FINDEX COM INC
Form 10-Q
August 15, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2016

OR

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

For the transition period from _____ to _____.

Commission file number: 0-29963

FINDEX.COM, INC.

(Exact name of registrant as specified in its charter)

Nevada (State or other jurisdiction of incorporation or organization)	88-0379462 (I.R.S. Employer Identification No.)
1313 South Killian Drive, Lake Park, Florida (Address of principal executive offices)	33403 (Zip Code)

(561) 328-6488

(Registrant's telephone number, including area code)

N/A

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

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

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

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

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

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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY

PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. **Yes** **No**

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

At August 15, 2016 the registrant had outstanding 480,283,564 shares of common stock, of which there is only a single class.

FINDEX.COM, INC.

QUARTERLY REPORT ON FORM 10-Q

FOR FISCAL QUARTER ENDED JUNE 30, 2016

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

Findex.com, Inc.

CONDENSED CONSOLIDATED BALANCE SHEETS

	As of June 30, 2016 (Unaudited)	As of December 31, 2015
Assets		
Current Assets:		
Cash and cash equivalents	$ 174,054	$ 5,163
Accounts receivable, net	42,840	1,901
Inventories, net	29,249	19,797
Other current assets	4,787	4,838
Total current assets	250,930	31,699
Property and Equipment, net	30,985	29,994
Intangible Assets, net	333,118	356,874
Total assets	$ 615,033	$ 418,567
Liabilities and Stockholders' Deficit		
Current Liabilities:		
Accounts payable	$ 233,182	$ 208,255
Accounts payable, related parties	137,817	98,754
Accrued royalties	68,573	64,129
Accrued payroll	536,701	466,675
Notes payable	336,283	336,283
Notes payable, convertible	115,000	30,000
Notes payable, related parties	239,000	239,000
Notes payable, related parties, convertible	820,000	470,000
Other current liabilities	192,238	122,490
Other current liabilities from discontinued operations	114,368	114,368
Total current liabilities	2,793,162	2,149,954
Commitments and Contingencies (Note 8)		
Stockholders' Deficit:		
Preferred stock, $.001 par value 5,000,000 shares authorized -0- shares issued and outstanding	---	---
Common stock, $.001 par value 900,000,000 shares authorized, 480,283,564 and 476,783,564 shares issued and outstanding, respectively	480,284	476,784
Additional paid-in capital	3,271,703	3,244,303

Accumulated deficit	(5,930,116)	(5,452,474)
Total stockholders' deficit	(2,178,129)	(1,731,387)
Total liabilities and stockholders' deficit	$ 615,033	$ 418,567

See accompanying notes to unaudited condensed consolidated financial statements.

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Findex.com, Inc.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenues, net	$102,419	$33,180	$128,658	$73,616
Revenues related parties, net	24,885	5,926	47,782	8,258
Total revenues	127,304	39,106	176,440	81,874
Cost of sales	29,238	13,562	49,979	31,265
Gross profit	98,066	25,544	126,461	50,609
Other operating expenses:				
Sales and marketing expenses	8,456	2,907	13,718	5,466
Professional fees	39,990	60,661	98,052	116,662
Personnel costs (net of research and development direct labor costs)	114,789	134,182	212,306	236,399
Research and development	51,651	53,785	99,636	156,478
Rent	21,639	21,000	43,277	42,000
Other general and administrative expenses	46,432	45,207	80,005	89,209
Total operating expenses	282,957	317,742	546,994	646,214
Loss from operations	(184,891)	(292,198)	(420,533)	(595,605)
Interest expense	(28,424)	(13,850)	(57,109)	(27,026)
Gain on debt settlement	---	---	---	200,000
Net loss before income taxes	(213,315)	(306,048)	(477,642)	(422,631)
Income tax provision	---	---	---	---
Net loss	$(213,315)	$(306,048)	$(477,642)	$(422,631)
Basic & diluted net loss per share	$---	$---	$---	$---
Basic & diluted weighted average common shares outstanding	476,898,949	458,433,827	476,841,256	445,813,603

See accompanying notes to unaudited condensed consolidated financial statements.

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Findex.com, Inc.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Cash flows from operating activities:		
Net Loss	$ (477,642)	$(422,631)
Adjustments to reconcile net loss to cash used in operations:		
Depreciation	8,730	8,730
Amortization	23,756	23,756
Stock issued for services	---	84,000
Discount on convertible debt	9,900	---
Gain on debt settlement	---	(200,000)
Changes in operating assets and liabilities		
(Increase) decrease in accounts receivable	(40,939)	19,342
Increase in inventory	(9,452)	(1,344)
Decrease (increase) in other current assets	51	(4,903)
Increase in accounts payable and accrued expenses	208,208	156,962
Net cash used in operating activities	(277,388)	(336,088)
Cash flows from investing activities:		
Purchase of property and equipment	(9,721)	---
Net cash used in investing activities	(9,721)	---
Cash flows from financing activities:		
Proceeds from sale of common stock	21,000	365,000
Proceeds from issuance of convertible notes payable	95,000	---
Proceeds from issuance of convertible notes payable, related parties	350,000	---
Payments made on notes payable	(10,000)	(17,500)
Net cash provided by financing activities	456,000	347,500
Net increase in cash and cash equivalents	168,891	11,412
Cash and cash equivalents, beginning of period	5,163	2,241
Cash and cash equivalents, end of period	$ 174,054	$13,653
Supplemental cash flow information:		
Interest paid	$ 1,515	$27,026
Cash paid for income taxes	$ ---	$---
Schedule of Non-Cash Investing and Financing Activities:		
Issuance of debt for loan modification	$ ---	$50,000
Issuance of common stock for accrued directors fees	$ ---	$29,000

See accompanying notes to unaudited condensed consolidated financial statements.

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Findex.com, Inc.

Notes to Condensed Consolidated Financial Statements

June 30, 2016

(Unaudited)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – FINDEX.cOM, Inc.

Findex.com, Inc.'s headquarters and operations are based in Lake Park, Florida. The Company is a developer, manufacturer, and marketer of a proprietary line of specialty industrial glass-based smart surface coatings materials that have a broad range of industrial, commercial, and consumer applications. The Company's line of products center around a U.S. patented technology that, either on its own or when coupled with any of an array of available proprietary formula additives, offers a unique combination of beneficial surface properties that allow for a broad array of multi-surface and end-product applications. Among others, such applications include:

- Heavy machinery, equipment and infrastructure throughout each of the construction, oil and gas, and mining industries
- Marine industry, vessels and infrastructure
- Industrial HVAC equipment, commercial refrigeration systems, and power generators
- Energy production equipment, including solar and wind
- Hardscapes

BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Principles for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by Generally Accepted Accounting Principles for complete financial statements. The accompanying unaudited condensed consolidated financial statements reflect all adjustments that, in the opinion of management, are considered necessary for a fair presentation of the financial position, results of operations, and cash flows for the periods presented. The results of operations for such periods are not necessarily indicative of the results expected for the full year or for any future period. The December 31, 2015 condensed consolidated balance sheet data was derived from audited financial

statements. The accompanying financial statements should be read in conjunction with the audited consolidated financial statements of Findex.com, Inc. included in the Company's Form 10-K for the year ended December 31, 2015 filed with the Securities and Exchange Commission on April 14, 2016.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All inter-company balances and transactions have been eliminated in consolidation.

Reclassifications

Certain accounts in the Company's 2015 financial statements have been reclassified for comparative purposes to conform with the presentation in its 2016 financial statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected. Significant estimates include inventory evaluation for slow moving and obsolete items, collectability of accounts receivable, assessing intangibles for impairment, useful lives of assets, and valuation of stock based compensation.

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CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

INVENTORY

The Company's inventories are recorded at the lower of cost or market using the first in, first out method. The Company's inventory consists of raw materials and finished goods. The Company takes into consideration certain inventory items that are slow moving and obsolete and calculates a provision for these inventory items.

INTANGIBLE ASSETS OTHER THAN GOODWILL

The Company's intangible assets consist of patents and patents pending acquired from third parties, and are recorded at cost. In accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") 350-30, *General Intangibles Other Than Goodwill*, intangible assets with an indefinite useful life are not amortized. Intangible assets with a finite useful life are amortized on the straight-line method over the estimated useful lives, generally three to ten years. All intangible assets are tested for impairment annually during the fourth quarter.

