that the market price for common stock will ever be above the subscription price, or that anyone purchasing shares will be able to sell those shares in the future at the same price or a higher price. If you do not exercise your Subscription Rights, you will lose any value represented by your Subscription Rights, and if you do not exercise your basic rights in full, your percentage ownership interest in our company will be diluted. For more information on the risks of participating in this offering, see "Risk Factors."

Effect of the Rights Offering on Existing Stockholders; Interests of Certain Stockholders, Directors and Officers

Based on shares outstanding as of May 11, 2021, after giving effect to this offering (assuming that it is fully subscribed) and shares are purchased at the Estimated Subscription Price, we would have approximately 378,101,520,610 shares of common stock outstanding, representing an increase in outstanding shares of approximately 22.7%. If you fully exercise the basic rights that we distribute to you, your proportional interest in our company will remain the same. If you do not exercise any Subscription Rights, or you exercise less than all of your basic rights, your interest in our company will be diluted, as you will own a smaller proportional interest in our company compared to your interest prior to this offering.

The number of shares of common stock outstanding listed in each case above assumes that (1) all of the other shares of common stock issued and outstanding on the record date will remain issued and outstanding and owned by the same persons as of the closing of this offering, and (2) we will not issue any shares of common stock in the period between the record date and the closing of the offering.

Material U.S. Federal Income Tax Treatment of Rights Distribution

The receipt and exercise of Subscription Rights by stockholders should generally not be taxable for U.S. federal income tax purposes. You should seek specific tax advice from your tax advisor in light of your particular circumstances and as to the applicability and effect of any other tax laws. See "Material U.S. Federal Income Tax Consequences."

Distribution Arrangements

Maxim is the dealer-manager for this offering. The dealer-manager will provide marketing assistance and advice to us in connection with this offering. The dealer-manager is not underwriting, soliciting or placing any of the rights or the shares of common stock to be issued in this offering and does not make any recommendation with respect to such Subscription Rights (including with respect to the exercise or expiration of such Subscription Rights) or shares. We have agreed to pay the dealer-manager certain fees and to reimburse the dealer-manager for certain expenses in connection with this offering. See "Plan of Distribution."

Fees and Expenses

We will pay all fees charged by the subscription agent, the information agent, and Maxim acting as dealer-manager for this offering. You are responsible for paying any commissions, fees, taxes or other expenses incurred in connection with the exercise of your Subscription Rights.

Other Matters

We are not making this offering in any state or other jurisdiction in which it is unlawful to do so, nor are we distributing or accepting any offers to purchase any shares of common stock from rights holders who are residents of those states or other jurisdictions or who are otherwise prohibited by federal or state laws or regulations to accept or exercise the Subscription Rights. We may delay the commencement of this offering in those states or other jurisdictions, or change the terms of the offering, in whole or in part, in order to comply with the securities laws or other legal requirements of those states or other jurisdictions. Subject to state securities laws and regulations, we also have the discretion to delay allocation and distribution of any shares you may elect to purchase by exercise of your Subscription Rights in order to comply with state securities laws. We may decline to make modifications to the terms of this offering requested by those states or other jurisdictions, in which case, if you are a resident in those states or jurisdictions or if you are otherwise prohibited by federal or state laws or regulations from accepting or exercising the Subscription Rights, you will not be eligible to participate in the offering. However, we are not currently aware of any states or jurisdictions that would preclude participation in this offering.

DESCRIPTION OF SECURITIES

We are issuing non-transferable Subscription Rights, at no charge, to each holder of common stock as of a record date of 5:00 p.m. (Eastern Time) on May 18, 2021, whom we refer to as a holder or you. For each share of common stock you hold as of the record date, we will issue to you (1) one basic right entitling you to purchase one share at the Actual Subscription Price and (2) an over-subscription right which will entitle you to purchase additional shares for which other rights holders do not subscribe, subject to you exercising your basic right in full and other limitations.

The following is a description of the material terms of our charter, by-laws, and the Delaware Business Corporation Law, or the DGCL. This description of our charter and by-laws does not purport to be complete and is qualified in its entirety by the provisions of our charter and bylaws, copies of which have been filed with the SEC and are incorporated by reference as exhibits to the registration statement of which this prospectus is a part.

General

Our authorized capital stock consists of 750,000,000,000 shares of common stock, par value \$0.0001 per share, and 1,000,000 shares of preferred stock, par value \$0.001 per share, the rights and preferences of which may be established from time to time by our board of directors. As of May 11, 2021, 307,926,082,074 shares of common stock were outstanding and were held by approximately 1,236 record holders. With respect to preferred stock, 5,000 shares of Series D Preferred Stock were issued and outstanding as of May 11, 2021.

Common Stock

Each share of common stock is entitled to one vote on all matters requiring a vote of stockholders and, subject to the rights of the holders of any outstanding shares of preference stock, each stockholder is entitled to receive any dividends, in cash, stock, or otherwise, as our board of directors may declare. Delaware law prohibits the payment of dividends or the repurchase of our shares if we are insolvent or unable to pay our debts as they become due in the usual course of business, or if we would become so as a result of the dividend or repurchase. In the event of our liquidation, dissolution or winding up, either voluntarily or involuntarily, subject to the rights of the holders of any outstanding shares of preference stock, holders of common stock are entitled to share pro-rata in all of our remaining assets available for distribution after providing for claims of creditors as required by the DGCL.

Holders of common stock have no preemptive or conversion rights or other Subscription Rights, and there are no redemption or sinking fund provisions applicable to the common stock. The outstanding shares of common stock are fully paid and non-assessable. The rights, preferences and privileges of the holders of common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preference stock that we may designate and issue in the future.

Under the DGCL, cumulative voting applies to the election of directors by holders of common stock (and holders of any series of preference stock that is entitled to vote in the election of directors).

Preferred Stock

We are authorized to issue 1,000,000 shares of "blank check" preferred stock with designations, rights and preferences as may be determined from time to time by our Board. We presently have only Series D Preferred Stock issued and outstanding. The issuance of our preferred stock could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change of control or other corporate action. We have no current plan to issue any additional shares of preferred stock.

The number of shares designated as Series D Preferred Stock is 5,000 and each share of Series D Preferred Stock has a stated value equal to \$1,000. Except as set forth below or as otherwise required by law, the Series D Preferred Stock have no voting rights. However, as long as any shares of Series D Preferred Stock are outstanding, the Company shall not, without the affirmative vote of the holders of a majority of the then outstanding shares of the Series D Preferred Stock, (a) alter or change adversely the powers, preferences or rights given to the Series D Preferred Stock or alter or amend the Certificate of Designation, (b) amend its certificate of incorporation or other charter documents in any manner that adversely affects any rights of the holders of Series D Preferred Stock, (c) increase the number of authorized shares of Series D Preferred Stock, or (d) enter into any agreement with respect to any of the foregoing. Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary that is not a Fundamental Transaction (as defined in the Certificate of Designation of the Series D Preferred Stock), the holders of Series D Preferred Stock shall be entitled to receive out of the assets, whether capital or surplus, of the Company an amount equal to \$1,000 per share of Series D Preferred Stock. The conversion price for the Series D Preferred Stock shall initially equal \$0.0024. Going forward, the conversion price will be the lesser of \$0.0024 and either (1) 85% of the average of the volume weighted average price (VWAP) during the 10 trading days immediately following the effective date and public announcement of the next reverse stock split of HCMC and (2) 80% of the lowest daily VWAP during the 5 trading days immediately preceding the date the conversion shares are either registered for resale or may be sold pursuant to Rule 144. The rights of the Series D Preferred Stock include certain protections in the event of dilutive equity issuances.

Effect of Certain Provisions of our Certificate of Incorporation and Bylaws and the Delaware Anti-Takeover Statute

Some provisions of Delaware law and our certificate of incorporation and bylaws contain provisions that could make the following transactions more difficult:

- acquisition of us by means of a tender offer;
- acquisition of us by means of a proxy contest or otherwise; or
- removal of our incumbent officers and directors.

Those provisions, summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids and to promote stability in our management. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors.

Certificate of Incorporation and Bylaws

Our certificate of incorporation and our bylaws provide for the following:

- **Undesignated Preferred Stock.** The ability to authorize undesignated preferred stock makes it possible for our board of directors to issue one or more series of preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of our company. These and other provisions may have the effect of deferring hostile takeovers or delaying changes in control or management of our company.
- **Stockholder Meetings.** Our bylaws provide that in general a special meeting of stockholders may be called only by our board of directors, the chairman of our board of directors, any of our officers, or any stockholder holding at least fifteen percent (15%) of the voting power of the capital stock issued and outstanding and entitled to vote.
- **Requirements for Advance Notification of Stockholder Nominations and Proposals.** Our bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of our board of directors or a committee of the board of directors.
- **Limits on Ability of Stockholders to Act by Written Consent.** We have provided in our bylaws that our stockholders may not act by written consent. This limit on the ability of our stockholders to act by written consent may lengthen the amount of time required to take stockholder actions. As a result, a holder controlling a majority of our capital stock would not be able to amend our bylaws or remove directors without holding a meeting of our stockholders called in accordance with our bylaws.

Amendment of Certificate of Incorporation and Bylaws The amendment of the above provisions of our certificate of incorporation and bylaws requires approval by holders of at least two-thirds of our outstanding capital stock entitled to vote generally in the election of directors.

Delaware Anti-Takeover Statute

We are subject to the provisions of Section 203 of the Delaware General Corporation Law regulating corporate takeovers. In general, Section 203 prohibits a publicly-held Delaware corporation from engaging, under certain circumstances, in a business combination with an interested stockholder for a period of three years following the date the person became an interested stockholder unless:

- prior to the date of the transaction, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, but not for determining the outstanding voting stock owned by the interested stockholder, (i) shares owned by persons who are directors and also officers, and (ii) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to the date of the transaction, the business combination is approved by the board of directors of the corporation and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66-2/3% of the outstanding voting stock which is not owned by the interested stockholder.

Generally, a business combination includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. An interested stockholder is a person who, together with affiliates and associates, owns 15% or more of a corporation's outstanding voting stock or is an affiliate or associate of a corporation and was the owner of 15% or more of the corporation's outstanding voting stock within three years prior to the determination of interested stockholder status.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a summary of the material U.S. federal income tax considerations with respect to the receipt and exercise (or expiration) of the Subscription Rights acquired through this offering, the ownership and disposition of shares of common stock received upon exercise of the Subscription Rights, but does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local or non-U.S. tax laws are not discussed. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended, or Code Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service, or IRS, in each case in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a holder of the Subscription Rights or shares of common stock. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the receipt of Subscription Rights acquired through this offering by persons holding shares of common stock or, the exercise (or expiration) of the Subscription Rights.

This discussion is limited to stockholders that hold the Subscription Rights and shares of common stock and/or Series D Preferred Stock, in each case, as "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a rights holder's particular circumstances, including the impact of the alternative minimum tax or the unearned income Medicare contribution tax. In addition, it does not address consequences relevant to rights holders subject to particular rules, including:

- U.S. expatriates and former citizens or long-term residents of the United States;
- persons holding the Subscription Rights or shares of common stock and/or Series D Preferred Stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies, and other financial institutions;
- brokers, dealers or traders in securities;
- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- regulated investment companies, or real estate investment trusts;
- foreign governments, international organizations, and corporations organized outside of the United States, any state thereof or the District of Columbia that are nonetheless treated as U.S. taxpayers for U.S. federal income tax purposes;
- persons having a functional currency other than the U.S. dollar;
- persons deemed to sell shares of common stock and/or Series D Preferred Stock under the constructive sale provisions of the Code;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to the Subscription Rights or shares of common stock and/or Series D Preferred Stock being considered in an "applicable financial statement" (as defined in the Code);
- persons for whom our capital stock constitutes "qualified small business stock" within the meaning of Section 1202 of the Code;
- persons who hold or receive the Subscription Rights or shares of common stock pursuant to the exercise of any employee stock option or otherwise as compensation; or
- tax-qualified retirement plans.

If an entity treated as a partnership for U.S. federal income tax purposes holds Subscription Rights, or shares of common stock acquired upon exercise of Subscription Rights, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

THIS DISCUSSION IS FOR INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. INVESTORS SHOULD CONSULT TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE RECEIPT, OWNERSHIP AND EXERCISE OF SUBSCRIPTION RIGHTS AND THE ACQUISITION, OWNERSHIP, AND DISPOSITION OF SHARES OF COMMON STOCK ACQUIRED UPON EXERCISE OF SUBSCRIPTION RIGHTS ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Tax Considerations Applicable to U.S. Holders

Definition of a U.S. Holder

For purposes of this discussion, a "U.S. holder" is any beneficial owner of Subscription Rights, or shares of common stock acquired upon exercise of Subscription Rights, as the case may be, that, for U.S. federal income tax purposes, is:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more United States persons (within the meaning of Section 7701(a)(30) of the Code), or (2) has made a valid election under applicable Treasury Regulations to continue to be treated as a United States person.

Receipt of Subscription Rights

Section 305(a) of the Code states that a stockholder's taxable income does not include in-kind stock dividends. The general non-recognition rule in Section 305(a) of the Code is, however, subject to exceptions described in Section 305(b) of the Code, which include "disproportionate distributions" and certain distributions with respect to certain preferred stock. A disproportionate distribution is a distribution or a series of distributions, including deemed distributions, that has the effect of the receipt of cash or other property by some stockholders or holders of debt instruments convertible into stock and an increase in the proportionate interest of other stockholders in a corporation's assets or earnings and profits.

Although the authorities governing transactions such as this offering are complex and do not speak directly to the consequences of certain aspects of the offering, including the effects of the over-subscription right, we do not believe a U.S. holder's receipt of Subscription Rights pursuant to the offering should be treated as a taxable distribution with respect to their existing shares of common stock and/or Series D Preferred Stock for U.S. federal income tax purposes. Our position regarding the tax-free treatment of the receipt of Subscription Rights with respect to existing shares of common stock and/or Series D Preferred Stock is not binding on the IRS or the courts. If this position were finally determined by the IRS or a court to be incorrect, whether on the basis that the issuance of the Subscription Rights is a "disproportionate distribution" or otherwise, the fair market value of the Subscription Rights would be taxable to U.S. holders in the manner described under "—Tax Considerations Applicable to Non-U.S. Holders - Distributions on Common Stock" below. If our position were incorrect, the U.S. federal income tax consequences applicable to the rights holders may also be materially different than as described below.

The following discussion is based upon the treatment of the Subscription Right issuance as a non-taxable distribution with respect to a U.S. holder's existing shares of common stock and/or Series D Preferred Stock for U.S. federal income tax purposes.

Tax Basis and Holding Period in the Subscription Rights

If the fair market value of the Subscription Rights a U.S. holder receives with respect to existing shares of common stock and/or Series D Preferred Stock, as applicable, is less than 15% of the fair market value of the U.S. holder's existing shares of common stock and/or Series D Preferred Stock (with respect to which the Subscription Rights are distributed), as applicable, on the date the U.S. holder receives the Subscription Rights, the Subscription Rights will be allocated a zero tax basis for U.S. federal income tax purposes, unless the U.S. holder elects to allocate its tax basis in its existing shares of common stock and/or Series D Preferred Stock between its existing shares of common stock and/or Series D Preferred Stock, as applicable, and the Subscription Rights in proportion to the relative fair market values of the existing shares of common stock and/or Series D Preferred Stock and the Subscription Rights determined on the date of receipt of the Subscription Rights. If a U.S. holder chooses to allocate tax basis between its existing shares of common stock and/or Series D Preferred Stock, as applicable, and the Subscription Rights, the U.S. holder must make this election on a statement included with its timely filed tax return (including extensions) for the taxable year in which the U.S. holder receives the Subscription Rights. Such an election is irrevocable. If the fair market value of the Subscription Rights a U.S. holder receives is 15% or more of the fair market value of their existing shares of common stock and/or Series D Preferred Stock on the date the U.S. holder receives the Subscription Rights, however, then the U.S. holder must allocate its tax basis in its existing shares of common stock and/or Series D Preferred Stock, as applicable, between those shares and the Subscription Rights the U.S. holder receives in proportion to their fair market values determined on the date the U.S. holder receives the Subscription Rights. The holding period of Subscription Rights received will include a U.S. holder's holding period in shares of common stock and/or Series D Preferred Stock, as applicable, with respect to which the Subscription Rights were distributed. Please refer to discussion below regarding the U.S. tax treatment of a U.S. holder that, at the time of the receipt of the Subscription Right, no longer holds the common stock and/or Series D Preferred Stock with respect to which the Subscription Right was distributed.

The fair market value of the Subscription Rights on the date that the Subscription Rights are distributed is uncertain, and we have not obtained, and do not intend to obtain, an appraisal of the fair market value of the Subscription Rights on that date. In determining the fair market value of the Subscription Rights, U.S. holders should consider all relevant facts and circumstances, including any difference between the subscription price of the Subscription Rights and the trading price of common stock and/or Series D Preferred Stock on the date that the Subscription Rights are distributed, the length of the period during which the Subscription Rights may be exercised and the fact that the Subscription Rights are non-transferable.

Exercise of Subscription Rights

Generally, a U.S. holder will not recognize gain or loss upon the exercise of a Subscription Right received in this offering. A U.S. holder's adjusted tax basis, if any, in the Subscription Right plus the subscription price should be allocated among the new shares of common stock acquired upon exercise of the Subscription Right in proportion to their relative fair market values on the exercise date. This allocation will establish the U.S. holder's initial tax basis for U.S. federal income tax purposes in the new shares of common stock received upon exercise. The holding period of a share of common stock acquired upon exercise of a Subscription Right in this offering will begin on the date of exercise.

If, at the time of the receipt or exercise of the Subscription Right, the U.S. holder no longer holds the common stock and/or Series D Preferred Stock, as applicable, with respect to which the Subscription Right was distributed, then certain aspects of the tax treatment of the receipt and exercise of the Subscription Right are unclear, including (1) the allocation of the tax basis between the shares of common stock and/or Series D Preferred Stock, as applicable, previously sold and the Subscription Right, (2) the impact of such allocation on the amount and timing of gain or loss recognized with respect to the shares of common stock and/or Series D Preferred Stock previously sold, and (3) the impact of such allocation on the tax basis of the shares of common stock acquired upon exercise of the Subscription Right. If a U.S. holder exercises a Subscription Right received in this offering after disposing of shares of common stock and/or Series D Preferred Stock with respect to which the Subscription Right is received, the U.S. holder should consult its tax advisor.

Expiration of Subscription Rights

If a U.S. holder that receives Subscription Rights with respect to their common stock and/or Series D Preferred Stock allows such Subscription Right received in this offering to expire, the U.S. holder should not recognize any gain or loss for U.S. federal income tax purposes, and the U.S. holder should re-allocate any portion of the tax basis in its existing shares of common stock and/or Series D Preferred Stock previously allocated to the Subscription Rights that have expired to the existing shares of common stock and/or Series D Preferred Stock, as applicable.

Sale, Exchange or Other Disposition of Common Stock

Upon a sale, exchange, or other disposition of common stock acquired by exercising Subscription Rights, a U.S. holder generally will recognize capital gain or loss equal to the difference between the amount realized (not including any amount attributable to declared and unpaid dividends, which will be taxable as described above to U.S. holders of record who have not previously included such dividends in income) and the U.S. holder's adjusted tax basis in common stock. A U.S. holder's adjusted tax basis in common stock generally will equal its initial tax basis in common stock reduced by the amount of any cash distributions treated as a return of capital as described above. Such capital gain or loss generally will be long-term capital gain or loss if the U.S. holder's holding period for common stock exceeded one year at the time of disposition). Long-term capital gains recognized by certain non-corporate U.S. holders including individuals, generally are subject to reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding

A U.S. holder may be subject to information reporting and backup withholding when such holder receives dividend payments or receives proceeds from the sale or other taxable disposition of the shares of common stock acquired by exercising the Subscription Rights. Certain U.S. holders are exempt from backup withholding, including corporations and certain tax-exempt organizations. A U.S. holder will be subject to backup withholding if such holder is not otherwise exempt and such U.S. holder:

- fails to furnish such U.S. holder's taxpayer identification number;
- furnishes an incorrect taxpayer identification number;
- is notified by the IRS that such U.S. holder previously failed to properly report payments of interest or dividends; or
- fails to certify under penalties of perjury that such U.S. holder has furnished a correct taxpayer identification number and that the IRS has not notified the holder that such U.S. holder is subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS. U.S. holders should consult their tax advisor regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption.

Tax Considerations Applicable to Non-U.S. Holders

For purposes of this discussion, a "non-U.S. holder" is any beneficial owner of Subscription Rights, or shares of common stock acquired upon exercise of Subscription Rights, as the case may be, that is neither a U.S. holder nor an entity treated as a partnership for U.S. federal income tax purposes.

Receipt, Exercise and Expiration of the Subscription Rights

The discussion assumes that the receipt of Subscription Rights with respect to existing shares of common stock and/or Series D Preferred Stock will be treated as a nontaxable distribution. See "—Tax Considerations Applicable to U.S. Holders—Receipt of Subscription Rights" above. Non-U.S. holders that receive Subscription Rights with respect to existing shares of common stock and/or Series D Preferred Stock will generally not be subject to U.S. federal income tax (or any withholding thereof) on the receipt.

Distributions on Common Stock

If we make distributions of cash or property on common stock acquired upon exercising Subscription Rights, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and first be applied against and reduce a non-U.S. holder's adjusted tax basis in its common stock, as the case may be, but not below zero. Any remaining excess will be treated as capital gain and will be treated as described below in the section relating to the sale or other disposition of common stock. Because we may not know the extent to which a distribution is a dividend for U.S. federal income tax purposes at the time it is made, for purposes of the withholding rules discussed below we or the applicable withholding agent may treat the entire distribution as a dividend.

Subject to the discussion below on backup withholding and foreign accounts, dividends paid to a non-U.S. holder of common stock that are not effectively connected with the non-U.S. holder's conduct of a trade or business within the United States will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty between the United States and the non-U.S. holder's country of residence).

Non-U.S. holders will be entitled to a reduction in or an exemption from withholding on dividends as a result of either (1) an applicable income tax treaty or (2) the non-U.S. holder holding common stock in connection with the conduct of a trade or business within the United States and dividends being effectively connected with that trade or business. To claim such a reduction in or exemption from withholding, the non-U.S. holder must provide the applicable withholding agent with a properly executed (1) IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) claiming an exemption from or reduction of the withholding tax under the benefit of an income tax treaty between the United States and the country in which the non-U.S. holder resides or is established, or (2) IRS Form W-8ECI stating that the dividends are not subject to withholding tax because they are effectively connected with the conduct of the non-U.S. holder of a trade or business within the United States, as may be applicable. These certifications must be provided to the applicable withholding agent prior to the payment of dividends and must be updated periodically. Non-U.S. holders that do not timely provide the applicable withholding agent with the required certification, but that qualify for a reduced rate under an applicable income tax treaty, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

If dividends paid to a non-U.S. holder are effectively connected with the non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such dividends are attributable), then, although exempt from U.S. federal withholding tax (provided the non-U.S. holder provides appropriate certification, as described above), the non-U.S. holder will be subject to U.S. federal income tax on such dividends on a net income basis at the regular graduated U.S. federal income tax rates. In addition, a non-U.S. holder that is a corporation may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on its effectively connected earnings and profits for the taxable year that are attributable to such dividends, as adjusted for certain items. Non-U.S. holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

Sale or Other Disposition of Common Stock

Subject to the discussions below on backup withholding and foreign accounts, a non-U.S. holder will not be subject to U.S. federal income tax on any gain realized upon the sale or other taxable disposition of common stock acquired upon exercise of Subscription Rights unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such gain is attributable);
- the non-U.S. holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- the common stock constitutes a U.S. real property interest, or USRPI, by reason of our status as a U.S. real property holding corporation, or USRPHC, for U.S. federal income tax purposes.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular graduated U.S. federal income tax rates. A Non-U.S. holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

Gain described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% on any gain derived from the disposition which may be offset by U.S. source capital losses of the non-U.S. holder (even though the individual is not considered a resident of the United States) provided the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we believe we are not currently and do not anticipate becoming a USRPHC. Because the determination of whether we are a USRPHC depends on the fair market value of our USRPIs relative to the fair market value of our other business assets and our non-U.S. real property interests, however, there can be no assurance we are not a USRPHC or will not become one in the future.

Non-U.S. holders should consult their tax advisors regarding potentially applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Subject to the discussion below on foreign accounts, a non-U.S. holder will not be subject to backup withholding with respect to distributions of common stock we make to the non-U.S. holder, provided the applicable withholding agent does not have actual knowledge or reason to know such non-U.S. holder is a United States person and such non-U.S. holder certifies its non-U.S. status, such as by providing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or other applicable certification. Information returns generally will be filed with the IRS, however, in connection with any distributions (including deemed distributions) made on common stock to the non-U.S. holder, regardless of whether any tax was actually withheld. Copies of these information returns may also be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the non-U.S. holder resides or is established.

Information reporting and backup withholding may apply to the proceeds of a sale or other taxable disposition of common stock within the United States, and information reporting may (although backup withholding generally will not) apply to the proceeds of a sale or other taxable disposition of common stock outside the United States conducted through certain U.S.-related financial intermediaries, in each case, unless the beneficial owner certifies under penalty of perjury that it is a non-U.S. holder on IRS Form W-8BEN or W-8BEN-E, or other applicable form (and the payor does not have actual knowledge or reason to know that the beneficial owner is a U.S. person) or such owner otherwise establishes an exemption. Proceeds of a disposition of common stock conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a non-U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under the Foreign Account Tax Compliance Act, or FATCA, on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends (including deemed dividends) or gross proceeds from the sale or other disposition of common stock paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States-owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends (including deemed dividends). Under proposed U.S. Treasury Regulations, this withholding tax will not apply to the gross proceeds from any sale or disposition of our common stock. Withholding agents may, but are not required to, rely on the proposed Treasury Regulations until final Treasury Regulations are issued. Because we may not know the extent to which a distribution is a dividend for U.S. federal income tax purposes at the time it is made, for purposes of these withholding rules we or the applicable withholding agent may treat the entire distribution as a dividend. Prospective investors should consult their tax advisors regarding the potential application of these withholding provisions.

