

MOBIVITY HOLDINGS CORP.

Form 424B3

September 15, 2015

Filed Pursuant to Rule 424(b)(3)

Under Securities Act of 1933, as amended

Registration No. 333-203751

PROSPECTUS

26,651,321 Shares Mobivity Holdings Corp.

#### Common Stock

This prospectus relates to shares of common stock of Mobivity Holdings Corp. that may be offered for sale for the account of the selling stockholders identified in this prospectus. The selling stockholders may offer and sell from time to time up to 26,651,321 shares of our common stock, which amount includes 8,551,168 shares to be issued to the selling stockholders only if and when they exercise warrants held by them.

The shares owned by the selling stockholders may be sold in the over-the-counter market, or otherwise, at prices and terms then prevailing or at prices related to the then-current market price, or in negotiated transactions. Although we will incur expenses in connection with the registration of the common stock, we will not receive any of the proceeds from the sale of the shares of common stock by the selling stockholders. We will receive gross proceeds of up to \$10,217,433 from the exercise of the warrants, if and when they are exercised.

Our common stock is quoted on the OTC Markets under the symbol "MFON". The last reported sale price of our common stock as reported by the OTC Markets on August 21, 2015 was \$0.80 per share.

We may amend or supplement this prospectus from time to time by filing amendments or supplements as required. You should read this entire prospectus and any amendments or supplements carefully before you make your investment decision.

---

The shares of common stock offered under this prospectus involve a high degree of risk. See "Risk Factors" beginning at page 2.

---

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.

---

The date of this prospectus is September 10, 2015

---

## TABLE OF CONTENTS

<u>SUMMARY</u>	1
<u>RISK FACTORS</u>	2
<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION</u>	7
<u>OUR COMPANY</u>	8
<u>SELLING STOCKHOLDERS</u>	11
<u>PLAN OF DISTRIBUTION</u>	18
<u>MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS</u>	19
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	20
<u>OUR BUSINESS</u>	28
<u>MANAGEMENT</u>	28
<u>PRINCIPAL STOCKHOLDERS</u>	47
<u>DESCRIPTION OF SECURITIES</u>	48
<u>LEGAL MATTERS</u>	49
<u>EXPERTS</u>	49
<u>AVAILABLE INFORMATION</u>	49
<u>INDEX TO THE FINANCIAL STATEMENTS</u>	50

We have not authorized any person to give you any supplemental information or to make any representations for us. You should not rely upon any information about our company that is not contained in this prospectus. Information contained in this prospectus may become stale. You should not assume that the information contained in this prospectus or any prospectus supplement is accurate as of any date other than their respective dates, regardless of the time of delivery of this prospectus, any prospectus supplement or of any sale of the shares. Our business, financial condition, results of operations and prospects may have changed since those dates. The selling stockholders are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted.

In this prospectus, "Mobivity," the "company," "we," "us," and "our" refer to Mobivity Holdings Corp., a Nevada corporation, and its wholly- owned subsidiary, Mobivity, Inc., a Nevada corporation.

Table of Contents

SUMMARY

You should read this summary in conjunction with the more detailed information and financial statements appearing elsewhere in this prospectus.

On November 12, 2013, we effected a 1 for 6 reverse stock split of our outstanding common shares. All share amounts and share prices, including the exercise price and the number of common shares issuable under our outstanding options and warrants, have been adjusted to give effect to the reverse stock split.

Our Company

Mobivity Holdings Corp. (the “Company” or “we”) is in the business of developing and operating proprietary platforms over which brands and enterprises can conduct national and localized, data-driven mobile marketing campaigns. Our proprietary platforms, consisting of software available to phones, tablets PCs, and Point of Sale (POS) systems, allow resellers, brands and enterprises to market their products and services to consumers through text messages sent directly to the consumers’ via mobile phones, mobile smartphone applications, and dynamically printed receipt content. We generate revenue by charging the resellers, brands and enterprises a per-message transactional fee, through fixed or variable software licensing fees, or via advertising fees. Our customers include national franchisers, professional sports teams and associations and other national brands such as the Sonic Drive-In, Subway, Jamba Juice, Chick-Fil-A, and others.

Our executive offices are located at 55 N. Arizona Place, Suite 310, Chandler, Arizona 85225. Our phone number is (877) 282-7660. Our website address is [www.mobivity.com](http://www.mobivity.com). Information contained in, or accessible through, our website does not constitute part of this prospectus.

The Offering

This offering relates to the offer and sale of our common stock by the selling stockholders identified in this prospectus. The selling stockholders will offer and sell the shares of our common stock at prices related to the then-current market price or in negotiated transactions. Although we have agreed to pay the expenses related to the registration of the shares being offered, we will not receive any proceeds from the sale of the shares by the selling stockholders.

Summary Financial Information

The following summary financial data for the fiscal years ended December 31, 2014 and 2013 is derived from our audited consolidated financial statements included elsewhere in this prospectus. The summary financial data as of and for the six months ended June 30, 2015 has been derived from our unaudited financial statements and the related notes thereto included elsewhere in this prospectus. This information is only a summary and does not provide all of the information contained in our financial statements and related notes. You should read “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 16 of this prospectus and our financial statements and related notes included elsewhere in this prospectus.

Statement of Operations Data:

Fiscal Year Ended December 31,	Fiscal Year Ended December 31,	Six Months Ended June 30, 2015
-----------------------------------------	-----------------------------------------	-----------------------------------------

Edgar Filing: MOBIVITY HOLDINGS CORP. - Form 424B3

	2013	2014	(Unaudited)
Net sales	\$4,093,667	\$4,000,202	\$ 2,031,417
Net loss	\$16,759,031	\$10,440,764	\$ 3,059,449

Balance Sheet Data:

	June 30, 2015 (Unaudited)
Total assets	\$ 8,041,660
Total liabilities	1,737,524
Stockholders' equity	6,304,136

-1-

---

Table of Contents

RISK FACTORS

You should carefully consider the following risk factors before investing in our common stock. Our business and results of operations could be seriously harmed by any of the following risks. The trading price of our common stock could decline due to any of these risks, and you may lose part or all of your investment.

Risks Relating to Our Business

We may need additional financing to execute our business plan and fund operations, which additional financing may not be available on reasonable terms or at all. As of June 30, 2015, we had working capital of \$1,933,396. Current liabilities as of June 30, 2015 included an estimated earn-out in the amount of \$838,000 and derivative liabilities in the amount of \$49,474, all of which are payable in shares of our common stock. Giving no effect to the estimated earn-out and derivative liabilities, we had pro forma working capital as of June 30, 2015 in the amount of \$2,820,870. While we believe that our working capital on hand will be sufficient to fund our operations through the end of the current fiscal year, there can be no assurance that we will not require significant additional capital prior to year end. Also, we expect that we will require additional capital beyond December 31, 2015, unless we are able to achieve and maintain a profitable operation. In the event we require additional capital we will endeavor to raise additional funds through various financing sources, including the sale of our equity and debt securities and the procurement of commercial debt financing. However, there can be no guarantees that such funds will be available on commercially reasonable terms, if at all. If such financing is not available on satisfactory terms, we may be unable to expand or continue our business as desired and operating results may be adversely affected. Any debt financing will increase expenses and must be repaid regardless of operating results and may involve restrictions limiting our operating flexibility. If we issue equity securities to raise additional funds, the percentage ownership of our existing stockholders will be reduced and our stockholders may experience additional dilution in net book value per share.

Our ability to obtain needed financing may be impaired by such factors as the capital markets, both generally and specifically in our industry, and the fact that we are not yet profitable, which could impact the availability or cost of future financings. If the amount of capital we are able to raise from financing activities, together with our revenues from operations, is not sufficient to satisfy our capital needs, we may be required to reduce or even cease operations.

Our sales efforts to large enterprises require significant time and effort and could hinder our ability to expand our customer base and increase revenue. Attracting new customers to our large enterprise division requires substantial time and expense, especially in an industry that is so heavily dependent on personal relationships with executives. We cannot assure that we will be successful in establishing new relationships, or maintaining or advancing our current relationships. For example, it may be difficult to identify, engage and market to customers who do not currently perform mobile marketing or advertising or are unfamiliar with our current services or platform. Further, many of our customers typically require input from one or more internal levels of approval. As a result, during our sales effort, we must identify multiple people involved in the purchasing decision and devote a sufficient amount of time to presenting our products and services to those individuals. The complexity of our services often requires us to spend substantial time and effort assisting potential customers in evaluating our products and services including providing demonstrations and benchmarking against other available technologies. We expect that our sales process will become less burdensome as our products and services become more widely known and used. However, if this change does not occur, we will not be able to expand our sales effort as quickly as anticipated and our sales will be adversely affected.

Table of Contents

We may not be able to enhance our mobile marketing and advertising platform to keep pace with technological and market developments, or to remain competitive against potential new entrants in our markets. The market for mobile marketing and advertising services is emerging and is characterized by rapid technological change, evolving industry standards, frequent new product introductions and short product life cycles. Our current platform and services may not in the future be acceptable to marketers and advertisers. To keep pace with technological developments, satisfy increasing customer requirements and achieve acceptance of our marketing and advertising campaigns, we will need to enhance our current mobile marketing solutions and continue to develop and introduce on a timely basis new, innovative mobile marketing services offering compatibility, enhanced features and functionality on a timely basis at competitive prices. Our inability, for technological or other reasons, to enhance, develop, introduce and deliver compelling mobile marketing services in a timely manner, or at all, in response to changing market conditions, technologies or customer expectations could have a material adverse effect on our operating results or could result in our mobile marketing services platform becoming obsolete. Our ability to compete successfully will depend in large measure on our ability to maintain a technically skilled development and engineering staff and to adapt to technological changes and advances in the industry, including providing for the continued compatibility of our mobile marketing services platform with evolving industry standards and protocols.

In addition, as we believe the mobile marketing market is likely to grow substantially, other companies which are larger and have significantly more capital to invest than us may emerge as competitors. For example, in May 2010, Google, Inc. acquired Admob, Inc. Similarly, in January 2010, Apple, Inc. acquired Quattro Wireless, Inc. New entrants could seek to gain market share by introducing new technology or reducing pricing. This may make it more difficult for us to sell our products and services, and could result in increased pricing pressure, reduced profit margins, increased sales and marketing expenses or the loss of market share or expected market share, any of which may significantly harm our business, operating results and financial condition.

Our services are provided on mobile communications networks that are owned and operated by third parties who we do not control and the failure of any of these networks would adversely affect our ability to deliver our services to our customers. Our mobile marketing and advertising platform is dependent on the reliability of mobile operators who maintain sophisticated and complex mobile networks. Such mobile networks have historically, and particularly in recent years, been subject to both rapid growth and technological change. If the network of a mobile operator with which we are integrated should fail, including because of new technology incompatibility, the degradation of network performance under the strain of too many mobile consumers using it, or a general failure from natural disaster or political or regulatory shut-down, we will not be able provide our services to our customers through such mobile network. This in turn, would impair our reputation and business, potentially resulting in a material, adverse effect on our financial results.

If our mobile marketing and advertising services platform does not scale as anticipated, our business will be harmed. We must be able to continue to scale to support potential ongoing substantial increases in the number of users in our actual commercial environment, and maintain a stable service infrastructure and reliable service delivery for our mobile marketing and advertising campaigns. In addition, we must continue to expand our service infrastructure to handle growth in customers and usage. If our mobile marketing services platform does not efficiently and effectively scale to support and manage a substantial increase in the number of users while maintaining a high level of performance, the quality of our services could decline and our business will be seriously harmed. In addition, if we are unable to secure data center space with appropriate power, cooling and bandwidth capacity, we may not be able to efficiently and effectively scale our business to manage the addition of new customers and overall mobile marketing campaigns.

Table of Contents

The success of our business depends, in part, on wireless carriers continuing to accept our customers' messages for delivery to their subscriber base. We depend on wireless carriers to deliver our customers' messages to their subscriber base. Wireless carriers often impose standards of conduct or practice that significantly exceed current legal requirements and potentially classify our messages as "spam," even where we do not agree with that conclusion. In addition, the wireless carriers use technical and other measures to attempt to block non-compliant senders from transmitting messages to their customers; for example, wireless carriers block short codes or Internet Protocol addresses associated with those senders. There can be no guarantee that we, or short codes registered to us, will not be blocked or blacklisted or that we will be able to successfully remove ourselves from those lists. Although our services typically require customers to opt-in to a campaign, minimizing the risk that our customers' messages will be characterized as spam, blocking of this type could interfere with our ability to market products and services of our customers and communicate with end users and could undermine the effectiveness of our customers' marketing campaigns. To date we have not experienced any material blocking of our messages by wireless carriers, but any such blocking could have an adverse effect on our business and results of operations.

We depend on third party providers for a reliable Internet infrastructure and the failure of these third parties, or the Internet in general, for any reason would significantly impair our ability to conduct our business. We outsource all of our data center facility management to third parties who host the actual servers and provide power and security in multiple data centers in each geographic location. These third party facilities require uninterrupted access to the Internet. If the operation of our servers is interrupted for any reason, including natural disaster, financial insolvency of a third party provider, or malicious electronic intrusion into the data center, our business would be significantly damaged. As has occurred with many Internet- based businesses, on occasion in the past, we have been subject to "denial-of-service" attacks in which unknown individuals bombarded our computer servers with requests for data, thereby degrading the servers' performance. While we have historically been successful in relatively quickly identifying and neutralizing these attacks, we cannot be certain that we will be able to do so in the future. If either a third party facility failed, or our ability to access the Internet was interfered with because of the failure of Internet equipment in general or we become subject to malicious attacks of computer intruders, our business and operating results will be materially adversely affected.

Failure to adequately manage our growth may seriously harm our business. We operate in an emerging technology market and have experienced, and may continue to experience, significant growth in our business. If we do not effectively manage our growth, the quality of our products and services may suffer, which could negatively affect our brand and operating results. Our growth has placed, and is expected to continue to place, a significant strain on our managerial, administrative, operational and financial resources and our infrastructure. Our future success will depend, in part, upon the ability of our senior management to manage growth effectively. This will require us to, among other things:

implement additional management information systems;

further develop our operating, administrative, legal, financial and accounting systems and controls;

hire additional personnel;

develop additional levels of management within our company;

locate additional office space in various countries; and

maintain close coordination among our engineering, operations, legal, finance, sales and marketing and customer service and support organizations.

Moreover, as our sales increase, we may be required to concurrently deploy our services infrastructure at multiple additional locations or provide increased levels of customization. As a result, we may lack the resources to deploy our mobile marketing services on a timely and cost-effective basis. Failure to accomplish any of these requirements would seriously harm our ability to deliver our mobile marketing services platform in a timely fashion, fulfill existing customer commitments or attract and retain new customers.

-4-

---

## Table of Contents

The gathering, transmission, storage and sharing or use of personal information could give rise to liabilities or additional costs of operation as a result of governmental regulation, legal requirements, civil actions or differing views of personal privacy rights. We transmit and store a large volume of personal information in the course of providing our services. Federal, state and international laws and regulations govern the collection, use, retention, sharing and security of data that we receive from our customers and their users. Any failure, or perceived failure, by us to comply with U.S. federal, state, or international privacy or consumer protection-related laws, regulations or industry self-regulatory principles could result in proceedings or actions against us by governmental entities or others, which could potentially have an adverse effect on our business, operating results and financial condition. Additionally, we may also be contractually liable to indemnify and hold harmless our customers from the costs or consequences of inadvertent or unauthorized disclosure of their customers' personal data which we store or handle as part of providing our services.

The interpretation and application of privacy, data protection and data retention laws and regulations are currently unsettled in the U.S. and internationally, particularly with regard to location-based services, use of customer data to target advertisements and communication with consumers via mobile devices. Such laws may be interpreted and applied inconsistently from country to country and inconsistently with our current data protection policies and practices. Complying with these varying international requirements could cause us to incur substantial costs or require us to change our business practices in a manner adverse to our business, operating results or financial condition.

As privacy and data protection have become more sensitive issues, we may also become exposed to potential liabilities as a result of differing views on the privacy of personal information. These and other privacy concerns, including security breaches, could adversely impact our business, operating results and financial condition.

In the U.S., we have voluntarily agreed to comply with wireless carrier technological and other requirements for access to their customers' mobile devices, and also trade association guidelines and codes of conduct addressing the provision of location-based services, delivery of promotional content to mobile devices and tracking of users or devices for the purpose of delivering targeted advertising. We could be adversely affected by changes to these requirements, guidelines and codes, including in ways that are inconsistent with our practices or in conflict with the rules or guidelines in other jurisdictions.

Our management team has limited experience in public company matters, which could impair our ability to comply with legal and regulatory requirements. Our management team has only limited public company management experience or responsibilities, which could impair our ability to comply with legal and regulatory requirements and applicable federal securities laws including filing required reports and other information required on a timely basis. There can be no assurance that our management will be able to implement and affect programs and policies in an effective and timely manner that adequately respond to increased legal, regulatory compliance and reporting requirements imposed by such laws and regulations. Our failure to comply with such laws and regulations could lead to the imposition of fines and penalties and further result in the deterioration of our business.

### Risks Related to our Common Stock

There has been a limited trading market for our common stock. There has been a limited trading market for our common stock on the Over-the-Counter Bulletin Board. The lack of an active market may impair the ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the fair market value of your shares. An inactive market may also impair our ability to raise capital by selling shares of capital stock and may impair our ability to acquire other companies or technologies by using common stock as consideration.

