U.S. Securities and Exchange Commission
Washington, D.C. 20549

Form 10-Q

(Mark One)

☒ QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2014

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from _____________ to ______________

Commission file number: **000-30415**

Zivo Bioscience, Inc.

(f/k/a Health Enhancement Products, Inc.)
(Exact name of small business issuer as specified in its charter)

Nevada	**87-0699977**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

2804 Orchard Lake Rd., Suite 202, Keego Harbor, MI 48320
(Address of principal executive offices)

(248) 452 9866
(Issuer's telephone number)

Health Enhancement Products, Inc.
(Former name, former address and former fiscal year, if changed since last report)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of regulation ST (Sec. 232.405) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

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

Indicate by check mark whether the issuer is a shell company (as defined in Rule 12-b2 of the Exchange Act). Yes ☐ No ☒

APPLICABLE ONLY TO CORPORATE ISSUERS

There were 128,561,904 shares of common stock, $0.001 par value, outstanding at November 13, 2014.

FORM 10-Q
ZIVO BIOSCIENCE, INC. AND SUBSIDIARIES
(formerly Health Enhancement Products, Inc. and Subsidiaries)
INDEX

(Inapplicable items have been omitted)

PART I – FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

ZIVO BIOSCIENCE, INC. AND SUBSIDIARIES
(formerly Health Enhancement Products, Inc. and Subsidiaries)
CONDENSED CONSOLIDATED BALANCE SHEET

	September 30, 2014 (Unaudited)	December 31, 2013
ASSETS		
CURRENT ASSETS:		
Cash	$ 101,564	$ 493,104
Prepaid Expenses	25,081	72,122
Miscellaneous Receivable	-	118,467
Deferred Finance Costs	-	4,834
Total Current Assets	126,645	688,527
PROPERTY AND EQUIPMENT, NET	75,000	93,750
OTHER ASSETS:		
Patent Applications Pending	1,391,281	1,391,281
Deposits	-	845
Total Other Assets	1,391,281	1,392,126
	$ 1,592,926	$ 2,174,403
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts Payable	$ 483,019	$ 483,208
Loans Payable – Related Parties	28,010	-
Convertible Debenture Payable, less discount of $716,568 and $111,280 at September 30, 2014 and December 31, 2013	2,823,431	1,619,319
Derivative Liability	4,768,396	8,036,239
Accrued Liabilities	1,051,928	738,686
Total Current Liabilities	9,154,784	10,877,452
LONG TERM LIABILITIES:		
Convertible Debenture Payable, less discount of $1,553,608 and $2,159,189 at September 30, 2014 and December 31, 2013	481,393	890,811
Total Long term Liabilities	481,393	890,811
TOTAL LIABILITIES	9,636,177	11,768,263
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' DEFICIT:		
Common stock, $.001 par value, 200,000,000 shares authorized 128,561,904 and 116,852,093 issued and outstanding at September 30, 2014 and December 31, 2013	128,562	116,852
Additional Paid-In Capital	34,479,725	32,895,380
Accumulated deficit	(42,651,538)	(42,606,092)
Total Stockholders' Deficit	(8,043,251)	(9,593,860)
	$ 1,592,926	$ 2,174,403

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

ZIVO BIOSCIENCE, INC. AND SUBSIDIARIES
(formerly Health Enhancement Products, Inc. and Subsidiaries)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the three Months ended September 30, 2014	For the three Months ended September 30, 2013	For the nine Months ended September 30, 2014	For the nine Months ended September 30, 2013
REVENUES:	$ -	$ -	$ -	$ -
COSTS AND EXPENSES:				
General and Administrative	325,244	339,409	857,992	1,075,825
Professional fees and Consulting expense	262,382	277,930	512,291	518,886
Research and Development	508,816	270,811	1,305,627	711,176
Total Costs and Expenses	1,096,441	888,150	2,675,910	2,305,887
LOSS FROM OPERATIONS	(1,096,441)	(888,150)	(2,675,910)	(2,305,887)
OTHER INCOME (EXPENSE):				
Other Income	-	-	93,683	262,837
Other Expense	-	-	(118,467)	-
Fair Value Adjustment of Derivative Liability	(1,475,643)	(1,754,053)	4,481,478	(3,136,429)
Amortization of Debt Discount	(467,671)	(464,012)	(1,285,295)	(925,107)
Amortization of Deferred Finance Costs	-	(13,016)	(4,835)	(13,016)
Finance Costs	(152,496)	(1,467,608)	(152,496)	(4,039,519)
Interest expense	(147,977)	(93,813)	(383,604)	(199,968)
Total Other Income (Expense)	(2,243,787)	(3,792,502)	2,630,464	(8,051,202)
NET LOSS	$ (3,340,229)	$ (4,680,652)	$ (45,446)	$ (10,357,089)
BASIC AND DILUTED LOSS PER SHARE	$ (0.03)	$ (0.04)	$ (0.00)	$ (0.10)
WEIGHTED AVERAGE BASIC AND DILUTED SHARES OUTSTANDING	127,932,726	110,378,102	124,216,095	108,658,687