PLAN OF DISTRIBUTION

Promptly following the effective date of the registration statement of which this prospectus form is a part, we will distribute the Subscription Rights Certificates and copies of this prospectus to the holders of our common stock and Series D Preferred Stock on the Record Date. Subscription Right holders who wish to exercise their Subscription Rights and purchase our common stock must complete the Subscription Rights Certificate and return it with payment for the shares to the Subscription Agent at the following address:

By mail:
Broadridge Corporate Issuer Solutions, Inc.
Attn: BCIS re-Organization Dept.
P.O. Box 1317
Brentwood, NY 11717-0718

By hand or overnight courier:
Broadridge Corporate Issuer Solutions, Inc.
Attn: BCIS IWS
51 Mercedes Way
Edgewood, NY 11717

If you have any questions, you should contact our Subscription Agent for the rights offering, Broadridge Corporate Issuer Solutions, Inc., toll free at (855) 793-5068 or by email at shareholder@broadridge.com.

Other than as described in this prospectus, we do not know of any existing agreements between any stockholder, broker, dealer, underwriter or agent relating to the sale or distribution of the underlying securities.

Maxim Group LLC will act as dealer-manager for the rights offering. In such capacity, the dealer-manager will provide marketing assistance and financial advice (including determining the Subscription Price and the structure of the rights offering) to us in connection with this offering. The dealer-manager will provide us with updated investor feedback and recommendations on pricing and structure through to the end of the subscription period. The dealer-manager is not underwriting, soliciting (other than institutional accredited investors) or placing any of the Subscription Rights or common stock being issued in this offering and does not make any recommendation with respect to such Subscription Rights (including with respect to the exercise or expiration of such Subscription Rights), or shares.

In connection with this rights offering, we have agreed to pay fees to Maxim Group LLC as dealer-manager an aggregate cash fee equal to 6.5% of the gross proceeds received by us directly from exercises of the Subscription Rights. We agreed to reimburse the reasonable fees and expenses of the dealer-manager up to \$65,000, including \$15,000 we advanced (the "Advance") for such expenses. Any portion of the Advance not used for Maxim's actual out-of-pocket expenses shall be promptly reimbursed to the Company.

For a period of twelve months from the commencement of this rights offering, the Company will grant Maxim Group LLC the right of first refusal to act as a lead placement agent or underwriter for any and all future public and private equity, equity-linked, debt offerings, or other capital raising activity. Upon the successful completion of the rights offering for gross proceeds of at least \$20,000,000, such period will be increased to eighteen months.

We have also agreed to indemnify the dealer-manager and their respective affiliates against certain liabilities arising under the Securities Act. The dealer-manager participation in this offering is subject to customary conditions contained in the dealer-manager agreement, including the receipt by the dealer-manager of an opinion of our counsel. The dealer-manager and their affiliates may provide to us from time to time in the future in the ordinary course of their business certain financial advisory, investment banking and other services for which they will be entitled to receive fees.

Subject to certain exceptions, we have agreed not to offer, issue, sell, contract to sell, encumber, grant any option for the sale of or otherwise dispose of any common shares or other securities convertible into or exercisable or exchangeable for common shares for a period of 60 days after the expiration of this rights offering.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table sets forth the number of shares of our common stock beneficially owned as of May 11 2021, by (i) those persons known by us to be owners of more than 5% of our common stock, (ii) each director, (iii) our Named Executive Officers and (iv) all of our executive officers and directors of as a group. Unless otherwise specified in the notes to this table, the address for each person is: c/o Healthier Choices Management Corp., 3800 North 28th Way, Hollywood, Florida 33020.

Title of Class	Beneficial Owner	Amount and Nature of Beneficial Owner (1)	Percent of Class (1)
Directors and Executive Officers:			
Common Stock	Jeffrey E. Holman (2)	49,587,500,000	13.87%
Common Stock	Christopher Santi (3)	24,700,000,000	7.43%
Common Stock	John Ollet (4)	7,887,500,000	2.79%
Common Stock	Dr. Anthony Panariello (5)	1,481,250,000	*
Common Stock	Clifford J. Friedman (6)	1,500,000,000	*
	All directors and officers as a group (5 persons) (7)	83,657,750,000	
5% Stockholders:			
None		-	0%
Total:		<u>83,657,750,000</u>	<u>24.09%</u>

*Less than 1%

(1) Beneficial Ownership. Applicable percentages are based on 307,926,082,074 shares of common stock outstanding as of May 11, 2021. Beneficial ownership is determined under the rules of the SEC and generally includes voting or investment power with respect to securities. Shares of common stock subject to options, warrants, convertible notes and preferred stock currently exercisable or convertible or exercisable or convertible within 60 days are deemed outstanding for computing the percentage of the person holding such securities but are not deemed outstanding for computing the percentage of any other person. The table includes shares of common stock, options, warrants, and preferred stock exercisable or convertible into common stock and vested or vesting within 60 days. Unless otherwise indicated in the footnotes to this table, we believe that each of the stockholders named in the table has sole voting and investment power with respect to the shares of common stock indicated as beneficially owned by them. The table does not include unvested options that do not vest within 60 days of the date listed above in this footnote.

(2) Holman. Chairman and Chief Executive Officer. Includes 39,000,000,000 vested options and 10,587,500,000 shares of unvested restricted Common Stock. This restricted stock vests in 1,512,500,000 increments on the last day of each calendar quarter commencing June 30, 2021.

(3) Santi. President and Chief Operation Officer. Includes 17,000,000,000 vested options and 7,700,000,000 shares of unvested restricted Common Stock. This restricted stock vests in 1,100,000,000 increments on the last day of each calendar quarter commencing June 30, 2021.

(4) Ollet. Chief Financial Officer. Includes 5,000,000,000 vested options. He also holds 2,875,500,000 shares of unvested restricted Common Stock. This restricted stock vests in 412,500,000 increments on the last day of each calendar quarter commencing June 30, 2021.

(5) Panariello. A director. Includes 1,000,000,000 vested options. He also holds 481,250,000 shares of unvested restricted Common Stock. This restricted stock vests in 68,750,000 increments on the last day of each calendar quarter commencing June 30, 2021.

(6) Friedman. A director. Includes 990,000,000 vested options and 510,000,000 shares of common stock.

(7) Directors and Executive Officers. Includes executive officers who are not Named Executive Officers under the SEC's rules and regulations.

LEGAL MATTERS

The validity of the securities offered hereby will be passed upon for us by Cozen O'Connor P.C., Miami, Florida. The dealer-manager is being represented by Ellenoff Grossman & Schole, LLP, New York, New York.

EXPERTS

The financial statements as of December 31, 2020 and 2019 and for each of the two years in the period ended December 31, 2020, and the related financial statement schedule, incorporated in this prospectus by reference from the 2020 Form 10-K, have been audited by Marcum LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such financial statements and financial statement schedules have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We make periodic filings and other filings required to be filed by us as a reporting company under Sections 13 and 15(d) of the Exchange Act. The SEC maintains a website at <http://www.sec.gov> that contains the reports, proxy and information statements, and other information that issuers, such as us, file electronically with the SEC. Our website address is <https://healthiercmc.com>. Information contained on our website, however, is not, and should not be deemed to be, incorporated into this prospectus and you should not consider information contained on our website to be part of this prospectus. We have included our website address as an inactive textual reference only.

This prospectus and any prospectus supplement are part of a registration statement that we filed with the SEC and do not contain all of the information in the registration statement. The full registration statement may be obtained from the SEC or us, as provided below. Forms of the documents establishing the terms of the offered securities are or may be filed as exhibits to the registration statement or documents incorporated by reference in the registration statement. Statements in this prospectus or any prospectus supplement about these documents are summaries and each statement is qualified in all respects by reference to the document to which it refers. You should refer to the actual documents for a more complete description of the relevant matters. You may inspect a copy of the registration statement through the SEC's website, as provided above.

INCORPORATION BY REFERENCE

The SEC's rules allow us to "incorporate by reference" information into this prospectus, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus. Any statement contained in this prospectus or a previously filed document incorporated by reference will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus modifies or replaces that statement:

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2020, filed with the SEC on March 8, 2021.
- our Quarterly Report on Form 10-Q filed with the SEC on May 10, 2021; and
- our Current Reports on Form 8-K filed with the SEC on March 29, 2021, April 20, 2021; and May 5, 2021.

In addition to the filings listed above, any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, after (i) the date of this registration statement and prior to effectiveness of this registration statement and (ii) the date of this prospectus and before the completion of the offering of the securities included in this prospectus, however, we will not incorporate by reference any document or portions thereof that are not deemed "filed" with the SEC, or any information furnished pursuant to Items 2.02 or 7.01 of Form 8-K or related exhibits furnished pursuant to Item 9.01 of Current Reports on Form 8-K.

The documents incorporated by reference into this prospectus are also available on our corporate website at <https://healthiercmc.com> under the heading "Investors/SEC Filings." Upon request, we will provide to each person, including any beneficial owner, to whom this prospectus is delivered, a copy of any or all of the reports or documents that have been incorporated by reference into this prospectus. If you would like a copy of any of these documents, at no cost, please call us at (305) 600-5004 or through an e-mail request to offeringinfo@hcmc1.com. We will provide, without charge, to each person, including any beneficial owner, to whom a copy of this prospectus is delivered, upon such person's written or oral request, a copy of any and all of the information incorporated by reference in this prospectus. Exhibits to the filings will not be sent, however, unless those exhibits have specifically been incorporated by reference in this prospectus or any accompanying prospectus supplement.

**Subscription Rights to Purchase Up to 70,175,438,596 Shares
of Common Stock**

PROSPECTUS

Dealer-Manager
Maxim Group LLC

May __, 2021

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the expenses payable by us in connection with the offering of securities described in this registration statement. All amounts shown are estimates, except for the SEC registration fee. We will bear all expenses shown below.

SEC registration fee	\$ 10,910
Dealer Manager fees and expenses	6,525,000
Subscription agent fees and expenses	700,000
Information agent fees and expenses	100,000
Printing and postage expenses	300,000
Legal fees and expenses	125,000
Accounting fees and expenses	75,000
Miscellaneous fees and expenses	164,090
Total	\$8,000,000

Item 14. Indemnification of Directors and Officers.

Under Section 145 of the Delaware General Corporation Law, Registrant has broad powers to indemnify its directors and officers against liabilities they may incur in such capacities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). Registrant's Bylaws (the "Bylaws") provide that Registrant shall indemnify its directors and officers if such officer or director acted (i) in good faith, (ii) in a manner reasonably believed to be in or not opposed to the best interests of Registrant, and (iii) with respect to any criminal action or proceeding, had no reasonable cause to believe such conduct was unlawful. Registrant believes that indemnification under its Bylaws covers at least negligence and gross negligence, and requires Registrant to advance litigation expenses in the case of stockholder derivative actions or other actions, against an undertaking by the directors and officers to repay such advances if it is ultimately determined that the director is not entitled to indemnification. The Bylaws further provide that rights conferred under such Bylaws shall not be deemed to be exclusive of any other right such persons may have or acquire under any agreement, vote of stockholders or disinterested directors, or otherwise.

In addition, Registrant's Certificate of Incorporation (the "Certificate of Incorporation") provides that, pursuant to Delaware law, none of its directors shall be liable for monetary damages for breach of his or her fiduciary duty of care to Registrant and its stockholders to the fullest extent permitted by the Delaware General Corporation Law as it presently exists or may hereafter be amended from time to time. This provision in the Certificate of Incorporation does not eliminate the duty of care, and in appropriate circumstances equitable remedies such as injunctive or other forms of non-monetary relief will remain available under Delaware law. In addition, each director will continue to be subject to liability for breach of the director's duty of loyalty to Registrant for acts or omissions not in good faith or involving intentional misconduct, for knowing violations of law, for actions leading to improper personal benefit to the director, and for payment of dividends or approval of stock repurchases or redemptions that are in willful or negligent violation of applicable Delaware law. The provision also does not affect a director's responsibilities under any other law, such as the federal securities laws or state or federal environmental laws. The Certificate of Incorporation further provides that Registrant shall indemnify its directors and officers to the fullest extent permitted by law and requires Registrant to advance litigation expenses in the case of stockholder derivative actions or other actions, against an undertaking by the director to repay such advances if it is ultimately determined that the director is not entitled to indemnification. The Certificate of Incorporation also provides that rights conferred under such Certificate of Incorporation shall not be deemed to be exclusive of any other right such persons may have or acquire under any statute, the Certificate of Incorporation, the Bylaws, agreement, vote of stockholders or disinterested directors, or otherwise.

Registrant has obtained liability insurance policies for the officers and directors that, subject to certain limitations, terms and conditions, will insure them against losses arising from wrongful acts (as defined by the policy) in their capacity as directors or officers.

In addition, Registrant has entered into agreements to indemnify its directors and certain of its officers in addition to the indemnification provided for in the Certificate of Incorporation and Bylaws. These agreements, among other things, indemnify Registrant's directors and certain of its officers for certain expenses (including attorney's fees), judgments, fines and settlement amounts incurred by such person in any action or proceeding, including any action by or in the right of Registrant, on account of services as a director or officer of Registrant or as a director or officer of any subsidiary of Registrant, or as a director or officer of any other company or enterprise that the person provides services to at the request of Registrant.

Item 15. Recent Sales of Unregistered Securities.

On August 13, 2018, the Compensation Committee of the Board of Directors of the Company approved a modification of share-based payment awards to Jeffrey Holman, the Chief Executive Officer, Christopher Santi, the President and Chief Operating Officer of the Company. As part of the share modification Mr. Holman and Mr. Santi were granted 11 billion and 8 billion shares of restricted common stock, respectively, on the condition that the same number of shares from their options to purchase the Company's common stock are forfeited.

On August 13, 2018, the Compensation Committee of the Board of Directors of the Company approved an issuance of 3 billion shares of restricted common stock to the John Ollet, Chief Financial Officer of the Company.

On January 14, 2021, the Compensation Committee of the Board of Directors of the Company approved an issuance of restricted stock to the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Anthony Panariello, a director of the Company, in consideration for agreeing to a new vesting schedule for the existing awarded restricted stock. Each Officer of the Company was granted a 10% increase from the original award agreement.

On January 14, 2021, the Compensation Committee of the Board of Directors of the Company approved an issuance of restricted stock to Anthony Panariello a Director of the Company, in consideration for agreeing to a new vesting schedule for the existing awarded restricted stock. The Director of the Company was granted a 10% increase from the original award agreement for a total of 50 million shares of restricted common stock, which will vest on December 31, 2022, provided that the grantee remains an employee of the Company through the vesting date.

On March 29, 2021, Healthier Choices Management Corp. (the "Company") entered into agreements (each an "Exchange Agreement") with certain holders (the "Holders") of the Company's indebtedness (the "Notes") in an aggregate amount of \$1,290,260.64 to exchange the Notes for 1,172,964,218 shares of the Company's common stock at a price per share of \$0.0011 (the "Exchange"), the closing bid price of the Company's common stock on March, 26 2021. The Notes were issued pursuant to that Loan and Security Agreement (the "Credit Agreement"), dated as of August 18, 2020, among The Vape Store, Inc. the Company, Healthy Choice Markets, Inc., Sabby Healthcare Master Fund, Ltd., and Sabby Volatility Warrant Master Fund, Ltd. In connection with the Exchange, the Credit Agreement and all related loan documents were terminated and the Holder's liens on the assets of the Company and its subsidiaries were cancelled.

Series B Convertible Preferred Stock

On August 16, 2018, the Company entered into agreements with certain holders of its Series A Warrants. The Company issued Series B Convertible Preferred Stock (the "Series B Stock") in exchange for certain Series A Warrants. A total of 20,722 shares of Series B Stock were exchanged for 46,048,318 of Series A Warrants (including those warrants issuable pursuant to a unit purchase option). Each share of Series B Stock has a stated value equal to \$1,000 and is convertible into Common Stock on a fixed basis at a conversion price of \$0.00 per share.

Series C Convertible Preferred Stock

On November 17, 2020, the Company finalized the closing of the stock exchange with certain holders of its Series B Stock to exchange all the Series B Stock for 20,150 shares of Series C Convertible Preferred Stock (the "Series C Stock"). Each share of Series C Stock has a stated value equal to \$1,000 and is convertible into Common Stock on a fixed basis at a conversion price of \$0.0001 per share. As of March 5, 2021, the Series C Stock have been 100% been converted into 201.5 billion shares of Company common stock.

Series D Convertible Preferred Stock

On February 7, 2021, Healthier Choices Management Corp. (the "Company") entered into a Securities Purchase Agreement, pursuant to which the Company sold and issued 5,000 shares of its Series D Convertible Preferred Stock (the "Preferred Stock") to institutional investors for \$1,000 per share or an aggregate subscription of \$5,000,000. The Preferred Stock is currently convertible into 2,083,333,333 shares of the Company's Common Stock at a conversion price of \$0.0024 per share, with such conversion price subject to adjustment as described in the Certificate of Designation.

Item 16. Exhibits and Consolidated Financial Statement Schedules.

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed or Furnished Herewith
		Form	Date	Number	
1.1	Form of Dealer Manager Agreement				X
2.1(a)	Business Sale Offer and Acceptance Agreement, dated April 11, 2016, by and between Vapor Corp. and Ada's Whole Food Market LLC	8-K	5/23/16	2.1	
2.1(b)	Asset Purchase Agreement, dated July 29, 2016, by and between Vapor Corp. and VPR Brands, L.P.	8-K	8/3/16	1.1	
2.1(c)	Asset Purchase Agreement, dated November 19, 2018, by and among the Company and Paradise Health Foods, Inc.	8-K	11/21/18	2.1	
2.1(d)	Membership Interest Purchase Agreement, dated December 14, 2018, by and among Healthy U Wholesale, Inc. and the Sellers named therein	8-K	12/26/18	2.2	
3.1	Certificate of Incorporation	10-Q	11/16/15	3.1	
3.1(a)	Certificate of Amendment to Certificate of Incorporation	8-K	3/03/17	3.1	
3.1(b)	Certificate of Amendment to Certificate of Incorporation	S-1	7/10/15	3.2	
3.1(c)	Certificate of Amendment to Certificate of Incorporation	S-4	12/11/15	3.2	
3.1(d)	Certificate of Amendment to Certificate of Incorporation	8-K	2/2/16	3.1	
3.1(e)	Certificate of Amendment to Certificate of Incorporation	8-K	3/9/16	3.1	
3.1(f)	Certificate of Amendment to Certificate of Incorporation	8-K	6/1/16	3.1	
3.1(g)	Certificate of Amendment to Certificate of Incorporation	8-K	8/5/16	3.1	
3.1(h)	Certificate of Designation of Series A Preferred Stock	S-1	7/10/15	3.4	
3.1(i)	Certificate of Correction to the Certificate of Designation of Series A Preferred Stock	8-A12B	7/27/15	3.5	
3.1(j)	Certificate of Designation of Preferences, Rights And Limitations of Series B Convertible Preferred Stock	8-K	8/21/18	3.1	
3.1(k)	Certificate of Designation of Preferences, Rights And Limitations of Series C Convertible Preferred Stock	8-K	9/25/20	3.1	
3.1(l)	Certificate of Designation of Preferences, Rights And Limitations of Series D Convertible Preferred Stock	8-K	2/8/21	3.1	
3.2	Bylaws	8-K	12/31/13	3.4	
4.1	Form of Non-Transferable Subscription Rights Certificate				X
5.1	Opinion of Cozen O'Connor P.C.				X
10.1	2015 Equity Incentive Plan	S-1	6/01/15	10.28	
10.2	Term Loan Credit Agreement, dated December 31, 2018, by and among Healthy Choice Markets 2, LLC, The Vitamin Store, LLC and Professional Bank	8-K	1/7/19	10.1	
10.3	Term Note, dated December 31, 2019, issued by Healthy Choice Markets 2, LLC, and The Vitamin Store, LLC, in favor of Professional Bank	8-K	1/7/19	10.2	
10.4+	Amendment to Vapor Corp. 2015 Equity Incentive Plan	S-8	2/8/17	4.2	
10.5+	Form of Restricted Stock Award Agreement	8-K	8/20/18	10.4	
10.6+	Second Amended and Restated Employment Agreement, entered into as of February 26, 2021 by and between the Company and Christopher Santi	8-K	3/5/21	10.1	
10.7+	Third Amended and Restated Restricted Stock Agreement dated as of February 12, 2021 by and between Healthier Choices Management Corp. and Jeffrey Holman	10-K	3/8/21	10.12	
10.8+	Third Amended and Restated Restricted Stock Agreement dated as of February 12, 2021 by and between Healthier Choices Management Corp. and Christopher Santi	10-K	3/8/21	10.13	
10.9+	Third Amended and Restated Restricted Stock Agreement dated as of February 12, 2021 by and between Healthier Choices Management Corp. and John Ollet	10-K	3/8/21	10.14	
10.10+	Third Amended and Restated Restricted Stock Agreement dated as of February 12, 2021 by and between Healthier Choices Management Corp. and Anthony Panariello	10-K	3/8/21	10.5	
10.11+	Amended and Restated Employment Agreement, dated as of March 13, 2018 by and between the Company and John Ollet	8-K	8/20/18	10.2	
10.12+	Amended and Restated Employment Agreement, dated as of March 13, 2018 by and between the Company and Jeffrey Holman	8-K	8/20/18	10.3	
10.13+	Form of Exchange Agreement, dated as of March 29, 2021, by and between Healthier Choices Management Corp. and the holders of indebtedness named therein	8-K	3/29/2021	10.1	
10.14+	Securities Purchase Agreement, dated as of February 7, 2021, by and between Healthier Choices Management Corp. and the purchasers named therein	8-K	2/8/21	10.1	
23.1	Consent of Marcum LLP				X
23.2	Consent of Cozen O'Connor P.C. (included in Exhibit 5.1)				X
24.1	Power of Attorney (set forth on the signature page of this Registration Statement)	S-1	4/20/21	24.1	
99.1	Form of Instructions as to Use of Non-Transferable Subscription Rights Certificates				X
99.2	Form of Letter to Stockholders who are Record Holders				X
99.3	Form of Letter to Brokers and Other Nominee Holders				X
99.4	Form of Broker Letter to Clients Who are Beneficial Holders				X
99.5	Form of Beneficial Owner Election Form				X
99.6	Form of Nominee Holder Certification				X
99.7	Form of Notice of Important Tax Information				X

+ Indicates management contract or compensatory plan.

(b) Consolidated Financial Statement Schedules

Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings.

(a) The undersigned registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
 - (i) To include any prospectus required by Section 10(a)(3) of the Securities Act;
 - (ii) To reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high and of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and
 - (iii) To include any material information with respect to the plan of distribution not previously disclosed in this registration statement or any material change to such information in this registration statement;

provided, however, that paragraphs (1)(i), (1)(ii) and (1)(iii) above do not apply if the registration statement is on Form S-1 and the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the registration statement.

- (2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (4) That, for the purpose of determining liability under the Securities Act to any purchaser:
 - (i) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and
 - (ii) Each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

- (5) That, for the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities, in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:
- (i) any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
 - (ii) any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
 - (iii) the portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
 - (iv) any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.
- (b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (c) Insofar as indemnification for liabilities arising under the Securities Act, as amended, may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue. The undersigned registrant hereby undertakes to file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act ("Act") in accordance with the rules and regulations prescribed by the Commission under Section 305(b)(2) of the Act.
- (d) The undersigned registrant hereby undertakes that:
- (i) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective; and
 - (ii) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Hollywood, State of Florida, on May 17, 2021.

Healthier Choices Management Corp.

By: /s/ Jeffrey E. Holman
Jeffrey E. Holman
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to the registration statement has been signed by the following persons on May 17, 2021 in the capacities indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Jeffrey E. Holman</u> Jeffrey E. Holman	Chief Executive Officer and Director <i>(Principal Executive Officer)</i>	May 17, 2021
<u>/s/ John Ollet</u> John Ollet	Chief Financial Officer, <i>(Principal Financial Officer and Principal Accounting Officer)</i>	May 17, 2021
<u>/s/ Christopher Santi</u> Christopher Santi	Chief Operating Officer and President	May 17, 2021
<u>/s/ Clifford Friedman</u> Clifford Friedman	Director	May 17, 2021
<u>/s/ Anthony Panariello</u> Anthony Panariello	Director	May 17, 2021

HEALTHIER CHOICES MANAGEMENT CORP.

DEALER-MANAGER AGREEMENT

May 18, 2021

Maxim Group LLC
405 Lexington Avenue
New York, NY 10174

As Dealer-Manager

Ladies and Gentlemen:

The following will confirm our agreement relating to the proposed rights offering (the "**Rights Offering**") to be undertaken by Healthier Choices Management Corp., a Delaware corporation (the "**Company**"), pursuant to which the Company will distribute to holders of record of its common stock, par value \$0.0001 per share (the "**Common Stock**") and holders of the Company's Series D Convertible Preferred Stock that were issued in a private placement transaction that was consummated on February 7, 2021 ("**Series D Preferred Stock**") subscription rights (the "**Rights**") to subscribe for up to an aggregate of \$100,000,000 of shares of Common Stock (the "**Rights Shares**" or the "**Securities**"). Each Right Share may be exercised at a subscription price per Rights Share in cash (the "**Subscription Price**") equal to 75% of the volume weighted average of the trading prices ("**VWAP**") of our common stock on the OTC Pink Sheets for the five consecutive trading days ending on the expiration date of this rights offering.