The market price of our common stock may be, and is likely to continue to be, highly volatile and subject to wide fluctuations. The market price of our common stock is likely to be highly volatile and could be subject to wide fluctuations in response to a number of factors that are beyond our control, including:

dilution caused by our issuance of additional shares of common stock and other forms of equity securities, which we expect to make in connection with future acquisitions or capital financings to fund our operations and growth, to attract and retain valuable personnel and in connection with future strategic partnerships with other companies;

Table of Contents

announcements of new acquisitions or other business initiatives by our competitors;

our ability to take advantage of new acquisitions or other business initiatives;

quarterly variations in our revenues and operating expenses;

changes in the valuation of similarly situated companies, both in our industry and in other industries;

changes in analysts' estimates affecting us, our competitors and/or our industry;

changes in the accounting methods used in or otherwise affecting our industry;

additions and departures of key personnel;

announcements by relevant governments pertaining to additional quota restrictions; and

fluctuations in interest rates and the availability of capital in the capital markets.

Some of these factors are beyond our control, and the impact of these risks, singly or in the aggregate, may result in material adverse changes to the market price of our common stock and/or our results of operations and financial condition.

We do not expect to pay dividends in the foreseeable future. We do not intend to declare dividends for the foreseeable future, as we anticipate that we will reinvest any future earnings in the development and growth of our business. Therefore, investors will not receive any funds unless they sell their common stock, and stockholders may be unable to sell their shares on favorable terms or at all. Investors cannot be assured of a positive return on investment or that they will not lose the entire amount of their investment in the common stock.

The offering of up to 26,651,321 shares of our common stock by selling stockholders could depress our common stock price. Certain of our stockholders are offering pursuant to this prospectus up to 26,651,321 shares of our common stock in a secondary offering, which amount includes 8,551,168 shares of common stock issuable upon exercise of outstanding warrants. Sales of a substantial number of shares of our common stock in the public market could adversely affect the market for our common shares and make it more difficult for us to sell equity securities at times and prices that we determine to be appropriate. None of our shareholders are subject to any lock-up or other agreement that contractually restricts their ability to publicly resell their common shares.

Our common stock may be considered to be a "penny stock" and, as such, any the market for our common stock may be further limited by certain SEC rules applicable to penny stocks. To the extent the price of our common stock remains below \$5.00 per share or we have a net tangible assets of \$2,000,000 or less, our common shares will be subject to certain "penny stock" rules promulgated by the SEC. Those rules impose certain sales practice requirements on brokers who sell penny stock to persons other than established customers and accredited investors (generally institutions with assets in excess of \$5,000,000 or individuals with net worth in excess of \$1,000,000). For transactions covered by the penny stock rules, the broker must make a special suitability determination for the purchaser and receive the purchaser's written consent to the transaction prior to the sale. Furthermore, the penny stock rules generally require, among other things, that brokers engaged in secondary trading of penny stocks provide customers with written disclosure documents, monthly statements of the market value of penny stocks, disclosure of the bid and asked prices and disclosure of the compensation to the brokerage firm and disclosure of the sales person working for the brokerage firm. These rules and regulations adversely affect the ability of brokers to sell our common shares and limit the liquidity of our securities.



## Table of Contents

We are a “smaller reporting company” and, as such are allowed to provide less disclosure than larger public companies. We are currently a “smaller reporting company,” meaning that we are not an investment company, an asset-backed issuer, or a majority-owned subsidiary of a parent company that is not a smaller reporting company and have a public float of less than \$75 million and annual revenues of less than \$50 million during the most recently completed fiscal year. As a “smaller reporting company”, we are able to provide simplified executive compensation disclosures in our SEC filings, are exempt from the provisions of Section 404(b) of the Sarbanes-Oxley Act requiring that independent registered public accounting firms provide an attestation report on the effectiveness of internal control over financial reporting, and have certain other decreased disclosure obligations in their SEC filings, including, among other things, only being required to provide two years of audited financial statements in annual reports. Decreased disclosures in our SEC filings due to our status as a “smaller reporting company” may make it harder for investors to analyze our results of operations and financial prospects.

We have identified material weaknesses in our internal control over financial reporting, and our business and stock price may be adversely affected if we do not adequately address those weaknesses or if we have other material weaknesses or significant deficiencies in our internal control over financial reporting. We conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2014 using the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on this evaluation, our management concluded that we had “material weaknesses” in our internal control over financial reporting. The material weaknesses in controls were primarily due to a lack of resources and number of employees resulting in the inadequate segregation of duties required for effective reconciliation and control procedures.

Proper systems of internal controls over financial reporting are critical to the operation of a public company. As we are a young company that has been operating as a public company for a relatively short period of time, we are at the early stages of establishing, and we may be unable to effectively establish, such systems. Due to our size and nature, segregation of all duties may not always be possible and may not be economically feasible, although we intend to hire internal financial and accounting personnel as our company grows. Failure to effectively establish such systems would leave us without the ability to reliably assimilate and compile financial information about our company and significantly impair our ability to prevent error and detect fraud, all of which would have a negative impact on our company from many perspectives. If we cannot produce reliable financial reports, investors could lose confidence in our reported financial information, the market price of our stock could decline significantly, we may be unable to obtain additional financing to operate and expand our business, and our business and financial condition could be harmed.

## CAUTIONARY STATEMENT CONCERNING FORWARD LOOKING INFORMATION

This prospectus and the documents to which we refer you contain forward-looking statements. In addition, from time to time, we or our representatives may make forward-looking statements orally or in writing. We base these forward-looking statements on our expectations and projections about future events, which we derive from the information currently available to us. Such forward-looking statements relate to future events or our future performance. You can identify forward-looking statements by those that are not historical in nature, particularly those that use terminology such as “may,” “will,” “should,” “expects,” “anticipates,” “contemplates,” “estimates,” “believes,” “plans,” “projected,” “predicts,” “potential” or “continue” or the negative of these or similar terms. In evaluating these forward-looking statements, you should consider various factors, including those described in this prospectus under the heading “Risk Factors” beginning on page 2. These and other factors may cause our actual results to differ materially from any forward-looking statement. Forward-looking statements are only predictions. The forward-looking events discussed in this prospectus, the documents to which we refer you and other statements made from time to time by us or our representatives, may not occur, and actual events and results may differ materially and are subject to risks,

uncertainties and assumptions about us.

-7-

---

Table of Contents

OUR COMPANY

We were incorporated in the State of Nevada on September 25, 2008 under the names Ares Ventures Corporation for purposes of engaging in the acquisition, exploration and development of natural resource properties. From our organization and until November 2010, we were an exploration stage company with no revenues and a limited operating history.

Acquisitions

On November 2, 2010, we completed the acquisition of Mobivity, Inc., a Nevada corporation engaged in the business of mobile marketing, which at the time was known as CommerceTel, Inc., in exchange for 1,666,667 shares of our common stock. In anticipation of the transaction, on October 5, 2010, we changed our name from Ares Ventures Corporation to CommerceTel Corporation. Upon our acquisition of Mobivity, Inc., we ceased all operations related to the acquisition, exploration and development of natural resource properties and since that time have engaged exclusively in our current business, the development and operation of proprietary platforms over which brands and enterprises can conduct mobile marketing campaigns.

In April 2011, we acquired substantially all of the assets of the Txtstation interactive mobile marketing platform and services business from Adsparg Limited. The purchase price for the acquisition was 354,167 shares of our common stock and \$300,000 in cash, which was paid over an 11 month period.

In April 2011, we entered into an acquisition agreement with Mobivity, LLC and Mobile Visions, Inc. pursuant to which we acquired the assets of their Mobivity interactive mobile marketing platform and services business. The purchase price for the acquisition was 166,667 shares of our common stock, \$64,969 in cash paid at closing and a secured subordinated promissory note in the principal amount of \$606,054. The promissory note accrued interest on the unpaid principal amount at the rate of 6.25% per annum and principal and interest were paid in six quarterly installments of \$105,526 starting May 1, 2011. The note was paid in full on May 31, 2012.

In connection with the Mobivity acquisition, in June 2012 we changed our corporate name to Mobivity Holdings Corp.

In August 2011, we acquired substantially all of the assets of the BoomText interactive mobile marketing services business from Digimark, LLC. The purchase price for the acquired assets consisted of:

86,590 shares of our common stock issued at closing;

\$120,514 in cash paid at closing;

our secured subordinated promissory note in the principal amount of \$175,000. This note earned interest at 6.25% per annum and was paid in full on May 31, 2012;

our unsecured subordinated promissory note in the principal amount of \$194,658 due and payable on October 1, 2012. The note does not bear interest and was paid in full in 2013; and

an earn-out payment (payable 20 months after closing of the transaction) of a number of shares of our common stock equal to (a) 1.5, multiplied by our net revenue from acquired customers and customer prospects for the twelve-month period beginning six months after the closing date, divided by (b) the average of the volume-weighted average trading prices of our common stock for the 25 trading days immediately preceding the earn-out payment (subject to a collar of \$1.49 and \$2.01 per share). The final value of the earn-out payment was \$2,210,667 and was satisfied through our

issuance of 247,279 shares of our common stock.

-8-

---

## Table of Contents

In May 2013, we acquired the assets of Sequence, LLC related to a mobile customer loyalty application. The acquired assets include all application software, URL's, websites, trademarks, brands, customers and customer lists. The purchase price consisted of: \$300,000 in cash which was paid prior to closing; 125,000 shares of our common stock which were issued at closing valued, based on the closing price of our common stock on May 13, 2013, at \$183,750; and our agreements to pay 24 monthly earn-out payments consisting of 10% of the eligible monthly revenue subsequent to closing.

Also in May 2013, we acquired certain assets of Front Door Insights, LLC. The assets acquired from Front Door Insights consisted of cash on hand, accounts receivable, all rights under all contracts other than excluded contracts, prepaid expenses, all technology and intellectual property rights, accounts payable, and obligations under a commercial lease. The purchase price consisted of: \$100,000 in cash; (2) our promissory note in the principal amount of \$1,400,000; and (3) 1,666,667 shares of our common stock valued, based on the closing price of our common stock on May 20, 2013, at \$1,034,310.

In March 2014, we acquired all of the assets of SmartReceipt, Inc., a Delaware corporation in exchange for:

Our payment at closing of \$2.212 million of cash, net of a \$150,000 loan made by us to SmartReceipt in January 2014;

Our issuance of 504,884 shares of our common stock; and

Our earn-out payment of 200% of the "eligible revenue" over the 12 month period following the close of the transaction ("earn-out period"). The "eligible revenue" will consist of: 100% of our revenue derived during the earn out period from the sale of SmartReceipt products and services to certain SmartReceipt clients as of the close (the "designated SmartReceipt clients"); plus 50% of our revenue derived during the earn out period from the sale of our products and services to the designated SmartReceipt clients, plus 50% of our revenue derived during the earn out period from the sale of SmartReceipt products and services to our clients who are not designated SmartReceipt clients. The earn-out payment will be payable in our common shares (valued at the closing VWAP) no later than the 90th day following the end of the earn-out period. For purposes of the foregoing, the "closing VWAP" means the volume weighted average trading price of our common stock for the 90 trading days preceding the close of our acquisition of SmartReceipt.

Pursuant to our agreement with SmartReceipt, SmartReceipt has agreed that 50% of the shares issuable to it or its shareholders at the initial closing will be held back by us for a period of 12 months and will be subject to cancellation based on indemnification claims on our part. These shares were released to SmartReceipt in April 2015.

## Financing Transactions

Between March 2011 to November 2011, we conducted the private placement sale of 114,778 shares of our common stock at a price of \$9.00 per share for the gross proceeds of \$1,033,003. Each investor also received warrants to purchase an equivalent number of shares at an exercise price of \$12.00. In October 2012, the exercise price of the warrants was reduced from \$12.00 to \$3.00 as a result of certain anti-dilution provisions contained in the warrant agreement. As a result of the June 2013 private placement described below, the exercise price of the warrants was further reduced to \$1.20 per share in June 2013.

Table of Contents

Between November 2010 and June 2012, we conducted the private placement sale of our 10% Senior Secured Convertible Bridge Notes. The bridge notes accrued interest on the unpaid principal amount at the rate of 10% per annum. The entire principal amount of the bridge notes, plus all accrued and unpaid interest, was due on the earlier of (i) the date we completed a financing transaction for the offer and sale of shares of our common stock in an aggregate amount of no less than 125% of the principal amounts evidenced by the bridge notes (a “qualifying financing”), or (ii) a fixed maturity date, which initially was set at November 3, 2011 and later amended to October 15, 2013. On the maturity date of the bridge notes, in addition to the repayment of the principal amount and all accrued and unpaid interest, we agreed to issue to each holder of the bridge notes, at each such holder’s option, either (i) a three year warrant to purchase that number of shares of our common stock equal to the principal amount of (plus all accrued and unpaid interest on) the bridge notes held by the holder divided by the per share purchase price of the common stock offered and sold in the qualifying financing (the “offering price”) which warrants shall be exercisable at the offering price, or (ii) that number of shares of common stock equal to the product arrived at by multiplying (x) the principal amount of (plus all accrued and unpaid interest on) the bridge notes held by the holder, divided by the offering price and (y) 1.98. Our obligations under the bridge notes were secured by all of our assets.

As of May 31, 2013, the outstanding principal amount and accrued interest under the bridge notes was \$4,984,721 and \$441,973, respectively. As described below, all of the principal and substantially all of the accrued interest under the bridge notes were converted into shares of our common stock and warrants to purchase our common stock in June 2013.

On June 17, 2013, we entered into a securities purchase agreement and a registration rights agreement with certain accredited investors in connection with our private placement sale of 6,250,000 shares of our common stock at a price of \$1.20 per share, for aggregate gross proceeds of \$7.5 million. Pursuant to the terms of the registration rights agreement, we agreed to file with the SEC a resale registration statement covering the shares. Emerging Growth Equities, Ltd. acted as placement agent for the private placement and received \$493,300 in commissions from us. In addition, for its services as placement agent, we issued to EGE warrants to purchase an aggregate of 605,910 shares of our common stock, exercisable for a period of five years from the closing date, at an exercise price of \$1.20 per share.

In connection with the private placement, we also entered into a convertible secured promissory note conversion agreement on June 17, 2013, with the holders of our bridge notes. Pursuant to the note conversion agreement, we agreed to issue to the holders of our bridge notes 4,462,089 shares of our common stock, at the conversion price of \$1.20 per share, for the cancellation of outstanding principal of \$4,984,721 and accrued interest of \$369,786 under the notes. Certain holders elected to receive, and we made, cash payments on the accrued interest on their notes in lieu of shares of common stock. Each note holder also received a warrant to purchase that number of shares of our common stock calculated by dividing the outstanding principal amount plus accrued and unpaid interest of such note by the conversion price. We issued warrants to purchase a total of 4,541,592 shares of our common stock to the note holders. The warrants are exercisable for a period of five years at an exercise price of \$1.20 per share. In connection the sale of the bridge notes, we agreed to file with the SEC a resale registration statement covering the securities issued upon conversion of the Bridge Notes.

In March 2014, we conducted the private placement to certain accredited investors of 5,413,000 units of our securities at a price of \$1.00 per unit for the gross proceeds of up to \$5,413,000. Each unit consisted of one share of our common stock and a common stock purchase warrant to purchase one- quarter share of our common stock, over a five year period, at an exercise price of \$1.20 per share. In connection with the placement, we entered into a registration rights agreement with the investors, pursuant to which we agreed to cause a resale registration statement covering the common shares made part of the units to be filed by May 15, 2014. The registration rights agreement also provides that we must make certain payments as liquidated damages to the investors if we fail to timely file the registration statement and cause it to become effective. Emerging Growth Equities, Ltd. acted as placement agent for the private placement and received \$370,685 in commissions from us. In addition, for its services as placement agent, we issued

to EGE warrants to purchase an aggregate of 370,685 units, as defined above, exercisable for a period of five years from the closing date, at an exercise price of \$1.00 per unit. The warrants had a fair value on date of issuance of \$461,598.

In March 2015, we conducted the private placement to certain accredited investors of 4,805,000 units of our securities at a price of \$1.00 per unit for the gross proceeds of \$4,805,000. Each unit consisted of one share of our common stock and a common stock purchase warrant to purchase one-quarter share of our common stock, over a five year period, at an exercise price of \$1.20 per share. In connection with the placement, we entered into a registration rights agreement with the investors, pursuant to which we agreed to cause a resale registration statement covering the common shares made part of the units to be filed by April 30, 2015. The registration rights agreement also provides that we must make certain payments as liquidated damages to the investors if we fail to timely file the registration statement and cause it to become effective. Emerging Growth Equities, Ltd. acted as placement agent for the private placement and received \$234,500 in commissions from the us. In addition, for its services as placement agent, we issued to Emerging Growth Equities warrants to purchase an aggregate of 234,500 units, exercisable over a period of five years from the closing date, at an exercise price of \$1.00 per unit.

Table of Contents

SELLING STOCKHOLDERS

This prospectus relates to the offering and sale, from time to time, of up to 26,651,321 shares of our common stock, held by the stockholders named in the table below, which amount includes 8,551,168 common shares issuable upon the exercise of warrants held by the selling stockholders. The selling stockholders may exercise their warrants at any time in their sole discretion. With the exception of 500,000 shares of our common stock issued to certain consultants in consideration of services rendered, all of the selling stockholders named below acquired their shares of our common stock and warrants directly from us in private transactions.

On June 17, 2013, we entered into a securities purchase agreement and a registration rights agreement with certain accredited investors in connection with our private placement sale of 6,250,000 shares of our common stock at a price of \$1.20 per share, for aggregate gross proceeds of \$7.5 million. Pursuant to the terms of the registration rights agreement, we agreed to file with the SEC a resale registration statement covering the shares. Emerging Growth Equities, Ltd. acted as placement agent for the private placement and received \$439,300 in commissions from us. In addition, for its services as placement agent, we issued to EGE warrants to purchase an aggregate of 605,910 shares of our common stock, exercisable for a period of five years from the closing date, at an exercise price of \$1.20 per share.