REVENUE RECOGNITION

The Company recognizes revenues in accordance with the Securities and Exchange Commission Staff Accounting Bulletin (SAB) number 104, *Revenue Recognition.* SAB 104 clarifies application of U.S. generally accepted accounting principles to revenue transactions. Under certain circumstances, the Company recognizes revenue in accordance with the provisions of Statement of Financial Accounting Standards No. 139 and American Institute of Certified Public Accountants Statement of Position 00-2 (collectively referred to as "SOP 00-2"). The Company recognizes revenue when the earnings process is complete. That is, when the arrangements of the goods are documented, the pricing becomes final and collectability is reasonably assured. An allowance for bad debt is provided based on estimated losses.

Revenue is recognized when a product is delivered or shipped to the customer and all material conditions relating to the sale have been substantially performed.

In addition, within the Company's operations as a whole, the Company derives part of its revenues from the sale of downloadable software products. The Company recognizes software revenue for software products and related services in accordance with ASC 985-605, *Software Revenue Recognition*. The Company recognizes revenue when persuasive evidence of an arrangement exists (generally a purchase order), the Company has delivered the product, the fee is fixed or determinable and collectability is probable. In some situations, the Company receives advance payments from the Company's customers. The Company defers revenue associated with these advance payments until the Company ships the products or offers the support.

RESEARCH AND DEVELOPMENT

The Company's research and development costs consist of direct production costs, including labor directly associated with the development of projects and outside consultants, and indirect costs such as those associated with facilities use. For labor costs and costs of outside consultants, the Company records the research and development costs as a reduction against either personnel costs or professional fees. For facilities leasing related expenses, the Company records the research and development costs as a reduction against rent. For the six months ended June 30, 2016 and 2015, the Company recognized $99,636 and $156,478, respectively, in research and development costs.

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STOCK-BASED COMPENSATION

The Company recognizes share-based compensation in accordance with ASC 718, *Compensation – Stock Compensation*, using the modified prospective method. ASC 718 requires that the Company measure the cost of the employee services received in exchange for an award for equity instruments based on the grant-date fair value and to recognize this cost over the requisite service period. See Note 7.

EARNINGS (LOSS) PER SHARE

The Company follows the guidance of ASC 260, *Earnings Per Share*, to calculate and report basic and diluted earnings per share ("EPS"). Basic EPS is computed by dividing income available to common stockholders by the weighted average number of shares of common stock outstanding for the period. Diluted EPS is computed by giving effect to all dilutive potential shares of common stock that were outstanding during the period. For the Company, dilutive potential shares of common stock consist of the incremental shares of common stock issuable upon the exercise of stock options and warrants for all periods, convertible notes payable and the incremental shares of common stock issuable upon the conversion of convertible preferred stock.

When discontinued operations, extraordinary items, and/or the cumulative effect of an accounting change are present, income before any of such items on a per share basis represents the "control number" in determining whether potential shares of common stock are dilutive or anti-dilutive. Thus, the same number of potential shares of common stock used in computing diluted EPS for income from continuing operations is used in calculating all other reported diluted EPS amounts. In the case of a net loss, it is assumed that no incremental shares would be issued because they would be anti-dilutive. In addition, certain options and warrants are considered anti-dilutive because the exercise prices were above the average market price during the period. Anti-dilutive shares are not included in the computation of diluted EPS, in accordance with ASC 260-10-45-17.

The calculations of net loss per share for the six months ended June 30, 2016 and 2015 excluded the impact of the following potential common shares as their inclusion would be anti-dilutive.

For the Six Months Ended June 30,	2016	2015
Warrants	600,000	3,650,000
Convertible note payables	99,392,857	24,500,000
Total weighted average anti-dilutive potential common shares	99,992,857	28,150,000

DISCONTINUED OPERATIONS

On May 5, 2011, Findex entered into a Software Product Line Purchase Agreement with WORDsearch Corp., L.L.C. In accordance with the Software Product Line Purchase Agreement, WORDsearch agreed to acquire from Findex all of the assets associated with the QuickVerse® product line which centered around Findex's industry-leading Bible-study software program. The specific assets conveyed include, among others, the underlying software source code, registered trade names, and existing product inventories. As a result, the Company has classified any associated liabilities as well as all expenses directly related to the QuickVerse® product line as discontinued operations for the six months ended June 30, 2016 and 2015. See Note 10.

RECENT ACCOUNTING PRONOUNCEMENTS

At June 30, 2016, there were no recent accounting pronouncements that the Company believed would have a material impact on its condensed consolidated financial statements.

NOTE 2 – GOING CONCERN

The accompanying condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplates the Company's continuation as a going concern. However, as of June 30, 2016, the Company had negative working capital of $2,542,232 and had an accumulated deficit of $5,930,116. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management has taken several actions in an attempt to mitigate this risk. These actions include entering into subscription agreements and/or note payable agreements with investors and related parties. The accompanying condensed consolidated financial statements do not include any adjustments related to these uncertainties.

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NOTE 3 – INVENTORIES

Inventories consisted of the following:

	June 30, 2016	December 31, 2015
Raw materials	$36,083	$ 24,753
Finished goods	2,486	4,364
Reserve for obsolete inventory	(9,320)	(9,320)
Inventories	$29,249	$ 19,797

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	June 30, 2016	December 31, 2015
Office equipment	$3,466	$ 3,466
Warehouse equipment	76,339	76,339
Computer equipment	8,708	8,708
Research lab	9,721	---
Less: accumulated depreciation	(67,249)	(58,519)
Property and equipment	$30,985	$ 29,994

For the six months ended June 30, 2016 and 2015, the Company recorded depreciation expense of $8,730 and $8,730, respectively. For the six months ended June 30, 2016, the Company invested $9,721 in building out a new research lab within our corporate headquarters located in the Lake Park, Florida. The new research lab will replace the research lab located in Daytona Beach, Florida which was relocated in July 2016. See Notes 8 and 11.

NOTE 5 – INTANGIBLE ASSETS

The Company’s intangible assets consist of patents and patents pending acquired from third parties, and are recorded at cost. The Company amortizes the costs of its intangible assets over their estimated useful lives unless such lives of

approximately 11 years. Patents pending are not amortized until the patents are issued. Amortizable intangible assets are tested for impairment based on undiscounted cash flows and, if impaired, written down to fair value based on either discounted cash flows or appraised values. Intangible assets with indefinite lives are tested for impairment, at least annually, and written down to fair value as required.

The Company’s intangible assets, net of accumulated amortization consisted of the following:

Patents and/or software licenses, net	June 30, 2016	December 31, 2015
Cost	$697,955	$ 697,955
Amortization	(364,837)	(341,081)
Net intangible assets	$333,118	$ 356,874

The SMT assets include a patent, a patent pending, trade secret technology, instructions, manuals and materials on certain manufacturing processes and know-how. For the six months ended June 30, 2016 and 2015, the Company recorded amortization expense of $23,756 and $23,756, respectively.