1. The Rights Offering.

a) The Company proposes to undertake the Rights Offering pursuant to which (i) each holder of Common Stock shall receive one Right for every four shares of Common Stock, and (ii) each holder of the Series D Preferred Stock shall receive one Right for every four shares of Common Stock that such holder would receive upon conversion in full of such preferred stock held of record at the close of business on May 18, 2021 (the "**Record Date**"). Holders of Rights will be entitled to subscribe for and purchase, at the Subscription Price, one (1) Rights Share for each Right held (the "**Basic Subscription Right**"). Rights may only be exercised for whole Rights Shares; no fractional securities will be issued in the Rights Offering.

b) The Rights will not trade or be listed for quotation on any exchange or service, and shall be non-transferable.

c) Any holder of Rights who fully exercises all Basic Subscription Rights issued to such holder is entitled to subscribe for Rights Shares which were not otherwise subscribed for by others pursuant to their Basic Subscription Rights (the "**Over-Subscription Right**"). The Over-Subscription Right shall allow a holder of a Right to subscribe for an additional amount of Rights Shares above the amount which such holder was otherwise entitled to subscribe. Rights Shares acquired pursuant to the Over-Subscription Right are subject to proration, allotment and stock ownership limitations, as more fully discussed in the Prospectus (as defined herein).

d) The Rights will expire at 5:00 p.m., New York City time, on June 3, 2021 (the "**Expiration Date**"). The Company shall have the right to extend the Expiration Date in its sole discretion up to 45 days after the Expiration Date. Any Rights not exercised on or before the Expiration Date will expire worthless without any payment to the holders of unexercised Rights.

e) All funds from the exercise of Basic Subscription Rights and Over-Subscription Rights will be deposited with Broadridge Corporate Issuer Solutions, Inc. (the "**Subscription Agent**"), and held in a segregated account with the Subscription Agent pending a final determination of the number of Rights Shares to be issued pursuant to the exercise of Basic Subscription Rights and Over-Subscription Rights. The Company may conduct a closing of the Rights Offering (a "**Closing**") at its sole discretion at any time following the Expiration Date.

2. Appointment as Dealer-Manager; Role of Dealer-Manager.

a) On the terms and conditions set forth herein, the Company hereby appoints Maxim Group LLC (**Maxim**) as the dealer-manager (the "**Dealer-Manager**") for the Rights Offering and authorizes the Dealer-Manager to act as such in connection with the Rights Offering.

b) The services previously provided by the Dealer-Manager under that certain engagement letter, dated March 30, 2021, by and between the Company and the Dealer-Manager (as amended, the "**Engagement Letter**," which such Engagement Letter shall continue to be effective and the terms therein shall continue to survive and be enforceable by the Dealer-Manager in accordance with its terms, provided that, in the event of a conflict between the terms of the Engagement Letter and this Agreement, the terms of this Agreement shall prevail), or to be provided by the Dealer-Manager through the Closing, consist of the following:

i. providing market assistance in connection with the conduct of the Rights Offering (which shall include assisting the Company in drafting a presentation that may be used to market the Rights Offering to investors and assistance in the coordination of the Rights Offering together with the Subscription Agent);

ii. providing financial advice to the Company in connection with the Rights Offering (including advice regarding the structure, pricing, timing and other terms and conditions of the Rights Offering);

iii. responding to requests for information and materials in connection with the Rights Offering (it being agreed that Broadridge Corporate Issuer Solutions, Inc. (the "**Information Agent**") will be the Company's primary third party source of information regarding the Rights Offering and will be identified by the Company as such in the Registration Statement) (the services described in clauses (i), (ii) and (iii) being collectively referred to as the "**Advisory Services**"); and

iv. in accordance with customary practice, using best efforts to solicit the exercise of the Rights and Subscriptions for the Rights Shares held by institutional accredited investors only (the "**Solicitation Services**").

c) The services of the Dealer-Manager described in clause (b)(iii) above shall commence on the date that the Registration Statement is declared effective by the U.S. Securities and Exchange Commission (the "**Commission**"). The Company hereby authorizes the Dealer-Manager, or one or more registered broker-dealers chosen exclusively by the Dealer-Manager, to act as the Company's agent in making the Rights Offering to residents of such states as to which such agent designation may be necessary to comply with applicable law.

d) The Company hereby acknowledges that Maxim is acting only as a dealer-manager in connection with the Rights Offering. The Dealer-Manager shall not (and shall not be obligated to) underwrite, solicit (other than with respect to institutional accredited investors), or place any Rights or any Rights Shares, and the Company acknowledges and agrees that Maxim's participation as Dealer-Manager does not ensure or guarantee that the Company will raise any funds through the Rights Offering.

e) The Company further acknowledges that Maxim is acting as an independent contractor pursuant to a contractual relationship created solely by this Agreement entered into on an arm's length basis and in no event do the parties intend that Maxim be responsible as a fiduciary to the Company, its management, shareholders, creditors or any other natural person, partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, or other entity or organization (each, a "**Person**") in connection with any activity that Maxim may undertake or has undertaken in furtherance of the Rights Offering, either before or after the date hereof. Maxim hereby expressly disclaims any fiduciary or similar obligations to the Company, either in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions, and the Company hereby confirms its understanding and agreement to that effect. The Company and Maxim agree that each party is responsible for making its own independent judgments with respect to any such transactions, and that any opinions or views expressed by Maxim to the Company regarding such transactions, including but not limited to any opinions or views with respect to the price or market for the Company's securities, do not constitute advice or recommendations to the Company. The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against Maxim with respect to any breach or alleged breach of any fiduciary or similar duty to the Company in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions.

3. No Liability for Acts of Brokers, Dealers, Banks and Trust Companies The Dealer-Manager shall not be subject to any liability to the Company (or any of the Company's Subsidiaries (as defined below) or "Affiliates," as such term is defined in Rule 144 under the Securities Act of 1933, as amended (the "**Securities Act**"), for any act or omission on the part of any broker or dealer in securities (other than the Dealer-Manager) or any bank or trust company or any other Person, and the Dealer-Manager shall not be liable for its own acts or omissions in performing its obligations as advisor or Dealer-Manager hereunder or otherwise in connection with the Rights Offering or the related transactions, except for any losses, claims, damages, liabilities and expenses determined in a final judgment by a court of competent jurisdiction to have resulted directly from any such acts or omissions undertaken or omitted to be taken by the Dealer-Manager through its gross negligence, intentional omission or willful misconduct. In providing the services hereunder, the Dealer-Manager shall not be deemed to be acting as the agent of the Company or as the agent of any broker, dealer, bank or trust company, and no broker, dealer, bank or trust company shall be deemed to be acting as such Dealer-Manager's agent or as the agent of the Company. As used herein, the term "Subsidiary" means a significant subsidiary of the Company as defined in Rule 1-02 (w) of Regulation S-X of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). Unless the context specifically requires otherwise, the term "Company" as used in this Agreement means the Company and its Subsidiaries collectively on a consolidated basis.

4. The Offer Documents.

a) There will be used in connection with the Rights Offering certain materials in addition to the Registration Statement, any Preliminary Prospectus or the Prospectus (each as defined herein), including: (i) all exhibits to the Registration Statement which pertain to the conduct of the Rights Offering; and (ii) all soliciting materials relating to the Rights Offering approved by the Company (collectively with the Registration Statement, any Preliminary Prospectus and the Prospectus, the **'Offer Documents'**). The Dealer-Manager shall be given such opportunity to review and comment upon the Offer Documents.

b) The Company agrees to furnish the Dealer-Manager with as many copies as it may reasonably request of the final forms of the Offer Documents and the Dealer-Manager is authorized to use copies of the Offer Documents in connection with its acting as Dealer-Manager. The Dealer-Manager hereby agrees that it will not disseminate any written material for or in connection with the Rights Offering other than the Offer Documents.

c) The Company represents and agrees that no solicitation material, other than the Offer Documents and the documents to be filed therewith as exhibits thereto (each in the form of which has been approved by the Dealer-Manager), will be used in connection with the Rights Offering by or on behalf of the Company without the prior approval of the Dealer-Manager, which approval will not be unreasonably withheld. In the event that the Company uses or permits the use of any such solicitation material in connection with the Rights Offering, then the Dealer-Manager shall be entitled to withdraw as Dealer-Manager in connection with the Rights Offering and the related transactions without any liability or penalty to the Dealer-Manager or any other Person identified in Section 11 hereof as an "indemnified party," and the Dealer-Manager shall be entitled to receive the payment of all fees and expenses payable under this Agreement or the Engagement Letter which have accrued to the date of such withdrawal.

5. Representations and Warranties. The Company represents and warrants to the Dealer-Manager that:

a) The Registration Statement on Form S-1 (Registration No. 333-255356) with respect to the Rights and the Rights Shares has: (i) been prepared by the Company in conformity with, in all material respects, the requirements of the Securities Act and the rules and regulations of the Commission (the **'Rules and Regulations'**) promulgated under the Securities Act; (ii) been filed with the Commission under the Securities Act; and (iii) become effective under the Securities Act. Copies of such Registration Statement as amended to date have been delivered or made available by the Company to the Dealer-Manager. For purposes of this Agreement, **'Effective Time'** means the date and the time as of which such registration statement, or the most recent post-effective amendment thereto, if any, was declared effective by the Commission; **'Effective Date'** means the date of the Effective Time; **'Preliminary Prospectus'** means each prospectus included in such registration statement, or amendments thereof, before it becomes effective under the Securities Act and any prospectus filed with the Commission by the Company with the consent of the Dealer-Manager pursuant to Rule 424(a) of the Rules and Regulations; **'Registration Statement'** means such registration statement, as amended at the Effective Time, including any documents incorporated by reference therein; and **'Prospectus'** means such final prospectus, as first filed with the Commission pursuant to paragraph (1) or (4) of Rule 424(b) of the Rules and Regulations, as amended by any prospectus supplement thereto. The Commission has not issued any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus. All references in this Agreement to the Registration Statement, a Preliminary Prospectus, and the Prospectus, or an amendments or supplements to any of the foregoing shall be deemed to include any copy thereof filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval System (**'EDGAR'**). Additionally, any reference in this Agreement to the Registration Statement, any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-1 under the Securities Act, as of the effective date of the Registration Statement or the date of such Preliminary Prospectus or the Prospectus, as the case may be. The Prospectus delivered to the Dealer-Manager for use in connection with the Rights Offering will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T promulgated by the Commission.

b) The Registration Statement (together with all exhibits filed as part of the Registration Statement) conforms, and any Preliminary Prospectus and the Prospectus and any further amendments or supplements to the Registration Statement conforms or will conform, when they are filed with or become effective by the Commission, as the case may be, in each case, in all material respects, to the requirements of the Securities Act and the Rules and Regulations and collectively do not and will not, as of the applicable Effective Date (as to the Registration Statement and any amendment thereto) and as of the applicable filing date (as to the Prospectus and any amendment or supplement thereto) contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein (with respect to the Prospectus, in the light of the circumstances under which they were made) not misleading; provided that no representation or warranty is made by the Company as to information contained in or omitted from the Registration Statement or the Prospectus in reliance upon and in conformity with written information furnished to the Company by or on behalf of the Dealer-Manager specifically for inclusion therein, it being acknowledged and agreed that such information provided by or on behalf of the Dealer-Manager consists solely and exclusively of the following disclosure contained in the Prospectus (collectively, the "**Dealer-Manager Information**"): the name of Maxim Group LLC acting in its capacity as dealer-manager for the Rights Offering.

c) Neither: (i) any Issuer-Represented General Free Writing Prospectus(es) (as defined below) issued at or prior to the Closing and the Prospectus, all considered together (collectively, the "**General Disclosure Package**"), nor (ii) any individual Issuer-Represented Limited-Use Free Writing Prospectus(es) (as defined below), when considered together with the General Disclosure Package, includes or will include as of the Closing any untrue statement of a material fact or omits or will omit as of the Closing to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The preceding sentence does not apply to statements in or omissions from any Prospectus included in the Registration Statement, the General Disclosure Package or any Issuer-Represented Limited-Use Free Writing Prospectus (as defined below) in conformity with written the Dealer-Manager Information. For purposes of this Agreement, (x) "**Issuer-Represented Free Writing Prospectus**" means any "issuer free writing prospectus," as defined in Rule 433 under the Securities Act, relating to the Rights Offering that (A) is required to be filed with the Commission by the Company, or (B) is exempt from filing pursuant to Rule 433(d)(5)(i) under the Securities Act because it contains a description of the Rights or of the Rights Offering that does not reflect the final terms, in each case in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company's records pursuant to Rule 433(g) under the Securities Act; (y) "**Issuer-Represented General Free Writing Prospectus**" means any Issuer-Represented Free Writing Prospectus that is intended for general distribution to prospective investors, as evidenced by its being specified in Schedule I to this Agreement; and (z) "**Issuer-Represented Limited-Use Free Writing Prospectus**" means any Issuer-Represented Free Writing Prospectus that is not an Issuer-Represented General Free Writing Prospectus.

d) Each Issuer-Represented Free Writing Prospectus, if any, as of its issue date and at all subsequent times until the Closing or until an earlier date that the Company notified or notifies the Dealer-Manager as described in the next sentence, did not, does not and will not include any information that conflicted, conflicts or will conflict with the information contained in the then-current Registration Statement or Prospectus. If at any time following issuance of an Issuer-Represented Free Writing Prospectus there occurred or occurs an event or development as a result of which such Issuer-Represented Free Writing Prospectus conflicted or would conflict with the information contained in the then-current Registration Statement or Prospectus relating to the Right Offering or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances prevailing at that subsequent time, not misleading, the Company has notified or will notify promptly the Dealer-Manager so that any use of such Issuer-Represented Free Writing Prospectus may cease until it is promptly amended or supplemented by the Company, at its own expense, to eliminate or correct such conflict, untrue statement or omission.

e) The Company has not distributed and will not distribute any prospectus or other offering material in connection with the offering and sale of the Securities other than the General Disclosure Package, any Issuer-Represented Limited-Use Free Writing Prospectus or the Prospectus or other materials permitted by the Securities Act to be distributed by the Company. Unless the Company obtains the prior consent of the Dealer-Manager, the Company has not made and will not make any offer relating to the Securities that would constitute an "issuer free writing prospectus," as defined in Rule 433 under the Securities Act, or that would otherwise constitute a "free writing prospectus," as defined in Rule 405 under the Securities Act, required to be filed with the Commission; provided that the prior written consent of the Dealer-Manager shall be deemed to have been given in respect of any free writing prospectus referenced on Schedule I attached hereto. The Company has complied and will comply with the requirements of Rules 164 and 433 under the Securities Act applicable to any Issuer-Represented Free Writing Prospectus as of its issuedate and at all subsequent times through the Closing, including timely filing with the Commission where required, legending and record keeping. To the extent an electronic road show is used, the Company has satisfied and will satisfy the conditions in Rule 433 under the Securities Act to avoid a requirement to file with the Commission any electronic road show.

f) There are no contracts, agreements, plans or other documents which are required to be described in the Prospectus or filed as exhibits to the Registration Statement by the Securities Act or by the Rules and Regulations which have not been described in the Prospectus or filed as exhibits to the Registration Statement or referred to in, or incorporated by reference into, the exhibit table of the Registration Statement as permitted by the Rules and Regulations.

g) The Company and each of its Subsidiaries have been duly incorporated and are validly existing as corporations in good standing under the laws of their respective jurisdictions of incorporation, are duly qualified to do business and are in good standing as foreign corporations in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, and have all power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged, except where the absence of such power or authority (either individually and in the aggregate) could not reasonably be expected to have a material adverse effect on: (i) the business, condition (financial or otherwise), results of operations, shareholders' equity, properties or prospects (as such prospects are disclosed or described in the Prospectus) of the Company or its Subsidiaries; (ii) the long-term debt or capital stock of the Company or its Subsidiaries; or (iii) the Rights Offering or consummation of any of the other transactions contemplated by this Agreement, the Registration Statement or the Prospectus (any such effect being a "**Material Adverse Effect**").

h) This Agreement has been duly authorized, executed and delivered by the Company and, assuming the due authorization, execution and delivery by the Dealer-Manager, constitutes the valid and legally binding agreement of the Company, enforceable against the Company in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally and by general principles of equity.

i) Neither the Company nor any of its Subsidiaries: (i) is in violation of its charter or by-laws, (ii) in default under or in breach of, and no event has occurred which, with notice or lapse of time or both, would constitute a default or breach under or result in the creation or imposition of any lien, charge, mortgage, pledge, security interest, claim, equity, trust or other encumbrance, preferential arrangement, defect or restriction of any kind whatsoever (each, a "**Lien**") upon any of their property or assets pursuant to, any material contract, agreement, indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which it is a party or by which it is bound or to which any of its properties or assets is subject or (iii) is in violation in any respect of any law, rule, regulation, ordinance, directive, judgment, decree or order, foreign and domestic, to which it or its properties or assets may be subject or has failed to obtain any material license, permit, certificate, franchise or other governmental authorization or permit necessary to the ownership of its properties or assets or to the conduct of its business, except, in the case of clauses (ii) and (iii) above, any violation, default or failure to possess the same that would not have a Material Adverse Effect.

j) Prior to or on the date hereof the Company and the Subscription Agent and the Information Agent have or will have entered into a subscription and information agent agreement (the "**Agent Agreement**"). When executed by the Company, the Agent Agreement will have been duly authorized, executed and delivered by the Company and, assuming due authorization, execution and delivery by the Subscription Agent and the Information Agent will constitute a valid and legally binding agreement of the Company enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally and by general principles of equity.

k) The Rights to be issued and distributed by the Company have been duly and validly authorized and, when issued and delivered in accordance with the terms of the Offer Documents, will be duly and validly issued, and will constitute valid and legally binding obligations of the Company enforceable against the Company in accordance with their terms, no holder of the Rights is or will be subject to personal liability by reason of being such a holder, and the Rights conform to the description thereof contained in the Prospectus.

l) [Intentionally Omitted].

m) The Rights Shares have been duly and validly authorized and reserved for issuance upon exercise of the Rights and are free of statutory and contractual preemptive rights and are sufficient in number to meet the exercise requirements of the Rights Offering; and Rights Shares, when so issued and delivered against payment therefor in accordance with the terms of the Rights Offering, will be duly and validly issued, fully paid and non-assessable and free of preemptive rights, with no personal liability attaching to the ownership thereof, and will conform to the description thereof contained in the Prospectus.

n) The Common Stock will be quoted on the OTC Pink Sheets (**OTC Pink**). Except as set forth in the Registration Statement, the Company has not received an oral or written notification from OTC Pink or any court or any other Governmental Authority of any inquiry or investigation or other action that would cause the Common Stock to not be quoted for trading on OTC Pink. "**Governmental Authority**" means any federal, state, local, foreign or other governmental, quasi-governmental or administrative body, instrumentality, department or agency or any court, tribunal, administrative hearing body, arbitration panel, commission, or other similar dispute resolving panel or body and shall include any Person acting on behalf of a such Governmental Authority. "**Law**" means any federal, state, local, municipal, foreign or other law, statute, legislation, principle of common law, ordinance, code, edict, decree, proclamation, treaty, convention, rule, regulation, directive, requirement, writ, injunction, settlement, Permit or Order that is or has been issued, enacted, adopted, passed, approved, promulgated, made, implemented or otherwise put into effect by or under the authority of any Governmental Authority.

o) The Company has an authorized capitalization as set forth under the caption "Description of Securities" in the Prospectus and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and have been issued in compliance with federal and state securities laws. None of the outstanding shares of the Company's capital stock were issued in violation of any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase securities of the Company. There are no authorized or outstanding options, warrants, preemptive rights, rights of first refusal or other rights to purchase, or equity or debt securities convertible into or exchangeable or exercisable for, any capital stock of the Company or any of its subsidiaries other than those accurately described in the Registration Statement. The description of the Company's stock option, stock bonus and other stock plans or arrangements, and the options or other rights granted thereunder, set forth in the Registration Statement accurately and fairly presents in all material respects the information required to be shown with respect to such plans, arrangements, options and rights.

p) The Company and its Subsidiaries own or lease all such assets or properties as are necessary to the conduct of their respective businesses as presently operated and as proposed to be operated as described in the Registration Statement and the Prospectus. The Company or its Subsidiaries have good and marketable title in fee simple to all assets or real property and good and marketable title to all personal property owned by them, in each case free and clear of any Lien, except for such (i) Liens as are described in the Registration Statement and the Prospectus, (ii) Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries and (iii) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made in accordance with generally accepted accounting principles, and the payment of which is neither delinquent nor subject to penalties. Any assets or real property and buildings held under lease or sublease by the Company or any Subsidiary is held under valid, subsisting and enforceable leases with such exceptions as are not material to, and do not interfere with, the use made and proposed to be made of such property and buildings by the Company or such Subsidiary. Neither the Company nor any Subsidiary has received any notice of any material claim adverse to its ownership of any real or personal property or of any material claim against the continued possession of any real property, whether owned or held under lease or sublease by the Company or any Subsidiary.

q) The Company and each of its Subsidiaries have all material consents, approvals, authorizations, orders, registrations, qualifications licenses, filings and permits of, with and from all judicial, regulatory and other Governmental Authorities and all third parties, foreign and domestic, including, without limitation, those administered by the U.S. Food and Drug Administration of the U.S. Department of Health and Human Services ("FDA"), or any foreign, federal, state or local governmental or regulatory authority performing functions similar to those performed by the FDA (collectively, with the Licensing Requirements described below, the "Consents"), to own, lease and operate their properties and conduct their businesses as presently being conducted and as disclosed in the Registration Statement and the Prospectus, and, to the Company's knowledge, each such Consent is valid and in full force and effect. The Company has not received notice of any investigation or proceedings which results in or, if decided adversely to the Company, would reasonably be expected to result in the revocation of any Consent or would reasonably be expected to have a Material Adverse Effect. No Consent contains a materially burdensome restriction not adequately disclosed in the Registration Statement and the Prospectus. To the Company's knowledge, the Company and its Subsidiaries are in compliance with all such Consents, and all such Consents are valid and in full force and effect. Neither the Company nor any Subsidiary has received notification of any revocation, suspension, termination or invalidation (or proceedings related thereto) of any such Consent and, to the Company's knowledge after reasonable investigation, no event has occurred that allows or results in, or after notice or lapse of time or both would allow or result in, revocation, suspension, termination or invalidation (or proceedings related thereto) of any such Consent and the Company has no reason to believe that any such Consent will not be renewed (if renewal is required).

r) The execution, delivery and performance of this Agreement by the Company, the issuance of the Rights in accordance with the terms of the Offer Documents, the issuance of Rights Shares in accordance with the terms of the Rights Offering, and the consummation by the Company of the transactions contemplated hereby will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default or "change of control" under, any material indenture, mortgage, deed of trust, loan agreement or other material agreement (including any agreement with any broker dealer, placement agent, financial advisor or similar person or entity) or instrument to which the Company or any of its Subsidiaries or any of its Affiliates is a party or by which the Company or any of its Subsidiaries or its Affiliates is bound or to which any of the properties or assets of the Company or any of its Subsidiaries or its Affiliates is subject, nor will such actions result in any violation of the provisions of the charter or by-laws of the Company or any of its Subsidiaries or any statute or any order, rule or regulation of any Governmental Authority, except where such violation would not reasonably be expected to have a Material Adverse Effect; and except for the registration of the Rights and Rights Shares under the Securities Act, such consents, approvals, authorizations, registrations or qualifications as may be required under the Exchange Act and applicable state securities laws in connection with the distribution of the Rights and the sale of the Rights Shares by the Company, no consent, approval, authorization or order of, or filing or registration with, any such court or Governmental Authority is required for the execution, delivery and performance of this Agreement by the Company and the consummation by it of the transactions contemplated hereby.

s) Except as otherwise set forth in agreements that are filed as exhibits to the Registration Statement and the Prospectus, there are no contracts, agreements or understandings between the Company and any Person granting such Person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company owned or to be owned by such Person or to require the Company to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Securities Act. No holder of any security of the Company has any rights of rescission of similar rights with respect to such securities held by them.

t) Neither the Company nor any of its Subsidiaries has sustained, since the date of the latest balance sheet included in the Prospectus or after such date and as disclosed in the Prospectus, any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree; and, since such date or after such date and as disclosed in the Prospectus, there has not been any change in the capital stock or long-term debt of the Company or any of its Subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders' equity, results of operations or prospects (as such prospects are disclosed or described in the Prospectus) of the Company and its Subsidiaries (a "**Material Adverse Change**"). Since the date of the latest balance sheet presented in the Prospectus, the Company has not incurred or undertaken any liabilities or obligations, whether direct or indirect, liquidated or contingent, matured or unmatured, or entered into any transactions, including any acquisition or disposition of any business or asset, which are material to the Company, except for liabilities, obligations and transactions which are disclosed in the Registration Statement, any Preliminary Prospectus and the Prospectus.

u) To the Company's knowledge, Marcum LLP ("Marcum"), whose reports relating to the Company are included in the Registration Statement, are independent public accountants as required by the Securities Act, the Exchange Act, the Rules and Regulations and the rules and regulations promulgated by the Public Company Accounting Oversight Board (the "PCAOB"). To the Company's knowledge, Marcum is duly registered and in good standing with the PCAOB. Marcum has not, during the periods covered by the financial statements included in the Registration Statement, the Preliminary Prospectus and the Prospectus, provided to the Company any non-audit services, as such term is used in Section 10A(g) of the Exchange Act.

v) The financial statements, including the notes thereto, and any supporting schedules included in the Registration Statement, any Preliminary Prospectus and the Prospectus present fairly, in all material respects, the financial position as of the dates indicated and the cash flows and results of operations for the periods specified of the Company. Except as otherwise stated in the Registration Statement, any Preliminary Prospectus and the Prospectus, said financial statements have been prepared in conformity with United States generally accepted accounting principles applied on a consistent basis throughout the periods involved. Any supporting schedules included in the Registration Statement, any Preliminary Prospectus and the Prospectus present fairly, in all material respects, the information required to be stated therein. No other financial statements or supporting schedules are required to be included or incorporated by reference in the Registration Statement. The other financial and statistical information included in the Registration Statement, any Preliminary Prospectus and the Prospectus present fairly, in all material respects, the information included therein and have been prepared on a basis consistent with that of the financial statements that are included in the Registration Statement, such Preliminary Prospectus and the Prospectus and the books and records of the respective entities presented therein.

