

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934

Date of Report (Date of earliest event reported): July 13, 2014

**HEALTH ENHANCEMENT PRODUCTS, INC.**

(Exact name of registrant as specified in its charter)

<u>Nevada</u>	<u>000-30415</u>	<u>87-0699977</u>
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2804 Orchard Lake Rd.,  
Keego Harbor, Michigan 48320  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (248) 452-9866

Not applicable  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01. Entry into a Material Definitive Agreement**

**Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant**

**Entry into a Material Definitive Agreement**

**Creation of a Direct Financial Obligation**

On July 13, 2014, the Registrant and HEP Investments, LLC, a Michigan limited liability company (“Lender”), entered into the following documents, effective as of July 1, 2014: (i) Third Amendment to Loan Agreement under which the Lender has agreed to advance up to a total of \$6,000,000 to the Registrant, subject to certain conditions, and (ii) a Fourth Amended and Restated Senior Secured Convertible Promissory Note. The Fourth Amendment to Loan Agreement amends and restates the Third Amendment to Loan Agreement, which was entered into with HEP Investments on March 17, 2014 and disclosed in the Registrant’s Annual Report on Form 10-K filed on March 31, 2014.

As of March 31, 2014, the Lender had advanced the Registrant \$4,050,000. As disclosed in the Form 10-Q for the quarter ended March 31, 2014, filed on May 14, 2014, HEP Investments has advanced these monies under the following terms:

- A. \$2,660,000 to be convertible into the Registrant’s restricted common stock at the lesser of \$.12 per share or a 25% discount off of the ten day trailing quoted price of the common stock in the over the counter (OTC) market, with interest at the rate of 11% per annum.
- B. \$640,000 to be convertible into the Registrant’s restricted common stock at the lesser of \$.22 per share or a 25% discount off of the ten day trailing quoted price of the common stock in the over the counter (OTC) market, with interest at the rate of 11% per annum.
- C. \$750,000 to be convertible into the Registrant’s restricted common stock at the lesser of \$.30 per share or a 25% discount off of the ten day trailing quoted price of the common stock in the over the counter (OTC) market, with interest at the rate of 11% per annum.

On July 13, 2014, the Lender agreed to increase the amount of the facility to \$6,000,000, with the last \$1,950,000 to be convertible into the Registrant’s restricted common stock at the lesser of \$.15 per share or a 25% discount off of the ten day trailing quoted price of the common stock in the over the counter (OTC) market, with interest at the rate of 11% per annum. As of July 16, 2014 \$1,035,000 of this funding has been made available to the Registrant.

Amounts advanced under the Note are secured by all the Registrant’s assets.

The Registrant has agreed to pay the following fees in connection with the Loan transaction (when the final \$1,950,000 in funding is achieved): (i) a \$175,000 closing fee, consisting of \$105,300 in cash, and \$70,200 paid in shares of common stock, which will be accomplished by the issuance of 468,000 shares of common stock valued at \$.15 per share.

The Registrant has made certain agreements with the Lender which shall remain in effect as long as any amount is outstanding under the Loan. These agreements include an agreement not to make any change in the Registrant’s senior management. Two representatives of the Lender will have the right to attend Board of Director meetings as non-voting observers.

**Item 8.01 Other Events**

On July 17, 2014, the Company released a Press Release, a copy of which is filed herewith as Exhibit 99.1.

**Item 9.01 Financial Statements and Exhibits**

Exhibit 99.1 – Press Release dated July 17, 2014

## SIGNATURES

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

HEALTH ENHANCEMENT PRODUCTS, INC.

Date: July 17, 2014

By: /s/ Philip M. Rice  
Philip M. Rice, II, Chief Financial Officer

**HEALTH ENHANCEMENT PRODUCTS, INC. SECURES CAPITAL INCREASE TO FUND ONGOING BOVINE AND CANINE STUDIES FOR LICENSING OPPORTUNITIES**

**FOR IMMEDIATE RELEASE -- JULY 17, 2014**

**BREAKING NEWS FOR: HEALTH ENHANCEMENT PRODUCTS, INC. (OTCQB: HEPI)**

**KEEGO HARBOR, MI** – Health Enhancement Products, an innovative Michigan-based biotech firm, is pleased to announce that its primary lender has increased the company’s credit facility to \$6 million, making \$1 million available immediately to expedite both canine and bovine validation studies currently underway in the United States and Canada.

“This new infusion of capital funding will allow us to expedite the promising work in a broader set of studies and potentially move from research to licensing discussions as early as this fall,” said Andrew Dahl, President and CEO of Health Enhancement Products. “And, we view this latest investment and inquiries from equity capital investors as vote of confidence in our process and prospects.”

With a pre-pilot experiment in dairy cows already successfully concluded, an expanded pilot program will assess the effectiveness of the Company’s product as an intra-mammary treatment and as an oral alternative, among other forms of administration. HEPI’s primary business is investigating bioactive compounds extracted from algal cultures through research facilities in Montreal, Canada and Tulare County, California.

“The bovine pilot program involves larger groups of dairy cows and refinements to our approach,” states Dr. Amy Steffek, Director of R&D. “We’ve already authorized our contract research organization (CRO) to proceed, and the pilot program will be initiated the week of July 21. The plan is to have pilot program preliminary results by the end of August or early September and share that information with our animal health collaboration partner.”

The pilot program is a continuing research and validation effort directed at immune response in addressing bovine mastitis, a condition that affects milk production and costs American dairy producers almost \$3 billion in milking losses annually. Bovine mastitis is a global problem, affecting at any one time up to 10% of the world’s 244 million cows.

Concurrently, the Company is expanding the previously announced canine study to include refined samples and a direct challenge model that pits the company’s bioactive compounds against glucosamine and chondroitin – the most popular active ingredients in the canine joint health supplement market.

“Glucosamine and chondroitin are the most common supplement ingredients available to consumers for pet health. The market is large and stable, even in the current economic climate,” states Dahl. “We’d like to offer dog owners a viable alternative that can be *more cost-effectively* and safely administered for months, if not years, without any worries and also provide the additional benefit of a healthy immune system response.”

Like their human owners, dogs and other animals serving as family pets and companions in the USA and around the world experience loss of joint health due to advancing age, weight, and breed type. Joint health issues are predicted to affect nearly 1 in 5 dogs, and the canine joint health supplement market currently generates roughly \$300 million in annual sales in the U.S. alone.

Results from the glucosamine-chondroitin challenge experiment are expected in mid-to-late September, at which point Company principals hope to be in a position enter discussions with potential joint-venture partners and licensees to position specific product applications for market introduction.



**About Health Enhancement Products, Inc.**

Health Enhancement Products, Inc. (OTCQB: HEPI) is a Michigan-based biotech company engaged in the investigation of the health benefits of bioactive compounds derived from its proprietary algal cultures, and the development of natural bioactive compounds for use as dietary supplements and food ingredients, as well as potential candidates for future medicinal and pharmaceutical applications in humans and animals, focused on autoimmune modulation.

**Safe Harbor Statement**

Except for any historical information, the matters discussed in this press release contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements involve risks and uncertainties. A number of factors could cause actual results to differ from those indicated in the forward-looking statements, including the timing of completion of a trial, actual future clinical trial results being different than the results the company has obtained to date, and the company's ability to secure funding. Such statements are subject to a number of assumptions, risks and uncertainties. Readers are cautioned that such statements are not guarantees of future performance and those actual results or developments may differ materially from those set forth in the forward-looking statements. The company undertakes no obligation to publicly update or revise forward-looking statements, whether as a result of new information or otherwise

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