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NOTE 6 – NOTES PAYABLE AND NOTES PAYABLE RELATED PARTIES

Notes payable consisted of the following:

	As of June 30, 2016	As of December 31, 2015
Notes payable	$451,283	$ 366,283
Notes payable, related parties	1,059,000	709,000
Total	$1,510,283	$ 1,075,283

Notes payable to un-related parties consisted of the following:

		As of June 30, 2016	As of December 31, 2015
Note payable to a former shareholder past due as of January 2012, together with interest at 5% APR, and with interest on overdue principal accruing at 10% APR.	(a)	$28,783	$ 28,783
Note payable to a private investor and shareholder past due as of August 1, 2015, together with interest at 10% APR.	(b)	300,000	300,000
Note payable to a private investor and shareholder, payable upon demand, together with imputed interest only, as applicable.	(c)	7,500	7,500
Note payable to a private investor and shareholder past due as of October 6, 2015, together with a fixed interest payment of $2,000, and convertible at $0.01 per share of common stock.	(d)	20,000	20,000
Note payable to a private investor due September 2016, together with interest at 10% APR, and convertible at $0.02 per share of common stock.	(e)	10,000	10,000
Note payable to a private investor and shareholder past due as of April 23, 2016, together with a fixed interest payment of $1,000, and convertible at $0.005 per share of common stock.	(f)	10,000	---
Note payable to a private investor due January 20, 2017, together with interest at 10% APR, and convertible at $0.01 per share of common stock.	(g)	25,000	---
Note payable to a private investor due March 4, 2017, together with interest at 10% APR, and convertible at $0.01 per share of common stock.	(i)	50,000	---
Total		$451,283	$ 366,283

As of June 30, 2016, the Company had outstanding a past due note payable (b) to a shareholder in the amount of $300,000. A previously outstanding note payable to the same party, that had contained a conversion feature in the amount of $250,000, pre-dated this note. However, in March 2015, the Company entered into a loan modification

agreement which provided that the original note, along with the attendant conversion feature, be cancelled, and that a replacement note to be issued in its stead at an upwardly adjusted principal amount of $300,000, but without any associated conversion feature. In accordance with ASC 470-50-40, the Company deemed the transaction for accounting purposes to be a debt extinguishment due to the substantially different terms, and, as a result, recorded a gain on debt settlement of $200,000. For the six months ended June 30, 2016, the Company recognized a debt discount of $9,900 associated with two notes payable as they each carried a beneficial conversion feature. This debt discount has been fully amortized to interest expense for the six months ended June 30, 2016.

At June 30, 2016, the Company was in arrears on the unsecured term note payable (a) to a former shareholder, the unsecured term note payable (b) to a current shareholder, the convertible term note payable (d) to another current shareholder and the convertible note payable (f) to a third current shareholder. On April 12, 2016, the Company repaid and retired a $10,000 note to a private investor together with $1,000 in then-accrued interest ($11,000 total).

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NOTES PAYABLE RELATED PARTIES

Notes payable, related parties consisted of the following:

		As of June 30, 2016	As of December 31, 2015
Note payable, past due as of August 3, 2016 together with imputed interest only, as applicable.	(a)	$239,000	$ 239,000
Note payable to a company controlled by an outside director, (also a shareholder), due on demand together with interest at 4.5% APR, and convertible at $0.01 per share of common stock.	(b)	60,000	60,000
Note payable to the Company's outside general counsel (also a shareholder, which note is due on demand together with interest at 4.5% APR, and convertible at $0.01 per share of common stock.	(c)	150,000	150,000
Note payable to an outside director, who is also a shareholder, which note is due on demand together with interest at 4.5% APR, and convertible at $0.01 per share of common stock.	(d)	30,000	30,000
Note payable to the Company's outside general counsel, who is also a shareholder, which note is due on demand together with interest at 4.5% APR, and convertible at $0.007 per share of common stock.	(e)	120,000	120,000
Note payable to the Company's outside general counsel (also a shareholder), due on demand together with interest at 12% APR, and convertible at $0.008 per share of common stock.	(f)	10,000	10,000
Note payable to a private investor, due November 13, 2018 together with interest at 10% APR, and convertible at $0.01 per share of common stock.	(g)	100,000	100,000
Note payable to a private investor, due March 18, 2019 together with interest at 10% APR, and convertible at $0.01 per share of common stock.	(h)	100,000	---
Note payable to a private investor, due May 12, 2019 together with interest at 10% APR, and convertible at $0.01 per share of common stock.	(i)	50,000	---
Note payable to a private investor, due June 7, 2019 together with interest at 10% APR, and convertible at $0.01 per share of common stock.	(j)	200,000	---
Total		$1,059,000	$ 709,000

As of June 30, 2016, no principal payments had been made on note (a). Notes (b) and (d) reflect amounts due to an outside director, who is also a shareholder, based on such director having (i) made certain vendor obligation payments directly on behalf of and for the benefit of the Company and (ii) having advanced certain funds to the Company at various dates for general working capital purposes. In addition, the Company has recorded accounts payable, related parties, in the amount of $39,621 to the holder of notes (b) and (d). Notes (c) and (e) reflect payment obligations owed to its outside general counsel for legal services incurred by the Company for the years ended December 31, 2015 and 2014. Note (f) reflects a private investment loan made by the Company's outside general counsel to the Company. Notes (g), (h), (i), and (j) reflect repayment obligations to a significant shareholder for private investments made from

time to time as indicated. See Note 9.

For the six months ended June 30, 2016, the Company received proceeds from the issuance of convertible notes payable in the amount of $95,000 and an additional $350,000 from the issuance of convertible notes payable with related parties (total $445,000).

NOTE 7 – STOCKHOLDERS' EQUITY (DEFICIT)

In June 2016, a private investor entered into a common stock subscription agreement to purchase from the Company a total of 3,500,000 restricted shares of common stock at a price of $0.006 per share, which resulted in proceeds of $21,000 to the Company.

COMMON STOCK WARRANTS

The Company did not issue any warrants for the six months ended June 30, 2016. For the six months ended June 30, 2015, the Company issued warrants to individuals in connection with common stock subscription agreements that each individual entered into with the Company. Each such warrant provides for the option to purchase an additional 100,000 (3,650,000 in total) shares of common stock for a period of up to one year at an exercise price of $0.10 per share. For the six months ended June 30, 2016 and 2015, no warrants were exercised. Twelve warrants totaling 3,650,000 shares of common stock expired during the six months ended June 30, 2016.

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NOTE 8 – COMMITMENTS AND CONTINGENCIES

The Company is subject to legal proceedings and claims that may arise in the ordinary course of business. In the opinion of management, the amount of potential liability the Company is likely to be found liable for otherwise incur as a result of these actions is not so much as would materially affect the Company's financial condition.

On July 23, 2014, the Company entered into an employment agreement with the Company's Chief Executive Officer. The Company's Chief Executive Officer has a base annual salary rate of $162,500. The term for the employment agreement is three (3) years and contains a provision for an incentive-based bonus, an amount in cash equal to one and one half percent (1.5%) of Free Cash Flow (FCF); provided, however, that such bonus does not exceed five hundred thousand dollars ($500,000) for any single Fiscal Year. As of June 30, 2016 and 2015 no amounts for bonuses have been earned or accrued under this agreement.

In addition to the bonus provision and the annual base salary, the Chief Executive Officer's employment agreement provides for payment of previously accrued base salary in the amount of $376,052 and vested deferred vacation compensation in the amount of $12,501 as of June 30, 2016 and are included in accrued payroll.

The agreement also provides for severance compensation equal to the then base salary until the expiration of the term of the agreement. There is no severance compensation in the event of voluntary termination or termination for cause.

The Company entered into an employment agreement with our Vice President of Research and Development in March 2015. Among other terms and provisions, the employment agreement provides specific executive-level responsibilities for a term of 3 years, unless the term is either extended or the agreement is terminated at some time prior to the duration of the term by either party, either for cause, without cause, due to disability or death, or voluntarily. During the term of the employment agreement, and in addition to certain benefits, expense coverage and severance compensation, our Vice President of Research and Development is entitled to a base annual salary of not less than $120,000, as well as a royalty of 5% of the gross revenue, net of returns, for all revenues generated by the intellectual property that our Vice President of Research and Development has assigned to the Company. For the six months ended June 30, 2016 and 2015, the Company has made payments to a company owned by our Vice President of Research and Development under these arrangements. As of June 30, 2016, the Company has accrued $49,000 in wages and approximately $7,566 in accrued royalties under this agreement. See Note 9.

The Company occupies an office building for its corporate headquarters located in Lake Park, Florida. In January 2015, the Company renewed a lease agreement with a shareholder for this 8,560 square foot facility under a five year lease agreement ending December 31, 2019 with an option to renew for one successive term of five years at the then

current occupancy rates. The monthly rent, including sales and use taxes, is $7,105. In accordance with the terms of the leasehold agreement, the Company is responsible for all utilities, repairs and maintenance.

In February 2015, the Company entered into a lease agreement for a research facility located in Daytona Beach, Florida. The Company leases this 3,200 square foot facility under a month to month lease agreement ending on December 31, 2016. The monthly rent, including sales and use taxes, is $2,929. In accordance with the terms of the leasehold agreement, we are responsible for all utilities, repairs and maintenance. In June 2016, the Company provided notice that we were terminating this lease agreement effective July 31, 2016. There were no termination fees incurred due to the lease being a month to month lease agreement, and the Company expects to have its deposit of $2,500 fully reimbursed. The Company relocated all property and equipment as well as personnel for this research facility to our corporate headquarters located in Lake Park, Florida. See Note 11.