w) There are no pro forma or as adjusted financial statements which are required to be included in the Registration Statement, any Preliminary Prospectus and the Prospectus in accordance with Regulation S-X under the Securities Act which have not been included as so required. The pro forma and/or as adjusted financial information included in the Registration Statement, any Preliminary Prospectus and the Prospectus has been properly compiled and prepared in accordance with the applicable requirements of the Securities Act and the Rules and Regulations and include all adjustments necessary to present fairly, in all material respects, in accordance with generally accepted accounting principles the pro forma and as adjusted financial position of the respective entity or entities presented therein at the respective dates indicated and their cash flows and the results of operations for the respective periods specified. The assumptions used in preparing the pro forma and as adjusted financial information included in the Registration Statement, any Preliminary Prospectus and the Prospectus provide a reasonable basis for presenting the significant effects directly attributable to the transactions or events described therein. The related pro forma and pro forma as adjusted adjustments give appropriate effect to those assumptions; and the pro forma and pro forma as adjusted financial information reflect the proper application of those adjustments to the corresponding historical financial statement amounts.

x) The statistical, industry-related and market-related data included in the Registration Statement, any Preliminary Prospectus and the Prospectus are based on or derived from sources which the Company reasonably believes are reliable and accurate, and such data agree with the sources from which they are derived. All required third party consents have been obtained in order for such data to be included in the Registration Statement, any Preliminary Prospectus, and the Prospectus.

y) Except as disclosed in the Registration Statement and the Prospectus, the Company maintains a system of internal accounting and other controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with United States generally accepted accounting principles and to maintain accountability for assets, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accounting for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

z) The Company's Board of Directors has validly appointed an audit committee and compensation committee whose composition satisfies the requirements of the rules and regulations of the Commission and OTC Pink and the Company's Board of Directors and/or audit committee and the compensation committee has each adopted a charter and such charters are in full force and effect as of the date hereof. Neither the Company's Board of Directors nor the audit committee thereof has been informed, nor is any director of the Company aware, of: (i) except as disclosed in the Registration Statement and the Prospectus, any significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; or (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

aa) The Company is in material compliance with the provisions of the Sarbanes-Oxley Act of 2002, as amended ("**Sarb-Ox**") applicable to the Company, and the rules and regulations promulgated thereunder and related or similar rules and regulations promulgated by any other Governmental Authority or self-regulatory entity or agency, except for violations which, singly or in the aggregate, are disclosed in the Prospectus or would not have a Material Adverse Effect.

bb) No relationship, direct or indirect, exists between or among any of the Company or any Affiliate of the Company, on the one hand, and any director, officer, shareholder, customer or supplier of the Company or any Affiliate of the Company, on the other hand, which is required by the Securities Act, the Exchange Act or the Rules and Regulations to be described in the Registration Statement or the Prospectus which is not so described as required. Except as disclosed in the Registration Statement and the Prospectus, there are no outstanding loans, advances (except normal advances for business expenses in the ordinary course of business) or guarantees of indebtedness by the Company to or for the benefit of any of the officers or directors of the Company or any of their respective family members. The Company has not, in violation of Sarb-Ox, directly or indirectly, including through any Affiliate of the Company (other than as permitted under the Sarb-Ox for depository institutions), extended or maintained credit, arranged for the extension of credit, or renewed an extension of credit, in the form of a personal loan to or for any director or executive officer of the Company.

cc) Except as described in the Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its Subsidiaries is a party or of which any property or asset of the Company or any of its Subsidiaries is the subject, including without limitation any proceeding before the FDA or comparable federal, state local or foreign governmental bodies (it being understood that the interaction between the Company and the FDA and such comparable governmental bodies relating to the clinical development and product approval process shall not be deemed proceeding for the purposes of this representation), which, if determined adversely to the Company or any of its Subsidiaries, are reasonably likely to have a Material Adverse Effect; and to the Company's knowledge, except as disclosed in the Prospectus, no such proceedings are threatened or contemplated by Governmental Authorities or threatened by others. The Company has not received any written cure notice or show cause notice regarding performance of a contract or agreement or any written or oral notice of, any claim, action, litigation, inquiry, proceeding (arbitral, administrative, legal or otherwise, including any informal proceeding), cause of action, audit, suit, settlement, stipulation, hearing, investigation, charge, complaint, demand or similar matter, for, or assertion of, a condition of default, breach of contract, or material violation of applicable Law, in connection with a contract or agreement.

dd) The Company and its Subsidiaries have filed all necessary federal, state and foreign income and franchise tax returns and have paid all taxes required to be paid by any of them and, if due and payable, any related or similar assessment, fine or penalty levied against any of them, except where the failure to make such filings or make such payments, either individually or in the aggregate, could not reasonably be expected to have, a Material Adverse Effect. The Company has made adequate charges, accruals and reserves in its financial statements above in respect of all federal, state and foreign income and franchise taxes for all periods as to which the tax liability of the Company or any of its Subsidiaries has not been finally determined.

ee) Each of the Company and its Subsidiaries maintains insurance of the types and in the amounts which the Company believes to be reasonable and sufficient for a company of its size operating in the Company's industry, including, but not limited to: (i) directors' and officers' insurance (including insurance covering the Company, its directors and officers for liabilities or losses arising under the Securities Act, the Exchange Act, the Rules and Regulations and applicable foreign securities laws), (ii) insurance covering real and personal property owned or leased against theft, damage, destruction, acts of vandalism and all other risks customarily insured against, (iii) business interruption insurance and (iv) product-related or clinical trial related insurance. There are no material claims by the Company or any of its Subsidiaries under any policy or instrument described in this paragraph as to which any insurance company is denying liability or defending under a reservation of rights clause. All of the insurance policies described in this paragraph are in full force and effect. Neither the Company nor any of its Subsidiaries has been refused any insurance coverage sought or applied for, and the Company has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect.

ff) Intellectual Property.

i. The Company owns, licenses or possesses the right to use sufficient trademarks, trade names, patents, patent rights, copyrights, domain names, licenses, approvals, trade secrets, inventions, technology, know-how and other similar rights (collectively, "**Intellectual Property Rights**") as are reasonably necessary or material to conduct its business as now conducted and contemplated to be conducted, each as described in the Registration Statement, any Preliminary Prospectus and the Prospectus. To the Company's knowledge, all Intellectual Property Rights are valid and enforceable.

ii. Except as set forth in the Registration Statement, any Preliminary Prospectus and the Prospectus: (A) there is no actual pending or, to the Company's knowledge, threatened action, suit, proceeding, or claim by others challenging the rights of the Company and its Subsidiaries and Affiliates in or to any Intellectual Property Rights, and the Company is unaware of any facts which would form a reasonable basis for any such claim; (B) there is no actual, pending or, to the Company's knowledge, threatened action, suit, proceeding, or claim by others that the Company or its Subsidiaries or Affiliates infringes, misappropriates, or otherwise violates any Intellectual Property Rights of others, and the Company is unaware of any facts which would form a reasonable basis for any such claim; (C) there is no actual, pending or, to the Company's knowledge, threatened action, suit, proceeding, or claim by others challenging the validity or scope of any such Intellectual Property Rights owned by the Company or its Subsidiaries or Affiliates and the Company is unaware of any facts which would form a reasonable basis for any such claim; (D) to the Company's knowledge, the operation of the business of the Company, its Subsidiaries and its Affiliates as now conducted and in connection with the development and commercialization of its technology described in the Registration Statement, any Preliminary Prospectus and the Prospectus does not infringe any claim of any patent or published patent application nor would such infringement, misappropriation or violation arise upon the commercialization of any product or service described in the Registration Statement, any Preliminary Prospectus and the Prospectus as under development; (E) to the Company's knowledge, there is no "prior art" of which the Company is aware that may render any patent owned or licensed by the Company invalid or any patent application owned or licensed by the Company or its Subsidiaries or Affiliates unpatentable which has not been disclosed to the applicable government patent office; and (F) the patents, trademarks, and copyrights maintained by the Company or its Subsidiaries or Affiliates are in full force and in effect, and none of such patents, trademarks and copyrights have been adjudged invalid or unenforceable in whole or in part. Neither the Company nor its Subsidiaries or Affiliates is a party to or bound by any options, licenses or agreements with respect to the Intellectual Property Rights of any other Person that are required to be set forth in the Registration Statement, any Preliminary Prospectus and the Prospectus and are not described therein in all material respects.

iii. To the Company's knowledge, the Company has duly and properly filed or caused to be filed with the U. S. Patent and Trademark Office (the "**PTO**") and applicable foreign and international patent authorities all patent applications owned by the Company, its Subsidiaries or Affiliates (the "**Company Patent Applications**"). The Company has complied in all material respects with the PTO's duty of candor and disclosure for the Company Patent Applications and has made no material misrepresentation in the Company Patent Applications. The Company Patent Applications disclose patentable subject matters, and the Company has not been notified of any inventorship challenges nor has any interference been declared or provoked nor is any material fact known by the Company that would preclude the issuance of patents with respect to the Company Patent Applications or would render such patents invalid or unenforceable. No third party possesses rights to the Company's Intellectual Property Rights that, if exercised, could enable such party to develop products competitive to those the Company intends to develop as described in the Prospectus.

iv. Other than as disclosed in the Registration Statement, any Preliminary Prospectus and Prospectus, to the Company's knowledge, there are no rulemaking or similar proceedings before the PTO or applicable foreign and international patent authorities, which affect or involve the Company or any of the processes or technologies that the Company has developed, is developing or proposes to develop or uses or proposes to use which, if the subject of an action unfavorable to the Company, would result in a Material Adverse Change.

v. From and after January 1, 2016, the Company has obtained legally binding written agreements from all officers, employees and third parties with whom the Company has shared confidential proprietary information: (A) of the Company, or (B) received from others which the Company is obligated to treat as confidential, which agreements require such employees and third parties to keep such information confidential except where the failure to obtain such agreement would not result in a Material Adverse Effect. The Company has taken all necessary actions to obtain ownership of all works of authorship and inventions made by its employees, consultants and contractors during the time they were employed by or under contract with the Company and which relate to the Company's business as currently conducted. All founders and former and current key employees and consultants and contractors have signed confidentiality and invention assignment agreements with the Company.

vi. The Company possesses valid and current licenses, registrations, certificates, permits and other authorizations issued by the appropriate foreign, federal, state or local regulatory authorities as necessary to conduct its respective businesses (collectively, the "**Licensing Requirements**") and are enforceable by or against the parties thereto in accordance to its terms, except where the failure of a Licensing Requirement would not have a Material Adverse Effect. The Company has not received any notice of proceedings relating to the revocation or modification of, or noncompliance with, any such license, certificate, permit or authorization, which could result in a Material Adverse Effect. No action, suit or proceeding, other than routine audits, by or before any court or Governmental Authority or any arbitrator involving the Company with respect to the removal, revocation, suspension or other termination of the authority to operate under the Licensing Requirements is pending or, to the Company's knowledge, threatened. The Company does not believe that any pending audit is reasonably likely to result in the removal, revocation, suspension or other termination of the Company's authority to operate under the Licensing Requirements.

vii. The consummation of the transactions contemplated by this Agreement will not result in the loss or impairment of or payment of any additional amounts with respect to, nor require the consent of any other person in respect of, the Company's right to own, use, or hold for use any of the Intellectual Property Rights as owned, used or held for use in the conduct of the business as currently conducted.

viii. To the Company's knowledge, the Company has at all times complied with all applicable laws relating to privacy, data protection, and the collection and use of personal information collected, used, or held for use by the Company in the conduct of the Company's business. No claims have been asserted or threatened against the Company alleging a violation of any person's privacy or personal information or data rights and the consummation of the transactions contemplated hereby will not breach or otherwise cause any violation of any law related to privacy, data protection, or the collection and use of personal information collected, used, or held for use by the Company in the conduct of the Company's business, except such claims as would not reasonably be likely to result in a Material Adverse Effect. The Company takes reasonable measures to ensure that such information is protected against unauthorized access, use, modification, or other misuse.

gg) Except as described in any Preliminary Prospectus, the Prospectus and the Registration Statement, the Company: (i) is and at a times has been in compliance with all statutes, rules, regulations or guidance applicable to the ownership, development, manufacture, packaging, processing, use, distribution, marketing, labeling, promotion, sale, offer for sale, storage, import, export or disposal of any product manufactured, distributed or sold by the Company or any component thereof (such statutes, rules, regulations or guidance, collectively, "**Applicable Laws**"); (ii) is, and to the Company's knowledge, the Company's storage and distribution facility, after reasonable investigation, and operations of its suppliers are, in compliance with all applicable federal, state, local and foreign laws, regulations, orders and decrees governing its business as prescribed by the FDA or any other applicable federal, state or foreign governmental authority agencies or bodies engaged in the regulation of the business of the Company, (iii) has not received any notice of adverse finding, warning letter, untitled letter or other correspondence or notice from the FDA or any other Governmental Authority alleging or asserting noncompliance with any Applicable Laws or any licenses, certificates, approvals, clearances, authorizations, permits and supplements or amendments thereto required by any such Applicable Laws ("**Authorizations**"); (iv) possesses all Authorizations and such Authorizations are valid and in full force and effect and are not in violation of any term of any such Authorizations; (v) has not received notice of any claim, suit, proceeding, hearing, enforcement, audit, investigation, arbitration or other action from any Governmental Authority or third party alleging that any product operation or activity is in violation of any Applicable Laws or Authorizations and has no knowledge that any such Governmental Authority or third party is considering any such claim, suit, proceeding, hearing, enforcement, audit, investigation, arbitration or other action; (vi) has not received notice that any Governmental Authority has taken, is taking or intends to take action to limit, suspend, modify or revoke any Authorizations and has no knowledge that any such Governmental Authority is considering such action; and (vii) has filed, obtained, maintained or submitted all material reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any Applicable Laws or Authorizations and that all such material reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were complete and correct in all material respects on the date filed (or were corrected or supplemented by a subsequent submission), except, in the case of each of clauses (i), (ii), (iii) (iv), (vi) and (vii) for any default, violation or event that would not, individually or in the aggregate, have or reasonably be expected to have a Material Adverse Effect.

hh) [Intentionally Omitted].

ii) Neither the Company nor, to the Company's knowledge, any of the Company's directors, officers or employees has violated: (i) the Bank Secrecy Act, as amended, (ii) the Money Laundering Control Act of 1986, as amended, (iii) the Foreign Corrupt Practices Act, or (iv) the Uniting and Strengthening of America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001 and/or the rules and regulations promulgated under any such law, or any successor law, except for such violations which, singly or in the aggregate, would not have a Material Adverse Effect.

jj) Neither the Company nor any of its Affiliates has, prior to the date hereof, made any offer or sale of any securities which are required to be "integrated" pursuant to the Securities Act or the Rules and Regulations with the issuance or exercise of the Rights or the sale of the Rights Shares pursuant to the Registration Statement.

kk) Transactions Affecting Disclosure to FINRA.

i. Except as described in the Registration Statement and the Prospectus, there are no claims, payments, arrangements, agreements or understandings relating to the payment of a finder's, consulting or origination fee or other compensation by the Company with respect to the issuance or exercise of the Rights or the sale of the Rights Shares or any other arrangements, agreements or understandings of the Company or, to the Company's knowledge, the Company's officers, directors and employees or Affiliates that may affect the Dealer-Manager's compensation, as determined by the Financial Industry Regulatory Authority, Inc. ("FINRA").

ii. Except as previously disclosed by the Company to the Dealer-Manager in writing, no officer, director, or beneficial owner of 5% or more of any class of the Company's securities (whether debt or equity, registered or unregistered, regardless of the time acquired or the source from which derived) or any other Affiliate is a member or a Person associated, or affiliated with a member of FINRA.

iii. No proceeds from the exercise of the Rights will be paid to any FINRA member, or any Persons associated or affiliated with a member of FINRA, except as specifically contemplated herein.

iv. Except as previously disclosed by the Company to the Dealer-Manager, no Person to whom securities of the Company have been privately issued within the 180-day period prior to the initial filing date of the Registration Statement has any relationship or affiliation or association with any member of FINRA.

ll) There are no contracts, agreements or understandings between the Company and any Person that would give rise to a valid claim against the Company or the Dealer-Manager for a brokerage commission, finder's fee or other like payment in connection with the transactions contemplated by this Agreement. Other than the Dealer-Manager, the Company has not employed any brokers, dealers or underwriters in connection with the Rights Offering, and except provided for in Sections 6 and 7 hereof, no other commissions, fees or discounts will be paid by the Company or otherwise in connection with the Rights Offering.

mm) The Company and its Subsidiaries have at all times operated their businesses in material compliance with all Environmental Laws and no material expenditures are or will be required in order to comply therewith. The Company has not received any notice or communication that relates to or alleges any actual or potential violation or failure to comply with any Environmental Laws that will result in a Material Adverse Effect. As used herein, the term "**Environmental Laws**" means all applicable laws and regulations, including any licensing, permits or reporting requirements, and any action by a Governmental Authority pertaining to the protection of the environment, protection of public health, protection of worker health and safety, or the handling of hazardous materials, including without limitation, the Clean Air Act, 42 U.S.C. § 7401, et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1321, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 690-1, et seq., and the Toxic Substances Control Act, 15 U.S.C. § 2601, et seq.

nn) Except as set forth in the Registration Statement, any Preliminary Prospectus or the Prospectus, the Company is not a party to a "employee benefit plan," as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 ("**ERISA**") which: (i) is subject to any provision of ERISA and (ii) is or was at any time maintained, administered or contributed to by the Company and covers any employee or former employee of the Company or any ERISA Affiliate (as defined hereafter). These plans are referred to collectively herein as the "**Employee Plans**." For purposes of this paragraph, "**ERISA Affiliate**" of any Person means any other person or entity which, together with that person or entity, could be treated as a single employer under Section 414(m) of the Internal Revenue Code of 1986, as amended (the "**Code**"), or is an "affiliate," whether or not incorporated, as defined in Section 407(d)(7) of ERISA, of the Person.

oo) Each employment, severance or other similar arrangement or policy and each material plan or arrangement providing for insurance coverage (including any self-insured arrangements), workers' compensation, disability benefits, severance benefits, supplemental unemployment benefits, vacation benefits, retirement benefits or for deferred compensation, profit-sharing, bonuses, stock options, stock appreciation or other forms of incentive compensation, or post-retirement insurance, compensation or benefits to which the Company or any Subsidiary is a party and which: (i) is not an Employee Plan, (ii) is entered into, maintained or contributed to, as the case may be, by the Company or any of their respective ERISA Affiliates, and (iii) covers any employee or former employee of the Company or any of their respective ERISA Affiliates (such contracts, plans and arrangements being referred to collectively in this Agreement as the "**Benefit Arrangements**") is fully and accurately disclosed in the Registration Statement to the extent it is material and required to be disclosed by the Securities Act and the Rules and Regulations and has been maintained in substantial compliance with its terms and with requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to that Benefit Arrangement.

pp) Except as set forth in the Registration Statement, any Preliminary Prospectus or the Prospectus, there is no material liability in respect of post-retirement health and medical benefits for retired employees of the Company or any of their respective ERISA Affiliates other than medical benefits required to be continued under applicable law, determined using assumptions that are reasonable in the aggregate, over the fair market value of any fund, reserve or other assets segregated for the purpose of satisfying such liability (including for such purposes any fund established pursuant to Section 401(h) of the Code). With respect to any of the Company's Employee Plans which are "group health plans" under Section 4980B of the Code and Section 607(1) of ERISA, there has been material compliance with all requirements imposed there under such that the Company or their respective ERISA Affiliates have not (and will not incur any) loss, assessment, tax penalty, or other sanction with respect to any such plan.

qq) The execution of this Agreement and consummation of the Rights Offering does not constitute a triggering event under any Employee Plan or any other employment contract, whether or not legally enforceable, which (either alone or upon the occurrence of any additional or subsequent event) will or may result in any payment (of severance pay or otherwise), acceleration, increase in vesting, or increase in benefits to any current or former participant, employee or director of the Company.

rr) No "prohibited transaction" (as defined in either Section 406 of the ERISA or Section 4975 of Code), "accumulated funding deficiency" (as defined in Section 302 of ERISA) or other event of the kind described in Section 4043(b) of ERISA (other than events with respect to which the 30-day notice requirement under Section 4043 of ERISA has been waived) has occurred with respect to any employee benefit plan for which the Company would have any liability; each employee benefit plan of the Company is in compliance in all material respects with applicable law, including (without limitation) ERISA and the Code; the Company has not incurred and does not expect to incur liability under Title IV of ERISA with respect to the termination of, or withdrawal from any "pension plan"; and each employee benefit plan of the Company that is intended to be qualified under Section 401(a) of the Code is so qualified and nothing has occurred, whether by action or by failure to act, which could cause the loss of such qualification.

ss) Neither the Company nor, to the Company's knowledge, any of the Company's officers or directors has at any time during the last five (5) years: (i) made any unlawful contribution to any candidate for foreign office, or failed to disclose fully any contribution in violation of law; or (ii) made any payment to any federal or state governmental officer or official, or other Person charged with similar public or quasi-public duties, other than payments that are not prohibited by the laws of the United States of any jurisdiction thereof.

tt) The Company has not and will not, directly or indirectly through any officer, director or Affiliate of the Company or through any other Person: (i) taken any action designed to cause or to result in, or that has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the issuance of the Rights or the sale or resale of the Rights Shares, (ii) since the filing of the Registration Statement sold, bid for or purchased, or paid any Person any compensation for soliciting exercises or purchases of, the Rights or the Rights Shares; and (iii) until the later of the expiration of the Rights or the completion of the distribution (within the meaning of Regulation M under the Exchange Act of the Rights Shares, sell, bid for or purchase, apply or agree to pay to any Person any compensation for soliciting another to purchase any other securities of the Company. The foregoing shall not apply to the offer, sale, agreement to sell or delivery with respect to: (i) Rights Shares offered and sold upon exercise of the Rights, as described in the Prospectus; or (ii) any shares of Common Stock sold pursuant to the Company's employee benefit plans

uu) As used in this Agreement, references to matters being "material" with respect to the Company or any matter relating to the Company shall mean a material item, event, change, condition, status or effect related to the condition (financial or otherwise), properties, assets (including intangible assets), liabilities, business, prospects (as such prospects are disclosed or described in any Preliminary Prospectus or the Prospectus), operations or results of operations of the Company and its Subsidiaries, taken as a whole.

vv) As used in this Agreement, the term "Company's knowledge" (or similar language) shall mean the knowledge of the officers of the Company who are named in the Prospectus, with the assumption that such officers shall have made reasonable and diligent inquiry of the matters presented (with reference to what is customary and prudent for the applicable individuals in connection with the discharge by the applicable individuals of their duties as officers or directors of the Company).

ww) Any certificate signed by or on behalf of the Company and delivered to the Dealer-Manager or to Ellenoff Grossman & Schoon LLP, counsel for the Dealer-Manager, shall be deemed to be a representation and warranty by the Company to the Dealer-Manager as to the matters covered thereby.

6. Compensation of the Dealer-Manager In consideration of the services rendered and to be rendered by the Dealer-Manager to the Company in connection with the Rights Offering, the Company agrees to pay the Dealer-Manager the following:

a) an aggregate cash fee equal to 6.5% of the total gross proceeds generated from the Rights Offering (the "**Gross Proceeds**");

b) The Dealer-Manager shall receive up to \$65,000 for all fees and expenses (including the fees and expenses ("**Legal Expenses**") of the Dealer-Manager's legal counsel of up to a maximum of \$40,000) related to the Rights Offering (including those listed in Section 7 below). Any portion of any advance made by the Company to the Dealer-Manager that is not offset by actual expenses will be returned to the Company.

The compensation set forth in this Section 6 of this Agreement shall be paid to the Dealer-Manager at Closing; provided, however, that in the event that the Rights Offering is not consummated, the Company shall reimburse the Legal Expenses within fifteen (15) calendar days or receipt by the Company of the documented Legal Expenses. Except as provided in Section 6(c) or Section 11, the Dealer-Manager shall be responsible for its own expenses.

7. Expenses. The Company shall pay or cause to be paid:

- a) all filing fees relating to the registration of the Rights and Rights Shares;
- b) all of its expenses (including any taxes) incurred in connection with the Rights Offering (including "road show" expenses) and the preparation, issuance, execution, authentication and delivery of the Rights and the Rights Shares;
- c) all fees, expenses and disbursements of the Company's accountants, legal counsel and other third party advisors (including any public relations or solicitation firms hired by the Company);
- d) all fees and expenses of the Subscription Agent and the Information Agent set forth in the Agent Agreement;
- e) all fees, expenses and disbursements (including, without limitation, fees and expenses of the Company's accountants and counsel) in connection with the preparation, printing, filing, delivery and shipping of the Registration Statement (including the financial statements therein and all amendments and exhibits thereto), each Preliminary Prospectus, the Prospectus, the other Offer Documents and any amendments or supplements of the foregoing;
- f) all fees, expenses and disbursements relating to the registration or qualification of the Rights and the Rights Shares under the "blue sky" securities laws of any states or other jurisdictions and all fees and expenses associated with the preparation of the preliminary and final forms of Blue Sky Memoranda;
- g) all filing fees of the Commission;
- h) all filing fees and communication expenses relating to the review of the Rights Offering by FINRA;
- i) any applicable listing or other fees;
- j) the cost of printing certificates representing the Rights and the Rights Shares;
- k) all advertising charges pertaining to the Rights Offering agreed to by the Company;
- l) the cost and charges of the Company's transfer agent(s) or registrar(s) agreed to by the Company;
- m) the costs associated with receiving commemorative mementos and lucite tombstones;
- n) costs of background checks on its senior management in an amount not to exceed \$5,000 ; and
- o) all other costs and expenses incident to the performance of its obligations hereunder for which provision is not otherwise made in this

Section.

The Company shall perform its obligations set forth in this Section 7 whether or not the Rights Offering commences or any Rights are exercised pursuant to the Rights Offering and subject to the cap on expense reimbursement to the Dealer-Manager set forth in Section 6(c) above.