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

ZIVO BIOSCIENCE, INC. AND SUBSIDIARIES
(formerly Health Enhancement Products, Inc. and Subsidiaries)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the Nine Months Ended September 30, 2014	For the Nine Months Ended September 30, 2013
Cash Flows for Operating Activities:		
Net Loss	$ (45,446)	$ (10,357,089)
Adjustments to reconcile net loss to net cash used by operating activities:		
Stock and warrants issued for services rendered	83,813	338,150
Warrants issued for Directors' Fees	42,170	21,953
Finance costs paid in stock and warrants	150,606	1,009,802
Amortization of deferred finance costs	4,835	13,016
Deferred finance costs	-	2,930,020
Amortization of bond discount	1,285,295	925,107
Amortization of intangibles	-	6,234
Depreciation expense	18,750	13,203
Fair value adjustment of Derivative Liability	(4,481,479)	3,136,429
(Decrease) in deferred rent	-	(19,110)
Changes in assets and liabilities:		
(Increase) Decrease in prepaid expenses	47,041	(88,693)
(Increase) Decrease in miscellaneous receivable	118,467	(118,467)
Decrease in security deposits	845	122,917
Increase in accounts payable	1,701	112
Decrease in deferred revenue	-	(235,000)
Decrease in customer deposits	-	(27,837)
Increase in accrued liabilities	335,242	137,602
Net Cash Used by Operating Activities	(2,438,160)	(2,191,651)
Cash Flows from Investing Activities:		
Capital expenditures	-	-
Purchase of Pending Patents	-	(331,377)
Net Cash Used by Investing Activities	-	(331,377)
Cash Flow from Financing Activities:		
Repayment of Loan Payable, related party	-	(258,953)
Proceeds of Loan Payable, related parties	28,010	-
Finance costs paid on issuance of 11% convertible debentures	(1,890)	-
Proceeds from issuance of 11% convertible debentures	1,285,000	2,468,000
Proceeds from sale of common stock and exercise of warrants	735,500	548,000
Net Cash Provided by Financing Activities	2,046,620	2,757,047
Increase (Decrease) in Cash	(391,540)	234,019
Cash at Beginning of Period	493,104	47,147
Cash at End of Period	**$** 101,564	$ 281,166
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for:		
Interest	$ -	$ -
Income Taxes	$ -	$ -

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

Supplemental Disclosure of Non-Cash Investing and Financing Activities:

Nine Months Ended September 30, 2014:

During the quarter ended March 31, 2014, holders of 1% and 11% Convertible Debentures converted $420,000 into 3,867,000 shares of the Company's common stock. In addition, as part of an exercise of common stock warrants, a 1% convertible debenture holder applied $22,000 of accrued interest to the purchase price of 300,000 shares of the Company's common stock.

During the quarter ended June 30, 2014, holders of 1% Convertible Debentures converted $70,600 into 1,088,000 shares of the Company's common stock.

During the quarter ended June 30, 2014, the Company issued 416,667 shares of the Company's common stock in connection with a stock purchase consummated in December 2013.

During the quarter ended September 30, 2014, the Company issued 758,400 shares of the Company's common stock in connection with financings in the third quarter.

During the quarter ended September 30, 2014, the Company issued convertible debentures totaling $1,285,000 and recorded $1,285,000 in discounts on debentures.

Nine Months Ended September 30, 2013:

During the quarter ended March 31, 2013, the Company issued 21,111 shares of its common stock in return for a cashless exercise of 35,000 common stock warrants.

During the quarter ended March 31, 2013, the Company issued convertible debentures totaling $500,000 and recorded $377,088 in discounts on debentures.

During the quarter ended March 31, 2013, $15,000 in Loans Payable – Related Party was transferred to Loans Payable – Other (HEP Investments, LLC) pursuant to a Participation Agreement entered into by the two parties on March 18, 2013 (See Note 5 – Convertible Debt).

During the quarter ended June 30, 2013, the Company issued 1,191,182 shares of its common stock in return for the cashless exercise of 1,900,000 common stock warrants.

During the quarter ended June 30, 2013, the Company recorded $1,000,000 in discounts on 11% convertible debentures.

During the quarter ended June 30, 2013, the Company issued 600,000 shares of its common stock valued at $72,000 as consideration for payment of Obligations to Issue Common Stock.

During the quarter ended September 30, 2013, the Company issued 2,577,565 shares of its common stock valued at $1,159,904 for the purchase of assets from Essex Angel Capital.