In connection with the private placement, we also entered into a convertible secured promissory note conversion agreement on June 17, 2013, with certain holders of our outstanding 10% senior secured convertible bridge notes due October 15, 2013. Pursuant to the note conversion agreement, we agreed to issue to the holders of the notes 4,462,089 shares of our common stock, at the conversion price of \$1.20 per share, for the cancellation of outstanding principal of \$4,984,721 and accrued interest of \$369,786 under the notes. Certain holders elected to receive, and we agreed to make, cash payments on the accrued interest on their notes in lieu of shares of common stock. Each note holder also received a warrant to purchase that number of shares of our common stock calculated by dividing the outstanding principal amount plus accrued and unpaid interest of such note by the conversion price. The warrants are exercisable for a period of five years at an exercise price of \$1.20 per share. In connection the sale of the bridge notes, we agreed to file with the SEC a resale registration statement covering the securities issued upon conversion of the notes.

In March 2014, we conducted the private placement to certain accredited investors of 5,413,000 units of our securities at a price of \$1.00 per unit for the gross proceeds of up to \$5,413,000. Each unit consisted of one share of our common stock and a common stock purchase warrant to purchase one-quarter share of our common stock, over a five year period, at an exercise price of \$1.20 per share. In connection with the placement, we entered into a registration rights agreement with the investors, pursuant to which we agreed to cause a resale registration statement covering the common shares made part of the units to be filed by May 15, 2014. The registration rights agreement also provides that we must make certain payments as liquidated damages to the investors if we fail to timely file the registration statement and cause it to become effective. Emerging Growth Equities, Ltd. acted as placement agent for the private placement and received \$370,685 in commissions from us. In addition, for its services as placement agent, we issued to EGE warrants to purchase an aggregate of 370,685 units, as defined above, exercisable for a period of five years from the closing date, at an exercise price of \$1.00 per unit. The warrants had a fair value on date of issuance of \$461,598.

In March 2015, we conducted the private placement to certain accredited investors of 4,805,000 units of our securities at a price of \$1.00 per unit for the gross proceeds of \$4,805,000. Each unit consisted of one share of our common stock and a common stock purchase warrant to purchase one-quarter share of our common stock, over a five year period, at an exercise price of \$1.20 per share. In connection with the placement, we entered into a registration rights agreement with the investors, pursuant to which we agreed to cause a resale registration statement covering the common shares made part of the units to be filed by April 30, 2015. The registration rights agreement also provides that we must make certain payments as liquidated damages to the investors if we fail to timely file the registration statement and cause it to become effective. Emerging Growth Equities, Ltd. acted as placement agent for the private

placement and received \$234,500 in commissions from the us. In addition, for its services as placement agent, we issued to Emerging Growth Equities warrants to purchase an aggregate of 234,500 units, exercisable over a period of five years from the closing date, at an exercise price of \$1.00 per unit.

-11-

---

Table of Contents

Except as indicated below, none of the selling stockholders has held a position as an officer or director of the company, nor has any selling stockholder had any material relationship of any kind with us or any of our affiliates. Except as otherwise indicated in the footnotes to the table, the selling stockholders possess sole voting and investment power with respect to the shares shown, and no selling stockholder is a broker-dealer or an affiliate of a broker-dealer. All information with respect to share ownership has been furnished by the selling stockholders. The shares being offered are being registered to permit public secondary trading of the shares and each selling stockholder may offer all or part of the shares owned for resale from time to time.

The following table sets forth certain information known to us as of the date of this prospectus and as adjusted to reflect the sale of the shares offered hereby, with respect to the beneficial ownership of our common stock by the selling stockholders who participated in the private placement mentioned above. Except as indicated below, the share amounts under the columns “Shares Beneficially Owned Before the Offering” and “Maximum Number of Shares Offered” consist of the shares of our common stock sold by us in the private placement described above, including shares issuable to the selling shareholder upon the exercise of outstanding warrants, after giving effect to any transfers of such shares prior to the date of this prospectus. The share amounts under the columns “Shares Beneficially Owned after the Offering” assume all of the offered shares are sold pursuant to this prospectus.

Table of Contents

Name of Beneficial Owner	Shares Beneficially Owned Before the Offering		Maximum Number of Shares Offered	Shares Beneficially Owned After the Offering (1)	
	Number	%		Number	%
Sandor Capital Master Fund (2)(3)	759,011	2.7%	759,011	-0-	*
Ballyshannon Partners LP (4)	599,871	2.6%	599,871	-0-	*
Ballyshannon Family Partnership (5)	165,842	*	165,842	-0-	*
Porter Partners, LP (6)	2,332,723	8.3%	2,332,723	-0-	*
EDJ Limited (7)	343,769	1.2%	343,769	-0-	*
Porter Family Living Trust dtd 9/5/2006 (8)	291,667	1.0%	291,667	-0-	*
Ben Joseph Partners (9)	475,829	1.7%	475,829	-0-	*
Alexander M. Bush	12,500	*	12,500	-0-	*
John E. Thompson	2,083	*	2,083	-0-	*
Diker MicroCap Fund LP (10)	562,500	2.1%	562,500	-0-	*
Trellus Partners LP (11)	729,167	2.7%	729,167	-0-	*
Julie T. Berlacher	352,494	1.2%	352,494	-0-	*
Paul D. Berlacher TTEE Paul D. Berlacher Irrev. Trust (12)	20,834	*	20,834	-0-	*
Audrey E. Berlacher TTEE Audrey E. Berlacher Rev Trust (13)	20,834	*	20,834	-0-	*
David A. Houghton	174,376	*	174,376	-0-	*
Bruce E. Terker TTEE Robert A. Berlacher 2004 Family Trust (14)	41,667	*	41,667	-0-	*
Chardonnay Partners, LP (15)	178,847	*	178,847	-0-	*
Harry Mittelman Revocable Living Trust (16)	257,657	*	257,657	-0-	*
Bruce and Katherine Evans TBE	561,434	2.0%	561,434	-0-	*
Jacqueline A. Evans	12,500	*	12,500	-0-	*
JSL Kids Partners (3)(17)	83,334	*	83,334	-0-	*
James C. Barragan, Jr. and Nancy F. Barragan	41,667	*	41,667	-0-	*
Robert A. Elliott	20,834	*	20,834	-0-	*
Robert B. Prag	96,087	*	96,087	-0-	*
The Del Mar Consulting Group, Inc. Retirement Plan Trust (18)	41,667	*	41,667	-0-	*
George I. Bridges, Jr.	291,667	1.0%	291,667	-0-	*
Carl Todd Bridges and Lori D. Bridges	208,334	*	208,334	-0-	*
Clayton Green, Jr.	83,334	*	83,334	-0-	*
Taylor Green	83,334	*	83,334	-0-	*
Shelby Zimmerman	83,334	*	83,334	-0-	*
Robert A. Smith	208,334	*	208,334	-0-	*
Mark A. and Lucinda M. Henry	158,708	*	158,708	-0-	*

Edgar Filing: MOBIVITY HOLDINGS CORP. - Form 424B3

Donald K. Thomas	16,667	*	16,667	-0-	*
Mobivity Partners (19)	416,667	1.5%	416,667	-0-	*
John R. Harris (20)	100,695	*	52,083	48,612	*
ACT Capital Partners, LP (21)	317,386	1.1%	317,386	-0-	*
Amir L. Ecker	354,680	1.3%	354,680	-0-	*
Delaware Charter G T Cust FBO					
Amir L. Ecker IRA (22)	352,957	1.2%	352,957	-0-	*
Cornelis F. Wit	1,934,992	6.9%	1,934,992	-0-	*
The Ecker Family Partnership					
(23)	65,058	*	65,058	-0-	*
Gary Knutsen	123,290	*	123,290	-0-	*
Gregory J. Berlacher (3)	53,650	*	53,650	-0-	*
Emerging Growth Equities, Ltd.					
PSP dtd 9/1/99 FBO					
Gregory J. Berlacher, 401k					
(24)(3)	137,948	*	137,948	-0-	*
Emerging Growth Equities, Ltd.					
PSP dtd 9/1/99					
FBO Jay D. Seid, 401k (25)(3)	202,932	*	202,932	-0-	*
John S. Lemak IRA Rollover					
Raymond James & Assoc					
Custodian (3)(26)	104,497	*	104,497	-0-	*
Kingdom Trust Co. Roth IRA					
Cust					
FBO Robert A. Berlacher (27)	62,448	*	62,448	-0-	*
Lancaster Investment Partners,					
LP (28)	236,870	*	236,870	-0-	*
Northwood Capital Partners, LP					
(29)	281,198	1.0%	281,198	-0-	*
Randall Smith	46,720	*	46,720	-0-	*
Peter and Susan Stanley					
JTWROS	221,020	*	221,020	-0-	*
The Michael and Valerie Bynum					
Living Trust (30)	158,360	*	158,360	-0-	*
Timothy W. Schatz	33,836	*	33,836	-0-	*
Joel and Amy Wisian	63,117	*	63,117	-0-	*
Allen M. and Emily R. Bynum	58,881	*	58,881	-0-	*
Johnny and Debra Allen	16,872	*	16,872	-0-	*

Table of Contents

Name of Beneficial Owner	Shares Beneficially Owned Before the Offering		Maximum Number of Shares Offered	Shares Beneficially Owned After the Offering (1)	
	Number	%		Number	%
Jessie and Kimberly A. Allen	16,975	*	16,975	-0-	*
Donald K. and Paige Matthey Bynum	16,846	*	16,846	-0-	*
Pier Bynum	8,427	*	8,427	-0-	*
Patrick Bynum	8,427	*	8,427	-0-	*
Dennis Becker (20)	735,615	2.6%	91,914	643,701	2.3%%%
Marion Cook	83,927	*	83,927	-0-	*
James Flanigan	41,895	*	41,895	-0-	*
Steve Tebo	41,895	*	41,895	-0-	*
Berlwoods Partners, LP (31)	20,834	*	20,834	-0-	*
Cortleigh Capital Partners, LP (32)	33,334	*	33,334	-0-	*
Phyllis D. Kalista	20,834	*	20,834	-0-	*
Jay D. Seid (3)	28,125	*	28,125	-0-	*
Franz J. Berlacher	4,167	*	4,167	-0-	*
Robert D. Auritt	8,334	*	8,334	-0-	*
Kingdom Trust Company IRA c/f Richard Johnson (33)	16,667	*	16,667	-0-	*
Andrew S. Rosen	23,365	*	23,365	23,584	*
Kingdom Trust Co. SEP IRA c/f Robert A. Berlacher (37)	16,667	*	16,667	-0-	*
MJA Investments LLC (38)	12,500	*	12,500	-0-	*
JBA Investments LLC (39)	12,500	*	12,500	-0-	*
Elizabeth Arno	16,667	*	16,667	-0-	*
Kingdom Trust Co. IRA FBO Daniel C. Gardner (40)	20,834	*	20,834	-0-	*
Brodsky Family Trust (41)	125,000	*	125,000	-0-	*
Ivy L. Fredericks	20,834	*	20,834	-0-	*
Robert Winter	20,834	*	20,834	-0-	*
Pak Cheong Choi & Susan Huang Choi JTWROS	8,334	*	8,334	-0-	*
John C. Lipman	3,750	*	3,750	-0-	*
Lipman Capital Group Inc. Retirement Plan (43)	8,749	*	8,749	-0-	*
Marcelle Weems Bynum	12,654	*	12,654	-0-	*
Lavonne Bynum	12,654	*	12,654	-0-	*
Cecil Glen Bynum and Cathey Lynn Bynum, Tenants in Common	43,578	*	33,744	9,834	*
David Gomez	88,109	*	88,109	-0-	*
David Hiron	85,075	*	85,075	-0-	*
Dillon Page and Vickie Page, Joint Tenants	96,758	*	96,758	-0-	*
Russell Sarachek	33,334	*	33,334	-0-	*
Mayumi Ishii Post	20,834	*	20,834	-0-	*
Kingdom Trust Company IRA Rollover FBO Franz J. Berlacher (44)	20,834	*	20,834	-0-	*
	27,084	*	27,084	-0-	*

Edgar Filing: MOBIVITY HOLDINGS CORP. - Form 424B3

Kingdom Trust Co. Roth IRA c/f Julie T. Berlacher (45)					
David Moss	69,959	*	69,959	-0-	*
VFT Special Ventures, Ltd (47)	1,362,404	4.9%	1,362,404	-0-	
Trellus Small Cap Opportunity Fund LP (48)	312,500	1.1%	312,500	-0-	*
David Jaques (20)	69,791	*	31,250	38,541	*
Kobe Partners, LP (49)	468,750	1.7	468,750	-0-	*
Logos Partners L.P. (50)	125,000	*	125,000	-0-	*
Perritt Ultra MicroCap Fund (51)	825,000	2.9%	825,000	-0-	*
Thomas B. Akin (20)	1,250,000	4.4%	1,250,000	-0-	*
Kingdom Trust cust. FBO David A. Houghton IRA (52)					
Jon D. and Linda W. Gruber Trust (53)	1,250,000	4.4%	1,250,000	-0-	*
Steven T. Newby	125,000	*%	125,000	-0-	*
London Family Trust (54)	125,000	*	125,000	-0-	*
NFS/FMTC IRA fbo Amir L. Ecker (55)	93,750	*	93,750	-0-	*
Lacuna Hedge Fund, LLLP (56)	125,000	*	125,000	-0-	*
John E. Thompson, III	62,500	*	62,500	-0-	*
Lincoln Park Capital Fund, LLC (57)	25,000	*	25,000	-0-	*
Jonathan Cassell	12,500	*	12,500	-0-	*
IP ROI US Small Cap Aktier (58)	468,750	1.6%	468,750	-0-	*
Talkot Fund, L.P. (20)	1,875,000	6.7%	1,875,000	-0-	*
Peter Backus	250,000	*	250,000	-0-	*
Larry C. Hopfensirger Trust (59)	162,500	*	162,500	-0-	*
Peter S. Lynch Charitable Lead Annuity Unitrust 3/3/97 (60)					
Peter S. Lynch Charitable Lead Annuity U/A 3/27/96 (60)	78,125	*	78,125	-0-	*
Peter S. Lynch 1999 Unitrust (61)	156,250	*	156,250	-0-	*
Peter S. and Carolyn A. Lynch Joint Trust with Right of Survival (61)					
The Lynch Foundation (61)	156,250	*	156,250	-0-	*
Elmer R. Salovich Revocable Living Trust (62)					
John Texter	218,750	*	218,750	-0-	*
Wall Street Capital Partners, L.P. (63)	125,000	*	125,000	-0-	*
Donna S. Mitchell (20)	125,000	*	125,000	-0-	*
Alexander Shah (20)	93,750	*	93,750	-0-	*
William Van Epps (20)	62,500	*	62,500	-0-	*
Phillip Guarascio (20)	56,250	*	31,250	25,000	*
Alex Partners, LLC (64)	200,000	*	200,000	-0-	*
The Del Mar Consulting Group, Inc. (65)	300,000	1.0	300,000	-0-	*

\* Less than 1%.

Table of Contents

- (1) Assumes that all securities offered are sold.
- (2) The selling stockholder indicated to us that John S. Lemak, Manager of Sandor Capital Master Fund, has voting and investment power over the shares it is offering for resale.
- (3) The selling stockholder identified itself to us as an affiliate of a broker-dealer. It has indicated to us that it purchased the shares in the ordinary course of business, and at the time of the purchase of the shares to be resold, had no agreements or understandings, directly or indirectly, with any person to distribute the shares.
- (4) The selling stockholder indicated to us that Bruce E. Terker, President of Ballyshannon Partners, L.P., has voting and investment power over the shares it is offering for resale.
- (5) The selling stockholder indicated to us that Bruce E. Terker, President of Ballyshannon Family Partnership, L.P., has voting and investment power over the shares it is offering for resale.
- (6) The selling stockholder indicated to us that Jeffrey H. Porter, General Partner of Porter Partners, L.P., has voting and investment power over the shares it is offering for resale.
- (7) The selling stockholder indicated to us that Jeffrey H. Porter, Investment Advisor of EDJ Limited, has voting and investment power over the shares it is offering for resale.
- (8) The selling stockholder indicated to us that Jeffrey H. Porter, Trustee of Porter Family Living Trust dtd. 9/5/2006, has voting and investment power over the shares it is offering for resale.
- (9) The selling stockholder indicated to us that Jeffrey H. Porter, General Partner of Ben Joseph Partners, has voting and investment power over the shares it is offering for resale.
- (10) The selling stockholder indicated to us that Ken Brower, Chief Financial Officer of Diker Micro Cap Fund LP, has voting and investment power over the shares it is offering for resale.
- (11) The selling stockholder indicated to us that James Scaplen, Chief Financial Officer of Trellus Partners LP, has voting and investment power over the shares it is offering for resale.
- (12) The selling stockholder indicated to us that Paul D. Berlacher, Trustee of the Paul D. Berlacher Irrev. Trust, has voting and investment power over the shares it is offering for resale.
- (13) The selling stockholder indicated to us that Audrey E. Berlacher, Trustee of the Audrey E. Berlacher Rev Trust, has voting and investment power over the shares it is offering for resale.
- (14) The selling stockholder indicated to us that Bruce E. Terker, Trustee of the Robert A. Berlacher 2004 Family Trust, has voting and investment power over the shares it is offering for resale.
- (15) The selling stockholder indicated to us that Robert A. Berlacher, General Partner of Chardonnay Partners, LP, has voting and investment power over the shares it is offering for resale.
- (16) The selling stockholder indicated to us that Harry Mittelman, Trustee of the Harry Mittelman Revocable Living Trust, has voting and investment power over the shares it is offering for resale.
- (17)

The selling stockholder indicated to us that John S. Lemak, Manager of JSL Kids Partners, has voting and investment power over the shares it is offering for resale.