8. Shareholder and Series D Preferred Stock Holder Lists; Subscription Agent.

a) The Company will cause the Dealer-Manager to be provided with any cards or lists showing the names and addresses of, and the number of shares of Common Stock held by, the holders of shares of Common Stock as of a recent date and any cards or lists showing the names and addresses of, and the number of Series D Preferred Stock held by, the holders of Series D Preferred Stock as of a recent date will use its best efforts to cause the Dealer-Manager to be advised from time to time during the period, as the Dealer-Manager shall request, of the Rights Offering as to any transfers of record of shares of Common Stock.

b) The Company will arrange for the Subscription Agent to advise the Dealer-Manager daily as to such matters as they may reasonably request, including the number of Rights which have been exercised pursuant to the Rights Offering.

9. Covenants. The Company covenants and agrees with the Dealer-Manager:

a) To use its best efforts to cause the Registration Statement and any amendments thereto to become effective, provided that the Company shall have the right to discontinue the Rights Offering and withdraw the Registration Statement if the Company's Board of Directors determines in good faith that it is no longer in the best interests of the Company and its stockholders; to advise the Dealer-Manager, promptly after it receives notice thereof, of the time when the Registration Statement, or any amendment thereto, becomes effective or any supplement to the Prospectus or any amended Prospectus has been filed and to furnish the Dealer-Manager with copies thereof; to prepare a Prospectus in a form approved by the Dealer-Manager (such approval not to be unreasonably withheld or delayed) and to file such Prospectus pursuant to Rule 424(b) under the Securities Act within the time prescribed by such rule to advise the Dealer-Manager, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus, of the suspension of the qualification of the Rights for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or the Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus or suspending any such qualification, to use promptly its reasonable best efforts to obtain its withdrawal;

b) To deliver promptly to the Dealer-Manager such number of the following documents as the Dealer-Manager shall reasonably request: (i) conformed copies of the Registration Statement as originally filed with the Commission and each amendment thereto (in each case excluding exhibits other than this Agreement, any other Offer Documents filed as exhibits, and the computation of per share earnings); (ii) each Preliminary Prospectus, the Prospectus and any amended or supplemented Prospectus; and (iii) any document incorporated by reference in the Prospectus (excluding exhibits thereto) and, if the delivery of a prospectus is required at any time during which the Prospectus relating to the Rights or the Rights Shares is required to be delivered under the Securities Act and if at such time any events shall have occurred as a result of which the Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary during such period to amend or supplement the Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus in order to comply with the Securities Act or the Exchange Act, to notify the Dealer-Manager and, upon its request, to file such document and to prepare and furnish without charge to the Dealer-Manager as many copies as the Dealer-Manager may from time to time reasonably request of an amended or supplemented Prospectus which will correct such statement or omission or effect such compliance;

c) To file promptly with the Commission any amendment to the Registration Statement or the Prospectus or any supplement to the Prospectus that may, in the judgment of the Company or the Dealer-Manager, be necessary or advisable in connection with the distribution of the Rights or the sale of the Securities or be requested by the Commission;

d) Prior to filing with the Commission any: (i) Preliminary Prospectus, (ii) amendment to the Registration Statement, any document incorporated by reference in the Prospectus or (iii) any Prospectus pursuant to Rule 424 of the Rules and Regulations, to furnish a copy thereof to the Dealer-Manager and counsel for the Dealer-Manager and obtain the consent of the Dealer-Manager to the filing (which consent shall not be unreasonably withheld);

e) Until the completion of the Rights Offering, following the effective date of the Registration Statement, to furnish to the Dealer-Manager copies of all materials not available via EDGAR furnished by the Company to its shareholders and all public reports and all reports and financial statements furnished by the Company to the principal national securities exchange upon which any of the Company's securities may be listed pursuant to requirements of or agreements with such exchange or to the Commission pursuant to the Exchange Act or any rule or regulation of the Commission thereunder;

f) To qualify or register the Rights and the Rights Shares for sale under (or obtain exemptions from the application of) the state securities or blue sky laws of those jurisdictions required by law or otherwise as designated by the Dealer-Manager, to comply with such laws and to continue such qualifications, registrations and exemptions in effect so long as required for the distribution of the Rights and the Rights Shares; provided, however, that the Company shall not be required by the Dealer-Manager to qualify as a foreign corporation or to take any action that would subject it to general service of process in any such jurisdiction where it is not presently qualified or where it would be subject to taxation as a foreign corporation. The Company will advise the Dealer-Manager promptly of the suspension of the qualification or registration of (or any such exemption relating to) the Rights and the Rights Shares for offering, sale or trading in any jurisdiction or any initiation or threat of any proceeding for any such purpose, and in the event of the issuance of any order suspending such qualification, registration or exemption, the Company shall use its best efforts to obtain the withdrawal thereof at the earliest possible moment.

g) To apply the net proceeds from the exercise of the Rights in the manner described under the caption "Use of Proceeds" in the Prospectus.

h) Prior to the effective date of the Registration Statement and the distribution of the Rights, to submit the FINRA Issuer Company Related Action Notification Form with respect to the Rights Offering and complete the review process with FINRA.

i) To take such steps as shall be necessary to ensure that neither the Company nor any Subsidiary shall become an "investment company" within the meaning of such term under the Investment Company Act of 1940 and the rules and regulations of the Commission thereunder.

j) To advise the Dealer-Manager, directly or through the Subscription Agent, from time to time, as the Dealer-Manager shall request, of the number of Rights Shares subscribed for, and arrange for the Subscription Agent to furnish the Dealer-Manager with copies of written reports it furnishes to the Company concerning the Rights Offering;

k) To commence mailing the Offer Documents to record holders of the Common Stock not later than the second business day following the record date for the Rights Offering, and complete such mailing as soon as practicable;

l) To reserve and keep available for issue upon the exercise of the Rights such number of authorized but unissued shares of Common Stock as will be sufficient to permit the conversion in full of all Rights Shares, except as otherwise contemplated by the Prospectus; and

m) To not take, directly or indirectly, any action designed to cause or to result in, or that has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the issuance of the Rights or the sale or resale of the Rights Shares.

10. Conditions of Dealer-Manager's Obligations The obligations of the Dealer-Manager hereunder are subject to (and the occurrence of any Closing shall be conditioned upon) the accuracy, as of the date hereof and at all times during the Rights Offering, of the representations and warranties of the Company contained herein, to the performance by the Company of its obligations hereunder (in each case in the reasonable opinion of the Dealer-Manager) and to the following additional conditions:

a) (i) The Registration Statement shall have become effective and the Prospectus shall have been timely filed with the Commission in accordance with the Rules and Regulations; (ii) all post-effective amendments to the Registration Statement shall have become effective; and (iii) no stop order suspending the effectiveness of the Registration Statement or any amendment or supplement thereto shall have been issued and no proceedings for the issuance of any such order shall have been initiated or threatened, and any request of the Commission for additional information (to be included in the Registration Statement or the Prospectus or otherwise) shall have been disclosed to the Dealer-Manager and complied with to the Dealer-Manager's reasonable satisfaction.

b) The Dealer-Manager shall not have been advised by the Company or shall have discovered and disclosed to the Company that the Registration Statement or the Prospectus or any amendment or supplement thereto, contains an untrue statement of fact which in the Dealer-Manager's reasonable opinion, or in the reasonable opinion of counsel to the Dealer-Manager, is material, or omits to state a fact which, in the Dealer-Manager's reasonable opinion, or in the reasonable opinion of counsel to the Dealer-Manager, is material and is required to be stated therein or is necessary to make the statements therein not misleading.

c) All corporate proceedings and other legal matters incident to the authorization, form and validity of this Agreement, the Rights, the Rights Shares, the Registration Statement and the Prospectus, and all other legal matters relating to this Agreement and the transactions contemplated hereby shall be reasonably satisfactory in all material respects to counsel for the Dealer-Manager, and the Company shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

d) Concurrently with the execution of this Agreement and at Closing, there shall have been furnished to the Dealer-Manager (i) a signed opinion and negative assurance letter (addressed to the Dealer-Manager) of Cozen O'Connor P.C., counsel for the Company, (ii) a signed opinion and the negative assurance letter (addressed to the Dealer-Manager) of Berger Singerman LLP, intellectual property counsel for the Company, each dated the date hereof and as of such Closing, in form and substance reasonably satisfactory to counsel for Maxim.

e) Concurrently with the execution of this Agreement and at Closing, there shall have been furnished to the Dealer-Manager the certificate of the Company's Chief Executive Officer with respect to certain regulatory matters dated the date hereof and as of such Closing, and in form and substance satisfactory to counsel for Maxim.

f) Concurrently with the execution of this Agreement and at Closing, the Company shall have furnished to the Dealer-Manager a customary comfort letter of Marcum, addressed to the Dealer-Manager and dated the date hereof and as of such Closing: (i) confirming that they are independent registered public accountants of the Company within the meaning of the Securities Act and are in compliance with the applicable requirements relating to the qualification of accountants under the PCAOB and applicable rules of the Commission, and (ii) stating, as of the date of the letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Prospectus, as of a date not more than two days prior to the date of the letter), the conclusions and findings of such firm with respect to the financial information and other matters specified by the Dealer-Manager.

g) The Company shall have furnished to the Dealer-Manager a certificate, dated the date hereof and of such Closing, of its Chief Executive Officer or President and its Chief Financial Officer stating that:

i. To the best of their knowledge after reasonable investigation, the representations, warranties, covenants and agreements of the Company in Section 5 hereof are true and correct in all material respects;

ii. The conditions set forth in this Section 10 have been fulfilled;

iii. Neither the Company nor any of its Subsidiaries has sustained any material loss or interference with its business, whether or not covered by insurance, or from any labor dispute or any legal or governmental proceeding;

iv. Subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus, there has not been any Material Adverse Change or any development involving a prospective Material Adverse Change; and

v. They have carefully examined the Registration Statement and the Prospectus and, in their opinion (A) the Registration Statement and the Prospectus, as of the Effective Date and Closing, did not include any untrue statement of a material fact and did not omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and (B) since the Effective Date no event has occurred which should have been set forth in a supplement or amendment to the Registration Statement or the Prospectus and has not been.

h) The Company shall have furnished to the Dealer-Manager a certificate, dated the date hereof and of such Closing, of its Secretary certifying to the organizational documents, good standing in the state of incorporation of the Company and each Subsidiary and board resolutions relating to the Rights Offering and the issuance of the Securities from the Company.

i) Neither the Company nor any of its Subsidiaries shall have sustained since the date of the latest audited financial statements included in the Prospectus any Material Adverse Change, the effect of which is, in the judgment of the Dealer-Manager, so material and adverse as to make it impracticable or inadvisable to proceed with the Rights Offering.

j) The Common Stock shall then be quoted and trading on OTC Pink and the Company has filed all notifications of the issuance of the Common Stock as required by FINRA and the OTC Pink.

k) All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Dealer-Manager. If any of the conditions specified in this Section 10 shall not have been fulfilled when and as required by this Agreement, this Agreement and all obligations of the Dealer-Manager hereunder may be canceled at, or at any time during the Rights Offering, by the Dealer-Manager. Any such cancellation shall be without liability of any Dealer-Manager to the Company. Notice of such cancellation shall be given to the Company in writing, or by telephone and confirmed in writing.

11. Indemnification and Contribution.

a) The Company agrees to hold harmless and indemnify Maxim and its respective affiliates and any officer, director, employee or agent of Maxim or any such affiliates and any Personcontrolling (within the meaning of Section 20(a) of the Exchange Act) Maxim or any of such affiliates from and against any and all (A) losses, claims, damages and liabilities whatsoever, under the Securities Act or otherwise (as incurred or suffered), arising out of or based upon: (i) any untrue statement or alleged untrue statement of a material fact contained in the Offer Documents or any amendment or supplement thereto, in any other solicitation material used by the Company or authorized by it for use in connection with the Rights Offering, or in any blue sky application or other document prepared or executed by the Company (or based on any written information furnished by the Company) specifically for the purpose of qualifying any or all of the Rights or the Rights Shares under the securities laws of any state or other jurisdiction (any such application, document or information being hereinafter called a "Blue Sky Application") or arising out of or based upon the omission or alleged omission to state in any such document a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (other than statements or omissions made in reliance upon and in conformity with the Dealer-Manager Information); (ii) any withdrawal or termination by the Company of, or failure by the Company to make or consummate, the Rights Offering in violation of this Agreement, (iii) actions taken or omitted to be taken by an indemnified party with the consent of the Company or in conformity with actions taken or omitted to be taken by the Company; (iv) any failure by the Company to comply with any agreement or covenant contained in this Agreement or any inaccuracy in the representations and warranties herein; or (v) arising out of, relating to or in connection with or alleged to arise out of, relate to or be in connection with, the Rights Offering, any of the other transactions contemplated thereby or the performance of Maxim's services to the Company with respect to the Rights Offering, and (B) all reasonable expenses (including but not limited to, any and all reasonable legal expenses) incurred in connection with investigating, preparing to defend or defending any lawsuit, claim or other proceeding, commenced or threatened, whether or not resulting in any liability, which legal or other expenses shall be reimbursed by the Company promptly after receipt of any invoices therefore from Maxim. However, the Company will not be obligated to indemnify an indemnified party for any loss, claim, damage, liability or expense pursuant to the preceding sentence which has been determined in a final judgment by a court of competent jurisdiction to have resulted directly from willful misconduct or gross negligence on the part of any indemnified party.

b) The Dealer-Manager shall indemnify and hold harmless the Company, its officers, directors and employees, each of its directors and each Person, if any, who controls the Company within the meaning of the Securities Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company or any such director, officer or controlling Person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon: (i) any untrue statement or alleged untrue statement of a material fact contained (A) in any Offer Documents, or in any such amendment or supplement, in any other solicitation material used by the Company or authorized by it for use in connection with the Rights Offering or (B) in any Blue Sky Application; or (ii) the omission or alleged omission to state in any Offer Documents, or in any such amendment or supplement, in any other solicitation material used by the Company or authorized by it for use in connection with the Rights Offering, or in any Blue Sky Application, any material fact required to be stated therein or necessary to make the statements therein not misleading, but in each case solely and exclusively to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with the Dealer-Manager Information, and shall reimburse the Company and any such director, officer or controlling Person for any legal or other expenses reasonably incurred by the Company or any such director, officer or controlling Person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred.

c) If any lawsuit, claim or proceeding is brought against any indemnified party in respect of which indemnification may be sought against the indemnifying party pursuant to this Section 11, such indemnified party shall promptly notify the indemnifying party of the commencement of such lawsuit, claim or proceeding; provided, however, that the failure so to notify the indemnifying party shall not relieve the indemnifying party from any obligation or liability which it may have under this Section 11 except to the extent that it has been prejudiced in any material respect by such failure and in any event shall not relieve the indemnifying party from any other obligation or liability which it may have to such indemnified party otherwise than under this Section 11. In case any such lawsuit, claim or proceeding shall be brought against any indemnified party and such indemnified party shall notify the indemnifying party of the commencement of such lawsuit, claim or proceeding, the indemnifying party shall be entitled to participate in such lawsuit, claim or proceeding, and, after written notice from the indemnifying party to such indemnified party, to assume the defense of such lawsuit, claim or proceeding with counsel of its choice at its expense; provided, however, that such counsel shall be satisfactory to the indemnified party in the exercise of its reasonable judgment. Notwithstanding the election of the indemnifying party to assume the defense of such lawsuit, claim or proceeding, such indemnified party shall have the right to employ separate counsel and to participate in the defense of such lawsuit, claim or proceeding, and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel (and shall pay such reasonable fees, costs and expenses promptly after receipt of any invoice therefor) if: (i) the use of counsel chosen by the indemnifying party to represent such indemnified party would present such counsel with a conflict of interest; (ii) the defendants in, or targets of, any such lawsuit, claim or proceeding include both an indemnified party and the indemnifying party, and such indemnified party shall have reasonably concluded that there may be legal defenses available to it or to other indemnified parties which are different from or in addition to those available to the indemnifying party (in which case the indemnifying party shall not have the right to direct the defense of such action on behalf of the indemnified party); (iii) the indemnifying party shall not have employed counsel satisfactory to such indemnified party, in the exercise of such indemnified party's reasonable judgment, to represent such indemnified party within a reasonable time after notice of the institution of any such lawsuit, claim or proceeding; or (iv) the indemnifying party shall authorize such indemnified party to employ separate counsel at the expense of the indemnifying party. The foregoing indemnification commitments shall apply whether or not the indemnified party is a formal party to any such lawsuit, claim or proceeding. The indemnifying party shall not be liable for any settlement of any lawsuit, claim or proceeding effected without its consent (which consent will not be unreasonably withheld), but if settled with such consent, the indemnifying party agrees, subject to the provisions of this Section 11, to indemnify the indemnified party from and against any loss, damage or liability by reason of such settlement. The Company agrees to notify Maxim promptly, or cause Maxim to be notified promptly, of the assertion of any lawsuit, claim or proceeding against the Company, any of its officers or directors or any Person who controls any of the foregoing within the meaning of Section 20(a) of the Exchange Act arising out of or relating to the Rights Offering. The Company further agrees that any settlement of a lawsuit, claim or proceeding against it arising out of Rights Offering shall include an explicit and unconditional release from the parties bringing such lawsuit, claim or proceeding of Maxim and its respective affiliates, and any officer, director, employee or agent of Maxim and any Person controlling (within the meaning of Section 20(a) of the Exchange Act) Maxim.

d) The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities or expenses referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating, preparing to defend or defending any such action or claim.

e) The foregoing rights to indemnification and contribution shall be in addition to any other rights which any indemnified parties may have under common law or otherwise but shall supersede, amend and restate, retroactively the rights to indemnification, reimbursement and contribution provided for under the Engagement Letter.

f) In order to provide for contribution in circumstances in which the indemnification provided for in this Section 11 for any reason held to be unavailable from any indemnifying party or is insufficient to hold harmless a party indemnified thereunder, the Company, on the one hand, and Maxim, on the other hand, shall contribute to the aggregate losses, claims, damages, liabilities and expenses of the nature contemplated by such indemnification provision (including any investigation, legal and other expenses incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claims asserted, but after deducting in the case of losses, claims, damages, liabilities and expenses suffered by the Company, any contribution received by the Company from Persons, other than Maxim, who may also be liable for contribution, including Persons who control the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, officers of the Company who signed the Registration Statement and directors of the Company) as incurred to which the Company and Maxim may be subject, in such proportions as is appropriate to reflect the relative benefits received by the Company, on the one hand, and Maxim, on the other hand, from the Rights Offering or, if such allocation is not permitted by applicable law, in such proportions as are appropriate to reflect not only the relative benefits referred to above but also the relative fault of the Company, on the one hand, and Maxim, on the other hand, in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and Maxim, on the other hand, shall be deemed to be in the same proportion as: (x) the total proceeds from the Rights Offering (net of the fees of the Dealer-Manager set forth in Section 6 hereof, but before deducting expenses) received by the Company bears to (y) the respective fees of the Dealer-Manager set forth and allocated in Section 6 hereof actually received by the Dealer-Manager. The relative fault of each of the Company, on the one hand, and Maxim, on the other hand, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Dealer-Manager (which consists solely and exclusively of the Dealer-Manager Information) and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Dealer-Manager agree that it would not be just and equitable if contribution pursuant to this Section 11(f) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 11 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any judicial, regulatory or other legal or governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission. Notwithstanding the provisions of this Section 11: (i) the Dealer-Manager shall not be required to contribute any amount in excess of the fees actually received by the Dealer-Manager from the Company in connection with the Rights Offering and (ii) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 11, each Person controlling the Dealer-Manager within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act shall have the same rights to contribution as the Dealer-Manager, and each Person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, each officer of the Company who shall have signed the Registration Statement and each director of the Company shall have the same rights to contribution as the Company, subject in each case to clauses (i) and (ii) of the immediately preceding sentence. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties, notify each party or parties from whom contribution may be sought, but the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any obligation it or they may have under this Section 11(f) or otherwise.

12. Effective Date of Agreement; Right of First Refusal; Exclusivity; Termination; Standstill.

a) This Agreement shall become effective upon the later of the time on which the Dealer-Manager shall have received notification of the effectiveness of the Registration Statement and the time which this Agreement shall have been executed by all of the parties hereto.

b) For a period of twelve (12) months from the commencement of sales of the Rights Offering, the Company grants the Dealer Manager the right of first refusal to act as lead placement agent, underwriter, or other manager for any and all future public and private equity, equity-linked, debt offerings or other capital raising activity of the Company, or any successor to or any subsidiary of the Company, during such twelve (12) month period. This time period shall be increased from twelve (12) to eighteen (18) months in the event that this Rights Offering raise results in gross proceeds of \$20,000,000 or more for the Company.

c) [Intentionally Omitted].

d) At any time during the Rights Offering, this Agreement may be terminated by the Dealer-Manager by giving notice as hereinafter provided to the Company if:

i. the Company shall have failed, refused or been unable, at any applicable time during the Rights Offering, to perform any material agreement on its part to be performed hereunder,

ii. any other material condition of the Dealer-Manager's obligations as set forth in Section 10 or elsewhere hereunder is not fulfilled,

iii. trading in securities generally on the OTC Pink shall have been suspended or minimum prices shall have been established on any such exchanges or such market by the Commission, by such exchange or by any other regulatory body or Governmental Authority,

iv. a banking moratorium shall have been declared by Federal or state authorities,

v. there shall have occurred any outbreak or escalation of hostilities or acts of terrorism involving the United States or there is a declaration of a national emergency or war by the United States or there shall have been any other calamity or crisis or any change in political, financial or economic conditions of the United States, or

vi. there shall have occurred such a material adverse change in general economic, political or financial conditions (or the effect of international conditions on the financial markets in the United States shall be such) as to make it, in the judgment of the Dealer-Manager, inadvisable or impracticable to provide the Advisory Services or perform any other of its obligations hereunder.

e) At any time during the Rights Offering, this Agreement may be terminated by the Company by giving notice as hereinafter provided to the Dealer-Manager if the Company's Board of Directors determines in good faith that the Rights Offering is no longer in the best interests of the Company and its stockholders.

f) Any termination of this Agreement pursuant to this Section 12 shall be without liability on the part of the Company or the Dealer-Manager, except as otherwise provided in Section 11 hereof. Any notice referred to above may be given at the address specified in Section 14 hereof in writing or by facsimile or telephone, and if by telephone, shall be immediately confirmed in writing.

g) If the Rights Offering is consummated or the Company elects to terminate this Agreement for any reason even though the Dealer-Manager was prepared to proceed with the Rights Offering and if within twelve (12) months following the earlier to occur of such termination or Closing, the Company completes any financing of equity, equity-linked or debt or other capital raising activity of the Company (other than the exercise by any person or entity of any options, warrants, or other convertible securities or issuances by the Company in connection with restricting of existing debt and other than an Exempt Issuance) with any of the investors introduced to the Company by the Dealer-Manager during the Engagement Period via conference call or in-person meeting, then the Company shall pay to the Dealer-Manager upon closing of such financing the compensation set forth in Section 6(a).

h) From the date hereof until 60 days after Closing, neither the Company nor any Subsidiary shall issue, enter into any agreement to issue or announce the issuance or proposed issuance of any shares of Common Stock or Common Stock Equivalents other than an Exempt Issuance. For purposes of this Section 12(h), "Common Stock Equivalents" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock and "Exempt Issuance" means the issuance of (a) shares of Common Stock or options to employees, officers or directors of the Company pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose for services rendered to the Company, (b) securities upon the exercise or exchange of or conversion of any Rights Shares issued hereunder and/or other securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the date of this Agreement, provided that such securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities (other than in connection with stock splits or combinations or terms that change automatically) or to extend the term of such securities and (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company, provided that such securities are issued as "restricted securities" (as defined in Rule 144) and carry no registration rights that require or permit the filing of any registration statement in connection therewith, and provided that any such issuance shall only be to a Person (or to the equityholders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

13. Survival of Certain Provisions The agreements contained in Sections 11 and 12(b), (c) and (g) hereof and the representations, warranties and agreements of the Company contained in Sections 5, 6 and 7 hereof shall survive the consummation of or failure to commence the Rights Offering and shall remain in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of any indemnified party; *provided* however that in the event of any failure to commence or consummate the Rights Offering, the agreements contained in Section 6 shall terminate and be of no further force or effect and *provided* that the Dealer-Manager will not be entitled to the compensation in Section 12(b) in the event the Company terminates the Offering for cause prior to the successful completion of any Closing which shall include the material failure to provide the services contemplated by this Agreement.

14. Notices. All notices or other communications hereunder shall be in writing, and (a) if sent to the Dealer-Manager, shall be mailed, delivered, or faxed and confirmed in writing, to: Maxim Group LLC, 405 Lexington, New York, New York 10174, Fax Number: (212) 895-3783, Attention: Clifford A. Teller, Executive Managing Director — Investment Banking, with a copy to Ellenoff Grossman & Schole LLP, 1345 Avenue of the Americas, 11th Floor, New York, New York, 10105 Fax Number: (212) 370-7889, Attention: Sarah Williams, Esq. and (b) if sent to the Company shall be mailed, delivered, or faxed and confirmed in writing to the Company and its counsel at the address set forth in the Registration Statement, with a copy to Cozen O'Connor P.C., Southeast Financial Center, 200 South Biscayne Blvd., Suite 3000, Miami, Florida 33131, Attention: Martin Schrier. Any such notices and other communications shall take effect at the time of receipt thereof.