During the quarter ended September 30, 2013, the Company recorded $968,000 in discounts on 11% convertible debentures.

During the quarter ended September 30, 2013, a significant shareholder converted $50,000 of 1% convertible debentures into 1,000,000 shares of the Company's common stock.

During the quarter ended September 30, 2013, $289,592 in Loans Payable – Other (HEP Investments LLC and Venture Group, LLC - See Note 5 - Convertible Debt) were converted to 11% convertible debentures.

During the nine months ended September 30, 2013, the Company established additional Derivative Liabilities of $4,687,312 consisting of unamortized debt discounts of $2,177,088 and finance costs valued at $2,510,224.

NOTE 1 – BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements include the accounts of Zivo Bioscience, Inc. and its wholly-owned subsidiaries (collectively, the "Company"). On October 14, 2014, at the annual meeting of the Shareholders' of the Company, a proposal was passed to change the name of the Company from Health Enhancement Products, Inc. to Zivo Bioscience, Inc. On October 16, 2014, the Amended Articles of Incorporation effecting the name change were filed with the State of Nevada. On October 30, 2014, Financial Industry Regulatory Authority ("FINRA") approved the name Zivo Bioscience, Inc. for trading purposes and the symbol change to ZIVO effective November 10, 2014. All significant inter-company accounts and transactions have been eliminated in consolidation. In the opinion of the Company's management, the financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the information set forth therein. These consolidated financial statements are condensed, and therefore do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's December 31, 2013 consolidated audited financial statements and supplementary data included in the Annual Report on Form 10-K filed with the SEC on March 31, 2014.

The results of operations for the nine months ended September 30, 2014 are not necessarily indicative of the results to be expected for the fiscal year ending December 31, 2014, or any other period.

The Company had a loss from operations of $2,675,910 and $2,305,887 for the nine months ended September 30, 2014 and 2013, respectively. In addition, the Company had a working capital deficiency of $9,028,139 and a stockholders' deficit of $8,043,251 at September 30, 2014. These factors continue to raise substantial doubt about the Company's ability to continue as a going concern. During the first nine months of 2014, the Company raised $735,500 in net proceeds from the issuance of common stock and the exercise of warrants to purchase common stock, $1,285,000 from the issuance of convertible debentures and $28,010 from a loan payable to a related party. There can be no assurance that the Company will be able to raise additional capital.

The accompanying condensed consolidated financial statements do not include any adjustments related to the recoverability or classification of asset-carrying amounts or the amounts and classifications of liabilities that may result should the Company be unable to continue as a going concern.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Zivo Bioscience, Inc. and its wholly-owned Subsidiaries, Health Enhancement Corporation, HEPI Pharmaceuticals, Inc., WellMetris, LLC, and Zivo Biologic, Inc. All significant intercompany transactions and accounts have been eliminated in consolidation.

Accounting Estimates

The Company's consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America, which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, at the date of the financial statements and reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management uses its best judgment in valuing these estimates and may, as warranted, solicit external professional advice and other assumptions believed to be reasonable.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, cash equivalents include time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less. Cash equivalents consist of highly liquid investments with an original maturity of three months or less when purchased. At September 30, 2014, the Company did not have any cash equivalents.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

Property and Equipment

Property and equipment consists of furniture, office equipment, and leasehold improvements, and are carried at cost less allowances for depreciation and amortization. Depreciation and amortization is determined by using the straight-line method over the estimated useful lives of the related assets. Repair and maintenance costs that do not improve service potential or extend the economic life of an existing fixed asset are expended as incurred.

Fair Value Measurements

The authoritative guidance for fair value measurements defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or the most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Market participants are buyers and sellers in the principal market that are (i) independent, (ii) knowledgeable, (iii) able to transact, and (iv) willing to transact. The guidance describes a fair value hierarchy based on the levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value which are the following:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or corroborated by observable market data or substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the value of the assets or liabilities.

The Company's financial instruments include cash and cash equivalents, prepaid expenses, accounts payable accrued expenses and loans payable - related party. All of these items were determined to be Level 1 fair value measurements.
The carrying amounts of cash and equivalents, prepaid expenses, accounts payable accrued expenses and loans payable - related party all approximate fair value because of the short maturity of these instruments.

The Company considers derivative liabilities to be a Level 3 fair value measurement.

Deferred Financing Costs

The Company follows authoritative guidance for accounting for financing costs as it relates to convertible debt issuance cost. These costs are deferred and amortized over the term of the debt period or until redemption of the convertible debentures. Amortization of deferred financing costs amounted to $4,835 and $13,016 for the nine months ended September 30, 2014 and 2013, respectively.