- (18) The selling stockholder indicated to us that Robert B. Prag, Trustee of The Del Mar Consulting Group, Inc. Retirement Plan Trust, has voting and investment power over the shares it is offering for resale.
- (19) The selling stockholder indicated to us that Julie Krupala, Secretary of Mobivity Partners, has voting and investment power over the shares it is offering for resale.
  - (20) The selling stockholder is, or is an affiliate of, an executive officer or director of our company.
- (21) The selling stockholder indicated to us that Carol Frankenfield, General Partner of ACT Capital Partners, LP, has voting and investment power over the shares it is offering for resale.
- (22) The selling stockholder indicated to us that Amir L. Ecker, IRA Owner of Delaware Charter G T Cust. FBO Amir L. Ecker IRA, has voting and investment power over the shares it is offering for resale.
- (23) The selling stockholder indicated to us that Amir L. Ecker, General Partner of The Ecker Family Partnership, has voting and investment power over the shares it is offering for resale.
- (24) The selling stockholder indicated to us that Gregory J. Berlacher, Owner of Emerging Growth Equities Ltd PSP dtd 9/1/99 FBO Gergory J. Berlacher 401k, has voting and investment power over the shares it is offering for resale.

Table of Contents

- (25) The selling stockholder indicated to us that Jay D. Seid, Owner of Emerging Growth Equities Ltd PSP dtd 9/1/99 FBO Jay D. Seid 401k, has voting and investment power over the shares it is offering for resale.
- (26) The selling stockholder indicated to us that John S. Lemak, IRA Owner of the John S. Lemak IRA Rollover, Raymond James & Assoc. custodian, has voting and investment power over the shares it is offering for resale.
- (27) The selling stockholder indicated to us that Robert A. Berlacher, IRA Owner of Kingdom Trust Co. Roth IRA Cust FBO Robert A. Berlacher, has voting and investment power over the shares it is offering for resale.
- (28) The selling stockholder indicated to us that Robert A. Berlacher, Manager of Lancaster Investment Partners, LP, has voting and investment power over the shares it is offering for resale.
- (29) The selling stockholder indicated to us that Robert A. Berlacher, Manager of Northwood Capital Partners, LP, has voting and investment power over the shares it is offering for resale.
- (30) The selling stockholder indicated to us that Michael K. and Valerie L. Bynum, Trustees of The Michael and Valerie Bynum Living Trust, have voting and investment power over the shares it is offering for resale.
- (31) The selling stockholder indicated to us that Robert A. Berlacher, Managing Member of Berlwoods Partners, LP, has voting and investment power over the shares it is offering for resale.
- (32) The selling stockholder indicated to us that Christine Groves, Partner of Cortleigh Capital Partners, LP, has voting and investment power over the shares it is offering for resale.
- (33) The selling stockholder indicated to us that Richard Johnson, IRA Owner of Kingdom Trust Company IRA c/f Richard Johnson, has voting and investment power over the shares it is offering for resale.
- (34) The selling stockholder indicated to us that Carol G. Frankenfield, General Partner of ACT Capital Management LLP, has voting and investment power over the shares it is offering for resale.
- (35) The selling stockholder indicated to us that Amir L. Ecker, IRA Owner of Delaware Charter G T Cust FBO Amir L. Ecker ROTH IRA, has voting and investment power over the shares it is offering for resale.
- (36) The selling stockholder indicated to us that Carol G. Frankenfield, IRA Owner of Delaware Charter G T Cust FBO Carol G. Frankenfield IRA, has voting and investment power over the shares it is offering for resale.
- (37) The selling stockholder indicated to us that Robert A. Berlacher, IRA Owner of Kingdom Trust Co. SEP IRA c/f Robert A. Berlacher, has voting and investment power over the shares it is offering for resale.
- (38) The selling stockholder indicated to us that Andrew Arno, Advisor of MJA Investments LLC, has voting and investment power over the shares it is offering for resale.
- (39) The selling stockholder indicated to us that Andrew Arno, Advisor of JBA Investments LLC, has voting and investment power over the shares it is offering for resale.
- (40) The selling stockholder indicated to us that Daniel C. Gardner, IRA Owner of Kingdom Trust Co. IRA FBO Daniel C. Gardner, has voting and investment power over the shares it is offering for resale.
- (41)

Edgar Filing: MOBIVITY HOLDINGS CORP. - Form 424B3

The selling stockholder indicated to us that Peter Brodsky, Trustee of the Brodsky Family Trust, has voting and investment power over the shares it is offering for resale.

- (42) The selling stockholder indicated to us that Brian J. Grossi, Trustee of the Brian J. Grossi 2007 Revocable Trust, has voting and investment power over the shares it is offering for resale.
- (43) The selling stockholder indicated to us that John C. Lipman, Owner of Lipman Capital Group Inc. Retirement Plan, has voting and investment power over the shares it is offering for resale.
- (44) The selling stockholder indicated to us that Franz J. Berlacher, IRA Owner of Kingdom Trust Company IRA Rollover FBO Franz J. Berlacher, has voting and investment power over the shares it is offering for resale.

Table of Contents

- (45) The selling stockholder indicated to us that Julie T. Berlacher, IRA Owner of Kingdom Trust Co. ROTH IRA c/f Julie T. Berlacher, has voting and investment power over the shares it is offering for resale.
- (46) The selling stockholder indicated to us that Dean McDonald, Limited Partner of BMO Nesbitt Burns ITF 365-24977-22, has voting and investment power over the shares it is offering for resale.
- (47) Represents shares underlying warrants issued to Emergency Growth Equities, Ltd. as placement agent compensation. The selling stockholder indicated to us that Gregory J. Berlacher has voting and investment power over the shares it is offering for resale.
- (48) The selling stockholder indicated to us that James Scaplen, Chief Financial Officer of Trellus Small Cap Opportunity Fund LP, has voting and investment power over the shares it is offering for resale.
- (49) The selling stockholder indicated to us that Eric Carter, Portfolio Manager of Kobe Partners, LP, has voting and investment power over the shares it is offering for resale.
- (50) The selling stockholder indicated to us that Clark Lehman, General Partner of Logos Partners, LP, has voting and investment power over the shares it is offering for resale.
- (51) The selling stockholder indicated to us that Lynn Bermeister, Vice President of Perritt Ultra MicroCap Fund has voting and investment power over the shares it is offering for resale.
- (52) The selling stockholder indicated to us that David Houghton has voting and investment power over the shares it is offering for resale.
- (53) The selling stockholder indicated to us that Jon Gruber, Trustee of the Gruber Trust, has voting and investment power over the shares it is offering for resale.
- (54) The selling stockholder indicated to us that Robert London, trustee of the London Family Trust, has voting and investment power over the shares it is offering for resale.
- (55) The selling stockholder indicated to us that Amir Ecker has voting and investment power over the shares it is offering for resale.
- (56) The selling stockholder indicated to us that Wink James, Managing Partner of Lacuna Hedge Fund, LLLP, has voting and investment power over the shares it is offering for resale.
- (57) The selling stockholder indicated to us that Joshua Sheinfeld, CEO of Lincoln Park Capital Fund, LLC, has voting and investment power over the shares it is offering for resale.
- (58) The selling stockholder indicated to us that Mitchell J. Soboleski, Investment Manager of IPO ROI US Small Cap Aktier has voting and investment power over the shares it is offering for resale.
- (59) The selling stockholder indicated to us that Larry Hopfenspirger, Grantor and Trustee of Larry C. Hopfenspirger Revocable Trust has voting and investment power over the shares it is offering for resale.
- (60) The selling stockholder indicated to us that Carolyn A. Lynch, Trustee of Peter S. Lynch Charitable Lead Unitrust 3/3/97 and Peter S. Lynch Charitable Lead Annuity U/A 3/27/96 has voting and investment power over the shares it is offering for resale.

- (61) The selling stockholder indicated to us that Peter S. Lynch, Trustee of Peter S. Lynch 1999 Unitrust, Peter S. and Carolyn A. Lynch Joint Trust with Right of Survival and The Lynch Foundation has voting and investment power over the shares it is offering for resale.
- (62) The selling stockholder indicated to us that E. R. Salovich, Trustee of Elmer R. Salovich Revocable Living Trust has voting and investment power over the shares it is offering for resale.
- (63) The selling stockholder indicated to us that Jeff Kone, Managing Member of Wall Street Capital Partners, L.P. has voting and investment power over the shares it is offering for resale.
- (64) We issued 200,000 shares of our common stock to Alex Partners, LLC in consideration of services rendered. We granted Alex Partners, LLC piggyback registration rights with respect to the shares. The selling stockholder indicated to us that Scott Wilfong, Managing Member of Alex Partners, LLC, has voting and investment power over the shares it is offering for resale.
- (65) We issued 300,000 shares of our common stock to The Del Mar Consulting Group, Inc. in consideration of services rendered. We granted The Del Mar Consulting Group, Inc. piggyback registration rights with respect to the shares. The selling stockholder indicated to us that Robert Prag, President of The Del Mar Consulting Group, Inc., has voting and investment power over the shares it is offering for resale.

Table of Contents

PLAN OF DISTRIBUTION

The selling stockholders may, from time to time, sell any or all of their shares of common stock on any stock exchange, market or trading facility on which the shares are traded or in private transactions. The shares owned by the selling stockholders may be sold at the then-current market price or in negotiated transactions. The selling stockholders may use any one or more of the following methods when selling shares:

ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;

block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;

purchases by a broker-dealer as principal and resale by the broker-dealer for its account;

an exchange distribution in accordance with the rules of the applicable exchange;

privately negotiated transactions;

short sales;

broker-dealers may agree with the selling stockholders to sell a specified number of such shares at a stipulated price per share;

a combination of any such methods of sale; and

any other method permitted pursuant to applicable law.

The selling stockholders may also sell shares under Rule 144 under the Securities Act, if available, rather than under this prospectus.

The selling stockholders may also engage in puts and calls and other transactions in our securities or derivatives of our securities and may sell or deliver shares in connection with these trades.

Broker-dealers engaged by the selling stockholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the selling stockholders (or, if any broker-dealer acts as agent for the purchaser of shares, from the purchaser) in amounts to be negotiated. The selling stockholders do not expect these commissions and discounts to exceed what is customary in the types of transactions involved. Any profits on the resale of shares of common stock by a broker-dealer acting as principal might be deemed to be underwriting discounts or commissions under the Securities Act. Discounts, concessions, commissions and similar selling expenses, if any, attributable to the sale of shares will be borne by a selling stockholder. The selling stockholders may agree to indemnify any agent, dealer or broker-dealer that participates in transactions involving sales of the shares if liabilities are imposed on that person under the Securities Act.

The selling stockholders may from time to time pledge or grant a security interest in some or all of the shares of common stock owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the shares of common stock from time to time under this prospectus after we have filed a supplement to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act of 1933 amending the list of selling stockholders to include the pledgee, transferee or other successors in interest as selling stockholders under this prospectus.

The selling stockholders also may transfer the shares of common stock in other circumstances, in which case the transferees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus and may sell the shares of common stock from time to time under this prospectus after we have filed a supplement to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act of 1933 amending the list of selling stockholders to include the pledgee, transferee or other successors in interest as selling stockholders under this prospectus.

The selling stockholders and any broker-dealers or agents that are involved in selling the shares of common stock may be deemed to be “underwriters” within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares of common stock purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act.

We are required to pay all fees and expenses incident to the registration of the shares of common stock. We have agreed to indemnify the selling stockholders against certain claims, damages and liabilities, including liabilities under the Securities Act.

The selling stockholders have advised us that they have not entered into any agreements, understandings or arrangements with any underwriters or broker-dealers regarding the sale of their shares of common stock, nor is there an underwriter or coordinating broker acting in connection with a proposed sale of shares of common stock by any selling stockholder. If we are notified by any selling stockholder that any material arrangement has been entered into with a broker-dealer for the sale of shares of common stock, if required, we will file a supplement to this prospectus. If the selling stockholders use this prospectus for any sale of the shares of common stock, they will be subject to the prospectus delivery requirements of the Securities Act.

The anti-manipulation rules of Regulation M under the Securities Exchange Act of 1934 may apply to sales of our common stock and activities of the selling stockholders.

Table of Contents

## MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Our common stock is quoted on the OTC Bulletin Board under the stock symbol “MFON.” Our common stock trades only sporadically and has experienced in the past, and is expected to experience in the future, significant price and volume volatility.

The following table shows the reported high and low closing sale prices for our common stock based on information provided by the OTC Bulletin Board for the periods indicated.

Year Ended December 31, 2015	High	Low
Third Quarter (through August 21, 2015)	\$1.00	\$0.75
Second Quarter	\$1.20	\$0.75
First Quarter	\$1.49	\$1.13
Year Ended December 31, 2014	High	Low
Fourth Quarter	\$1.66	\$1.07
Third Quarter	\$1.38	\$0.86
Second Quarter	\$1.50	\$1.05
First Quarter	\$1.89	\$1.39
Year Ended December 31, 2013	High	Low
Fourth Quarter	\$3.00	\$1.70
Third Quarter	\$4.20	\$2.40
Second Quarter	\$2.52	\$1.02
First Quarter	\$2.04	\$1.26

## Holders of Record

As of the date of this prospectus, there were 340 record holders of our common stock.

## Dividends

We have not paid any cash dividends since our inception and do not contemplate paying dividends in the foreseeable future. It is anticipated that earnings, if any, will be retained for the operation of our business.

## Equity Compensation Plan Information

The following table sets forth additional information as of December 31, 2014 with respect to the shares of common stock that may be issued upon the exercise of options and other rights under our existing equity compensation plans and arrangements in effect as of December 31, 2014. The information includes the number of shares covered by, and the weighted average exercise price of, outstanding options and the number of shares remaining available for future grant, excluding the shares to be issued upon exercise of outstanding options.

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity
---------------	------------------------------------------------------------------------	--------------------------------------------------------	---------------------------------------------------------------------------

	(a)	(b)	compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans not approved by security holders (1)	6,085,015	\$ 1.92	94,259
Equity compensation plans approved by security holders	-	-	-
Total	6,085,015	\$ 1.92	94,259

(1) Comprised of our 2010 Incentive Stock Plan and our 2013 Incentive Stock Plan

Table of Contents

MANAGEMENT'S DISCUSSION AND ANALYSIS  
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the financial statements and the related notes and other information that are included elsewhere in this prospectus. This discussion contains forward looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, expectations, and intentions. Actual results and the timing of events could differ materially from those anticipated in these forward looking statements as a result of a number of factors, including those set forth in the section "Risk Factors."

Overview

We are in the business of developing and operating proprietary platforms over which resellers, brands and enterprises can conduct localized mobile marketing campaigns. Our proprietary platforms allow resellers, brands and enterprises to market their products and services to consumers through text messages sent directly to the consumers' mobile phones, content on printed receipts, mobile device applications, which consists of software available to both phones and tablet PCs. We generate revenue by charging the brands and enterprises a per-message transactional fee, or through fixed or variable software licensing fees. Our customers include national franchisers, professional sports teams and associations and other national brands such as Sonic Drive-In, Subway, Jamba Juice, Chick-Fil-A, and others.

Mobile phone users represent a large and captive audience. While televisions, radios, and even PCs are often shared by multiple consumers, mobile phones are personal devices representing a unique and individual address to the end user. We believe that the future of digital media will be significantly influenced by mobile phones where a direct, personal conversation can be had with the world's largest target audience. According to a report published by International Data Corporation (IDC), by 2015, more U.S. Internet users will access the Internet through mobile devices than through PCs or other wireless devices (Worldwide New Media Market Model 1H-2012 Highlights: Internet Becomes Ever More Mobile, Ever Less PC-Based (IDC #237459)). The IDC study further reports that the number of people accessing the Internet, in the U.S., through PCs will shrink from 240 million consumers in 2012 to 225 million in 2016. At the same time, the number of mobile users will increase from 174 million to 265 million. We believe the future of mobile applications and services includes banking, commerce, advertising, video, games and just about every other aspect of both on and offline life.

Our "C4" Mobile Marketing and customer relationship management platform is a Web-hosted software solution enabling our clients to develop, execute, and manage a variety of marketing engagements, to a consumer's mobile phone. Our C4 solution allows our clients to communicate directly with their customers through Short Messaging Service, or SMS, multi-media messaging, and interactive voice response interactions, all of which are facilitated via a set of graphical user interfaces operated from any Web browser.

Our C4 platform also allows our customers to deploy and administer our "Stampt" mobile device loyalty application. Stampt is a smartphone replacement for "Buy 10, Get 1 free" punch cards. Consumers no longer need to worry about forgetting paper-based loyalty punch cards. Stampt makes it easy to receive all of the rewards consumers want from their favorite businesses. Consumers can use Stampt throughout the United States to earn free sandwiches, coffee, pizza, frozen yogurt, donuts, bagels and more.

Stampt's nearby feature shows consumers all of the rewards they can earn at nearby businesses. From the Stampt mobile device application, consumers simply tap any business to learn more about that business and to see all of the loyalty points they have earned at that business. Consumers can keep track of all of the rewards they are close to earning through the "my cards" feature displayed in the application's interface. Once a consumer has earned all of the

Stamp's they need for a reward, they simply show the cashier and click "tap to redeem" button from the application interface on their device. Our customers can create and manage any Stamp program from the C4 platform's set of Web-based interfaces.