Total rent expense, before adjustments of reclassified facilities cost for research and development, for the six months ended June 30, 2016 and 2015 for these facilities totaled $60,849 and $57,975, respectively.

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NOTE 9 – RELATED PARTY TRANSACTIONS

The Company's executive officers and employees, from time to time, make payments for materials and various expense items (including business related travel) in the ordinary course of business via their personal credit cards in lieu of a corporate check. The Company does not provide its employees or executive officers with corporate credit cards. Amounts due these officers and directors (including one of the Company's directors, the Company's CEO, and controller) are included in Accounts payable, related parties, on the Consolidated Balance Sheets.

The accounts payable due to related parties also includes amounts owed to the Company's current contractors/employees for past earnings and out of pocket travel expenses. This includes amounts owed to our Vice President of Research and Development (See Note 8) and a contractor who was President of one of EcoSmart's divisions prior to the merger with EcoSmart and a current shareholder.

As of June 30, 2016, the Company had outstanding a $239,000 note payable to a current shareholder, which note came due on August 3, 2016. As of June 30, 2016, no principal payments had been made on this note. See Note 6.

As of June 30, 2016, one of the Company's directors held two convertible notes payable by the Company. These convertible notes reflect a portion of the amount that the outside director is owed for certain vendor payments made on the Company's behalf and for funds previously loaned to the Company for working capital. One of them, in the face amount of $60,000, has been issued to a company controlled by the director, is due on demand, together with interest at 4.5% APR, and is convertible at $0.01 per share of common stock. The second, issued directly to the director personally, is in the face amount of $30,000, is due on demand, together with interest at 4.5% APR, and is convertible at $0.01 per share of common stock. See Note 6.

As of June 30, 2016, the Company's outside general counsel held three convertible notes payable. One such note reflected an amount due for legal services provided for the year ended December 31, 2014 in the amount of $150,000. This note is payable by the Company on demand, together with interest at 4.5% APR, and is convertible at $0.01 per share of common stock. Another of these notes reflected an amount due to for legal services provided for the year ended December 31, 2015 in the amount of $120,000. This note is payable on demand, together with interest at 4.5% APR, and is convertible at $0.007 per share of common stock. A third note is in the amount of $10,000, which reflects funds loaned to the Company for working capital. It is due on demand, together with interest at 12% APR, and is convertible at $0.008 per share of common stock. See Note 6.

As of June 30, 2016, the Company had issued a total of four (4) convertible notes to a certain private investor and shareholder. The first such note is in the amount of $100,000, is due on November 13, 2018, together with interest at

10% APR, and is convertible at $0.01 per share of common stock. The second such note is in the amount of $100,000, is due on March 18, 2019, together with interest at 10% APR, and is convertible at $0.01 per share of common stock. The third such note is in the amount of $50,000, is due on May 12, 2019, together with interest at 10% APR, and is convertible at $0.01 per share of common stock. And the fourth such note is in the amount of $100,000, is due on June 7, 2019, together with interest at 10% APR, and is convertible at $0.01 per share of common stock. See Note 6.

During the six months ended June 30, 2016 and 2015, the Company recorded revenue for sales to shareholders in the amount of $47,782 and $8,258, respectively. For the six months ended June 30, 2016, one shareholder accounted for approximately 18% of the Company's revenue and as a group the sales to shareholders accounted for approximately 27% of the Company's revenues. These revenues are recorded as revenue, related party on the Company's Condensed Consolidated Statements of Operations.

NOTE 10 – DISCONTINUED OPERATIONS

On May 5, 2011, Findex entered into a Software Product Line Purchase Agreement to sell Findex's QuickVerse® product line to WORDsearch Corp., L.L.C. In accordance with the Software Product Line Purchase Agreement, WORDsearch agreed to acquire from Findex all of the assets associated with its QuickVerse® product line for $975,000 in cash at closing and the assumption of up to $140,000 of Findex's then-existing liabilities at closing.

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On June 30, 2011, closing of the asset sale transaction governed by the Software Product Line Purchase Agreement, which is transitional in nature and expected to be ongoing through approximately the end of April, 2012, commenced. As one of the initial parts of the closing, on July 1, 2011 WORDsearch assumed possession of the physical assets conveyed in the transaction as well as control and responsibility of the business operations related to the QuickVerse® product line, including, among many other things, the receipt of revenues for sales in exchange for partial payment of the cash portion of the purchase price being paid to Findex. On April 13, 2012, Findex determined that the final closing conditions under the Software Product Line Purchase Agreement had been met, which meant that Findex was able to deliver to WORDsearch the last in a series of officer's certificates required thereunder. Having delivered such certificate to WORDsearch on April 13, 2012, the sale of the QuickVerse® product line to WORDsearch was complete.

As a result of the decision to sell the QuickVerse® product line, the Company has classified the QuickVerse® product line as discontinued operations for the six months ended June 30, 2016 and 2015. The Company has recorded the remaining class of liabilities for the QuickVerse® product line as presented below:

Other current liabilities from discontinued operations:	June 30, 2016	December 31, 2015
Accrued royalties	$114,368	$ 114,368
Other current liabilities from discontinued operations	$114,368	$ 114,368

NOTE 11 – SUBSEQUENT EVENTS

In July 2016, one of our significant private investor shareholders advanced funds to be used for working capital to the Company in the amount of $300,000. Any use of proceeds will incur interest at 10% APR. As of the date of this filing, the Company has not utilized any of the funds.

On July 31, 2016, the Company terminated the lease agreement for a research facility located in Daytona Beach, Florida. The Company relocated all property and equipment as well as personnel for this research facility to our corporate headquarters located in Lake Park, Florida.

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

Cautionary Statement Regarding Forward-Looking Statements

Certain statements made in this Quarterly Report on Form 10-Q are "forward-looking statements" (within the meaning of the Private Securities Litigation Reform Act of 1995) regarding the plans and objectives of management for future operations. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of Findex.com, Inc. ("we", "us", "our" or the "Company") to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements included herein are based on current expectations that involve numerous risks and uncertainties. The Company's plans and objectives are based, in part, on assumptions involving the continued expansion of business. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Company. Although the Company believes its assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance the forward-looking statements included in this Quarterly Report will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by the Company or any other person that the objectives and plans of the Company will be achieved.

This information should be read in conjunction with our unaudited condensed consolidated financial statements and the notes thereto included in Item 1 of Part I of this quarterly report, and our audited financial statements and the notes thereto and our Management's Discussion and Analysis of Financial Condition and Results of Operation contained in our annual report on Form 10-K for the fiscal year ended December 31, 2015.

Description of Business

Findex.com, Inc. ("Findex," the "Company," "we," "us," or "our") headquarters and operations are based in Lake Park, Florida Other than two legacy businesses neither of which were material to our results of operations for the six months ended June 30, 2016, we are a developer, manufacturer, and marketer of a proprietary line of specialty industrial glass-based smart surface coatings materials that have a broad range of industrial, commercial, and consumer applications. Our line of products center around a U.S. patented technology that, either on its own or when coupled with any of an array of available proprietary formula additives, offers a unique combination of beneficial surface properties that allow for a broad array of multi-surface and end-product applications. Among others, such applications include:

Heavy machinery, equipment and infrastructure throughout each of the construction, oil and gas, and mining industries
Marine industry, vessels and infrastructure
Industrial HVAC equipment, commercial refrigeration systems, and power generators
Energy production equipment, including solar and wind
Hardscapes

Management Overview

A key focus of management during the six months ended June 30, 2016 centered on increasing sales with our current resellers and distributors but also through the addition of resellers and distributors in specific vertical markets such as heavy equipment, industrial HVAC equipment, interior floor coatings and exterior hardscape coatings. In addition, management continued exploring and building relationships with potentially key strategic business partners, investors, and potential additional distributors and/or resellers of our products. Each of the strategic sell-side relationships were pointedly pursued in order to establish, further develop, and/or expand our existing customer base within certain of our most aggressively targeted verticals. For this period, and for the indefinite future, management is committed to securing and solidifying foundational relationships within each of its heavy equipment, interior/hardscape, solar, oil, gas and mining, HVAC, and marine markets, and intends to allocate its financial and human resources accordingly.