15. Parties. This Agreement shall inure to the benefit of and be binding upon the Dealer-Manager, the Company and their respective successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those Persons, except that the representations, warranties, indemnities and agreements of the Company contained in this Agreement shall also be deemed to be for the benefit of the Person or Persons, if any, who control the Dealer-Manager within the meaning of Section 15 of the Act. Nothing in this Agreement shall be construed to give any Person, other than the Persons referred to in this Section, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

16. Amendment. This Agreement may not be amended or modified except in writing signed by each of the parties hereto.

17. Governing Law; Venue. This Agreement shall be deemed to have been executed and delivered in New York and both this Agreement and the transactions contemplated hereby shall be governed as to validity, interpretation, construction, effect, and in all other respects by the laws of the State of New York, without regard to the conflicts of laws principals thereof (other than Section 5-1401 of The New York General Obligations Law). The Dealer-Manager and the Company: (a) agrees that any legal suit, action or proceeding arising out of or relating to this Agreement and/or the transactions contemplated hereby shall be instituted exclusively in the Supreme Court of the State of New York, New York County, or in the United States District Court for the Southern District of New York; (b) waives any objection which it may have or hereafter to the venue of any such suit, action or proceeding; and (c) irrevocably consents to the jurisdiction of Supreme Court of the State of New York, New York County, or in the United States District Court for the Southern District of New York in any such suit, action or proceeding. The Dealer-Manager and the Company further agrees to accept and acknowledge service of any and all process which may be served in any such suit, action or proceeding in the Supreme Court of the State of New York, New York County, or in the United States District Court for the Southern District of New York and agrees that service of process upon the Company mailed by certified mail to the Company's address or delivered by Federal Express via overnight delivery shall be deemed in every respect effective service of process upon the Company, in any such suit, action or proceeding, and service of process upon the Dealer-Manager mailed by certified mail to the Dealer-Manager's address or delivered by Federal Express via overnight delivery shall be deemed in every respect effective service process upon the Dealer-Manager, in any such suit, action or proceeding. THE COMPANY (ON BEHALF OF ITSELF AND, TO THE FULLEST EXTENT PERMITTED BY LAW, ON BEHALF OF ITS RESPECTIVE EQUITY HOLDERS AND CREDITORS) HEREBY WAIVES ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY DISPUTE OR DISPUTES BASED UPON, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, THE REGISTRATION STATEMENT, ANY PRELIMINARY PROSPECTUS AND THE PROSPECTUS.

18. Entire Agreement. This Agreement, together with the exhibit attached hereto and as the same may be amended from time to time in accordance with the terms hereof, contains the entire agreement among the parties hereto relating to the subject matter hereof and there are no other or further agreements outstanding not specifically mentioned herein.

19. Severability. If any term or provision of this Agreement or the performance thereof shall be invalid or unenforceable to any extent, such invalidity or unenforceability shall not affect or render invalid or unenforceable any other provision of this Agreement and this Agreement shall be valid and enforced to the fullest extent permitted by law.

20. Headings. The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

21. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument. Delivery of a signed counterpart of this Agreement by facsimile or other electronic transmission shall constitute valid and sufficient delivery thereof.

22. Depositing of Shares. Nothing in this Agreement shall be construed to give any Person any right to have its Common Stock or any other securities of the Company (including any Securities) deposited in an account at Maxim Group LLC or any of its affiliates or at Pershing. The Company represents and warrants that it has not prior to the date of this Agreement, and acknowledges and agrees that it will not after the date of this Agreement, provide any assurance to any Person that such Person's Common Stock or any other securities of the Company (including the Securities) may be deposited in an account at Maxim Group LLC or any of its affiliates or at Pershing.

[Signature Page Follows]

If the foregoing correctly sets forth your understanding, please so indicate in the space provided below for that purpose, whereupon this letter shall constitute a binding agreement among us as of the date first written above.

Very truly yours,

HEALTHIER CHOICES MANAGEMENT CORP.

By:

Name:
Title:

**Accepted by the Dealer-Manager
as of the date first written above:**

MAXIM GROUP LLC

By:

Name:
Title:

THE TERMS AND CONDITIONS OF THE RIGHTS OFFERING ARE SET FORTH IN THE COMPANY'S PROSPECTUS DATED 2021 (THE "PROSPECTUS") AND ARE INCORPORATED HEREIN BY REFERENCE. COPIES OF THE PROSPECTUS ARE AVAILABLE UPON REQUEST FROM BROADRIDGE CORPORATE ISSUER SOLUTIONS, INC., THE SUBSCRIPTION AGENT, BY CALLING 1-800-506-5068.

HEALTHIER CHOICES MANAGEMENT CORP.

Incorporated under the laws of the State of Delaware

NON-TRANSFERABLE SUBSCRIPTION RIGHTS CERTIFICATE

Evidencing Non-Transferable Subscription Rights to Purchase Shares of Common Stock, Par Value \$0.0001 per share, of Healthier Choices Management Corp.

Subscription Price: To be determined as set forth below

THE SUBSCRIPTION RIGHTS WILL EXPIRE IF NOT EXERCISED ON OR BEFORE 5:00 P.M., EASTERN TIME, ON JUNE 3, 2021 (THE "EXPIRATION DATE")

REGISTERED OWNER:

THIS CERTIFIES THAT the registered owner whose name is inscribed hereon is the owner of the number of non-transferable subscription rights ("Subscription Rights") set forth above. The Subscription Rights entitle the holder thereof to subscribe for and purchase shares of common stock, par value \$0.0001 per share (the "Common Stock"), of Healthier Choices Management Corp., a Delaware corporation (the "Company"), at a subscription price (the "Actual Subscription Price") per share equal to 75% of the volume-weighted average of the trading prices ("VWAP") of our common stock on the OTC Pink Sheets for the five consecutive trading days ending on the Expiration Date of this rights offering (the "Rights Offering"), on the terms and subject to the conditions set forth in the Prospectus.

Under the Subscription Right, for each four shares of common stock owned as of the record date of the Rights Offering, the holder hereof is entitled to purchase one share of Common Stock at the Actual Subscription Price. The "Estimated Subscription Price" used in Section 1 to calculate your subscription price reflects what the Actual Subscription Price would be if the 5-day VWAP was calculated using May 12, 2021 as the last day of the VWAP measurement. Because the Actual Subscription Price will be determined on the Expiration Date, rights holders will not know the subscription price at the time of exercise and will be required initially to pay for both the shares subscribed for pursuant to their basic Subscription Rights and, if eligible, any additional shares subscribed for pursuant to the Over-Subscription Right at the Estimated Subscription Price of \$0.001425 per share. Regardless of the Actual Subscription Price, Stockholders who exercise their Subscription Rights will have no right to rescind their subscriptions after receipt of their completed subscription certificates together with payment for shares or a notice of guaranteed delivery by the subscription agent. If, on the Expiration Date, the Actual Subscription Price is greater than the Estimated Subscription Price paid by the subscriber, any payments made by you with respect to your Over-Subscription Rights (as described below) will be applied towards the purchase of shares subscribed for pursuant to your Basic Subscription Rights. Any remaining payment amounts will then be applied towards the purchase of any shares available pursuant to your Over-Subscription Rights. If, on the Expiration Date, the Actual Subscription Price is lower than the Estimated Subscription Price paid by the subscriber, any excess subscription amounts paid by a subscriber will be deemed an exercise of the Over-Subscription Rights and will be applied towards the purchase of additional shares in the rights offering.

The Subscription Rights represented by this Subscription Rights Certificate may be exercised by completing Form 1 and any other appropriate forms on the reverse side hereof and by returning together with payment of the aggregate Estimated Subscription Price for each share of Common Stock in accordance with the instructions contained herein. This Non-Transferable Subscription Rights Certificate is not valid unless countersigned by Broadridge Corporate Issuer Solutions, Inc., the Subscription Agent. Witness the signatures of its duly authorized officers.

DATED: May 19, 2021

Chief Executive Officer

President

DELIVERY OPTIONS FOR NON-TRANSFERABLE SUBSCRIPTION RIGHTS CERTIFICATE

Deliver other than in the manner or to the addresses listed below will not constitute valid delivery.

By mail:
 Broadridge Corporate Issuer Solutions, Inc.
 Attn: BCIS re-Organization Dept.
 P.O. Box 1317
 Brentwood, NY 11717-0718

By hand or overnight courier:
 Broadridge Corporate Issuer Solutions, Inc.
 Attn: BCIS IWS
 51 Mercedes Way
 Edgewood, NY 11717

PLEASE PRINT ALL INFORMATION CLEARLY AND LEGIBLY

SECTION 1 – EXERCISE OF SUBSCRIPTION RIGHTS

To subscribe for shares of Common Stock pursuant to your subscription right, please complete lines (a) and (b) and sign in part (c). Because the Actual Subscription Price cannot be determined until June 3, 2021, stockholders exercising their Subscription Rights are in effect investing a fixed amount in the Company to receive the maximum number of shares of Common Stock issuable at the Actual Subscription Price. You will be deemed to have exercised the maximum number of Subscription Rights that may be exercised with the aggregate subscription payment you delivered to the Subscription Agent. Fractional shares of our Common Stock resulting from the exercise of the Subscription Rights will be eliminated by rounding up to the nearest whole share, with the total subscription payment being adjusted accordingly. Any excess subscription payments received by the Subscription Agent will be returned, without interest, as soon as practicable.

(a) PAYMENT:

	Amount Enclosed	
Basic Subscription Right:	\$ _____	<input type="checkbox"/> Check or bank draft drawn on a U.S. bank, or postal or express money order payable to Broadridge Corporate Issuer Solutions, Inc., as Subscription Agent.
Over-Subscription Right:	\$ _____	<input type="checkbox"/> Wire transfer directly to the escrow account maintained by Broadridge Corporate Issuer Solutions, Inc., as Subscription Agent.
Total Amount Enclosed:	\$ _____	

Method of Payment. All payments must be made in U.S. dollars by wire transfer of funds, U.S. Postal money order or cashier's certified, or uncertified check drawn upon a U.S. bank payable to "Broadridge Corporate Issuer Solutions, Inc. (acting as Subscription Agent for Healthier Choices Management Corp.)". The Subscription Agent will not accept payment by any other means.

(b) EXERCISE OF SUBSCRIPTION RIGHT:

(i) Basic Subscription Right

I exercise _____ x 0.25 = (no. of Basic Subscription shares subscribed for) x \$0.001425 = \$ _____
 (No. of shares owned) x (Estimated Subscription Price) (Amount Enclosed)

(ii) Over-Subscription Right: If you fully exercise your Basic Subscription Right, above, and wish to subscribe for additional shares, you may exercise your Over-Subscription Right below.

I exercise _____ x \$0.001425 = \$ _____
 (No. of Over-Subscription Shares Subscribed For) x (Estimated Subscription Price) (Amount Enclosed)

(c) SIGNATURE(S):

TO SUBSCRIBE: I acknowledge that I have received the Prospectus for the rights offering and I hereby irrevocably subscribe for, on the terms and conditions specified in the Prospectus, the number of shares of Common Stock equal to the aggregate subscription payment delivered divided by the Actual Subscription Payment. I hereby agree that if I fail to pay for the shares of Common Stock for which I have subscribed above based on the Estimated Subscription Price, Healthier Choices Management Corp. may exercise its legal remedies against me. This form must be signed by the registered holder(s) exactly as their name(s) appear(s) on the certificate(s) or book entry or by person(s) authorized to sign on behalf of the registered holder(s) by the documents transmitted herewith.

 Signature(s) of Subscriber(s) Date Daytime Telephone Number(s)

If signature is by trustee(s), executor(s), administrator(s), guardian(s), attorney(s)-in-fact, agent(s), officer(s) of a corporation or another acting in a fiduciary or representative capacity, please provide the following information (please print). See the instructions

 Name(s) Full Title Taxpayer ID # or Social Security Date

SECTION 2 – SPECIAL ISSUANCE OR DELIVERY INSTRUCTIONS FOR SUBSCRIPTION RIGHTS HOLDERS

(a) To be completed ONLY if the book-entry representing the Common Stock to be issued in a name other than that of the registered holder. (See the Instructions.)
DO NOT FORGET TO COMPLETE THE GUARANTEE OF SIGNATURE(S) SECTION BELOW.

(b) To be completed ONLY if the book-entry representing the Common Stock is to be issued to an address other than that shown on the front of this certificate. (See the Instructions.)
DO NOT FORGET TO COMPLETE THE GUARANTEE OF SIGNATURE(S) SECTION BELOW.

Print Full Name: _____
Print Full Address: _____
Taxpayer ID # or Social Security # _____

Print Full Name: _____
Print Full Address: _____
Taxpayer ID # or Social Security # _____

SIGNATURE GUARANTEE

This must be completed if you have completed any portion of Section 2.

Signature Guaranteed: _____
(Name of Bank or Firm)

By: _____
(Signature of Officer)

IMPORTANT: The signature(s) should be guaranteed by an eligible guarantor institution (bank, stock, broker, savings & loan association or credit union) with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15.

FOR INSTRUCTIONS ON THE USE OF NON-TRANSFERABLE SUBSCRIPTION RIGHTS CERTIFICATES, CONSULT BROA CORPORATE ISSUER SOLUTIONS, INC., THE SUBSCRIPTION AGENT, AT (855) 793-5068 (TOLL-FREE). THE RIGHTS OFFI EXPIRES AT 5:00 P.M., EASTERN TIME, ON JUNE 3, 2021, AND THIS NON-TRANSFERABLE SUBSCRIPTION RIGHTS CERTII IS VOID THEREAFTER.

THE RIGHTS OFFERING HAS BEEN REGISTERED OR QUALIFIED OR IS BELIEVED TO BE EXEMPT FROM REGISTRATION OR QUALIFICATION ONLY UNDER THE FEDERAL LAWS OF THE UNITED STATES AND THE LAWS OF THE STATES IN THE UNITED STATES. RESIDENTS OF OTHER JURISDICTIONS MAY NOT PURCHASE THE SECURITIES OFFERED HEREBY UNLESS THEY CERTIFY THAT THEIR PURCHASES OF SUCH SECURITIES ARE EFFECTED IN ACCORDANCE WITH THE APPLICABLE LAWS OF SUCH JURISDICTIONS

May 18, 2021

VIA ELECTRONIC MAIL

Healthier Choices Management Corp.
3800 North 28th Way
Hollywood, FL 33020

Re: Registration Statement on Form S-1

Ladies and Gentlemen:

We have acted as counsel to Healthier Choices Management Corp., a Delaware corporation (the "Company"), in connection with the preparation and filing of a Registration Statement on Form S-1 (File No. 333-255356), including the prospectus contained therein (the "Prospectus"), originally filed with the Securities and Exchange Commission (the "Commission") by the Company on May 18, 2021 (as amended, the "Registration Statement"), under the Securities Act of 1933, as amended (the "Securities Act"), and the rules and regulations promulgated thereunder. The Registration Statement relates to the proposed distribution with respect to each outstanding share of common stock of the Company, par value \$0.0001 per share ("Common Stock"), by the Company to each shareholder (the "Offering") of a nontransferable subscription right (collectively with all such rights, the "Rights") to purchase shares of Common Stock. The aggregate Rights may be exercised for an aggregate amount of up to \$100,000,000 share of Common Stock (the "Shares"). This opinion is being furnished pursuant to the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act.

In connection with the foregoing, we have examined (i) the certificate of incorporation of the Company, as amended and as in effect on and as of the date hereof, (ii) the amended and restated bylaws of the Company, (iii) the form of non-transferable subscription rights certificate and all other required subscription documents, pursuant to which the Securities are to be sold (collectively, the "Subscription Documents"), (iv) corporate proceedings, including the resolutions of the Board of Directors of the Company, with respect to the Offering and, (v) the Registration Statement as filed with the Commission and (vi) such other documents, instruments and records as we have deemed necessary to enable us to render the opinions contained herein.

In our examination of such legal documents, we have assumed the genuineness of all signatures, the legal capacity of all signatories who are natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as copies, the authenticity of the originals of such documents and the due execution and delivery of all documents. Insofar as this opinion relates to factual matters, we have assumed with your permission and without independent investigation, that the statements of the Company contained in the Registration Statement (including any exhibits thereto) and such other documents, certificates, records, statements and representations as we have deemed necessary or appropriate as a basis for the opinions set forth below are true, correct and complete as to all factual matters stated therein. In addition, as to questions of fact material to this opinion, we have, when relevant facts were not independently established, relied upon certificates of, and information received from, the Company and/or representatives of the Company. We have made no independent investigation of the facts stated in such certificates or as to any information received from the Company and/or representatives of the Company and do not opine as to the accuracy of such factual matters. We also have relied as to certain matters on information obtained from public officials, officers of the Company, and other sources believed by us to be reliable. We also have assumed that the Registration Statement will remain effective pursuant to the Securities Act at the time of issuance of the Shares, and the Company will have received the required consideration for the issuance of such Shares at or prior to the issuance thereof.

We are opining herein solely with respect to the federal laws of the United States and the laws of the State of Delaware. We express no opinion with respect to the laws of any other jurisdiction and expressly disclaim responsibility for advising you as to the effect, if any, that the laws of any other jurisdiction may have on the opinions set forth herein.

Our opinions below are qualified to the extent that they may be subject to or affected by (i) applicable bankruptcy, insolvency, reorganization, moratorium, receivership, conservatorship, arrangement, usury, fraudulent conveyance or similar laws affecting the rights of creditors generally, and (ii) by general equitable principles and public policy considerations, whether such principles and considerations are considered in a proceeding at law or at equity. Furthermore, we express no opinion as to the availability of any equitable or specific remedy, or as to the successful assertion of any equitable defense, upon any breach of any agreements or obligations referred to therein, or any other matters, inasmuch as the availability of such remedies or defenses may be subject to the discretion of a court. We express no opinion as to the enforceability of any indemnification provision, or as to the enforceability of any provision that may be deemed to constitute liquidated damages.

Based upon and subject to the foregoing and the other assumptions, limitations and exceptions set forth herein, we are of the opinion that:

1. The Rights have been authorized by all necessary corporate action of the Company and, when issued and delivered as contemplated in the Registration Statement, will constitute valid and legally binding obligations of the Company.

2. The Shares have been authorized by all necessary corporate action of the Company and, when issued in accordance with the terms set forth in the Subscription Documents, and as contemplated in the Registration Statement, will be validly authorized, validly issued, fully paid and nonassessable.

Please note that we are opining only as to the matters expressly set forth herein, and no opinion should be inferred as to any other matters. This opinion is based upon the laws, including the rules and regulations, as in effect on the date hereof, and we disclaim any obligation to advise you of any change in any of these sources of law or subsequent legal or factual developments which might affect any matters or opinions set forth herein.

We hereby consent to the filing of this opinion with the Commission as an exhibit to the Registration Statement pursuant to Item 601(b)(5) of Regulation S-K under the Securities Act and to the use of this firm's name therein and in the related Prospectus and any supplement to the Prospectus under the caption "Legal Matters." In giving such consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission or that we are "experts" within the meaning of Section 11 of the Securities Act.

Very truly yours,

/s/ Cozen O'Connor P.C.

Cozen O'Connor P.C.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the inclusion in this Registration Statement of Healthier Choices Management Corp. on Amendment No. 2 to Form S-1 of our report date March 5, 2021 with respect to our audits of the consolidated financial statements of Healthier Choices Management Corp. as of December 31, 2020 and 2019 and for the years ended December 31, 2020 and 2019, which report appears in the Prospectus, which is part of this Registration Statement. We also consent to the reference to our Firm under the heading "Experts" in such Prospectus.

/s/ Marcum llp

Marcum llp
New York, NY
May 17, 2021

THE TERMS AND CONDITIONS OF THE RIGHTS OFFERING ARE SET FORTH IN THE COMPANY'S PROSPECTUS DATED MAY 18, 2021 (THE "PROSPECTUS") AND ARE INCORPORATED HEREIN BY REFERENCE. COPIES OF THE PROSPECTUS ARE AVAILABLE UPON REQUEST FROM BROADRIDGE CORPORATE ISSUER SOLUTIONS, INC., THE SUBSCRIPTION AGENT, BY CALLING (888) 789-8409.

**FORM OF INSTRUCTIONS AS TO USE OF HEALTHIER CHOICES MANAGEMENT CORP.
NON-TRANSFERABLE SUBSCRIPTION RIGHTS CERTIFICATES**

PLEASE CONSULT THE SUBSCRIPTION AND INFORMATION AGENT,
YOUR BANK OR BROKER FOR ANY QUESTIONS

The following instructions relate to a rights offering by Healthier Choices Management Corp., a Delaware corporation (we," us," our," or the "Company"), to the stockholders (the "holder," or "you") of its Common Stock, par value \$0.0001 per share (the "Common Stock"), as described in the prospectus dated May 18, 2021 (the "Prospectus"). Holders of our Common Stock as of 5:00 p.m., Eastern Time, on May 18, 2021 (the "Record Date") are receiving, at no charge, non-transferable subscription rights (each, a "Subscription Right") to purchase up to an aggregate of up to \$100,000,000 of Common Stock at a subscription price per share (the "Actual Subscription Price") equal to 75% of the volume-weighted average of the trading prices ("VWAP") of our common stock on the OTC Pink Sheets for the five consecutive trading days ending on the Expiration Date. Each stockholder will receive one Subscription Right for every four shares of Common Stock owned on the Record Date and each Subscription Right will entitle its holder to purchase one share of Common Stock at the Actual Subscription Price (the "Basic Subscription Right").

The Estimated Subscription Price reflects what the Actual Subscription Price would be if the 5-day VWAP was calculated using May 12, 2021 as the last day of the VWAP measurement. Because the Actual Subscription Price will be determined on the Expiration Date, rights holders will generally not know the subscription price at the time of exercise and will be required initially to pay for both the shares subscribed for pursuant to their Basic Subscription Rights and, if eligible, any additional shares subscribed for pursuant to the Over-Subscription Right at the Estimated Subscription Price of \$0.001425 per share. Stockholders exercising their Subscription Rights are in effect investing a fixed amount in the Company to receive the maximum number of shares of Common Stock issuable at the Actual Subscription Price. Regardless of the Actual Subscription Price, Stockholders who exercise their Subscription Rights will have no right to rescind their subscriptions after receipt of their completed subscription certificates together with payment for shares by the subscription agent.

If, on the Expiration Date, the Actual Subscription Price is *greater* than the Estimated Subscription Price paid by the subscriber, any payments made by you with respect to your Over-Subscription Rights (as described below) will be applied towards the purchase of shares subscribed for pursuant to the your Basic Subscription Rights. Any remaining payment amounts will then be applied towards the purchase of any shares available pursuant to your Over-Subscription Rights. If, on the Expiration Date, the Actual Subscription Price is *lower* than the Estimated Subscription Price paid by the subscriber, any excess subscription amounts paid by a subscriber will be deemed an exercise of the Over-Subscription Rights and will be applied towards the purchase of additional shares in the rights offering.

The Subscription Rights will be evidenced by non-transferable subscription rights certificates (the "Non-Transferable Subscription Rights Certificate"). The number of Subscription Rights to which you are entitled is printed on the face of your Non-Transferable Subscription Rights Certificate. Any fractional Subscription Rights will be rounded up to one Subscription Right.

Over-Subscription Right

If a holder purchases all of the shares of Common Stock available to it pursuant to its Basic Subscription Right, it will also exercise an over-subscription right (the "Over-Subscription Right") to purchase a portion of any shares of Common Stock that are not purchased by other stockholders through the exercise of their Basic Subscription Rights (the "Unsubscribed Shares"), subject to the availability and pro rata allocation of the Unsubscribed Shares among all persons exercising their Over-Subscription Rights.

If you wish to exercise your Over-Subscription Right, you should indicate the number of additional shares that you would like to purchase in the space provided on your Non-Transferable Subscription Rights Certificate, as well as the number of shares that you beneficially own without giving effect to any shares to be purchased in this rights offering. When you send in your Non-Transferable Subscription Rights Certificate, you must also send the full purchase price in cash, as provided herein, for the number of additional shares that you have requested to purchase (in addition to the payment in cash, as provided herein, due for shares purchased through your Basic Subscription Right).

If the number of shares remaining after the exercise of all Basic Subscription Rights is not sufficient to satisfy all requests for shares pursuant to Over-Subscription Rights, you will be allocated additional shares (subject to elimination of fractional shares) in the proportion which the number of shares you purchased through the Basic Subscription Right bears to the total number of shares that all stockholders exercising their Over-Subscription Rights purchased through the Basic Subscription Right. Broadridge Corporate Issuer Solutions, Inc. (the "Subscription Agent") will return any excess payments in the form in which made.

By way of example, if you wish to purchase 1,000,000 shares (assuming 500,000 shares pursuant to your basic rights and 500,000 shares pursuant to your over-subscription rights) at the Estimated Subscription Price of \$0.001425, you would be investing \$1,425. The amount of shares that you receive for your \$1,425 will be adjusted based on the Actual Subscription Price. Using the previous example, if the Actual Subscription Price is \$0.00135, you will receive 1,055,556 shares for your same \$1,425 investment. Conversely, if the Actual Subscription Price is increased to \$0.0015 you will receive 950,000 shares for your \$1,425 investment. However, in both cases you will be receiving a 25% discount to the VWAP for the common stock over the five consecutive trading days ending on the Expiration Date. These examples assume these additional shares were available upon exercise of your Over-Subscription Right.

As soon as practicable after the Expiration Date (as defined below), the Subscription Agent will determine the number of shares of Common Stock that you may purchase pursuant to the Over-Subscription Right. You will receive these shares in book entry, or uncertificated, form as soon as practicable after the Expiration Date and after all allocations and adjustments have been effected. If you request and pay for more shares than are allocated to you, we will refund the overpayment in the form in which it was made. In connection with the exercise of the Over-Subscription Right, banks, brokers and other nominee holders of Subscription Rights who act on behalf of beneficial owners will be required to certify to us and to the Subscription Agent as to the aggregate number of Subscription Rights exercised, and the number of shares of Common Stock requested through the Over-Subscription Right, by each beneficial owner on whose behalf the nominee holder is acting.

We will not issue fractional shares, but rather will round up the aggregate number of shares you are entitled to receive to the nearest whole number, with the total subscription price being adjusted accordingly. Any excess subscription payments received by the Subscription Agent in connection with the Over-Subscription Right will be returned, without interest, as soon as practicable.