-20-

---

## Table of Contents

Our SmartReceipt solution enables our customers with the ability to control the content on receipts printed from their point of sale, or POS system. SmartReceipt is a software application that is installed on the POS which dynamically controls what is printed on receipts such as coupons, announcements, or other calls-to-action such as invitations to participate in a survey. Receipt includes a Web-based interface where users can design receipt content and implement business rules to dictate what receipt content is printed in particular situations. All receipt content is also transmitted to SmartReceipt's server back-end for storage and analysis. Our C4 solution integrates with SmartReceipt by support SMS marketing or Stamp mobile application calls-to-action which can be printed on receipt content by SmartReceipt.

We also offer our clients reporting and analytics capabilities through the C4 solution which allows our clients to assess the effectiveness of their mobile marketing campaigns and design more effective campaigns. Our proprietary platform connects to all wireless carriers so that any consumer, on any wireless service (for example, Verizon), can join our customer's mobile marketing campaign. Once the consumer has subscribed to our customer's mobile marketing campaign, our C4 Web-based software solution serves as a tool by which our customers can initiate messages and other communications back to their subscribed consumers, as well as configure and administer their mobile marketing campaigns.

We believe that mobile devices are emerging as an important interactive channel for brands to reach consumers since it is the only media platform that has access to the consumer virtually anytime and anywhere. According to eMarketer's article, published August 1, 2013 (<http://www.emarketer.com/Article/Digital-Set-Surpass-TV-Time-Spent-with-US-Media/1010096>), U.S. adults now spend more time on their mobile device than any other digital channel such as PCs. eMarketer also reports that U.S. adults already spend more time on their mobile phone than viewing print or listening to radio combined. We believe that brands and advertising agencies are recognizing the unique benefits of the mobile channel and they are increasingly integrating mobile media within their overall advertising and marketing campaigns. Our objective is to become the industry leader in connecting brands and enterprises to consumers' mobile phones.

## Recent Events

### 2015 Securities Purchase Agreement

In March 2015, we conducted the private placement of our securities for the gross proceeds of \$4,805,000. In the private placement, we sold 4,805,000 units of our securities at a price of \$1.00 per unit. Each unit consists of one share of our common stock and a common stock purchase warrant to purchase one-quarter share of our common stock, over a five year period, at an exercise price of \$1.20 per share. We entered into a Registration Rights Agreement with the investors, pursuant to which we agreed to cause a resale registration statement covering the common shares made part of the units to be filed by April 30, 2015. The Registration Rights Agreement also provides that we must make certain payments as liquidated damages to the investors if it fails to timely file the registration statement and cause it to become effective.

Emerging Growth Equities, Ltd. ("EGE") acted as placement agent for the private placement and received \$234,500 in commissions from us. In addition, for its services as placement agent, we issued to EGE warrants to purchase an aggregate of 234,500 units, as defined above, exercisable for a period of five years from the closing date, at an exercise price of \$1.00 per unit.

## Table of Contents

### 2014 Smart Receipt Acquisition

On March 12, 2014, we acquired all of the assets of SmartReceipt, Inc. in exchange for: (1) our payment at closing of \$2.212 million of cash, net of a \$150,000 loan made by us to SmartReceipt in January 2014; (2) our issuance of 504,884 shares of our common stock; and (3) our earn-out payment of 200% of the “eligible revenue” over the 12 month period following the close of the transaction (“earn-out period”). The “eligible revenue” will consist of: 100% of our revenue derived during the earn out period from the sale of SmartReceipt products and services to certain SmartReceipt clients as of the close (the “designated SmartReceipt clients”); plus 50% of our revenue derived during the earn out period from the sale of our products and services to the designated SmartReceipt clients, plus 50% of our revenue derived during the earn out period from the sale of SmartReceipt products and services to our clients who are not designated SmartReceipt clients. The earn-out payment will be payable in our common shares at a rate of \$1.38 per share, representing the volume weighted average trading price of our common stock for the 90 trading days preceding the initial close.

### 2014 Securities Purchase Agreement

In March 2014, we conducted the private placement of 5,413,000 units of our securities at a price of \$1.00 per unit for the gross proceeds of up to \$5,413,000. Each unit consisted of one share of our common stock and a common stock purchase warrant to purchase one-quarter share of our common stock, over a five year period, at an exercise price of \$1.20 per share. We entered into a Registration Rights Agreement with the investors, pursuant to which we agreed to cause a resale registration statement covering the common shares made part of the units to be filed by May 15, 2014. The Registration Rights Agreement also provides that we must make certain payments as liquidated damages to the investors if we fail to timely file the registration statement and cause it to become effective. EGE acted as placement agent for the private placement and received \$370,685 in commissions from us. In addition, for its services as placement agent, we issued to EGE warrants to purchase an aggregate of 370,685 units, as defined above, exercisable for a period of five years from the closing date, at an exercise price of \$1.00 per unit.

### Reverse Stock Split

On November 12, 2013, we effected a 1 for 6 reverse stock split of the outstanding shares of our common stock and reduced our authorized common stock to 50,000,000 shares. All historical share and share price information have been adjusted retrospectively to give effect to the reverse stock split.

### 2013 Acquisitions

In May 2013, we acquired the assets of Sequence, LLC (“Sequence”) related to a mobile customer loyalty application (“Stamp”). The acquired assets include all application software, URL’s, websites, trademarks, brands, customers and customer lists. We assumed no liabilities of Sequence.

The purchase price consisted of: (1) \$300,000 in cash; (2) 125,000 shares of our common stock which were valued at \$183,750 based on the closing market price on the acquisition date; and (3) twenty-four monthly earn-out payments consisting of 10% of the eligible monthly revenue subsequent to closing.

Also in May 2013, we acquired certain assets and liabilities of Front Door Insights, LLC (“FDI”) pursuant to an asset purchase agreement. The assets and liabilities acquired from FDI consisted of cash on hand, accounts receivable, all rights under all contracts other than excluded contracts, prepaid expenses, all technology and intellectual property rights, accounts payable, and obligations under a commercial lease.

The purchase price consisted of: (1) \$100,000 in cash; (2) a promissory note in the principal amount of \$1,400,000; and (3) 1,166,667 shares of our common stock which were valued at \$1,112,310 based on the closing market price on the acquisition date.

-22-

---

## Table of Contents

### 2013 Private Placement and Conversion of Bridge Notes

Between June and August 2013, we conducted the private placement of 6,130,000 shares of our common stock at \$1.20 per share and received net proceeds of \$6,897,177. We also converted all of our outstanding Bridge Notes and substantially all of our interest payable on the Bridge Notes into 4,462,089 shares of our common stock at a rate of \$1.20 per share. We no longer have any Bridge Notes outstanding. EGE acted as a placement agent for the private placement and received \$439,300 in commissions from us. In addition, for its services as placement agent, we issued to EGE warrants to purchase an aggregate of 605,910 shares of our common stock, exercisable for a period of five years from the closing date, at an exercise price of \$1.20 per share.

### Results of Operations

#### Six Months Ended June 30, 2015 Compared to Six Months Ended June 30, 2014

##### Revenues

Revenues consist of several different lines of business. These include, 800 hosted call-in (“IVR”); short message service (“SMS”); Stampt (our loyalty application); Smart Receipt; point-of-purchase (“POP”) marketing display; campaign revenue which is derived from a flat monthly subscription fee associated with “text-to-win” campaigns by our customers; Ad Model revenues which are paid on a per coupon redemption basis, and other revenues.

Revenues for the six months ended June 30, 2015 were \$2,031,417, an increase of \$18,311, or 1%, compared to the same period in 2014. The net increase is primarily attributable to revenues attributed to Smart Receipt, which we acquired on March 12, 2014. We realized \$485,045 of revenue from the acquired SmartReceipt operations during the six months ended June 30, 2015, whereas we had only 112 days, or \$336,395 of revenue from the Smart Receipt operations during the prior year period. These increases were offset by a decrease in revenues in the amount of \$127,382, from IVR and SMS.

##### Cost of Revenues

Cost of revenues consist primarily of cloud based software licensing fees, short code maintenance expenses, personal related expenses and other expenses.

Cost of revenues for the six months ended June 30, 2015 was \$533,952, an increase of \$14,718, or 3%, compared to the same period in 2014. This increase is primarily due to higher startup and application fees on new contracts whose return on investment is not immediately realized. These are offset by lower IVR cost of revenues in proportion to the decline in revenues.

##### General and Administrative

General and administrative expenses consist primarily of salaries and personnel related expenses, consulting costs and other expenses.

General and administrative expenses increased \$223,837, or 11%, during the six months ended June 30, 2015 compared to the same period in 2014. The increase in general and administrative expense was primarily due to increased personnel expenses and facilities expenses. Personnel related expenses increased \$404,963, which included \$128,251 of stock based compensation, due to increased management and support headcount as compared to the same period in 2014. Facilities expense increased \$66,214 primarily related to the lease termination charge and additional leased office space located in San Diego, California in September 2014. These increases were offset by decreases in

consulting expenses of \$70,597 related to the SmartReceipt acquisition in 2014. Legal fees decreased \$77,375 due to lower legal costs associated with our business activities during the period. Investor relations fees decreased \$28,525 due to the engagement of a new investor relations firm in September 2014. Accounting fees decreased \$84,827 due to the prior year additional costs related to the acquisition of Smart Receipt. Bad debt expense decreased by \$30,947 due to better collection on overdue accounts.

## Table of Contents

### Sales and Marketing

Sales and marketing expenses consist primarily of salaries and personnel related expenses, stock-based compensation expense, consulting costs and other expenses

Sales and marketing expenses were relatively flat during the six months ended June 30, 2015 compared to the same period in 2014, decreasing by \$5,418, or less than 1%. During the six months ended June 30, 2015, personnel related expenses increased \$143,023 primarily due to increased staffing compared to 2014. Sales related travel & entertainment expenses decreased \$140,800 over the prior year.

### Engineering, Research & Development

Engineering, research & development costs include salaries, stock based compensation expenses, travel, consulting costs, and other expenses.

Engineering, research & development expenses decreased \$366,092, or 54%, during the six months ended June 30, 2015 compared to the same period in 2014. The decrease was primarily due to the capitalization of production costs of \$402,106 incurred in relation to internal software development (see notes 2 and 5) and lower consulting costs of \$142,676 as compared to 2014. These decreases were partially offset by increased personnel costs primarily related to an increase in staffing to support the Company's growth.

### Depreciation and Amortization

Depreciation and amortization expense consists of depreciation on our equipment and amortization of our intangible assets. Depreciation and amortization expense decreased \$45,478, or 25%, during the six months ended June 30, 2015 compared to the same period in 2014.

### Interest Expense

Interest expense consists of stated or implied interest expense on our notes payable, amortization of note discounts, and amortization of deferred financing costs. Interest expense decreased \$1,680, or 100%, during the six months ended June 30, 2015 compared to the same period in 2014.

### Change in Fair Value of Derivative Liabilities

The change in fair value of derivative liabilities for the six months ended June 30, 2015 and 2014 was a loss of \$6,815 and a gain of \$57,792, respectively.

The value of the derivative liabilities at any given date is based primarily on the value and volatility of our common stock, among other less significant factors. In periods when our stock price or volatility rises, we expect to record a loss in the change in fair value of the derivative liabilities. The conversion of convertible notes payable into common shares in June 2013, reducing the number of warrants subject to derivative liability treatment, significantly reduced our ongoing exposure to derivative liability valuation adjustments.

### Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

#### Revenues

Revenues for 2014 were \$4,000,202, a decrease of \$93,465, or 2.0%, compared to 2013. The decrease is primarily attributable to attrition of large enterprise clients, as well as revenue from one-time events that did not recur in 2014, in the amount of \$747,059, and declining small business based revenues of \$385,334. These decreases were offset by an increase of \$232,985 in Reseller based revenues, and an increase of \$805,943 resulting from the Company's acquisition of SmartReceipt, and other minor factors.

#### Cost of Revenues

Cost of revenues for 2014 was \$1,066,917, a decrease of \$55,120, or 5.0%, compared to 2013. This decrease is primarily attributable to a \$93,179 reduction in SMS costs resulting from negotiated cost reductions and lower overall messaging volume, and savings in merchant fees and affiliate commissions. These savings were partially offset by higher server costs as compared to 2013 resulting from additional needs to support the various acquisitions that took place in 2013 and 2014.

#### General and Administrative

General and administrative expenses consist primarily of salaries and personnel related expenses, stock-based compensation expense, consulting costs and other expenses.

General and administrative expenses increased \$853,994, or 25%, during 2014 compared to 2013. The increase in general and administrative expense was primarily due to higher stock based compensation expense of \$823,000; higher facilities costs of \$97,000 due to the SmartReceipt acquisition and additional office space in San Diego, CA; additional personnel expenses of \$82,000, which included additional HR fees due to the procurement of TriNet PEO HR services; and higher dues and subscriptions of \$67,000, partially from the SmartReceipt acquisition and from companywide software licensing fees increased due to staffing increases. These increases were partially offset by reductions in legal expense of \$236,000.

#### Sales and Marketing Expense

Sales and marketing expenses consist primarily of salaries and personnel related expenses, stock-based compensation expense, sales travel, consulting costs and other expenses

Sales and marketing expenses increased \$425,650, or 12%, during 2014 compared to 2013. The increase in sales and marketing expense was primarily due to higher employee related expense of \$687,000 due to the acquisition of SmartReceipt, and higher travel and tradeshow expenses of \$198,000 partially offset by a decrease in stock based compensation expense of \$384,000.

## Table of Contents

### Engineering, Research, and Development Expense

Engineering, research, and development expenses consist primarily of salaries and personnel related expenses, stock-based compensation expense, consulting costs and other expenses.

Engineering, research, and development expenses increased \$521,545, or 63%, during 2014 compared to 2013. The increase in engineering, research, and development expenses was primarily due to higher employee related expenses.

### Depreciation and Amortization Expense

Depreciation and amortization expense consists of depreciation on our equipment and amortization of our intangible assets.

Depreciation and amortization expense increased \$145,857, or 54%, during 2014 compared to 2013 as a result of an increase in amortization expense from our acquired intangible assets of SmartReceipt in 2014.

Amortizable base of our intangible assets in 2014 increased because of the acquisition of SmartReceipt in 2014.

### Goodwill Impairment and Intangible Asset Impairment

During 2014 and 2013, we recorded goodwill impairment charges of \$4,078,693 and \$1,066,068, respectively, relating to our recent acquisitions. Also during 2014 and 2013, we recorded intangible asset impairment charges of \$961,436 and \$644,170, respectively. The impairment charges were based on our valuation of these acquired assets at December 31, 2014 and 2013.

### Interest Expense

Interest expense consists of stated or implied interest expense on our notes payable, amortization of note discounts, and amortization of deferred financing costs.

Interest expense decreased \$6,348,186 or 100%, during 2014 compared to 2013. The decrease in interest expense was attributable to our conversion of debt (convertible notes) in 2013, which eliminated the majority of our debt.

### Change in Fair Market Value of Derivative Liabilities

The change in fair value of derivative liabilities for 2014 and 2013 was a gain of \$63,517 and a loss of \$3,766,231, respectively. The value of the derivative liabilities at any given date is based upon the value and volatility of our common stock and the number of potentially issuable shares, among other less significant factors. In periods when our stock price or volatility rises, we expect to record a loss in the change in fair value of the derivative liabilities. During the first half of 2013, there were several triggering events for the derivative liabilities which increased the number of potentially issuable shares due to a lower exercise price; which greatly increased the liability and derivative losses recorded. However, during the second half of 2013, starting with the June 17, 2013 conversion of the bridge notes into equity, our exposure to these variations in derivative liabilities was significantly reduced. See Note 4 for further information.

### Gain on Adjustment in Contingent Consideration

The gain (loss) on adjustment in contingent consideration for 2014 and 2013 was a gain of \$1,492,000 and a loss of \$28,464, respectively. The gain in 2014 relates to decrease in estimated earn out payable for SmartReceipt acquisition.

The loss in 2013 relates to an increase in the estimated earn-out for the BoomText acquisition on the payment closing date, partially offset by a decrease in the estimated earn out payable from the Sequence acquisition.

-25-

---

Table of Contents

## Liquidity and Capital Resources

As of June 30, 2015, we had current assets of \$3,670,920, including \$3,173,639 in cash, and current liabilities of \$1,737,524, resulting in working capital of \$1,933,396. Current liabilities as of June 30, 2015 included estimated earn-outs in the amount of \$838,000 and derivative liabilities in the amount of \$49,474, all of which are payable in shares of our common stock. Giving no effect to the estimated earn-out and derivative liabilities, we had pro forma working capital as of June 30, 2015 in the amount of \$2,820,870.

As of the date of this prospectus, we believe we have working capital on hand to fund our current level of operations at least through the end of the year. However, there can be no assurance that we will not require additional capital before year end. If we require additional capital, we will seek to obtain additional working capital through the sale of our securities and, if available, bank lines of credit. However, there can be no assurance we will be able to obtain access to capital as and when needed and, if so, the terms of any available financing may not be subject to commercially reasonable terms.

## Cash Flows

	Period ended June 30,	
	2015	2014
Net cash provided by (used in):		
Operating activities	\$ (1,792,472)	\$ (2,534,208)
Investing activities	(452,619)	(2,387,170)
Financing activities	4,570,500	4,977,130
Net change in cash	\$ 2,325,409	\$ 55,752

## Investing Activities

Investing activities during the six months ended June 30, 2015 includes \$402,106 of capitalized software development costs and \$50,513 of equipment purchases.

Investing activities during the six months ended June 30, 2014 includes \$2,368,019 in cash consideration used in our acquisitions and \$19,151 of equipment purchases.