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During the period ended June 30, 2016, management remained focused on three primary areas identified as keys to the near-term viability, growth and prosperity of EcoSmart. One area is revenue generation, as effected through the formalization of various distribution and licensing relationships that the Company has been pursuing over time. A second area is the maximization of cash flow and return on existing assets, as effected through the refinement of internal production operations and throughput efficiencies. The third other area is corporate finance, and specifically the raising of capital necessary to bridge shortfalls in available cash, for both operational and capital investment purposes, through to the point, if at all, at which working capital and cash reserve levels are sufficient to be self-sustaining.

At this time, near-term liquidity poses a continuous challenge to us and is expected to continue to do so for the foreseeable future. Moreover, the need to find ways to stretch our very limited economic resources places ongoing strains on our very limited human resources, particularly as sales, and the resulting need for skilled product applications personnel locally throughout various parts of the U.S., are trending upwards.

Results of Operations for Quarters Ending June 30, 2016 and June 30, 2015

Statements of Operations for Six Months Ended June 30,	2016	2015	Change
Net revenues	$176,440	$81,874	$94,566
Cost of sales	(49,979)	(31,265)	(18,714)
Gross profit	126,461	50,609	75,852
Sales, marketing and general and administrative expenses	(447,358)	(489,736)	42,378
Research and development	(99,636)	(156,478)	56,842
Total operating expenses	(546,994)	(646,214)	99,220
Loss from operations	(420,533)	(595,605)	175,072
Other expenses, net	(57,109)	(27,026)	(30,083)
Gain on debt settlement	---	200,000	(200,000)
Loss before income taxes	(477,642)	(422,631)	(55,011)
Income tax (provision)	---	---	---
Net loss from operations	$(477,642)	$(422,631)	$(55,011)

Statements of Operations for Three Months Ended June 30,	2016	2015	Change
Net revenues	$127,304	$39,106	$88,198
Cost of sales	(29,238)	(13,562)	(15,676)
Gross profit	98,066	25,544	72,522
Sales, marketing and general and administrative expenses	(231,306)	(263,957)	32,651
Research and development	(51,651)	(53,785)	2,134
Total operating expenses	(282,957)	(317,742)	34,785
Loss from operations	(184,891)	(292,198)	107,307
Other expenses, net	(28,424)	(13,850)	(14,574)
Loss before income taxes	(213,315)	(306,048)	92,733

Income tax (provision)	---	---	---
Net loss from operations	$(213,315)	$(306,048)	$92,733

The differing results of operations are primarily attributable to the following for the three and six months ended June 30, 2016:

- an increase in net revenues resulting from increasing sales of our products in each of our commercial HVAC, heavy construction and hardscape application verticals;
- a decrease in our other general and administrative costs resulting from a deliberate campaign of broad-ranging cutbacks in expenses;
- a decrease in research and development related expenses for the six months ended June 30, 2016 compared to the six months ended June 30, 2015 during which we issued stock as compensation to three consultants for their advisory services in connection with our research and development, and certain business development, initiatives; and
- a decrease in gain on debt settlement for the six months ended June 30, 2016 compared to the six months ended June 30, 2015 during which we realized an accounting gain in connection with a settlement agreement entered into with a current note holder.

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Although there can be no assurance, in future periods, we anticipate our operations to continue to expand due to our anticipated growth and expansion in certain vertical markets.

Revenues

Our net revenues increased approximately $94,000 from approximately $82,000 for the six months ended June 30, 2015 to approximately $176,000 for the six months ended June 30, 2016. Furthermore, our net revenues increased approximately $88,000 from approximately $39,000 for the three months ended June 30, 2015 to approximately $127,000 for the six months ended June 30, 2016. The increase in net revenues is mainly attributable to increasing sales of our products in each of our commercial HVAC, heavy construction and hardscape application verticals.

Cost of Sales

Cost of Sales for the Six Months Ended June 30,	2016	% of Sales		2015	% of Sales		Change $
Direct costs	$33,306	19	%	$22,293	27	%	$11,013
Royalties	6,444	4	%	4,300	5	%	2,144
Freight-out	10,229	6	%	4,672	6	%	5,557
Cost of sales	$49,979	28	%	$31,265	38	%	$18,714

Cost of Sales for the Three Months Ended June 30,	2016	% to Sales		2015	% to Sales		Change $
Direct costs	$17,477	14	%	$10,153	26	%	$7,324
Royalties	4,789	4	%	990	3	%	3,799
Freight-out	6,972	5	%	2,419	6	%	4,553
Cost of sales	$29,238	23	%	$13,562	35	%	$15,676

Cost of sales consists primarily of direct costs, royalties accrued to third party providers of intellectual property, and the costs associated with reproducing, packaging, and shipping our products. As a percentage of net revenues, our cost of sales decreased 10% from 38% for the six months ended June 30, 2015 to 28% for the six months ended June 30, 2016. Furthermore, we saw a decrease of 12% in our cost of sales as a percentage of net revenues from 35% for the three months ended June 30, 2015 to 23% for the three months ended June 30, 2016. The overall decrease in cost of sales as a percentage of net revenues for the three and six months ended June 30, 2016 are attributable to the following:

- a decrease in the percentage of direct costs associated with the purchase of larger quantities of raw materials at discounted rates due to purchasing in larger volumes;
- an overall slight decrease in the percentage of royalties for the six months ended June 30, 2016 due to a decrease in sales of products that carry a royalty obligation; and
- an increase in freight costs in real dollar terms resulting from an increase in sales as well as the increase in purchases of raw materials.

Into the immediate future, we anticipate that our direct costs are likely to increase in real dollar terms based on escalating sales volume coupled with the likelihood of an inability to make material purchases in bulk at meaningfully discounted rates. Though there can be no assurance that our cash position and financial condition will improve over time, if it does, we intend to take advantage of bulk purchasing opportunities at discounted rates. More generally, we anticipate that our cost of sales will increase in the future in direct proportion to increases in top line growth.

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Sales, General and Administrative

Sales, General and Administrative Costs for Operations for Six Months Ended June 30,	2016	% of Sales	2015	% of Sales	Change $	Change %
Selected expenses:						
Advertising and direct marketing	$6,109	3 %	$2,742	3 %	$3,367	123%
Sales commissions	7,609	4 %	2,724	3 %	4,885	179%
Total sales and marketing	13,718	8 %	5,466	7 %	8,252	151%
Personnel costs	212,306	120 %	236,399	289 %	(24,093)	10 %
Research and development	99,636	56 %	156,478	191 %	(56,842)	36 %
Business development services	28,000	16 %	60,500	74 %	(32,500)	54 %
Travel and entertainment costs	17,826	10 %	24,633	30 %	(6,807)	28 %
Directors fees	24,000	14 %	18,000	22 %	6,000	33 %
Other general and administrative costs	151,508	86 %	144,738	177 %	6,770	5 %
Total general and administrative	533,276	302 %	640,748	783 %	(107,472)	17 %
Total sales, marketing, general and administrative	$546,994	310 %	$646,214	789 %	$(99,220)	15 %

Sales, General and Administrative Costs for Operations for Three Months Ended June 30,	2016	% of Sales	2015	% of Sales	Change $	Change %
Selected expenses:						
Advertising and direct marketing	$1,635	1 %	$2,445	6 %	$(810)	33 %
Sales commissions	6,821	5 %	462	1 %	6,359	1376%
Total sales and marketing	8,456	7 %	2,907	7 %	5,549	191 %
Personnel costs	114,789	90 %	134,182	343 %	(19,393)	14 %
Research and development	51,651	41 %	53,785	138 %	(2,134)	4 %
Business development services	8,000	6 %	32,000	82 %	(24,000)	75 %
Travel and entertainment costs	12,459	10 %	10,140	26 %	2,319	23 %
Directors fees	12,000	9 %	9,000	23 %	3,000	33 %
Other general and administrative costs	75,602	59 %	75,728	194 %	(126)	0 %
Total general and administrative	274,501	216 %	314,835	805 %	(40,334)	13 %
Total sales, marketing, general and administrative	$282,957	222 %	$317,742	813 %	$(34,785)	11 %

Our research and development costs consist of direct production costs, including labor directly associated with the development of projects and outside consultants, and indirect costs, such as those associated with facilities leasing and related overhead. For labor costs and costs of outside consultants, we record the research and development costs as a reduction against either personnel costs or contract services. For facilities leasing related expenses, we record the research and development costs as a reduction against rent. For the three and six months ended June 30, 2016, we reclassified to research and development approximately $41,000 and $79,000, respectively from total personnel costs and approximately $9,000 and $18,000, respectively from rent. Comparatively, for the three and six months ended June 30, 2015, we reclassified to research and development approximately $37,000 and $131,000, respectively from total personnel costs and approximately $9,000 and $18,000, respectively from rent.