You are not required to exercise any or all of your Subscription Rights. However, if you do not exercise your Subscription Rights and the rights offering is completed, the number of shares of our Common Stock you own will not change but your percentage ownership of our total outstanding common stock will decrease because shares will be purchased by other stockholders in the rights offering. Your percentage ownership of our common stock may also decrease if you do not exercise your Subscription Right in full. Please see the discussion of risk factors related to the rights offering, including dilution, under the heading "Risk Factors—Risks Related to the Rights Offering," in the Prospectus.

Expiration Date

THE SUBSCRIPTION RIGHTS WILL EXPIRE AND WILL HAVE NO VALUE AT 5:00 P.M., EASTERN TIME, ON JUNE 3, 2021, WITHOUT EXTENSION OR EARLIER TERMINATION (THE "EXPIRATION DATE"). YOUR NON-TRANSFERABLE SUBSCRIPTION RIGHTS CERTIFICATE AND SUBSCRIPTION PAYMENT FOR EACH RIGHT THAT IS EXERCISED PURSUANT TO THE SUBSCRIPTION RIGHTS MUST BE RECEIVED BY THE SUBSCRIPTION AGENT ON OR BEFORE THE EXPIRATION DATE. ONCE YOU HAVE EXERCISED YOUR SUBSCRIPTION RIGHTS, SUCH EXERCISE MAY NOT BE REVOKED, EVEN IF YOU LATER LEARN INFORMATION THAT YOU CONSIDER TO BE UNFAVORABLE TO THE EXERCISE OF YOUR SUBSCRIPTION RIGHTS. SUBSCRIPTION RIGHTS NOT EXERCISED PRIOR TO THE EXPIRATION TIME OF THE RIGHTS OFFERING WILL EXPIRE WITHOUT VALUE.

If you do not exercise your Subscription Rights prior to that time, your Subscription Rights will expire and will no longer be exercisable. We will not be required to issue shares of our Common Stock to you if the Subscription Agent receives your Non-Transferable Subscription Rights Certificate(s) or your subscription payment after the Expiration Date, regardless of when the Non-Transferable Subscription Rights Certificate(s) and subscription payment were sent. If you send your Non-Transferable Subscription Rights Certificate(s) and Actual Subscription Price payment by mail, we recommend that you send them by registered mail, properly insured, with return receipt requested, and that a sufficient number of days be allowed to ensure delivery to the Subscription Agent and clearance of payment before the expiration of the subscription period. See "The Rights Offering—Expiration of Offer" in the Prospectus.

The shares issued upon exercise of the Subscription Rights will be delivered in book entry form as soon as practicable after the Expiration Date, and after all pro rata allocations and adjustments have been completed.

If you have any questions concerning the rights offering, please contact the Subscription Agent, Broadridge Corporate Issuer Solutions, Inc., at the following address and number:

Broadridge Corporate Issuer Solutions, Inc.
Attn: BCIS Re-Organization Dept.
P.O. Box 1317
Brentwood, NY 11717-0718
Holder Inquiries:
(855) 793-5068 (toll free)
shareholder@broadridge.com

1. Method of Subscription—Exercise of Subscription Rights. To exercise your Subscription Rights, please: (1) complete Section 1 on your Non-Transferable Subscription Rights Certificate, attached to these instructions; (2) sign Section 1 of your Non-Transferable Subscription Rights Certificate; and (3) mail the properly completed and executed Non-Transferable Subscription Rights Certificate evidencing such Basic Subscription Rights and, if applicable, Over-Subscription Rights subscribed, together with payment in full of the Estimated Subscription Price for each share of Common Stock subscribed for pursuant to the Basic Subscription Right and, if applicable, Over-Subscription Rights, to the Subscription Agent, on or prior to the Expiration Date. Additionally, if the Common Stock to be issued pursuant to the Subscription Rights are to be issued in a name other than that of the registered holder please complete Section 2 of the Non-Transferable Subscription Rights Certificate and obtain a signature guarantee as described below prior to mailing the Non-Transferable Subscription Rights Certificate to the Subscription Agent, prior to the Expiration Date. Payment of the Actual Subscription Price will be held in a segregated account to be maintained by the Subscription Agent.

(a) *Method of Execution*

(i) *Execution by Registered Holder.* Your signature on the Non-Transferable Subscription Rights Certificate must correspond with the name of the registered holder exactly as it appears on the face of the Non-Transferable Subscription Rights Certificate without any alteration or change whatsoever. Persons who sign the Non-Transferable Subscription Rights Certificate in a representative or other fiduciary capacity must indicate their capacity when signing and, unless waived by the Subscription Agent in its sole and absolute discretion, must present to the Subscription Agent satisfactory evidence of their authority to so act.

(ii) *Execution by Person Other than Registered Holder.* If the Non-Transferable Subscription Rights Certificate is executed by a person other than the holder named on the face of the Non-Transferable Subscription Rights Certificate, proper evidence of authority of the person executing the Non-Transferable Subscription Rights Certificate must accompany the same unless, for good cause, the Subscription Agent dispenses with proof of authority.

(iii) *Signature Guarantees.* If you completed any part of Section 2 of the Non-Transferable Subscription Rights Certificate to provide that the Common Stock sold pursuant to your exercise of Subscription Rights to be (x) issued in a name other than that of the registered holder, or (y) sent to an address *other* than that shown on the front of the Non-Transferable Subscription Rights Certificate, your signature in Section 1 must be guaranteed in Section 2 by an "Eligible Guarantor Institution," as such term is defined in Rule 17Ad-15 of the Securities Exchange Act of 1934, such as a member firm of a registered national securities exchange or a member of the Financial Industry Regulatory Authority, Inc., or a commercial bank or trust company having an office or correspondent in the United States, or by a member of a Stock Transfer Association approved medallion program such as STAMP, SEMP or MSP, subject to standards and procedures adopted by the Subscription Agent.

(b) *Method of Payment*

Payments must be made in full in U.S. currency by:

- uncertified check drawn against a U.S. bank payable to "**Broadridge Corporate Issuer Solutions, Inc. (acting as Subscription Agent for Healthier Choices Management Corp.)**";
- wire transfer of immediately available funds to accounts maintained by the Subscription Agent for purposes of accepting subscription in the rights offering at:

Beneficiary Account Name: Broadridge

Bank: U.S. Bank
800 Nicollet Mall
City/State/Country: Minneapolis, MN 55402 United States
Routing number: 123000848
International/Swift code: USBKUS44IMT
For Further Credit: Healthier Choices Management Corp.
Account Number: 153910728465

- a certified check, bank draft, or cashier's check drawn against a U.S. bank payable to "**Broadridge Corporate Issuer Solutions, Inc. (acting as Subscription Agent for Healthier Choices Management Corp.)**"; or
- U.S. Postal money order payable to "Broadridge Corporate Issuer Solutions, Inc. (acting as Subscription Agent for Healthier Choices Management Corp.)".

Payments will be deemed to have been received upon (i) clearance of any uncertified check, (ii) receipt by the Subscription Agent of any certified check, bank draft, or cashier's check drawn upon a U.S. bank or of any U.S. Postal money order or (iii) receipt of collected funds in the Subscription Account designated above. If paying by uncertified personal check, please note that the funds paid thereby may take at least five (5) business days to clear. Accordingly, holders who wish to pay the Estimated Subscription Price by means of uncertified personal check are urged to make payment sufficiently in advance of the Expiration Date to ensure that such payment is received and clears by such date and are urged to consider payment by means of certified check, bank draft, cashier's check, U.S. Postal money order, or wire transfer of funds. Any wire transfer should clearly indicate the identity of the subscriber who is paying the Actual Subscription Price by wire transfer.

If you do not indicate the number of Subscription Rights being exercised, or if you do not forward the full subscription payment for the number of Subscription Rights that you indicate are being exercised, then you will be deemed to have exercised the maximum number of Subscription Rights that may be exercised with the aggregate subscription payment you delivered to the Subscription Agent. Any excess subscription payments received by the Subscription Agent will be returned to you by mail, without interest, as soon as practicable after completion of the rights offering and after all pro rata allocations and adjustments have been completed.

Fractional shares of our Common Stock resulting from the exercise of the Subscription Rights will be eliminated by rounding up to the nearest whole share with the total subscription payment being adjusted accordingly. Any excess subscription payments received by the Subscription Agent will be returned, without interest, as soon as practicable.

(c) *Method of Delivery*

Non-Transferable Subscription Rights Certificate and payments of Actual Subscription Price, or if applicable, Notice(s) of Guaranteed Delivery (as defined below) must be delivered to the Subscription Agent by one of the methods described below:

If delivering by hand or overnight courier:
Broadridge Corporate Issuer Solutions, Inc.
Attn: BCIS IWS
51 Mercedes Way
Edgewood, NY 11717

If delivering by first class mail:
Broadridge Corporate Issuer Solutions, Inc.
Attn: BCIS Re-Organization Dept.
P.O. Box 1317
Brentwood, NY 11717-0718

Delivery to an address or by a method other than those above will not constitute valid delivery.

The method of delivery of Non-Transferable Subscription Rights Certificates and payment of the Actual Subscription Price to the Subscription Agent will be at the election and risk of the Subscription Rights holder. However, if you elect to exercise your Subscription Rights, we urge you to consider using a certified check, bank draft, cashier's check, U.S. Postal money order, or wire transfer of funds to ensure that the Subscription Agent receives your funds prior to the Expiration Date. If you send an uncertificated check, payment will not be deemed to have been received by the Subscription Agent until the check has cleared, but if you send a certified check, bank draft, or cashier's check drawn upon a U.S. bank, or a U.S. Postal money order directly to the Subscription Agent's account, payment will be deemed to have been received by the Subscription Agent immediately upon receipt of such instruments. Any personal check used to pay for shares of Common Stock must clear the appropriate financial institutions prior to the Expiration Date. The clearinghouse may require at least five (5) business days. Accordingly, holders that wish to pay the Estimated Subscription Price by means of an uncertified personal check are urged to make payment sufficiently in advance of the Expiration Date to ensure such payment is received and clears by such date.

2. Issuance of Common Stock. The following deliveries and payments will be made and/or issued to the address shown on the face of your Non-Transferable Subscription Rights Certificate, unless you provide instructions to the contrary in your Non-Transferable Subscription Rights Certificate.

(a) *Basic Subscription Right.* As soon as practicable following the Expiration Date and the valid exercise of the Subscription Rights, we will issue to each exercising Subscription Rights holder shares in book-entry, or uncertificated, form representing shares of Common Stock purchased pursuant to the Basic Subscription Right.

(b) *Over-Subscription Right.* As soon as practicable following the Expiration Date and after all prorations and adjustments contemplated by the terms of the rights offering have been effected, we will issue to each Subscription Rights holder that validly exercises the Over-Subscription Right shares in book-entry, or uncertificated, form representing the number of shares of Common Stock, if any, allocated to such Subscription Rights holder pursuant to the Over-Subscription Right.

(c) *Excess Cash Payments.* As soon as practicable following the Expiration Date and after all prorations and adjustments contemplated by the terms of the rights offering have been effected, any excess subscription payments received in payment pursuant to the Over-Subscription Right will be mailed by the Subscription Agent to each Subscription Rights holder, without interest.

3. No Sale or Transfer of Subscription Rights. The Subscription Rights granted to you are non-transferable and, therefore, you may not sell, transfer or assign your Subscription Rights to anyone.

4. Special Provisions Relating to the Delivery of Subscription Rights through the Depository Trust Company. Banks, trust companies, securities dealers and brokers (each, a "Nominee") that hold shares of our Common Stock on the Record Date as nominee for more than one beneficial owner may, upon proper showing to the Subscription Agent, exercise such beneficial owner's Subscription Right through the Depository Trust Company ("DTC") on the same basis as if the beneficial owners were stockholders on the Record Date. Such Nominee may exercise the Subscription Rights on behalf of the exercising beneficial owner through DTC's PSOP Function on the "agents subscription over PTS" procedure by (1) providing a certification as to the aggregate number of Subscription Rights exercised by the beneficial owner on whose behalf such Nominee is acting, and (2) instruct DTC to charge the Nominee's applicable DTC account for the subscription payment for the new shares to facilitate the delivery of the full subscription payment to the Subscription Agent. DTC must receive the subscription instructions and payment for the new shares no later than the Expiration Date.

5. Form W-9. Each Subscription Rights holder who elects to exercise Subscription Rights should provide the Subscription Agent with a correct Taxpayer Identification Number (TIN) on IRS Form W-9. See "Material U.S. Federal Income Tax Consequences — Information Reporting and Backup Withholding" in the Prospectus. Failure to provide the information on the form may subject such holder to a \$50 penalty for each such failure and to 24% federal income tax withholding with respect to dividends (including deemed dividends) that may be paid by the Company on shares of its Common Stock. Foreign Persons are generally required to provide an appropriate IRS Form W-8 rather than IRS Form W-9 and may be subject to withholding on dividends (including deemed dividends) at a rate of up to 30%.

**FORM OF LETTER TO STOCKHOLDERS WHO ARE RECORD HOLDERS
HEALTHIER CHOICES MANAGEMENT CORP.**

Subscription Rights to Purchase Shares of Common Stock
Offered Pursuant to Subscription Rights
Distributed to Stockholders
of Healthier Choices Management Corp.

May 19, 2021

Dear Stockholder:

Enclosed are materials relating to a rights offering by Healthier Choices Management Corp., a Delaware corporation (we," us," our," or the "Company"), including the Prospectus dated May 18, 2021 (the "Prospectus"). Please carefully review the Prospectus, which describes how you can participate in the rights offering. You will be able to exercise your subscription rights to purchase shares of our common stock, par value \$0.0001 per share (the "Common Stock"), only during a limited period. Answers to some frequently asked questions about the rights offering can be found under the heading "Questions and Answers About the Rights Offering" in the Prospectus. Any prospective purchaser of shares of our Common Stock pursuant to the exercise of the subscription rights should read the Prospectus, including without limitation the risk factors contained therein and incorporated by reference therein, prior to making any decision to invest in the Company.

In the rights offering, we are offering an aggregate of up to \$100,000,000 in shares of Common Stock, as described in the Prospectus. The subscription rights will expire if not exercised prior to 5:00 p.m., Eastern Time, on June 3, 2021 (the "Expiration Date").

As described in the Prospectus, you will receive one subscription right for every four shares of Common Stock (each, a "Basic Subscription Right") owned at 5:00 p.m., Eastern Time, on May 18, 2021 (the "Record Date"). Each Basic Subscription Right will allow you to subscribe for one share of Common Stock (the "Basic Subscription Right") at the cash price equal to 75% of the volume-weighted average of the trading prices ("VWAP") of our common stock on the OTC Pink Sheets for the five consecutive trading days ending on the Expiration Date of this rights offering (the "Actual Subscription Price"). For example, if you owned four shares of Common Stock as of 5:00 p.m., Eastern Time, on the Record Date, you would receive one Basic Subscription Right and would have the right to purchase one share of Common Stock at the Actual Subscription Price. Any fractional Subscription Rights will be rounded up to one Subscription Right.

The Estimated Subscription Price reflects what the Actual Subscription Price would be if the 5-day VWAP was calculated using May 12, 2021 as the last day of VWAP measurement. Because the Actual Subscription Price will be determined on the Expiration Date, rights holders will generally not know the subscription price at the time of exercise and will be required initially to pay for both the shares subscribed for pursuant to their basic Subscription Rights and, if eligible, any additional shares subscribed for pursuant to the Over-Subscription Right at the Estimated Subscription Price of \$0.001425 per share. Stockholders exercising their Subscription Rights are in effect investing a fixed amount in the Company to receive the maximum number of shares of Common Stock issuable at the Actual Subscription Price. Regardless of the Actual Subscription Price, stockholders who exercise their Subscription Rights will have no right to rescind their subscriptions after receipt of their completed subscription certificates together with payment for shares by the subscription agent. By way of example, if you wish to purchase 1,000,000 shares (assuming 500,000 shares pursuant to your basic rights and 500,000 shares pursuant to your over-subscription rights) at the Estimated Subscription Price of \$0.001425, you would be investing \$1,425. The amount of shares that you receive for your \$1,425 will be adjusted based on the Actual Subscription Price. Using the previous example, if the Actual Subscription Price is \$0.00135, you will receive 1,055,556 shares for your same \$1,425 investment. Conversely, if the Actual Subscription Price is increased to \$0.0015 you will receive 950,000 shares for your \$1,425 investment. However, in both cases you will be receiving a 25% discount to the VWAP for the common stock over the five consecutive trading days ending on the Expiration Date. These examples assume these additional shares were available upon exercise of your Over-Subscription Right.

If, on the Expiration Date, the Actual Subscription Price *is greater* than the Estimated Subscription Price paid by the subscriber, any payments made by you with respect to your Over-Subscription Rights (as described below) will be applied towards the purchase of shares subscribed for pursuant to your Basic Subscription Rights. Any remaining payment amounts will then be applied towards the purchase of any shares available pursuant to your Over-Subscription Rights. If, on the Expiration Date, the Actual Subscription Price *is lower* than the Estimated Subscription Price paid by the subscriber, any excess subscription amounts paid by a subscriber will be deemed an exercise of the Over-Subscription Rights and will be applied towards the purchase of additional shares in the rights offering.

In the event that you purchase all of the shares of Common Stock available to you pursuant to your Basic Subscription Right, you may also exercise an over-subscription right (the "Over-Subscription Right", collectively with the Basic Subscription Right, the "Subscription Rights") to purchase a portion of any shares of Common Stock that are not purchased by stockholders through the exercise of their Basic Subscription Rights (the "Unsubscribed Shares"), subject to the availability and pro rata allocation of the Unsubscribed Shares among all persons exercising this Over-Subscription Right. To the extent the Unsubscribed Shares are not sufficient to satisfy all of the properly exercised Over-Subscription Rights, then the Unsubscribed Shares will be prorated among those who properly exercised Over-Subscription Right based on the number of shares each person subscribed for under the Basic Subscription Right. For example, if a stockholder subscribed for 2% of the total Basic Subscription Rights exercised, such stockholder will be eligible to purchase 2% of the Unsubscribed Shares. If this pro rata allocation results in any person receiving a greater number of Unsubscribed Shares than the person subscribed for pursuant to the exercise of the Over-Subscription Right, then such person will be allocated only that number of Unsubscribed Shares for which the person oversubscribed, and the remaining Unsubscribed Shares will be allocated among all other persons exercising the Over-Subscription Right on the same pro rata basis described above. The proration process will be repeated until all Unsubscribed Shares have been allocated or all Over-Subscription Rights have been fulfilled, whichever occurs earlier.

You will be required to submit payment in full for all the shares you wish to buy with your Over-Subscription Right. Because we will not know the total number of Unsubscribed Shares or the Actual Subscription Price prior to the Expiration Date, if you wish to maximize the number of shares you may purchase pursuant to your Over-Subscription Right, you will need to deliver payment in an amount equal to the aggregate Estimated Subscription Price for the maximum number of shares of Common Stock available to you based upon the Estimated Subscription Price, assuming that no stockholder other than you has purchased any shares of Common Stock pursuant to the Basic Subscription Right and Over-Subscription Right. The Company will eliminate fractional shares of Common Stock resulting from the exercise of the Over-Subscription Right by rounding up to the nearest whole share, with the total subscription payment being adjusted accordingly. Any excess subscription payments received by the Broadridge Corporate Issuer Solutions, Inc. (the "Subscription Agent") in connection with the Over-Subscription Right will be returned, without interest, as soon as practicable.

The Company can provide no assurances that you will actually be entitled to purchase the number of shares of Common Stock issuable upon the exercise of your Over-Subscription Right in full at the expiration of the Rights Offering. The Company will not be able to satisfy your exercise of the Over-Subscription Right if all of our stockholders exercise their Basic Subscription Rights in full, and we will only honor an Over-Subscription Right to the extent sufficient shares of Common Stock are available following the exercise of Subscription Rights under the Basic Subscription Rights.

- To the extent the aggregate Actual Subscription Price of the maximum number of Unsubscribed Shares available to you pursuant to the Over-Subscription Right is less than the amount you actually paid in connection with the exercise of the Over-Subscription Right, you will be allocated only the number of Unsubscribed Shares available to you as soon as practicable after the Expiration Date, and your excess subscription payment received by the Subscription Agent will be returned, without interest, as soon as practicable.
- To the extent the amount you actually paid in connection with the exercise of the Over-Subscription Right is less than the aggregate Actual Subscription Price of the maximum number of Unsubscribed Shares available to you pursuant to the Over-Subscription Right; you will be allocated the number of Unsubscribed Shares for which you actually paid in connection with the Over-Subscription Right. See "The Rights Offering — Subscription Rights — Over-Subscription Rights."

You are not required to exercise any or all of your Subscription Rights. If you do not exercise your Subscription Rights and the rights offering is completed, the number of shares of our Common Stock you own will not change but your percentage ownership of our total outstanding voting stock will decrease because shares will be purchased by other stockholders in the rights offering. Your percentage ownership of our voting stock may also decrease if you do not exercise your Subscription Right in full. Please see the discussion of risk factors related to the rights offering, including dilution, under the heading "Risk Factors—Risks Related to the Rights Offering," in the Prospectus.

The Subscription Rights will be evidenced by a Non-Transferable Subscription Rights Certificate issued to stockholders of record and will cease to have any value at the Expiration Date.

Enclosed are copies of the following documents:

1. Prospectus;
2. Non-Transferable Subscription Rights Certificate;
3. Instructions as to Use of Healthier Choices Management Corp. Non-Transferable Subscription Rights Certificates; and
4. A return envelope addressed to Broadridge Corporate Issuer Solutions, Inc., the Subscription Agent.

Your prompt action is requested. To exercise the Subscription Rights, as indicated in the Prospectus, you should deliver to the Subscription Agent the properly completed and signed Non-Transferable Subscription Rights Certificate with payment of the Subscription Price in full for each share of Common Stock subscribed for pursuant to the Subscription Right. The Subscription Agent must receive the Non-Transferable Subscription Rights Certificate with payment of the Subscription Price prior to the Expiration Date. If you send your Non-Transferable Subscription Rights Certificate(s) and Subscription Price payment by mail, we recommend that you send them by registered mail, properly insured, with return receipt requested. We will not be required to issue shares of our Common Stock to you if the Subscription Agent receives your Non-Transferable Subscription Rights Certificate or your subscription payment after that time, regardless of when the Non-Transferable Subscription Rights Certificate and subscription payment were sent. See "The Rights Offering—Expiration Date and Amendments" in the Prospectus.

Once you have exercised your Subscription Rights, such exercise may not be revoked, even if (1) you later learn information that you consider to be unfavorable to the exercise of your Subscription Rights or (2) the Actual Subscription Price differs from the Estimated Subscription Price.

Additional copies of the enclosed materials may be obtained from Broadridge Corporate Issuer Solutions, Inc., the Subscription Agent for this rights offering, by calling (855) 793-5068 (toll-free). Any questions or requests for assistance concerning the rights offering should be directed to the Subscription Agent.

Very truly yours,

Healthier Choices Management Corp.

**FORM OF LETTER TO BROKERS AND OTHER NOMINEE HOLDERS
HEALTHIER CHOICES MANAGEMENT CORP.**

Subscription Rights to Purchase Shares of Common Stock
Offered Pursuant to Subscription Rights
Distributed to Stockholders
of Healthier Choices Management Corp.

May 19, 2021

To Securities Dealers, Commercial Banks, Trust Companies and Other Nominees:

This letter is being distributed to securities dealers, commercial banks, trust companies and other nominees in connection with the rights offering by Healthier Choices Management Corp., a Delaware corporation (we," us," our," or the "Company"), of shares of common stock, pursuant to non-transferable subscription rights distributed to all stockholders of record (the "Record Holders") of shares of our common stock, par value \$0.0001 per share (the "Common Stock"), at 5:00 p.m., Eastern Time, on May 18, 2021 (the "Record Date"). The subscription rights and Common Stock are described in the prospectus dated May 18, 2021 (the "Prospectus").

In the rights offering, we are offering an aggregate of up to \$100,000,000 in shares of Common Stock, as described in the Prospectus. The subscription rights will expire if not exercised prior to 5:00 p.m., Eastern Time, on June 3, 2021 (the "Expiration Time").

As described in the Prospectus, each beneficial owner of shares of Common Stock registered in your name or the name of your nominee is entitled to one subscription right for each share of Common Stock (each, a "Basic Subscription Right") for every four shares of common stock owned by such beneficial owner at 5:00 p.m., Eastern Time, on the Record Date. Each Basic Subscription Right will allow the holder thereof to subscribe for one share of Common Stock at the cash price equal to 75% of the volume-weighted average of the trading prices ("VWAP") of our common stock on the OTC Pink Sheets for the five consecutive trading days ending on the Expiration Date of this rights offering (the "Actual Subscription Price"). For example, if a stockholder owned 100 shares of Common Stock as of 5:00 p.m., Eastern Time, on the Record Date, it would receive 25 Basic Subscription Rights and would have the right to purchase 25 shares of Common Stock at the Subscription Price. Any fractional Subscription Rights will be rounded up to one Subscription Right.

The Estimated Subscription Price reflects what the Actual Subscription Price would be if the 5-day VWAP was calculated using May 12, 2021 as the last day of the VWAP measurement. Because the Actual Subscription Price will be determined on the Expiration Date, rights holders will not know the subscription price at the time of exercise and will be required initially to pay for both the shares subscribed for pursuant to their basic Subscription Rights and, if eligible, any additional shares subscribed for pursuant to the Over-Subscription Right at the Estimated Subscription Price of \$0.001425 per share. Stockholders exercising their Subscription Rights are in effect investing a fixed amount in the Company to receive the maximum number of shares of Common Stock issuable at the Actual Subscription Price. Regardless of the Actual Subscription Price, Stockholders who exercise their Subscription Rights will have no right to rescind their subscriptions after receipt of their completed subscription certificates together with payment for shares by the subscription agent. By way of example, if you wish to purchase 1,000,000 shares (assuming 500,000 shares pursuant to your basic rights and 500,000 shares pursuant to your over-subscription rights) at the Estimated Subscription Price of \$0.001425, you would be investing \$1,425. The amount of shares that you receive for your \$1,425 investment will be adjusted based on the Actual Subscription Price. Using the previous example, if the Actual Subscription Price is \$0.00135, you will receive 1,055,556 shares for your same \$1,425 investment. Conversely, if the Actual Subscription Price is increased to \$0.0015 you will receive 950,000 shares for your \$1,425 investment. However, in both cases you will be receiving a 25% discount to the VWAP for the common stock over the five consecutive trading days ending on the Expiration Date. These examples assume these additional shares were available upon exercise of your Over-Subscription Right.