## Financing Activities

Financing activities for the six months ended June 30, 2015 and June 30, 2014 includes net proceeds from the sale of common stock units of \$4,570,500 and \$4,977,130, respectively.

## Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Our management periodically evaluates the estimates and judgments made, including those related to share based compensation and valuation of the derivative liability. Management bases its estimates and judgments on historical experience and on various factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.



## Table of Contents

The following critical accounting policies affect the more significant judgments and estimates used in the preparation of the Company's consolidated financial statements.

### Revenue recognition

Our SmartReceipt and C4 Mobile Marketing and customer relationship management are hosted solutions. We generate revenue from licensing our software to clients in our software as a service model, per-message and per-minute transactional fees, and customized professional services. We recognize license/subscription fees over the period of the contract, service fees as the services are performed, and per-message or per-minute transaction revenue when the transaction takes place. We recognize revenue at the time that the services are rendered, the selling price is fixed, and collection is reasonably assured, provided no significant obligations remain. We consider authoritative guidance on multiple deliverables in determining whether each deliverable represents a separate unit of accounting. Some customers are billed on a month to month basis with no contractual term and is collected by credit card. Revenue is recognized at the time that the services are rendered and the selling price is fixed with a set range of plans. Cash received in advance of the performance of services is recorded as deferred revenue.

We generate revenue from the Stamp App through customer agreements with business owners. Revenue is principally derived from monthly subscription fees which provide a license for unlimited use of the Stamp App by the business owners and their customers. The subscription fee is billed each month to the business owner. Revenue is recognized monthly as the subscription revenues are billed. There are no per-minute or transaction fees associated with the Stamp App.

During the year ended December 31, 2014, one customer accounted for 29% of our revenues. During the year ended December 31, 2013, one customer accounted for 31% of our revenues.

### Share-based compensation expense

Share-based compensation cost is measured at the date of grant, based on the calculated fair value of the stock-based award, and is recognized as expense over the employee's requisite service period (generally the vesting period of the award). We estimate the fair value of employee stock options granted using the Black-Scholes Option Pricing Model. Key assumptions used to estimate the fair value of stock options include the exercise price of the award, the fair value of the our common stock on the date of grant, the expected option term, the risk free interest rate at the date of grant, the expected volatility and the expected annual dividend yield on our Company's common stock. We use comparable public company data among other information to estimate the expected price volatility and the expected forfeiture rate.

### Derivative Financial Instruments

We do not use derivative instruments to hedge exposures to cash flow, market or foreign currency risks. We review the terms of convertible debt and equity instruments we issue to determine whether there are embedded derivative instruments, including the embedded conversion option, that are required to be bifurcated and accounted for separately as a derivative financial instrument. In circumstances where the convertible instrument contains more than one embedded derivative instrument, including the conversion option, that is required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument. Also, in connection with the sale of convertible debt and equity instruments, we may issue freestanding warrants that may, depending on their terms, be accounted for as derivative instrument liabilities, rather than as equity.

Bifurcated embedded derivatives are initially recorded at fair value and are then revalued at each reporting date with changes in the fair value reported as non-operating income or expense. When the convertible debt or equity

instruments contain embedded derivative instruments that are to be bifurcated and accounted for as liabilities, the total proceeds allocated to the convertible host instruments are first allocated to the fair value of all the bifurcated derivative instruments. The remaining proceeds, if any, are then allocated to the convertible instruments themselves, usually resulting in those instruments being recorded at a discount from their face value. The discount from the face value of the convertible debt, together with the stated interest on the instrument, is amortized over the life of the instrument through periodic charges to income, using the effective interest method.

The fair value of the derivatives is estimated using a Monte Carlo simulation model. The model utilizes a series of inputs and assumptions to arrive at a fair value at the date of inception and each reporting period. Some of the key assumptions include the likelihood of future financing, stock price volatility, and discount rates.

#### Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

-27-

---

## Table of Contents

### OUR BUSINESS

#### General

We are in the business of developing and operating proprietary platforms over which brands and enterprises can conduct national and localized data-driven mobile marketing campaigns. Our proprietary platforms, consisting of software available to phones, tablets PCs, and Point of Sale (POS) systems, allow resellers, brands and enterprises to market their products and services to consumers through text messages sent directly to the consumers' mobile phones, mobile smartphone applications and dynamically printed receipt content. We generate revenue by charging the resellers, brands and enterprises a per-message transactional fee, through fixed or variable software licensing fees or via advertising fees. Our customers include national franchisers, professional sports teams and associations and other national brands such as the Sonic Drive-In, Subway, Chick-Fil-A, Jamba Juice, and others.

Mobile phone users represent a large and captive audience. While televisions, radios, and even PCs are often shared by multiple consumers, mobile phones are personal devices representing a unique and individual address to the end user. We believe that the future of digital media will be significantly influenced by mobile phones where a direct, personal conversation can be had with the world's largest target audience. According to a report published by comScore in January 2014, more U.S. Internet users accessed the Internet through mobile devices than through PCs. Additionally, consumers now spend more time using the mobile Internet on smartphones than using the Internet via PCs according to the 2014 Digital Consumer Report published by Nielsen.

Our "C4" Mobile Marketing and customer relationship management platform is a Web-hosted software solution enabling our clients to develop, execute, and manage a variety of marketing engagements to a consumer's mobile phone. Our C4 solution allows our clients to communicate directly with their customers through Short Messaging Service, or SMS, multi-media messaging, smartphone application development and interactive voice response interactions, all of which are facilitated via a set of graphical user interfaces operated from any Web browser.

Our C4 platform also allows our customers to deploy and administer our "Stampt" mobile device loyalty application. Stampt is a smartphone replacement for "Buy 10, Get 1 free" punch cards. Consumers no longer need to worry about forgetting paper-based loyalty punch cards. Stampt makes it easy to receive all of the rewards consumers want from their favorite businesses. Consumers can use Stampt throughout the United States to earn free sandwiches, coffee, pizza, frozen yogurt, donuts, bagels and more. Stampt's nearby feature shows consumers all of the rewards they can earn at nearby businesses. From the Stampt mobile device application, consumers simply tap any business to learn more about that business and to see all of the loyalty points they have earned at that business. Consumers can keep track of all of the rewards they are close to earning through the "my cards" feature displayed in the application's interface. Once a consumer has earned all of the Stampts they need for a reward, they simply show the cashier and click "tap to redeem" button from the application interface on their device. Our customers can create and manage any Stampt program from the C4 platform's set of Web-based interfaces.

Our "SmartReceipt" solution enables our customers with the ability to control the content on receipts printed from their point of sale, or POS system. SmartReceipt is a software application that is installed on the POS, or directly onto receipt printer platforms, such as Epson's OmniLink product, which dynamically controls what is printed on receipts such as coupons, announcements, or other calls-to-action, such as invitations to participate in a survey. SmartReceipt includes a Web-based interface where users can design receipt content and implement business rules to dictate what receipt content is printed in particular situations. All receipt content is also transmitted to SmartReceipt's server back-end for storage and analysis. Our SmartReceipt solution is fully integratable with our C4 platform and allows our customers to print SMS marketing or Stampt mobile application calls-to-action on receipts.

We also offer our clients reporting and analytics capabilities through the C4 solution which allows our clients to assess and optimize their mobile marketing and SmartReceipt campaigns. . Our proprietary platform connects to all wireless carriers so that any consumer, on any wireless service (for example, Verizon), can join our customer's SMS mobile marketing campaign. Once the consumer has subscribed to our customer's SMS mobile marketing campaign, our C4 Web-based software solution serves as a tool by which our customers can initiate messages and other communications back to their subscribed consumers, as well as configure and administer their mobile marketing campaigns.

-28-

---

## Table of Contents

We believe that mobile devices are emerging as an important interactive channel for brands to reach consumers since it is the only media platform that has access to the consumer virtually anytime and anywhere. According to an August 2013 eMarketer report, U.S. adults now spend more time on their mobile device than any other digital channel such as PCs. eMarketer also reports that U.S. adults already spend more time on their mobile phone than viewing print or listening to radio combined. We believe that brands and advertising agencies are recognizing the unique benefits of the mobile channel and they are increasingly integrating mobile media within their overall advertising and marketing campaigns. We also believe the future of mobile applications and services includes banking, commerce, advertising, video, games and just about every other aspect of both on and offline life. Our objective is to become the industry leader in connecting brands and enterprises to consumers' mobile phones.

## Company Strategy

Our objective is to build an industry-leading Software-as-a-Service (SaaS) product that connects consumers to merchants and brands. The key elements to our strategy are:

- Exploit the competitive advantages and operating leverage of our technology platform. The core of our business is our proprietary "SmartReceipt" receipt intercept technology. Several years of development went into designing SmartReceipt such that the process of intercepting receipt data and controlling the receipt printer is scalable, portable to a wide variety of POS platforms, and does not impact the print speed of other performance characteristics of a typical receipt printer. Furthermore, we believe the transmission of receipt data to Mobivity's cloud-based data stores presents a very competitive and innovative method of enabling POS data access. Additionally, we believe that our C4 SMS text messaging platform is more advanced than technologies offered by our competitors and provides us with a significant competitive advantage. With more than seven years of development, we believe that our C4 platform operates SMS text messaging transactions at a "least cost" relative to competitors while also being capable of supporting SMS text messaging transactional volume necessary to support our goal of several thousand end users. Additionally, our C4 platform supports interactive voice response, or, capabilities that we believe are unique to our solution and will allow Mobivity to deliver additional capabilities beyond SMS text messaging that will be unique and valuable to the marketplace. Our C4 platform also provides features that allow our customers to manage their Stamp mobile device application in conjunction with SMS text messaging campaigns, which we believe is a unique combination of both SMS text messaging and mobile device application management.
- Evolve our sales and customer support infrastructure to uniquely serve very large customer implementations such as franchise-based brands who operate a large number of locations. Over the past few years we have focused our efforts on the development of our technology and solutions with the goal of selling and supporting small and medium-sized businesses. Going forward, we intend to increase significantly our investments in sales and customer support resources tailored to selling to customers that operate franchise brands.
- Acquire complementary businesses and technologies. We will continue to search and identify unique opportunities which we believe will enhance our product features and functionality, revenue goals, and technology. We intend to target companies with some or all of the following characteristics: (1) an established revenue base; (2) strong pipeline and growth prospects; (3) break-even or positive cash flow; (4) opportunities for substantial expense reductions through integration into our platform; (5) strong sales teams; and (6) technology and services that further build out and differentiate our platform. Our acquisitions have historically been consummated through the issuance of a combination of our common stock and cash.
- Build our intellectual property portfolio. We currently have five issued patents that we believe have significant potential application in the mobile marketing industry. We plan to continue our investment in building a strong intellectual property portfolio.

While these are the key elements of our current strategy, there can be no guarantees that our strategy will not change or that our strategy will be successful.



## Table of Contents

### Industry Background

We believe industry trends point to a shift in the local marketing industry in both how merchants and brands market their products and services to local customers. We believe that consumers are transitioning to new digital channels and moving away from legacy marketing channels. It is this transition that we believe has created an opportunity for new and innovative local marketing services and technologies to evolve. We believe that consumers are increasingly devoting their attention and lifestyle to mobile devices and that marketers will need new products, technologies, and services tailored for consumer's mobile devices.

According to BIA/Kelsey's U.S. Local Media Forecast (2012-2017), local marketing spend is projected to grow from \$132.5 billion in 2012 to \$148.8 billion by 2017. Local marketing is comprised of "traditional" channels, such as radio, print, or television, and "digital" channels such as personal computers, mobile phones, or tablets. BIA/Kelsey projects that local marketing spend on traditional channels will decrease 2.2% in 2013, while local marketing spend on digital channels will grow 11.7%. BIA/Kelsey also forecasts that local mobile marketing spend will increase 750% by 2017 to \$9.1B.

According to tracking firm eMarketer's data, while U.S. adults spend on average 4 hours and 31 minutes per day viewing TV, in 2013 they will spend 5 hours and 9 minutes every day on average using digital media such as mobile apps, streaming video, games, or browsing the Web. Furthermore, eMarketer reports that the leading digital platform is the mobile device which, at 2 hours and 21 minutes per day, exceeds the combined time spent on print (32 minutes) and radio (1 hour, 26 minutes).

Mobile marketing campaigns use multiple channels to reach the consumer, including mobile web sites, mobile applications, mobile messaging and mobile video, all of which can be integrated into interactive campaigns. Each channel can link to additional mobile content or channels, as well as to complementing traditional media. Mobile marketing provides a powerful, instant and interactive response path in that consumers may send a keyword to a short code via SMS, or register on a mobile web site. This makes the mobile phone a precisely targeted communication channel, where users are highly engaged with content. As a result, the mobile channel is believed to be a highly effective campaign tool and its response levels are high compared to other media. We believe that mobile is valuable as a stand-alone medium for marketing, but it is also well suited for a vital role in fully integrated cross-media campaign plans, including TV, print, radio, outdoor, cinema, online and direct mail. We believe that the future of digital media will be significantly influenced by mobile phones where a direct, personal conversation can be had with the world's largest network.

### The Mobivity Solution

Our mobile marketing platform is designed to allow brands to operate mobile marketing campaigns, as well as resellers to market their own mobile marketing platform under their own brand identity. As of the date of this report, we have approximately 8,000 customers utilizing our mobile marketing platform and we deliver on their behalf an average of 8 million SMS text messages per month. We have approximately 9,000 additional customers using our Smart Receipt solution and we process on their behalf an average of 20.4 million receipt transactions per month. Our customers are spread over all industries that market to individual consumers and range in size from national franchisers to the single site family-owned business. Our clients access our "C4" solution through a standard Web browser that allows them to directly conduct the setup, messaging, and ongoing customer relationship management with the consumers they market to. Our customers are given a dedicated support representative along with account credentials to access their own C4 account from any Web browser.



Table of Contents

- Campaign Setup: Initially, our clients will use their own C4 account on our proprietary platform to design their mobile marketing campaign for purposes of attracting customers to subscribe for the customer's mobile messaging service. In compliance with federal and state laws relating to mobile marketing, marketers typically attract customers to their mobile messaging service through media communications distributed through non-mobile devices, media, other than mobile devices, including store signage, billboards, other forms of print media, and digital media not directed through a mobile device. Our C4 solution also allows for the creation and design of digital display graphics that can be displayed on television screens, digital scoreboards, or other digital screens where an animated or more graphically rich solicitation may be desired. Digital displays are particularly useful on large digital scoreboard displays at sporting events. Through these various forms of communication, customers of our clients will be invited to subscribe to SMS text messaging communications (for example, "Join our mobile VIP club! Text "Pizza" to 12345") or to set-up loyalty offers through our Stampt smartphone loyalty application (for example, "Download Stampt, use your iPhone or Android phone to join our loyalty program – "buy five sandwiches and get one free!"). Consumers responding to these communications will be directed to our clients' own C4 account on our proprietary platform, where our platform records and stores the consumer's relevant information for access by our client stores. Once the consumer has subscribed to our customer's mobile marketing campaign, our C4 solution serves as a tool by which our customers can initiate messages and other communications back to their subscribed consumers, as well as configure and administer their mobile marketing campaigns.
- Messaging. Our C4 platform allows for marketers to instantly message their subscribers via SMS text messaging or "push" messaging to users of the Stampt smartphone application. Our platform is designed to be a fully automated, self-executing tool where our clients access their own C4 account on our proprietary platform, design and create their mobile marketing message, designate to whom among their list of opted-in consumers the message will be sent and then select the time (or times) the message will be distributed. Each customer is assigned a dedicated support representative to provide support in this process, however the platform is designed to provide the customer with the ability to design and carry-out the entire campaign through their remote online access to our platform. Our customers are provided with an instant communication channel to alert their subscribers of events, specials, or other announcements. Our C4 platform provides various messaging tools for marketers to create and initiate these messages in real-time or for future broadcasts. The solution also allows the marketer to connect to Facebook or Twitter accounts so that their messaging broadcasts can be promoted to select social media channels if desired.
- Customer Relationship Management (CRM). Our C4 solution offers our customers a variety of CRM services, including the success rate for each media campaign designed to attract subscribers to the customer's mobile marketing campaign, historical data and success rate with regard to each mobile message sent. The subscriber records and through various reporting features offered by the CRM function provide marketers with quick access to a variety of useful data points. Tracking subscriber and messaging activity over time is useful in handling customer inquiries or issues with the marketing program or to gain insights into subscriber behavior. For example, a marketer might want to examine how the total number of subscribers gained from a recent promotion of their call-to-action. The Mobivity solution provides various default reports while allowing for Mobivity customers to request custom reports tailored for their specific needs.
- Stampt Smartphone Loyalty Application. Stampt is a smartphone application available to both iPhone and Android smartphones. The application is acquired by consumers via download from the Apple App Store or Google Play market service. Once installed, consumers can view local merchants who are setup on our C4 platform to offer mobile loyalty cards. Mobile loyalty cards allow consumers using Stampt to visit merchants and participate in loyalty programs (for example, "buy 10, get 1 free") that are setup by merchants using the Mobivity solution. Consumers can also receive instant offers sent from merchants through our platform's messaging features. The Stampt application allows consumers to register purchases by using the Stampt application on their smartphone to take a quick picture of a special code that the merchant provides at the time of purchase. The purchase is also registered on the merchant's own account on our C4 platform. The Stampt application instantly verifies the consumer's location at the related merchant's location of business and registers the purchase. Purchases are then depicted on the Stampt application so the consumer and the merchant know how many purchases are required to earn a reward.