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The differing results of total sales, marketing, general and administrative costs are primarily attributable to the following for the three and six months ended June 30, 2016:

- an overall increase in advertising and direct marketing resulting from an increase in our direct marketing efforts and our having attended and sponsored a booth at an industry trade show for the six months ended June 30, 2016;
- an increase in sales commissions in direct correlation to the increase in sales;
- a decrease in personnel costs as we streamlined our office administrative personnel;
- a decrease in research and development for the six months ended June 30, 2016 compared to the six months ended June 30, 2015 during which we issued stock as compensation to three consultants for their advisory services in connection with our research and development, and certain business development, initiatives;
- a decrease in business development services;
- an overall decrease in travel and entertainment expenses for the six months ended June 30, 2016 compared to the six months ended June 30, 2015 during which we were represented at the 2015 International Coatings Show in Germany;
- an increase in director's fees as we increased the fee earned by our outside director serving on the audit committee; and
- an overall increase in other general and administrative costs as we experienced an increase in costs such as our credit card processing fees due to the increase in sales as well as general office maintenance fees.

For the immediate future, and although there can be no assurance, we would anticipate our sales, marketing, general and administrative costs to increase in the future in direct proportion to top line growth.

Gain on Debt Settlement

For the six months ended June 30, 2015, we recognized a gain on debt settlement in the amount of $200,000. This gain is a result of entering into a loan modification agreement with a shareholder that had held an outstanding convertible note agreement in the amount of $250,000 which, until modified, carried a conversion feature that had the accounting effect of increasing the derivative liability associated with the obligation from $250,000 to $500,000. The loan modification called for the original convertible note payable ($250,000), along with the conversion feature ($250,000), dated July 2014 to be cancelled. In addition, the loan modification called for a replacement note payable to be issued by us in the adjusted, aggregate principal amount of $300,000, but without any conversion feature. All other terms of the original note agreement carried over to the replacement note unchanged. As a result, we recognized a net gain of $200,000, and we have treated it as a gain from extinguishment of debt and included it in the "Gain on debt settlement" line item on our Condensed Consolidated Statement of Operations for the six months ended June 30, 2015.

Income Taxes

For the six months ended June 30, 2016 and 2015, based on uncertainty about the timing of and ability to generate future taxable income and our assessment that the realization of the deferred tax assets no longer met the “more likely than not” criterion for realization, we provided for a full valuation allowance against our net deferred tax assets. If we determine that it is more likely than not that we will be able to realize our deferred tax assets in the future, an adjustment to the deferred tax asset valuation allowance would be recorded in the period when such determination is made.

Liquidity And Capital Resources

Our primary needs for liquidity and capital resources are the working capital requirements of our continued operations, which includes raw materials procurement, production personnel, service applications personnel, the ongoing internal development of new products and expansion and upgrade of existing products, marketing and sales, and executive salaries and insurance benefit obligations. Cash generated through our current operations may not prove sufficient to sustain such operations, and our pursuit of an aggressive growth plan, as currently exists, will likely require funding from outside sources. Funding from outside sources may include but is not limited to the pursuit of other financing options such as commercial loans or public or private sales of securities, including common stock, preferred stock and/or convertible notes or debentures. The Company’s cash on hand as of June 30, 2016 is not sufficient to support our operations for the next twelve months.

Working Capital	**June 30, 2016**	December 31, 2015
Current assets	$ 250,930	$ 31,699
Current liabilities	$ 2,793,162	$ 2,149,954
Accumulated deficit	$ 5,930,116	$ 5,452,474

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Liquidity for our day-to-day continuing operations remains a very serious ongoing concern for us, and there can be no continuing assurance of it remaining manageable.

Cash Flows for Six Months Ended June 30,	2016	2015	Change	%
Cash flows used in operating activities	$(277,388)	$(336,088)	$58,700	17%
Cash flows used in investing activities	$(9,721)	$---	$(9,721)	0 %
Cash flows provided by financing activities	$456,000	$347,500	$108,500	31%

Net cash used in operating activities for the six months ended June 30, 2016 and 2015 consisted mainly of payments going out for personnel, inventory purchases, vendor payments and other operating expenses.

Net cash used in investing activities for the six months ended June 30, 2016 was for the build out of our new research lab within our corporate headquarters located in the Lake Park, Florida. This new research lab will replace the research lab located in Daytona Beach, Florida which was relocated in July 2016.

For the six months ended June 30, 2016, cash provided by financing activities was mainly the result of proceeds from the issuances of convertible debt with related parties as well as a sale of shares of our common stock. Comparatively, cash provided by financing activities for the six months ended June 30, 2015 was the exclusive result of proceeds from the sale of shares of our common stock.

Financing

Given practical considerations, we believe that our ability to meaningfully pursue our business plan in the immediate term will depend on the availability of working capital, the precise amount of which is uncertain as the date of this quarterly filing on Form 10-Q given certain variables surrounding our ability to generate funds internally, including through both sales of product and/or territorial distributorships. To the extent that it becomes necessary to access funds through a public or private sales of securities, as we have been doing and expect to continue to have to do for the foreseeable future, this is likely to be pursued through one or more offerings involving common stock, preferred stock and/or convertible notes or debentures. In connection with any such financings, it may become necessary given market conditions and the unavailability of alternative options for us to issue additional shares of our common stock or securities exchangeable for shares of our common stock, including but not limited to convertible preferred stock or convertible notes or debentures containing so-called “floorless convertible” provisions that can be, and often are, extremely dilutive to existing stockholders upon conversion. Any such issuances, as well as any related issuances of common stock or other purchase warrants, would likely have the effect of depressing the market price of our common stock and diluting the interests of our common stockholders, potentially very significantly.

Although, until very recently, no attempt had been made for many years to secure any bank or other secured financing due to management's practical conclusion that it would be an unproductive allocation of human resources given our historic revenue and cash flow levels, internal financial ratios, and negative working capital position, preliminary initiatives are currently underway to attempt to do so. There can be no assurance, however, that we will be successful in securing any such financing unless and until our revenues and cash flows substantially increase, and our internal financial ratios dramatically improve.

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Discontinued Operations

On May 5, 2011, we entered into a Software Product Line Purchase Agreement to sell the QuickVerse® product line to WORDsearch. On June 30, 2011, closing of the asset sale transaction governed by the Software Product Line Purchase Agreement, which was transitional in nature and expected to be ongoing through approximately the end of April, 2012, commenced. As one of the initial parts of the closing, on July 1, 2011 WORDsearch assumed possession of the physical assets conveyed in the transaction as well as control and responsibility of the business operations related to the QuickVerse® product line, including, among many other things, the receipt of revenues for sales in exchange for partial payment of the cash portion of the purchase price being paid to us. On April 13, 2012, we determined that the final closing conditions under the Software Product Line Purchase Agreement had been met, and the sale of the QuickVerse® product line to WORDsearch was complete. As a result, we have classified this asset as discontinued operations for the six months ended June 30, 2016.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Contractual Obligations

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, we are not required to provide this information.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, we are not required to provide this information.

Item 4T. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As required by paragraph (b) of Rule 13a-15 under the Exchange Act, our principal executive and principal financial officers are responsible for assessing the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(f) under the Exchange Act). Accordingly, we maintain disclosure controls and procedures designed to ensure that information required to be disclosed in our filings under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Our Chief Executive Officer/Chief Financial Officer has evaluated our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q June 30, 2016, and has determined that such disclosure controls and procedures are not effective. Our disclosure controls and procedures are not effective as a result of the material weakness in internal control over financial reporting because of inadequate segregation of duties over authorization, review and recording of transactions as well as the financial reporting of such transactions. Management is attempting to develop a plan to mitigate the above material weaknesses.