If, on the Expiration Date, the Actual Subscription Price is greater than the Estimated Subscription Price paid by the subscriber, any payments made by you with respect to your Over-Subscription Rights (as described below) will be applied towards the purchase of shares subscribed for pursuant to the your Basic Subscription Rights. Any remaining payment amounts will then be applied towards the purchase of any shares available pursuant to your Over-Subscription Rights. If, on the Expiration Date, the Actual Subscription Price is lower than the Estimated Subscription Price paid by the subscriber, any excess subscription amounts paid by a subscriber will be deemed an exercise of the Over-Subscription Rights and will be applied towards the purchase of additional shares in the rights offering.

In the event that a Record Holder purchases all of the shares of Common Stock available to it pursuant to its Basic Subscription Right, such Record Holder may also exercise an over-subscription right (the "Over-Subscription Right", collectively with the Basic Subscription Right, the "Subscription Rights") to purchase a portion of any shares of Common Stock that are not purchased by other Record Holders through the exercise of their Basic Subscription Rights (the "Unsubscribed Shares"), subject to the availability and pro rata allocation of the Unsubscribed Shares among all persons exercising this Over-Subscription Right. To the extent the Unsubscribed Shares are not sufficient to satisfy all of the properly exercised Over-Subscription Rights, then the Unsubscribed Shares will be prorated among those who properly exercised Over-Subscription Right based on the number of shares each person subscribed for under the Basic Subscription Right. If this pro rata allocation results in any person receiving a greater number of Unsubscribed Shares than the person subscribed for pursuant to the exercise of the Over-Subscription Right, then such person will be allocated only that number of Unsubscribed Shares for which the person oversubscribed, and the remaining Unsubscribed Shares will be allocated among all other persons exercising the Over-Subscription Right on the same pro rata basis described above. The proration process will be repeated until all Unsubscribed Shares have been allocated or all Over-Subscription Rights have been fulfilled, whichever occurs earlier.

Each Record Holder will be required to submit payment in full for all the shares it wishes to buy with its Over-Subscription Right. Because we will not know the total number of Unsubscribed Shares prior to the Expiration Time, if a Record Holder wishes to maximize the number of shares it may purchase pursuant to its Over-Subscription Right, such Record Holder will need to deliver payment in an amount equal to the aggregate Estimated Subscription Price for the maximum number of shares of Common Stock available to such Record Holder based on the Estimated Subscription Price, assuming that no stockholder other than such Record Holder has purchased any shares of Common Stock pursuant to the Basic Subscription Right and Over-Subscription Right. The Company will eliminate fractional shares of Common Stock resulting from the exercise of the Over-Subscription Right by rounding up to the nearest whole share, with the total subscription payment being adjusted accordingly. Any excess subscription payments received by the Broadridge Corporate Issuer Solutions, Inc. (the "Subscription Agent") in connection with the Over-Subscription Right will be returned, without interest, as soon as practicable.

The Company can provide no assurances that each Record Holder will actually be entitled to purchase the number of shares of Common Stock issuable upon the exercise of its Over-Subscription Right in full at the expiration of the rights offering. The Company will not be able to satisfy its exercise of the Over-Subscription Right if all of our Record Holders exercise their Basic Subscription Rights in full, and we will only honor an Over-Subscription Right to the extent sufficient shares of Common Stock are available following the exercise of Subscription Rights under the Basic Subscription Rights.

- To the extent the aggregate Actual Subscription Price of the maximum number of Unsubscribed Shares available to a Record Holder pursuant to the Over-Subscription Right is less than the amount such Record Holder actually paid in connection with the exercise of the Over-Subscription Right, such Record Holder will be allocated only the number of Unsubscribed Shares available to it as soon as practicable after the Expiration Time, and such Record Holder's excess subscription payment received by the Subscription Agent will be returned, without interest, as soon as practicable.
- To the extent the amount a Record Holder actually paid in connection with the exercise of the Over-Subscription Right is less than the aggregate Actual Subscription Price of the maximum number of Unsubscribed Shares available to such Record Holder pursuant to the Over-Subscription Right, such Record Holder will be allocated the number of Unsubscribed Shares for which it actually paid in connection with the Over-Subscription Right. See "The Rights Offering — Subscription Rights — Over-Subscription Rights."

The Subscription Rights will be evidenced by a Non-Transferable Subscription Rights Certificate registered in the stockholder's name or its nominee and will cease to have any value at the Expiration Time.

We are asking persons who hold shares of Common Stock beneficially and who have received the Subscription Rights distributable with respect to those shares through a broker, dealer, commercial bank, trust company or other nominee, as well as persons who hold certificates of Common Stock directly and prefer to have such institutions effect transactions relating to the Subscription Rights on their behalf, to contact the appropriate institution or nominee and request it to effect the transactions for them. In addition, we are asking beneficial owners who wish to obtain a separate Non-Transferable Subscription Rights Certificate to contact the appropriate nominee as soon as possible and request that a separate Non-Transferable Subscription Rights Certificate be issued.

All commissions, fees and other expenses (including brokerage commissions and transfer taxes), other than fees and expenses of the Subscription Agent, incurred in connection with the exercise of the Subscription Rights will be for the account of the holder of the Subscription Rights, and none of such commissions, fees or expenses will be paid by the Company or the Subscription Agent.

Enclosed are copies of the following documents:

1. Prospectus;
2. Instructions as to Use of Healthier Choices Management Corp. Non-Transferable Subscription Rights Certificates;
3. A form of letter which may be sent to your clients for whose accounts you hold shares of our Common Stock registered in your name or the name of your nominee;
4. Beneficial Owner Election;
5. Nominee Holder Certification; and
6. A return envelope addressed to Broadridge Corporate Issuer Solutions, Inc., the Subscription Agent.

Your prompt action is requested. To exercise the Subscription Rights, as indicated in the Prospectus, you should deliver to the Subscription Agent the properly completed and signed Non-Transferable Subscription Rights Certificate with payment of the Estimated Subscription Price in full for each share of Common Stock subscribed for pursuant to the Subscription Right. The Subscription Agent must receive the Non-Transferable Subscription Rights Certificate with payment of the Subscription Price prior to the Expiration Time. Once a Record Holder has exercised its Subscription Right, such exercise may not be revoked, even if the Record Holder later learns information that it considers to be unfavorable to the exercise of its Subscription Rights.

Additional copies of the enclosed materials may be obtained from Broadridge Corporate Issuer Solutions, Inc., the Subscription Agent for this rights offering, by calling (855) 793-5068 (toll-free). Any questions or requests for assistance concerning the rights offering should be directed to the Subscription Agent.

Very truly yours,

Healthier Choices Management Corp.

**FORM OF LETTER TO CLIENTS OF BROKERS AND OTHER NOMINEE HOLDERS
HEALTHIER CHOICES MANAGEMENT CORP.**

Subscription Rights to Purchase Shares of Common Stock
Offered Pursuant to Subscription Rights
Distributed to Stockholders
of Healthier Choices Management Corp.

May 19, 2021

To Our Clients:

Enclosed for your consideration are a prospectus, dated May 18, 2021 (the "Prospectus"), and the "Instructions as to Use of Healthier Choice Management Corp. Non-Transferable Subscription Rights Certificates" relating to the rights offering by Healthier Choices Management Corp., a Delaware corporation (the "Company"), of shares of its common stock, par value \$0.0001 per share (the "Common Stock"), pursuant to non-transferable subscription rights distributed to all stockholders of record of the Company at 5:00 p.m., Eastern Time, on May 18, 2021 (the "Record Date"). The subscription rights and Common Stock are described in the Prospectus.

In the rights offering, the Company is offering the rights to purchase an aggregate of up to \$100,000,000 in shares of its Common Stock, as described in the Prospectus.

The subscription rights will expire if not exercised prior to 5:00 p.m., Eastern Time, on June 3, 2021 (the "Expiration Date").

As described in the Prospectus, you will receive on one subscription right for every four shares of Common Stock (each, a "Basic Subscription Right") owned at 5:00 p.m., Eastern Time, on the Record Date. Each Basic Subscription Right will allow you to subscribe for one share of Common Stock at the cash price equal to 75% of the volume-weighted average of the trading prices ("VWAP") of our common stock on the OTC Pink Sheets for the five consecutive trading days ending on the Expiration Date of this rights offering (the "Actual Subscription Price"). For example, if you owned 100 shares of Common Stock as of 5:00 p.m., Eastern Time, on the Record Date, you would receive one Basic Subscription Right and would have the right to purchase 2 shares of Common Stock any fractional Subscription Rights will be rounded up to one Subscription Right at the Subscription Price.

The Estimated Subscription Price reflects what the Actual Subscription Price would be if the 5-day VWAP was calculated using May 12, 2021 as the last day of the VWAP measurement. Because the Actual Subscription Price will be determined on the Expiration Date, rights holders will generally not know the subscription price at the time of exercise and will be required initially to pay for both the shares subscribed for pursuant to their basic Subscription Rights and, if eligible, any additional shares subscribed for pursuant to the Over-Subscription Right at the Estimated Subscription Price of \$0.001425 per share. Stockholders exercising their Subscription Rights are in effect investing a fixed amount in the Company to receive the maximum number of shares of Common Stock issuable at the Actual Subscription Price. Regardless of the Actual Subscription Price, Stockholders who exercise their Subscription Rights will have no right to rescind their subscriptions after receipt of their completed subscription certificates together with payment for shares by the subscription agent. By way of example, if you wish to purchase 1,000,000 shares (assuming 500,000 shares pursuant to your basic rights and 500,000 shares pursuant to your over-subscription rights) at the Estimated Subscription Price of \$0.001425, you would be investing \$1,425. The amount of shares that you receive for your \$1,425 will be adjusted based on the Actual Subscription Price. Using the previous example, if the Actual Subscription Price is \$0.00135, you will receive 1,055,556 shares for your same \$1,425 investment. Conversely, if the Actual Subscription Price is increased to \$0.0015 you will receive 950,000 shares for your \$1,425 investment. However, in both cases you will be receiving a 25% discount to the VWAP for the common stock over the five consecutive trading days ending on the Expiration Date. The examples assume these additional shares were available upon your exercise of your Over-Subscription Right.

If, on the Expiration Date, the Actual Subscription Price is greater than the Estimated Subscription Price paid by the subscriber, any payments made by you with respect to your Over-Subscription Rights (as described below) will be applied towards the purchase of shares subscribed for pursuant to the your Basic Subscription Rights. Any remaining payment amounts will then be applied towards the purchase of any shares available pursuant to your Over-Subscription Rights. If, on the Expiration Date, the Actual Subscription Price is lower than the Estimated Subscription Price paid by the subscriber, any excess subscription amounts paid by a subscriber will be deemed an exercise of the Over-Subscription Rights and will be applied towards the purchase of additional shares in the rights offering.

In the event that you purchase all of the shares of Common Stock available to you pursuant to your Basic Subscription Right, you may also exercise an over-subscription right (the "Over-Subscription Right", collectively with the Basic Subscription Right, the "Subscription Rights") to purchase a portion of any shares of Common Stock that are not purchased by stockholders through the exercise of their Basic Subscription Rights (the "Unsubscribed Shares"), subject to the availability and pro rata allocation of the Unsubscribed Shares among all persons exercising this Over-Subscription Right. To the extent the Unsubscribed Shares are not sufficient to satisfy all of the properly exercised Over-Subscription Rights, then the Unsubscribed Shares will be prorated among those who properly exercised Over-Subscription Right based on the number of shares each person subscribed for under the Basic Subscription Right. For example, if a shareholder subscribed for 2% of the total Basic Subscription Rights subscribed for, such shareholders will be eligible to purchase 2% of the Unsubscribed Shares. If this pro rata allocation results in any person receiving a greater number of Unsubscribed Shares than the person subscribed for pursuant to the exercise of the Over-Subscription Right, then such person will be allocated only that number of Unsubscribed Shares for which the person oversubscribed, and the remaining Unsubscribed Shares will be allocated among all other persons exercising the Over-Subscription Right on the same pro rata basis described above. The proration process will be repeated until all Unsubscribed Shares have been allocated or all Over-Subscription Rights have been fulfilled, whichever occurs earlier.

You will be required to submit payment in full for all the shares you wish to buy with your Over-Subscription Right. Because we will not know the total number of Unsubscribed Shares prior to the Expiration Date, if you wish to maximize the number of shares you may purchase pursuant to your Over-Subscription Right, you will need to deliver payment in an amount equal to the aggregate Estimated Subscription Price for the maximum number of shares of Common Stock available to you based upon the Estimated Subscription Price, assuming that no stockholder other than you has purchased any shares of Common Stock pursuant to the Basic Subscription Right and Over-Subscription Right. The Company will eliminate fractional shares of Common Stock resulting from the exercise of the Over-Subscription Right by rounding up to the nearest whole share, with the total subscription payment being adjusted accordingly. Any excess subscription payments received by the Broadridge Corporate Issuer Solutions, Inc. (the "Subscription Agent") in connection with the Over-Subscription Right will be returned, without interest, as soon as practicable.

The Company can provide no assurances that each of you will actually be entitled to purchase the number of shares of Common Stock issuable upon the exercise of your Over-Subscription Right in full at the expiration of the rights offering. The Company will not be able to satisfy your exercise of the Over-Subscription Right if all of our stockholders exercise their Basic Subscription Rights in full, and we will only honor an Over-Subscription Right to the extent sufficient shares of Common Stock are available following the exercise of Subscription Rights under the Basic Subscription Rights.

- To the extent the aggregate Actual Subscription Price of the maximum number of Unsubscribed Shares available to you pursuant to the Over-Subscription Right is less than the amount you actually paid in connection with the exercise of the Over-Subscription Right, you will be allocated only the number of Unsubscribed Shares available to you as soon as practicable after the Expiration Date, and your excess subscription payment received by the Subscription Agent will be returned, without interest, as soon as practicable.
- To the extent the amount you actually paid in connection with the exercise of the Over-Subscription Right is less than the aggregate Actual Subscription Price of the maximum number of Unsubscribed Shares available to you pursuant to the Over-Subscription Right, you will be allocated the number of Unsubscribed Shares for which you actually paid in connection with the Over-Subscription Right. See "The Rights Offering — Subscription Rights — Over-Subscription Rights."

The Subscription Rights are evidenced by a Non-Transferable Subscription Rights Certificate issued to stockholders of record and will cease to have any value at the Expiration Date.

THE MATERIALS ENCLOSED ARE BEING FORWARDED TO YOU AS THE BENEFICIAL OWNER OF COMMON STOCK (BY US IN YOUR ACCOUNT BUT NOT REGISTERED IN YOUR NAME). THE SUBSCRIPTION RIGHTS MAY BE EXERCISED ONLY AS THE RECORD OWNER AND PURSUANT TO YOUR INSTRUCTIONS.

Accordingly, we request instructions as to whether you wish us to elect to subscribe for any shares of Common Stock to which you are entitled pursuant to the terms and subject to the conditions set forth in the Prospectus. However, we urge you to read the document carefully before instructing us to exercise your Subscription Rights.

If you wish to have us, on your behalf, exercise the Subscription Rights for any shares of Common Stock to which you are entitled, please so instruct us by completing, executing and returning to us the Beneficial Owner Election form.

Your Beneficial Owner Election form to us should be forwarded as promptly as possible in order to permit us to exercise your Subscription Rights on your behalf in accordance with the provisions of the rights offering. The rights offering will expire at the Expiration Date. Please contact us for our deadline with respect to your submission of the Beneficial Owner Election form. Once you have exercised your Subscription Rights, such exercise may not be revoked, even if you later learn information that you consider to be unfavorable to the exercise of your Subscription Rights.

Additional copies of the enclosed materials may be obtained from Broadridge Corporate Issuer Solutions, Inc., the Subscription Agent for this rights offering, by calling (855) 793-5068 (toll free). Any questions or requests for assistance concerning the rights offering should be directed to the Subscription Agent.

Very truly yours,

Healthier Choices Management Corp.

THE TERMS AND CONDITIONS OF THE RIGHTS OFFERING ARE SET FORTH IN THE COMPANY'S PROSPECTUS DATED MAY 18, 2021 (THE "PROSPECTUS") AND ARE INCORPORATED HEREBY IN REFERENCE. COPIES OF THE PROSPECTUS ARE AVAILABLE UPON REQUEST FROM BROADRIDGE CORPORATE ISSUER SOLUTIONS, INC., THE SUBSCRIPTION AGENT, BY CALLING (888) 789-8409.

HEALTHIER CHOICES MANAGEMENT CORP.

BENEFICIAL OWNER ELECTION FORM

I (We), the beneficial owner(s) of shares of common stock, par value \$0.0001 per share (the "Common Stock"), of Healthier Choices Management Corp., a Delaware corporation (the "Company"), acknowledge receipt of your letter, the prospectus dated May 18, 2021 (the "Prospectus"), and the other enclosed materials relating to the offering of shares of Common Stock issuable upon the exercise of subscription rights ("Subscription Rights") as described in the Prospectus.

In this form, I (we) instruct you whether to exercise Subscription Rights to purchase shares of Common Stock distributed with respect to the Common Stock held by you for my (our) account, pursuant to the terms and subject to the conditions set forth in the Prospectus and the related "Form of Instructions as to Use of Healthier Choices Management Corp. Non-Transferable Subscription Rights Certificates."

I (We) hereby instruct you as follows:

(CHECK THE APPLICABLE BOXES AND PROVIDE ALL REQUIRED INFORMATION)

Box 1. Please DO NOT EXERCISE SUBSCRIPTION RIGHTS for shares of Common Stock.
If you checked Box 1, please sign and date this form and mail it to your broker, custodian bank or your other nominee that holds your shares.

Box 2. Please EXERCISE SUBSCRIPTION RIGHTS for shares of Common Stock as set forth below.
If you checked Box 2, please fill out the table shown below. Next, please check Box 3 and/or Box 4, as applicable, and fill out the information indicated under Box 3 and/or Box 4, as applicable. Please then sign and date this form and mail it to your broker, custodian bank or other nominee that holds your shares.

Because the Actual Subscription Price cannot be determined until June 3, 2021, stockholders exercising their Subscription Rights are in effect investing a fixed amount in the Company to receive the maximum number of shares of Common Stock issuable at the Actual Subscription Price. You will be deemed to have exercised the maximum number of Subscription Rights that may be exercised with the aggregate subscription payment you delivered to the Subscription Agent.

	Amount Enclosed
Basic Subscription Right	\$ _____
Over-Subscription Right	\$ _____
Total Amount Enclosed:	\$ _____

	Number of Shares of Common Stock Subscribed For	Per Share Estimated* Subscription Price	Payment
Basic Subscription Right	_____ x	\$0.001425	= \$ _____ (Line 1)
Over-Subscription Right	_____ x	\$0.001425	= \$ _____ (Line 2)
Total Payment Required			\$ _____ (Sum of Lines 1 and 2)

*The "Estimated Subscription Price" is \$0.001425

Box 3. Payment in the following amount is enclosed: \$ _____

Box 4. Please deduct payment of \$ _____ from the following account maintained by you:
The total of Box 3 and 4, together, must equal the sum of lines 1 and 2 from Box 2 above.

Type of Account: _____ Account No.: _____

I (We) on my (our) behalf, or on behalf of any other person(s) on whose behalf, or under whose directions, I am (we are) signing this form:

- irrevocably elect to purchase the number of shares of Common Stock indicated above upon the terms and conditions specified in the Prospectus; and
- agree that if I (we) fail to pay for the shares of Common Stock I (we) have elected to purchase, you may exercise any remedies available to you under law.

Name of beneficial owner(s):

Signature of beneficial owner(s):

Date:

If you are signing in your capacity as a trustee, executor, administrator, guardian, attorney-in-fact, agent, officer of a corporation or another acting in a fiduciary or representative capacity, please provide the following information:

Name:

Capacity:

Address (including Zip Code):

Telephone Number:

PLEASE MAKE SURE THAT YOU USE THE CORRECT ADDRESS. You may want to check this address with your broker.

THE TERMS AND CONDITIONS OF THE RIGHTS OFFERING ARE SET FORTH IN THE COMPANY’S PROSPECTUS DATED MAY 18, 2021 (THE "PROSPECTUS") AND ARE INCORPORATED HEREBY IN REFERENCE. COPIES OF THE PROSPECTUS ARE AVAILABLE UPON REQUEST FROM BROADRIDGE CORPORATE ISSUER SOLUTIONS, INC., THE SUBSCRIPTION AGENT, BY CALLING (888) 789-8409.

HEALTHIER CHOICES MANAGEMENT CORP.

SHARES OF COMMON STOCK

ISSUABLE UPON EXERCISE OF SUBSCRIPTION RIGHTS

NOMINEE HOLDER CERTIFICATION

The undersigned, a bank, broker, trustee, depository or other nominee holder of subscription rights (the "Subscription Rights") to purchase shares of common stock, par value \$0.0001 per share ("Common Stock"), of Healthier Choices Management Corp., a Delaware corporation (the "Company") pursuant to the rights offering described in the Company’s prospectus dated May 18, 2021 (the "Prospectus"), hereby certifies to the Company and Broadridge Corporate Issuer Solutions, Inc., as subscription agent for the rights offering, that (1) the undersigned has exercised on behalf of the beneficial owners thereof (which may include the undersigned), Subscription Rights in the aggregate dollar amount specified below pursuant to the Basic Subscription Right (as defined in the Prospectus), and on behalf of beneficial owners of Subscription Rights who have subscribed for the purchase of additional shares of Common Stock pursuant to the over-subscription right (as defined in the Prospectus), listing separately below the aggregate dollar amount of each such exercised basic subscription right and the corresponding over-subscription right (without identifying any such beneficial owner), and (2) each such beneficial owner’s basic subscription right has been exercised in full:

	NUMBER OF SHARES OWNED ON RECORD DATE	AGGREGATE DOLLAR AMOUNT SUBSCRIBED FOR PURSUANT TO BASIC SUBSCRIPTION RIGHT	AGGREGATE DOLLAR AMOUNT SUBSCRIBED FOR PURSUANT TO BASIC OVER-SUBSCRIPTION RIGHT
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____

Name of Bank, Broker, Trustee, Depository or Other Nominee:

By: _____
 Authorized Signature

Name: _____
 (Please print or type)

Title _____
 (Please print or type)

Provide the following information if applicable:

Depository Trust Company ("DTC") Participant Number

Participant: _____

By: _____
Authorized Signature

Name: _____
(Please print or type)

Title _____
(Please print or type)

DTC Subscription Confirmation Number(s)

FORM OF
NOTICE OF IMPORTANT TAX INFORMATION
HEALTHIER CHOICES MANAGEMENT CORP.

This notice is provided in connection with the prospectus of HEALTHIER CHOICES MANAGEMENT CORP. (the "Company"), dated May 18, 2021.

Under the U.S. federal income tax laws, distributions (including constructive distributions) that may be made by the Company in respect of the shares of common stock ("Common Stock") acquired through the exercise of the subscription rights may be subject to backup withholding. Generally such payments will be subject to backup withholding unless the holder (i) is exempt from backup withholding and timely and properly establishes an exemption from backup withholding or (ii) furnishes the payer with its correct taxpayer identification number ("TIN") and certifies, under penalties of perjury, that the number provided is correct and provides certain other certifications. Each holder that exercises subscription rights and wants to avoid backup withholding must, unless an exemption applies, provide the subscription agent, as the Company's agent in respect of the exercised subscription rights, with such holder's correct TIN and certain other certifications by completing the enclosed Form W-9 (Request for Taxpayer Identification Number and Certification). The TIN that must be provided is the TIN of the record owner of the subscription rights. If such record owner is an individual, the TIN is generally the taxpayer's social security number. For most entities, the TIN is the employer identification number. If the subscription rights are in more than one name or are not in the name of the actual owner, consult the enclosed Form W-9 (Request for Taxpayer Identification Number and Certification) for additional guidelines on which number to report. If the subscription agent is not provided with the correct TIN in connection with such payments, the holder may be subject to a penalty imposed by the Internal Revenue Service ("IRS").

Certain holders (including, among others, certain corporations and foreign persons) are not subject to these backup withholding rules. In general, in order for a holder that is a "U.S. person" for U.S. federal income tax purposes to qualify as an exempt recipient, that holder must timely submit a properly completed Form W-9 attesting to such holder's exempt status. See the enclosed Form W-9 (Request for Taxpayer Identification Number and Certification) for additional instructions. In general, in order for a holder that is not a "U.S. person" for U.S. federal income tax purposes to qualify as an exempt recipient, that holder must timely submit a properly completed Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals), Form W-8BENE, Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities) or other appropriate Form W-8, signed under the penalties of perjury, attesting to such holder's foreign status. Such Form W-8BEN or Form W-8BEN-E may be obtained from the subscription agent. Holders are urged to consult their own tax advisors to determine whether they are exempt from withholding and reporting requirements. If backup withholding applies, the Company or the subscription agent, as the case may be, will be required to withhold (currently at a 24% rate) on any reportable payments made to a holder that exercises subscription rights. Backup withholding is not an additional tax. Rather, the amount of backup withholding can be credited against the U.S. federal income tax liability of the holder subject to backup withholding, provided that the required information is timely provided to the IRS. If backup withholding results in an overpayment of taxes, a refund may be obtained, provided that the required information is timely provided to the IRS.

THIS DISCUSSION IS FOR INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. INVESTORS SHOULD CONSULT TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE BACKUP WITHHOLDING RULES TO THEM.