## Table of Contents

·Smart Receipt. Our SmartReceipt solution enables our customers the ability to control the content on receipts printed from their point of sale, or POS system. SmartReceipt is a software application that is installed on the POS which dynamically controls what is printed on receipts such as coupons, announcements, or other calls-to-action such as invitations to participate in a survey. SmartReceipt includes a Web-based interface where users can design receipt content and implement business rules to dictate what receipt content is printed in particular situations. All receipt content is also transmitted to SmartReceipt's server back-end for storage and analysis. Our C4 solution integrates with SmartReceipt by supporting SMS marketing or Stamp mobile application calls-to-action which can be printed on receipt content by SmartReceipt.

·Resellers. Our platform can be white-labeled to allow for resellers or agents to market and deliver their own branded mobile marketing solution complete with all of the features of the C4 platform. Resellers are provisioned their own Web-based administration system whereby they can create and track their own customers' use of the product.

In the future, we intend to develop additional platform features that with the goal of driving additional value to the evolving mobile marketing industry.

## Marketing and Sales

We market and sell the services offered over our proprietary C4 platform directly through our own sales force, via resellers, and in some cases through agents.

·Direct Sales. Our direct sales force is predominantly comprised of four sales representatives employed by us to promote and sell our services in various geographical areas.

·Resellers. We sell our services via wholesale pricing of licensing and transactional fees to 55 various resellers who market and sell the Mobivity services under their own brand.

·Agents. We also engage eight independent agents to market and sell our services under the Mobivity brand in return for payment of a commission or revenue share for customers they introduce to us.

·In addition to our direct and indirect sales channels, we also market our services online through our Website, Facebook, Twitter, LinkedIn, and other online channels. We also participate in various trade and industry events to build awareness and promote exposure to our services and brand.

Our services are predominantly marketed and sold in the form of a recurring software licensing fee that is determined by desired features and the number of physical locations our customers would like to deploy the services in. For example, a customer who exclusively utilizes our SMS text messaging feature for one location will pay a much lower recurring licensing fee that a marketer who desires our full breadth of product features and needs to drive localized marketing campaigns across 50 locations in various cities or locales.

In addition to license fees, we also arrange for a transaction fee in special cases where our customers require greater bandwidth or throughput to process large volumes of mobile messaging transactions. For example, a customer may want to utilize our services for a major sporting event when there may be tens of thousands of fans who are expecting a "score alert" sent to their mobile phone via a SMS text message. In this case, the required resources to facilitate a large number of SMS messages in a short period of time is much higher and therefore we may charge an additional per-SMS text message fee to our customer.

## Table of Contents

### Research and Development

We have developed an internal and external software development team with many years of experience in the mobile advertising and marketing industries. As of the date of this report, we have four full time employees engaged in engineering and software developments and one full-time employee engaged in quality assurance and testing in our development centers located at our facilities in San Diego, CA. We have one full time employee engaged in engineering and software development at our corporate headquarters in Chandler, AZ. Additionally, we have software development and engineering contractors located in California, Sri Lanka and Spain that are used on an as needed basis. We also contract with various outsourced development and engineering partners in the United States. Our research and development activities are focused on enhancements to our platform, including extending our technology into payment processing, location based services, application analytics, and other technical opportunities in the evolving mobile industry.

Our total engineering, research and development expenditures in 2014 and 2013 were \$1,346,198 and \$824,653, respectively.

### Competition

Although the market for mobile marketing software and solutions is relatively new, it is very competitive. We compete with companies of all sizes in select geographies that offer solutions that compete with various elements of our platform and offering, such as SMS text messaging service providers or providers of mobile smartphone applications. We also compete at times with interactive and traditional advertising agencies that perform mobile marketing as part of their services to their customers. Many of these entities have significantly greater resources than we do. In addition, we compete with traditional offline coupon and discount services, as well as television, radio, newspapers, magazines and other traditional media companies that provide coupon and discount products and services to their retail enterprise customers.

Many of the leading providers of online services have begun to develop or acquire mobile marketing platforms with features similar to ours. For example, in May 2010, Google, Inc. acquired Admob, Inc. and in January 2010 Apple, Inc. acquired Quattro Wireless. Each of the acquired companies was engaged in mobile marketing. In addition, we believe that Facebook, AOL, Microsoft and Yahoo! have each begun to develop mobile marketing platforms.

We believe that the key competitive factors that differentiate us from our competitors include:

- Demonstrable experience and competence. We have been providing mobile marketing services since 2006. In 2009, Sybase, an international enterprise software and services company, awarded us their Innovator of the Year. Major brands such as Sonic Drive-In, Subway, Jamba Juice, Chick-Fil-A have selected Mobivity's products and services.
- Competitive pricing. We believe we are one of the few mobile marketing providers in the industry that can provide SMS text messaging services at a flat licensing fee structure rather than charging for every SMS text message transaction processed. We also believe that we have a "least cost" operating advantage that competitors may find challenging to compete with.
- Scalability. We believe that our platform is more scalable than most if not all of our competitors. Many of our customers require large volumes of mobile marketing messages to be transacted and a high quantity of end users operating our Web-based product features. We have grown our monthly messaging volume from less than 1 million SMS text messages per month in 2010 to more than 8 million per month as of the date of this report. The number of customers utilizing our Web-based products has also grown from less than 100 in 2010 to more than 8,000 as of the date of this report.



## Table of Contents

### Seasonality

Our business, as is typical of companies in our industry, is highly seasonal. This is primarily due to traditional marketing and advertising spending being heaviest during the holiday season while brands, advertising agencies, mobile operators and media companies often close out annual budgets towards the end of the calendar year. Seasonal trends have historically contributed to, and we anticipate will continue to contribute to fluctuations in our quarterly results, including fluctuations in sequential revenue growth rates.

### Intellectual Property

We regard the protection of our developed technologies and intellectual property rights as an important element of our business operations and crucial to our success. We rely primarily on a combination of patent laws, trademark laws, copyright laws, trade secrets, confidentiality procedures and contractual provisions to protect our proprietary technology. We require our employees, consultants and advisors to enter into confidentiality agreements. These agreements provide that all confidential information developed or made known to the individual during the course of the individual's relationship with us is to be kept confidential and not disclosed to third parties except under specific circumstances. In the case of our employees, the agreements provide that all of the technology which is conceived by the individual during the course of employment is our exclusive property. The development of our technology and many of our processes are dependent upon the knowledge, experience and skills of key scientific and technical personnel.

As of the date of this report we own five patents. U.S. Patent numbers 7991388 B1 and 8,244,216 B1 were issued on August 2, 2011 and August 14, 2012, respectively. These patents cover a geo-bio-metric personal identification number, a service that authenticates a user from a feature phone or smart phone using a number of mobile attainable attributes: geolocation, facial image, accelerometer (which measures the physical orientation or movement of the device itself), and text messaging. The purpose of the geo-bio-metric PIN service is to authenticate a user while verifying the following: the user is currently using his or her other phone; the user is at the location that their phone is at; the user is not at another location and using their phone through a proxy; and an impostor is not using the phone.

In March 2011, we acquired US Patent number 6788769 B1 which covers a method and system for using telephone numbers as a key to address email and online content without the use of a look-up database. Using this system, a phone number is used to access a website or an email address in exactly the same way it is used to dial a telephone.

U.S. Patent numbers 8,463,306 and 8,818,434 were issued on June 11, 2013 and August 26, 2014, respectively. These patents cover a method and system for testing a SMS text messaging network. The method and system allows for real-time testing of the initiation and completion of SMS text messages and any delivery delays across the major American mobile phone carriers, and accurately measures the progress on SMS broadcasts and records when a broadcast has been completed.

Our issued and any future patents that may issue may not survive a legal challenge to their scope, validity or enforceability, or provide significant protection for us. The failure of our patents, or the failure of our copyright and trade secret laws to adequately protect our technology, might make it easier for our competitors to offer similar products or technologies. In addition, patents may not issue from any of our current or any future applications.

## Table of Contents

### Government Regulation

The growth and development of the mobile messaging market and the market for electronic storage of personal information has resulted in a variety of stringent consumer protection laws, many of which impose significant burdens on companies that store personal information. Depending on the products and services that they offer, mobile data service providers may be subject to regulations and laws applicable to providers of mobile, Internet and VOIP services, including domestic and international laws and regulations relating to user privacy and data protection, defamation, pricing, advertising, taxation, gambling, sweepstakes, promotions, billing, real estate, consumer protection, accessibility, content regulation, quality of services, telecommunications, mobile, television and intellectual property ownership and infringement. We expect that the regulation of our industry generally will continue to increase and that we will be required to devote increasing amounts of legal and other resources to address this regulation. In addition, the application of existing domestic and international laws and regulations relating to issues such as user privacy and data protection, marketing, advertising, consumer protection and mobile disclosures in many instances is unclear or unsettled.

In addition to its regulation of wireless telecommunications providers generally, the U.S. Federal Communications Commission, or FCC, has examined, or is currently examining, how and when consumers enroll in mobile services, what types of disclosures consumers receive, what services consumers are purchasing and how much consumers are charged. In addition, the Federal Trade Commission, or FTC, has been asked to regulate how mobile marketers can use consumers' personal information. Consumer advocates claim that many consumers do not know when their information is being collected from cell phones and how such information is retained, used and shared with other companies. Consumer groups have asked the FTC to: identify practices that may compromise privacy and consumer welfare; examine opt-in procedures to ensure consumers are aware of what data is at issue and how it will be used; investigate marketing tactics that target children; and create policies to halt abusive practices. The FTC has expressed interest, in particular, in the mobile environment and services that collect sensitive data, such as location-based information.

The principal laws and regulations that pertain to us and our customers in connection with their utilization of our platform, include:

- Deceptive Trade Practice Law in the U.S. The FTC and state attorneys general are given broad powers by legislatures to curb unfair and deceptive trade practices. These laws and regulations apply to mobile marketing campaigns and behavioral advertising. The general guideline is that all material terms and conditions of the offer must be "clearly and conspicuously" disclosed to the consumer prior to the buying decision. The balancing of the desire to capture a potential customer's attention, while providing adequate disclosure, can be challenging in the mobile context due to the lack of screen space available to provide required disclosures.
- Behavioral Advertising. Behavioral advertising is a technique used by online publishers and advertisers to increase the effectiveness of their campaigns. Behavioral advertising uses information collected from an individual's web-browsing behavior, such as the pages they have visited or the searches they have made, to select which advertisements to display to that individual. This data can be valuable for online marketers looking to personalize advertising initiatives or to provide geo-tags through mobile devices. Many businesses adhere to industry self-governing principles, including an opt-out regime whereby information may be collected until an individual indicates that he or she no longer agrees to have this information collected. The FTC and EU member states are considering regulations in this area, which may include implementation of a more rigorous opt-in regime. An opt-in policy would prohibit businesses from collecting and using information from individuals who have not voluntarily consented. Among other things, the implementation of an opt-in regime could require substantial technical support and negatively impact the market for our mobile advertising products and services. A few states have also introduced bills in recent years that would restrict behavioral advertising within the state. These bills would likely have the

practical effect of regulating behavioral advertising nationwide because of the difficulties behind implementing state-specific policies or identifying the location of a particular consumer. There have also been a large number of class action suits filed against companies engaged in behavioral advertising.

Table of Contents

·Behavioral Advertising-Privacy Regulation. Our business is affected by U.S. federal and state, as well as EU member state and foreign country, laws and regulations governing the collection, use, retention, sharing and security of data that we receive from and about our users. In recent years, regulation has focused on the collection, use, disclosure and security of information that may be used to identify or that actually identifies an individual, such as an Internet Protocol address or a name. Although the mobile and Internet advertising privacy practices are currently largely self-regulated in the U.S., the FTC has conducted numerous discussions on this subject and suggested that more rigorous privacy regulation is appropriate, including regulation of non-personally identifiable information which could, with other information, be used to identify an individual. Within the EU, member state data protection authorities typically regard IP addresses as personal information, and legislation adopted recently in the EU requires consent for the placement of a cookie on a user device. In addition, EU data protection authorities are following with interest the FTC's discussions regarding behavioral advertising and may follow suit by imposing additional privacy requirements for mobile advertising practices.

·Marketing-Privacy Regulation. In addition, there are U.S. federal and state laws and EU member state and other country laws that govern SMS and telecommunications-based marketing, generally requiring senders to transmit messages (including those sent to mobile devices) only to recipients who have specifically consented to receiving such messages. U.S. federal, EU member state and other country laws also govern e-mail marketing, generally imposing an opt-out requirement for emails sent within an existing business relationship.

·SMS and Location-Based Marketing Best Practices and Guidelines. We voluntarily comply with the guidelines of the Mobile Marketing Association, or MMA, a global association of 700 agencies, advertisers, mobile device manufacturers, wireless operators and service providers and others interested in the potential of marketing via the mobile channel. The MMA has published a code of conduct and best practices guidelines for use by those involved in mobile messaging activities. The guidelines were developed by a collaboration of the major carriers and they require adherence to them as a condition of service. We voluntarily comply with the MMA code of conduct, which generally require notice and user consent for delivery of location-based services. In addition, the Cellular Telephone Industry Association, or CTIA, has developed Best Practices and Guidelines to promote and protect user privacy regarding location-based services.

·TCPA. The United States Telephone Consumer Protection Act, or TCPA, prohibits unsolicited voice and text calls to cell phones through the use of an automatic telephone-dialing system (ATDS) unless the recipient has given prior consent. The statute also prohibits companies from initiating telephone solicitations to individuals on the national Do-Not-Call list, and restricts the hours when such messages may be sent. Violations of the TCPA can result in statutory damages of \$500 per violation (i.e., for each individual text message). U.S. state laws impose additional regulations on voice and text calls. There have been a large number of class action suits filed against companies engaged in the mobile messaging market based on alleged violations of the TCPA.

·CAN-SPAM. The U.S. Controlling the Assault of Non-Solicited Pornography and Marketing Act, or CAN SPAM Act, prohibits all commercial e-mail messages, as defined in the law, to mobile phones unless the device owner has given "express prior authorization." Recipients of such messages must also be allowed to opt-out of receiving future messages the same way they opted-in. Senders have ten business days to honor opt-out requests. The FCC has compiled a list of domain names used by wireless service providers to which marketers may not send commercial e-mail messages. Senders have 30 days from the date the domain name is posted on the FCC site to stop sending unauthorized commercial e-mail to addresses containing the domain name. Violators are subject to fines of up to \$6.0 million and up to one year in jail for some spamming activities. Carriers, the FTC, the FCC, and State Attorneys General may bring lawsuits to enforce alleged violations of the Act.

## Table of Contents

- Communications Privacy Acts. Foreign and U.S. federal and state laws impose liability for intercepting communications while in transit or accessing the contents of communications while in storage. EU member state laws also require consent for our receiving this information, and if our carrier customers fail to obtain such consent we could be subjected to civil or even criminal penalties.
- Security Breach Notification Requirements. EU member state laws require notice to the member state data protection authority of a data security breach involving personal data if the breach poses a risk to individuals. In addition, Germany enacted a broad requirement to notify individuals in the event of a data security breach that is likely to be followed by notification requirements to data subjects in other EU member states. In the U.S., various states have enacted data breach notification laws, which require notification of individuals and sometimes state regulatory bodies in the event of breaches involving certain defined categories of personal information. Japan and Uruguay have also enacted security breach notice requirements. This new trend suggests that breach notice statutes may be enacted in other jurisdictions, including by the U.S. at the federal level, as well.
- Children. The Children's Online Privacy Protection Act prohibit the knowing collection of personal information from children under the age of 13 without verifiable parental consent, and strictly regulate the transmission of requests for personal information to such children. Other countries do not recognize the ability of children to consent to the collection of personal information. In addition, it is likely that behavioral advertising regulations will impose special restrictions on use of information collected from minors for this purpose.

## Employees

As of August 17, 2015, we had 47 employees, consisting of seven full-time and two part-time in research and development, 30 full-time in sales and marketing, five full-time in general and administrative and three full-time in operations.

## Property

As of July 2015, our executive offices have been located in 10,395 square feet of leased office space at 55 North Arizona Place, Chandler, Arizona. The lease term is for a period of 66 months expiring on December 31, 2020. Monthly rent, excluding common area maintenance charges, is \$17,541, subject to annual increases of approximately 2.5% commencing October 31, 2015 and ending November 1, 2019, at which time the monthly rent for the remainder of the lease term will be \$19,707.

We formerly conducted our executive operations from 6,730 square feet of leased office space located at 58 W. Buffalo St., Chandler, Arizona. Monthly rental payments, excluding common area maintenance charges, is \$12,357 in 2015. The 63 month lease term expires December 31, 2015.

We also have a month to month lease for approximately 1000 square feet of office space in Solana Beach, California at a monthly expense of \$2,500; a month to month lease for approximately 700 square feet of office space in North Huron, Michigan at a monthly expense of \$600; and a lease through September 2014 of approximately 2,864 square feet of office space in Santa Barbara, California at a monthly expense of \$6,800.

## Litigation

There are no pending legal proceedings, other than routine litigation incidental to our business, to which we or our properties are subject.



Table of Contents

## MANAGEMENT

Set forth below are our directors and officers:

Name	Age	Position
Dennis Becker	41	Chief Executive Officer and Director
Christopher Meinerz	48	Chief Financial Officer
Alex Shah	45	Chief Technology Officer
Deena McKinley	40	Senior Vice President Client Services and Marketing
William Van Epps	66	Executive Chairman and Director
John Harris	66	Lead Director and Chairman of Compensation Committee
David Jaques	59	Chairman of Audit Committee and Director
Phillip Guarascio	73	Chairman of Governance and Nominating Committee and Director
Doug Schneider	52	Director
Thomas Akin	62	Director

## Dennis Becker - Chief Executive Officer and Director

Dennis Becker was appointed our Chief Executive Officer and a Director effective as of our acquisition of Mobivity, Inc. in November 2010. Mr. Becker has also served as President and Chief Executive Officer of Mobivity, Inc. since September, 2007. He was a founder of Frontieric Corporation, a pioneer in providing complex call routing and merchant processing applications, where he was Chief Executive Officer from 2002 to 2005. Mr. Becker was also Chief Executive Officer of Bexel Technologies, which served solutions to large enterprise, from 1999 to 2001. Mr. Becker studied Computer Science at the University of Oregon and served in the United States Air Force.