Changes in Internal Controls

There were no changes in our internal control over financial reporting during the fiscal quarter covered by this report, other than those disclosed above that materially affected, or is reasonable likely to materially effect, the Company's internal control over financial reporting.

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PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

As of the date of this quarterly report on Form 10-Q for the period ended June 30, 2016, and to the best knowledge of our officers and directors, there were no pending material legal proceedings to which we were a party and we were not aware that any were contemplated. There can be no assurance, however, that we will not be made a party to litigation in the future.

ITEM 1A. RISK FACTORS.

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, the Company is not required to provide information required by this Item.

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

Date Securities Issued	Securities Title	Issued To	Number of Securities Issued	Consideration	Footnotes
Common Stock Issuances Sold for Cash					
6/27/2016	Common Stock	Individual Investor	3,500,000	$ 21,000	1
Convertible Promissory Notes/Debentures					
1/20/2016	Convertible Promissory Note	Individual Investor	1	$ 25,000	2
2/24/2016	Convertible Promissory Note	Individual Investor	1	$ 10,000	3
3/4/2016	Convertible Promissory Note	Individual Investor	1	$ 50,000	4
3/18/2016	Convertible Promissory Note	Individual Investor	1	$ 100,000	5
5/12/2016	Convertible Promissory Note	Individual Investor	1	$ 50,000	6
6/7/2016	Convertible Promissory Note	Individual Investor	1	$ 200,000	7

We relied in each case for these unregistered sales on the private offering exemption of Section 4(2) of the Securities Act and/or the private offering safe harbor provision of Rule 506 of Regulation D promulgated thereunder based on the following factors: (i) the number of offerees or purchasers, as applicable, (ii) the absence of general solicitation,

(iii) representations obtained from the acquirer's relative to their accreditation and/or sophistication (or from offeree or purchaser representatives, as applicable), (iv) the provision of appropriate disclosure, and (v) the placement of restrictive legends on the certificates reflecting the securities coupled with investment representations obtained from the acquirer's.

(1) This was a private offering of securities to an individual investor. The purchase price was $0.006 per share, and the proceeds amounted to $21,000, all of which was paid in cash.

(2) This was a sale of a convertible promissory note payable to an individual investor (and current shareholder) for cash in the amount $25,000. The note is dated January 20, 2016 and is due on January 20, 2017 plus interest at 10% APR. It is convertible at $0.01 per share of common stock which equals 2,500,000 shares.

(3) This was a sale of a convertible promissory note payable to an individual investor (and current shareholder) for cash in the amount $10,000. The note is dated February 24, 2016 and is due on April 23, 2016 plus interest at $1,000. It is convertible at $0.005 per share of common stock which equals 2,000,000 shares.

(4) This was a sale of a convertible promissory note payable to an individual investor for cash in the amount $50,000. The note is dated March 4, 2016 and is due on March 4, 2017 plus interest at 10% APR. It is convertible at $0.01 per share of common stock which equals 5,000,000 shares.

(5) This was a sale of a convertible promissory note payable to an individual investor (and current shareholder) for cash in the amount $100,000. The note is dated March 18, 2016 and is due on March 18, 2019 plus interest at 10% APR. It is convertible at $0.01 per share of common stock which equals 10,000,000 shares.

(6) This was a sale of a convertible promissory note payable to an individual investor (and current shareholder) for cash in the amount $50,000. The note is dated May 12, 2016 and is due on May 12, 2019 plus interest at 10% APR. It is convertible at $0.01 per share of common stock which equals 5,000,000 shares.

(7) This was a sale of a convertible promissory note payable to an individual investor (and current shareholder) for cash in the amount $200,000. The note is dated June 7, 2016 and is due on June 7, 2019 plus interest at 10% APR. It is convertible at $0.01 per share of common stock which equals 20,000,000 shares.

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ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

For the period ended June 30, 2016, we are in default under a certain unsecured term note payable to a former shareholder in the total amount of approximately $46,000. The arrearage as of such date was $28,783, plus interest. In accordance with the terms of the note, however, our default has triggered an acceleration of the entire balance plus accumulated interest. In addition, we are in default under a certain unsecured term note payable to a current shareholder in the total amount of $300,000 plus interest. However, the shareholder has agreed to extend the note payable for an additional twelve months. Finally, we are in default under two convertible notes payable to an individual shareholder in the total amount of $33,000 plus interest.

ITEM 4. MINE SAFETY DISCLOSURES.

None.

ITEM 5. OTHER INFORMATION.

As of the date of this quarterly report on Form 10-Q for the period ended June 30, 2016, there were no reportable events under this Item 5.

ITem 6. Exhibits.

Exhibits required by Item 601 of Regulation S-K.

No.	Description of Exhibit
2.1	Share Exchange Agreement between Findex.com, Inc. and the stockholders of Reagan Holdings, Inc. dated March 7, 2000, incorporated by reference to Exhibit 2.1 on Form 8-K filed March 15, 2000.
2.2	Agreement and Plan of Merger by and among Findex.com, Inc., EcoSmart Acquisition Corp. EcoSmart Surface & Coating Technologies, Inc., and The Renewable Corp. dated July 23, 2014, incorporated by reference to Exhibit 2.1 on Form 8-K filed July 29, 2014.

3(i)(1)	Restated Articles of Incorporation of Findex.com, Inc. dated June 1999 incorporated by reference to Exhibit 3.1 on Form 8-K filed March 15, 2000.
3(i)(2)	Amendment to Articles of Incorporation of Findex.com, Inc. dated November 10, 2004 incorporated by reference to Exhibit 3.1(ii) on Form 10-QSB filed November 10, 2004.
3(ii)	Restated By-Laws of Findex.com, Inc., incorporated by reference to Exhibit 3.3 on Form 8-K filed March 15, 2000.
4.1	Certificate of Designation of FIND Series MX Convertible Preferred Stock dated June 30, 2014, incorporated by reference to Exhibit 4.1 on Form 8-K filed July 29, 2014.
10.1	Stock Incentive Plan of Findex.com, Inc. dated May 7, 1999, incorporated by reference to Exhibit 10.1 on Form 10-KSB/A filed May 13, 2004.
10.2	Share Exchange Agreement between Findex.com, Inc. and the stockholders of Reagan Holdings Inc., dated March 7, 2000, incorporated by reference to Exhibit 2.1 on Form 8-K filed March 15, 2000.
10.3	License Agreement between Findex.com, Inc. and Parsons Technology, Inc. dated June 30, 1999, incorporated by reference to Exhibit 10.3 on Form 10-KSB/A filed May 13, 2004.
10.4	Employment Agreement between Findex.com, Inc. and Steven Malone dated July 25, 2003, incorporated by reference to Exhibit 10.4 on Form 10-KSB/A filed May 13, 2004.
10.5	Employment Agreement between Findex.com, Inc. and Kirk Rowland dated July 25, 2003, incorporated by reference to Exhibit 10.5 on Form 10-KSB/A filed May 13, 2004.
10.6	Employment Agreement between Findex.com, Inc. and William Terrill dated June 7, 2002, incorporated by reference to Exhibit 10.6 on Form 10-KSB/A filed May 13, 2004.
10.7	Restricted Stock Compensation Agreement between Findex.com, Inc. and John A. Kuehne dated July 25, 2003, incorporated by reference to Exhibit 10.7 on Form 10-KSB/A filed May 13, 2004.
10.8	Restricted Stock Compensation Agreement between Findex.com, Inc. and Henry M. Washington dated July 25, 2003, incorporated by reference to Exhibit 10.8 on Form 10-KSB/A filed May 13, 2004.
10.9	Restricted Stock Compensation Agreement between Findex.com, Inc. and William Terrill dated July 25, 2003, incorporated by reference to Exhibit 10.9 on Form 10-KSB/A filed May 13, 2004.