Mr. Becker has extensive knowledge of the mobile message marketing industry. As a result of these and other professional qualifications, we have concluded that Mr. Becker is qualified to serve as a director.

## Christopher Meinerz - Chief Financial Officer

On February 16, 2015, the board of directors of the Company appointed Christopher Meinerz to serve as Chief Financial Officer of the Company. Prior to joining the Company, Mr. Meinerz served as Director, Chief Financial Officer, Chief Compliance Officer, Secretary and Treasurer of Spindle, Inc., a mobile marketing and payment processing company based in Scottsdale, Arizona, from April 2014 to February 2015. Mr. Meinerz will maintain his Director position with Spindle, Inc. going forward. Prior to his role with Spindle, Inc., Mr. Meinerz served as Chief Financial Officer and Chief Compliance Officer at Next Generation Insurance Group (“NGI”), a national specialty insurance marketing firm located in Phoenix, Arizona, from October 2011 to April 2014. Before his tenure at NGI, Mr. Meinerz was Executive Vice President of Finance and Treasury for DDi Corp., an Anaheim, California-based provider of circuit board engineering and manufacturing services, from March 2010 to October 2011. In addition, Mr. Meinerz served as global Vice President of Finance for eTelecare of Scottsdale, Arizona, from January 2006 to December 2009, where he successfully helped launch that company’s initial public offering in 2007. Mr. Meinerz is a graduate of the University of Wisconsin with degrees in accounting and finance and is a Certified Public Accountant. He began his career in public accounting with BDO Seidman in Chicago, Illinois, and Grant Thornton in Madison, Wisconsin.

## Alex Shah – Chief Technology Officer

Mr. Shah was appointed as the Company's Chief Technology Officer (CTO) on February 10, 2014. From October 2004 to February 2014, Mr. Shah served as owner and principle architect of TeamSOA, a software architecture consulting for several financial industry related clients, including VISA Int'l Inc., and France Telecom. Mr. Shah was also CTO for CommerceTel from November 2010 to January 2012. Previously, he was Senior Vice President of R&D at Blue Titan, a Draper Fisher funded venture, from January 2002 to October 2004 where he led the development of software tools to manage complex IT integration challenges. Mr. Shah holds eight patents for his inventions.

Table of Contents

Deena McKinley – Senior Vice President Client Services and Marketing

Ms. McKinley has served as our Senior Vice President Client Services and Marketing since February 2, 2015. Ms. McKinley has spent over fourteen years in marketing and advertising, ultimately serving as Executive Vice President, Managing Director and Chief Client Officer at Zimmerman Advertising from August 2014 to February 2015, where she worked with major QSR, fast casual, casual dining and general retail brands with nearly 10,000 individual locations, various franchisees and co-op groups, and managed key client relationships at the executive level. Ms. McKinley also led the Papa John's International business relationship from January 2005 to January 2014 as Executive Vice President and Managing Director of ZGroup Advertising, serving as the key client contact and providing strategic direction, brand positioning, and leading agency integration efforts for all omnichannel advertising campaigns. Earlier in her career, Ms. McKinley was a Regional Marketing Director at Papa John's International from January 2004 to January 2005, working with over twenty markets, 100 operators and seven agencies to align national strategies at the local market level. Ms. McKinley holds a Bachelor of Arts in English and a Master of English Education from the University of Florida.

William Van Epps – Executive Chairman and Director

On January 21, 2015, the board of directors of the Company appointed William Van Epps to serve as Executive Chairman of the Company. Mr. Van Epps was initially appointed to the Company's board of directors on October 2, 2014. Prior to joining the Company, Mr. Van Epps served as chief executive officer of Agile Pursuits Franchising, Inc., a wholly-owned subsidiary of The Procter and Gamble Company, from December 2009 to October 2011, where he established Tide Dry Cleaners and Mr. Clean Car Wash operations. Prior to his experience at Agile Pursuits Franchising, Inc., Mr. Van Epps served as president at Papa John's International Inc. from April 2006 to April 2009, and as chief operating officer and senior vice president of Papa John's International Inc. from January 2004 to April 2006, where he was responsible for domestic corporate and franchised restaurant operations and international operations. Mr. Van Epps also served as managing director of International at Papa John's International from September 2001 to January 2004. Prior to joining Papa John's, he served as president of the International Division of Yorkshire Global Restaurants from August 1999 to August 2001, where he was responsible for the international development of Long John Silvers and A&W restaurants. From August 1993 to August 1999, Mr. Van Epps served as president of the International Division at AFC Enterprises where he developed international brand deployments for Popeye's, Church's Chicken, Cinnabon, Seattle Coffee Co., and Chesapeake Bakery Cafe. Mr. Van Epps began his career working alongside Pizza Hut founder, Frank Carney, where, from March 1974 through February 1981, he helped expand Pizza Hut into Hong Kong, Thailand and Singapore while also overseeing stores in Australia, New Zealand, as well as a joint venture in Japan.

Mr. Van Epps has extensive knowledge of business development, retail and restaurant operations, and corporate management. As a result of these and other professional qualifications, we have concluded that Mr. Van Epps is qualified to serve as a director.

Table of Contents

John Harris – Lead Director and Chairman of Compensation Committee

Mr. Harris has been a director since January 2011. Mr. Harris has served as an operating partner with Glendon Todd Capital, a Dallas based private equity firm since February 2011. From 2010 to 2012, Mr. Harris was CEO and investor with Chemical Information Services, a leading provider of database services to the chemical and pharmaceutical industries. From 2006 to 2009, Mr. Harris was President and CEO of eTelecare Global Solutions; a business process outsourcing (“BPO”) company delivering technical support, sales, and customer care services to the Fortune 1000 market. In that capacity, he successfully led the company’s IPO, privatization and ultimate merger in 2009. Previously, Mr. Harris served in various executive level positions with Electronic Data Systems over a 25 year period, including President of the Communications Industry Group. Mr. Harris graduated from the University of West Georgia with a BBA and MBA and is on the Board of Advisors to the Richardson School of Business. He has held board positions with a number of public and private telecommunications and technology services companies, and he currently sits on the boards of Premier Global Services, The Hackett Group and Sizmek Corporation. Mr. Harris is a non-executive Chairman of Sizmek, Lead Director and Chairman of the Compensation Committee at Premier Global Services and serves on the Audit, Compensation and Governance Committees at The Hackett Group.

Mr. Harris has extensive knowledge of corporate management. As a result of these and other professional qualifications, we have concluded that Mr. Harris is qualified to serve as a director.

David Jaques –Chairman of Audit Committee and Director

David Jaques has served as a director since December 2011. Mr. Jaques has held senior financial positions in banking, corporate and venture capital. In his early career, he held various positions with Barclays Bank in London and provided advisory services in currency and interest rate risk management to the bank’s corporate clients. He held a similar role at Barclays Bank, New York from 1988 to 1993. He was Senior Vice President and Treasurer of Silicon Valley Bank between 1994 and 1999; founding CFO for PayPal from 1999 to 2001 and CFO of BlueRun Ventures from 2001 to 2008. Since 2008 he has provided CFO consulting services with Greenough Consulting Group and holds a board position at UBL Interactive, Inc. (UBLI.PK).

Mr. Jaques has extensive knowledge of finance and accounting. As a result of these and other professional qualifications, we have concluded that Mr. Jaques is qualified to serve as a director.

Phillip Guarascio - Chairman of Governance and Nominating Committee and Director

Mr. Guarascio has served as a director since March 2014. Mr. Guarascio has been the Chairman and Chief Executive Officer of PG Ventures LLC since May 2000 where he serves as a marketing and advertising business consultant. He was Lead Executive, Marketing and Sales at the National Football League from 2003-2007 and has been a consultant for the William Morris Agency since October 2001. For 16 years, Mr. Guarascio was with General Motors where he served as Vice President of Corporate Advertising and Marketing primarily responsible for worldwide advertising resource management, managing consolidated media placement and before that as General Manager of Marketing and Advertising for General Motors' North American Operations. Mr. Guarascio introduced the GM Card and managed the General Motors corporate brand to a 20 percent increase in customer purchase consideration. He joined General Motors in 1985 after 21 years with the New York advertising agency, D'Arcy, Masius, Benton & Bowles.

Mr. Guarascio has extensive experience in the marketing and advertising industry. Based on this and other professional qualifications, we have concluded that Mr. Guarascio is qualified to serve as a director.



Table of Contents

Doug Schneider - Director

Mr. Schneider has been a director since December 2010. Mr. Schneider has a twenty year track record of leadership and success in launching, building, and managing high-tech service oriented companies. He has served as Executive Vice President of the SMB Solutions for the Melbourne IT Group since July 2012 and oversees a \$75MM per year hosting and domain registration business across North American and Asia Pacific. From 2011 to 2012, Mr. Schneider served as CEO for Transaction Wireless, a venture backed technology company where he still resides on the board. From 2007 to 2010, Mr. Schneider was the CEO of Genea Energy, a clean tech company that provides an innovative and comprehensive SaaS based energy services platform for commercial office building portfolios. Mr. Schneider received a Bachelor's degree in Mechanical Engineering from University of California, Davis and an M.B.A. from the Kellogg School of Management at Northwestern University. He also serves as an industry advisor to Pelion Venture Partners, a venture capital firm focused on the information technology sector.

Mr. Schneider has extensive knowledge of corporate management. As a result of these and other professional qualifications, we have concluded that Mr. Schneider is qualified to serve as a director.

Thomas Akin - Director

Mr. Akin has been a director since March 2015. Mr. Akin has been the Managing General Partner of Talkot Partners I, Talkot Partners II, LLC, Talkot Crossover Fund, LP, and Talkot Capital LLC since 1996 and was appointed as a director in March 2015. Mr. Akin served as the Chief Executive Officer of Dynex Capital Inc, from February 04, 2008 to 2013. Mr. Akin had been with Merrill Lynch and Co., including served as its Managing Director of the Western United States for Merrill Lynch Institutional Services from 1991 to 1994 and as Regional Director of the San Francisco and Los Angeles regions for Merrill Lynch Institutional Services from 1981 to 1991. Mr. Akin had been with Salomon Brothers from 1978 to 1981. He has been an Executive Chairman of Dynex Capital Inc. since January 01, 2014 and has been its the Chairman since May 30, 2003. He served as the Chairman of Infotec since 2001. Mr. Akin has been a Director of Acacia Technologies Group of Acacia Research Corp. since May 1998, Dynex Capital Inc, since May 2003, Acacia Research Corp. since May 1998 and eFax.com, Inc. since July 1996. He serves as a Director of ADX. He served as a Director CombiMatrix Corporation since May 1998. Mr. Akin holds a B.A. in Biology from the University of California at Santa Cruz and an M.B.A. from the University of California at Los Angeles.

Because Mr. Akin has extensive experience as a professional investor and public company director, we have concluded that Mr. Akin is qualified to serve as a director.

Executive Compensation

The following table summarizes the total compensation earned by our chief executive officer and our other two most highly paid executive officers for the years ended December 31, 2014 and 2013.

Table of Contents

## Summary Compensation Table\*

Name and Principal Position	Year	Salary	Bonus	Option Awards	Total
Dennis Becker, CEO (1)	2014	\$ 214,915	\$ -	\$ -	\$ 214,915
	2013	\$ 240,580	\$ 37,010	\$ 464,636	\$ 742,226
Alex Shah (2)	2014	\$ 167,725	\$ -	\$ 46,903	\$ 214,628
Tom Tolbert, Former CSO (3)	2014	\$ 197,525	\$ 43,112	\$ 868,888	\$ 1,109,525
	2013	\$ 100,869	\$ 15,250	\$ 432,489	\$ 548,608

\*In accordance with the rules and regulations promulgated by the Securities and Exchange Commission, the table omits columns that are not applicable.

- (1) The Option Award expense for our executive officers refers to options granted by our board of directors pursuant to our stock-based compensation plans approved by the board of directors.
- (2) Alex Shah was appointed Chief Technology officer effective February 10, 2014. Amounts in the table above reflect his compensation after his appointment and through December 31, 2014.
- (3) Tom Tolbert was appointed Chief Sales Officer effective May 20, 2013. This appointment was amended November 14, 2014 to Senior Vice President Business Development. Amounts in the table above reflect his compensation after his appointment and up to his amended position.

The amounts reported in Option Awards column of the table above reflect the aggregate compensation costs for financial statement reporting purposes for fiscal 2014 and 2013 under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 718, Compensation – Stock Compensation (formerly referenced as Statement of Financial Accounting Standards No. 123(R)). These amounts do not reflect amounts paid to or realized by the executive officers for fiscal 2014 or 2013. Actual amounts earned for fiscal 2014 and 2013 are included in the Summary Compensation Table above. For information on the method and assumptions used to calculate the compensation costs, see Note 7 to our audited consolidated financial statements contained herein.

## Narrative Disclosure to Executive Compensation Table; Employment Agreements

## Dennis Becker

On January 11, 2011, we entered into an employment agreement with Dennis Becker. Under the terms of the agreement, Mr. Becker will serve as our President and Chief Executive Officer for an initial term of three years from December 24, 2010 (the “Effective Date”). Unless terminated no less than 90 days prior to the expiration date by either party, the agreement is renewed automatically for successive one year periods. Under the agreement, Mr. Becker is paid a base annual salary of \$120,000. The base salary is subject to an annual increase at the sole discretion our board of directors. In addition to regular annual increases, the base salary will be increased by \$30,000 (up to a cumulative maximum of \$60,000) for each acquisition of the stock or all or substantially all of the assets of a third party entity, or the formation of joint ventures resulting in operating cash flows minus capital expenditures and dividends of no less than \$25,000 during a three month period ending six months after the completion of each such acquisition or formation of such joint venture. In addition, his salary will be increased to \$225,000 in the event we complete a financing transaction of no less than \$3,000,000 and we complete one acquisition. The board may further award him, at its sole discretion, an annual bonus of up to 50% of his base salary and grant him stock options.

Effective March 30, 2015, based on the successful results of the March 2015 capital raise, the board increased Mr. Becker’s annual base salary by \$50,000 to \$275,000, awarded him a bonus payment of \$30,000, and also granted him options to purchase 100,000 shares of our common stock at an exercise price of \$1.28 with 25% vesting after 1 year

from date of grant and 1/36 per month afterwards.

If the agreement is terminated by us without cause (as defined in the agreement) or the we notify Mr. Becker that we will not renew the agreement, we will be required to pay him a severance payment equal to six months of his base salary payable in regular intervals following such termination or expiration of the agreement.

-42-

---

Table of Contents

The agreement includes non-compete, non-solicitation, intellectual property assignment and confidentiality provisions that are customary in our industry.

Tom Tolbert

In connection with our acquisition of FDI, on May 20, 2013, our board of directors appointed Tom Tolbert to serve as our chief sales officer. On November 14, 2014, the Company and Mr. Tolbert entered into an amendment to Mr. Tolbert's Employment Agreement dated May 20, 2013. Pursuant to the amendment, Mr. Tolbert will from the date of the amendment forward serve as the Company's Senior Vice President Business Development, with responsibility for large account lead generation and sales and the executive management of certain national accounts. Pursuant to the amendment, Mr. Tolbert's base salary will be \$120,000 per year. Mr. Tolbert's quarterly bonus going forward will be (i) fifteen percent (15%) of collected revenues on all new accounts acquired primarily through the efforts of Mr. Tolbert, provided that this bonus shall only be paid on collected revenue during the initial term of the customer agreement with the Company, and (ii) five percent (5%) of all collected revenue on all customer accounts that are renewed by the customer primarily through the efforts of Mr. Tolbert, provided that this bonus shall only be paid on collected revenue during periods of renewal subsequent to the current term of such account as of the date of the amendment. Except as provided above, all other terms of Mr. Tolbert's Employment Agreement remain in effect and unchanged. Pursuant to his employment agreement with us, Mr. Tolbert is eligible to participate in all benefits, plans, and programs, including improvements or modifications of the same, which are now, or may hereafter be, available to our other executive employees. Mr. Tolbert's employment agreement contains standard provisions concerning noncompetition, nondisclosure and indemnification.

On November 13, 2014 the Company amended an Option Agreement dated June 17, 2013 (the "Option Agreement") pursuant to which Tom Tolbert was granted the right to purchase up to 1,391,087 shares of common stock of the Company. Options to purchase 391,085 Shares that were subject to vesting as of the date of the Amendment were cancelled. In furtherance of the cancellation, the Company granted to Mr. Tolbert options to purchase all or any part of 1,000,000 shares of the Company's Common Stock upon the following terms and conditions: Options to purchase 650,000 Shares shall vest and first become exercisable as of the date of the Amendment and the balance of Options to purchase 350,000 Shares shall vest and first become exercisable in 47 equal monthly installments of Options to purchase 7,292 Shares commencing on December 13, 2014 and on the 13th of the next 47 months and the remaining Options to purchase 7,276 Shares shall vest and first become exercisable on November 13, 2018. All other provisions of the Option Agreement remain in full force and effect.

Table of Contents

Non-Employee Director Compensation

2014 Director Compensation Table

Name	Fees Earned	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Deferred Compensation Earnings	All Other Compensation	Total
David Jaques		-					