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10.10	Stock Purchase Agreement, including the form of warrant agreement, between Findex.com, Inc. and Barron Partners, LP dated July 19, 2004, incorporated by reference to Exhibit 10.1 on Form 8-K filed July 28, 2004.
10.11	Amendment No. 1 to Stock Purchase Agreement between Findex.com, Inc. and Barron Partners, LP dated September 30, 2004, incorporated by reference to Exhibit 10.3 on Form 8-K filed October 6, 2004.
10.12	Registration Rights Agreement between Findex.com, Inc. and Barron Partners, LP dated July 26, 2004, incorporated by reference to Exhibit 10.2 on Form 8-K filed July 28, 2004.
10.13	Waiver Certificate between Findex.com, Inc. and Barron Partners, LP dated September 16, 2004, incorporated by reference to Exhibit 10.4 on Form 8-K filed October 6, 2004.
10.14	Settlement Agreement between Findex.com, Inc., The Zondervan Corporation, Mattel, Inc., TLC Multimedia, Inc., and Riverdeep, Inc. dated October 20, 2003, incorporated by reference to Exhibit 10.14 on Form 10-KSB/A filed December 14, 2005.
10.15	Employment Agreement Extension between Findex.com, Inc and Steven Malone dated March 31, 2006, incorporated by reference to Exhibit 10.1 on Form 8-K filed April 6, 2006.
10.16	Employment Agreement Extension between Findex.com, Inc and William Terrill dated March 31, 2006, incorporated by reference to Exhibit 10.2 on Form 8-K filed April 6, 2006.
10.17	Employment Agreement Extension between Findex.com, Inc and Kirk R. Rowland dated March 31, 2006, incorporated by reference to Exhibit 10.3 on Form 8-K filed April 6, 2006.
10.18	Promissory Note to Barron Partners, LP dated April 7, 2006, incorporated by reference to Exhibit 10.1 on Form 8-K filed April 13, 2006.
10.19	Share Exchange Agreement between Findex.com, Inc. and the stockholders of Reagan Holdings Inc., dated March 7, 2000, incorporated by reference to Exhibit 2.1 on Form 8-K filed March 15, 2000.
10.20	Convertible Secured Promissory Note between FindEx.com, Inc. and W. Sam Chandoha, dated July 20, 2006, incorporated by reference to Exhibit 10.1 on Form 8-K filed July 26, 2006.
10.21	Security Agreement between FindEx.com, Inc. and W. Sam Chandoha, dated July 20, 2006 incorporated by reference to Exhibit 10.2 on Form 8-K filed July 26, 2006.
10.22	Common Stock Purchase Warrant between FindEx.com, Inc. and W. Sam Chandoha, dated July 20, 2006 incorporated by reference to Exhibit 10.3 on Form 8-K filed July 26, 2006.
10.23	Modification and Extension Agreement Between FindEx.com, Inc. and W. Sam Chandoha, dated September 20, 2006, incorporated by reference to Exhibit 10.1 on Form 8-K filed September 25,2006.
10.24	Employment Agreement Extension Amendment between Findex.com, Inc. and Steven Malone dated April 13, 2007, incorporated by reference to Exhibit 10.24 on Form 10-KSB filed April 17, 2007.
10.25	

Employment Agreement Extension Amendment between Findex.com, Inc. and William Terrill dated April 13, 2007, incorporated by reference to Exhibit 10.25 on Form 10-KSB filed April 17, 2007.

10.26 Employment Agreement Extension Amendment between Findex.com, Inc. and Kirk R. Rowland dated April 13, 2007, incorporated by reference to Exhibit 10.26 on Form 10-KSB filed April 17, 2007.

10.27 Asset Purchase Agreement between Findex.com, Inc. and ACS Technologies Group, Inc. dated October 18, 2007, incorporated by reference to Exhibit 10.27 on Form 8-K filed October 24, 2007.

10.28 Partial Assignment of License Agreement Among Findex.com, Inc., Riverdeep, Inc.,LLC and ACS Technologies Group, Inc. dated October 11, 2007, incorporated by reference to Exhibit 10.28 on Form 8-K filed October 24, 2007.

10.29 Asset Purchase Agreement between Findex.com, Inc. and ORG Professional, LLC dated February 25, 2008, incorporated by reference to Exhibit 10.29 on Form 8-K filed on February 28, 2008.

10.30 Warrant Cancellation Agreement between Findex.com, Inc. and Barron Partners, L.P. dated March 6, 2008, incorporated by reference to Exhibit 10.30 on Form 8-K filed on March 10, 2008.

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10.31	Employment Agreement Extension Amendment between Findex.com, Inc. and Steven Malone dated April 14, 2008, incorporated by reference to Exhibit 10.31 on Form 10-KSB filed on April 15, 2008.
10.32	Employment Agreement Extension Amendment between Findex.com, Inc. and William Terrill dated April 14, 2008, incorporated by reference to Exhibit 10.32 on Form 10-KSB filed on April 15, 2008.
10.33	Employment Agreement Extension Amendment between Findex.com, Inc. and Kirk R. Rowland dated April 14, 2008, incorporated by reference to Exhibit 10.33 on Form 10-KSB filed on April 15, 2008.
10.34	License Agreement between Findex.com, Inc. and Houghton Mifflin Harcourt Publishing Company dated May 7, 2010, incorporated by reference to Exhibit 10.34 on Form 10-K filed on April 15, 2012.
10.35	Software Product Line Purchase Agreement between FindEx.com, Inc. and WORDsearch Corp., L.L.C. dated May 5, 2011, incorporated by reference to Exhibit 10.35 on Form 8-K filed on May 10, 2011.
10.36	Promissory Note to Barron Partners, LP dated August 18, 2011, incorporated by reference to Exhibit 10.36 on Form 10-Q filed on August 22, 2011.
10.37	Letter of Intent between Findex.com, Inc. and Next Level Hockey, LLC dated June 6, 2013, incorporated by reference to Exhibit 10.37 on Form 8-K filed on June 7, 2013.
10.38	Binding Letter of Intent between Findex.com, Inc. and the Renewable Corporation dated October 29, 2013, incorporated by reference to Exhibit 10.38 on Form 8-K filed on November 4, 2013.
10.39	Agreement and Plan of Merger among FindEx.com, Inc., certain of its affiliated stockholders, ESCT Acquisition Corp., The Renewable Corporation, and EcoSmart Surface and Coating Technologies, Inc. dated January 23, 2014, exclusive of schedules and exhibits other than exhibit forms of Employment Agreements to be entered into between Findex.com, Inc. and each of Joseph Alvarez and Steven Malone, incorporated by reference to Exhibit 10.39 on Form 8-K filed on January 29, 2014.
10.40	Voting Agreement between EcoSmart Surface and Coating Technologies, Inc. and each of three individual stockholders of Findex.com, Inc. dated January 23, 2014, incorporated by reference to Exhibit 10.40 on Form 8-K filed on January 29, 2014.
10.41	Employment Agreement by and among Findex.com, Inc., EcoSmart Acquisition Corp., and Steven Malone dated July 23, 2014, incorporated by reference to Exhibit 10.1 on Form 8-K filed July 29, 2014.
10.42	Demand Promissory Note dated August 3, 2013, incorporated by reference to Exhibit 10.2 on Form 8-K filed on July 29, 2014.
10.43	The Loan Modification and Loan Assumption Acknowledgment dated July 23, 2014, incorporated by reference to Exhibit 10.3 on Form 8-K filed on July 20, 2014.
10.44	Convertible Promissory Note dated July 23, 2014, incorporated by reference to Exhibit 10.4 on Form 8-K filed on July 29, 2014.
10.45	

	Employment Agreement by and among Findex.com, Inc., EcoSmart Acquisition Corp., and Bo Inge Hakan Gimvang dated March 3, 2015, incorporated by reference to Exhibit 10.45 on Form 10-K filed on April 15, 2015.
10.46	Loan Modification Agreement and Promissory Note dated March 2, 2015, incorporated by reference to Exhibit 10.46 on Form 10-K filed on April 15, 2015.
10.47	Business development consulting agreement by and among Findex.com, Inc. and J.N.B., LLC. dated November 10, 2015, incorporated by reference to Exhibit 10.47 on Form 10-Q filed on November 16, 2015.
31.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and dated August 15, 2016. FILED HEREWITH.
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and dated August 15, 2016. FILED HEREWITH.

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Signatures

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

FINDEX.COM, INC.

Date: August 15, 2016 By/s/ Steven Malone
Steven Malone
President
Chief Executive Officer
(Principal Executive Officer)
Chief Financial Officer
(Principal Accounting Officer)

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