Impairment of Long-Lived Assets

We review our long-lived assets for impairment whenever events and circumstances indicate that the carrying value of an asset might not be recoverable. An impairment loss, measured as the amount by which the carrying value exceeds the fair value, is recognized if the carrying amount exceeds estimated undiscounted future cash flows.

The Company believes its current assumptions and estimates are reasonable and appropriate; however, unanticipated events and changes in market conditions could affect such estimates, resulting in the need for an impairment charge in future periods During the nine months ended September 30, 2013, the Company decided that the remainder of the cost of the patents related to its former product ProAlgaZyme should be written off in the amount of $6,234. The decision was based on the lack of revenue generated by this product over the course of the prior year or for the foreseeable future.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

Revenue Recognition

For revenue from product sales, the Company recognizes revenue in accordance with Staff Accounting Bulletin No. 104, “Revenue Recognition” (“SAB No. 104”), which superseded Staff Accounting Bulletin No. 101, “Revenue Recognition in Financial Statements” (“SAB No. 101”). SAB No. 104 requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management’s judgment regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded

Shipping and Handling Costs

Shipping and handling costs are expensed as incurred. For the nine months ended September 30, 2014 and 2013, no shipping and handling costs were incurred.

Research and Development

Research and development costs are expensed as incurred. The Company accounts for research and development expenses under two main categories.

· Research Expenses, consisting of salaries and equipment and related expenses incurred for product research studies conducted primarily within the Company and by Company personnel. Research expenses were approximately $0 and $30,000 for the nine months ended September 30, 2014 and 2013, respectively;

· Clinical Studies Expenses, consisting of fees, charges, and related expenses incurred in the conduct of clinical studies conducted with Company products by independent external entities. External clinical studies expenses were approximately $1,306,000 and $681,000 for the nine months ended September 30, 2014 and 2013, respectively.

Stock Based Compensation

We account for stock-based compensation in accordance with FASB ASC 718, *Compensation – Stock Compensation.* Under the provisions of FASB ASC 718, stock-based compensation cost is estimated at the grant date based on the award’s fair value and is recognized as expense over the requisite service period. The Company generally issues grants to its employees, consultants and board members. At the date of grant, the Company determines the fair value of the stock option award and recognizes compensation expense over the requisite service period. The fair value of the stock option or warrant award is calculated using the Black Scholes option pricing model.

During the nine months ended September 30, 2014 and 2013, as a result of the vesting of warrants to directors and the issuances of warrants to certain employees, directors and consultants, the Company recorded stock based compensation expense of $125,983 and $360,103 for these periods, respectively.

The fair value of warrants was estimated on the date of grant using the Black-Scholes option-pricing model based on the following weighted average assumptions:

	Nine Months Ended September 30,	
	2014	2013
Expected volatility	113.93% to 138.05%	114.68% to 194.14%
Expected dividends	0%	0%
Expected term	3 – 5 years	3 - 5 years
Risk free rate	.41% to .59%	.25% to .27%

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

Stock Based Compensation – (continued)

The Black-Scholes option-pricing model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. In addition, option-pricing models require the input of highly subjective assumptions, including the expected stock price volatility. Because the Company's employee warrants have characteristics significantly different from those of traded options and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion the existing models may not necessarily provide a reliable single measure of the fair value of its employee options.

Loss Per Share

Basic loss per share is computed by dividing the Company's net loss by the weighted average number of common shares outstanding during the period presented. Diluted loss per share is based on the treasury stock method and includes the effect from potential issuance of common stock such as shares issuable pursuant to the exercise of warrants and conversions of debentures. Potentially dilutive securities as of September 30, 2014, consisted of 65,539,827 common shares from convertible debentures and related accrued interest and 11,674,402 common shares from outstanding warrants. Potentially dilutive securities as of September 30, 2013, consisted of 31,198,000 common shares from convertible debentures and related accrued interest and 14,828,876 common shares from outstanding warrants Diluted and basic weighted average shares are the same, as potentially dilutive shares are anti-dilutive.

Advertising / Public Relations Costs

Advertising/Public Relations costs are charged to operations when incurred. These expenses were $66,664 and $27,551 for the nine months ended September 30, 2014 and 2013, respectively.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and cash equivalents. The Company maintains cash balances at financial institutions which exceed the current Federal Deposit Insurance Corporation ("FDIC") limit of $250,000 at times during the year.

Reclassifications

Certain items in these consolidated financial statements have been reclassified to conform to the current period presentation.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment at September 30, 2014 and December 31, 2013 consist of the following:

	September 30, 2014 (Unaudited)	December 31, 2013
Furniture and fixtures	$ 20,000	$ 20,000
Equipment	80,000	80,000
	100,000	100,000
Less accumulated depreciation and amortization	(25,000)	(6,250)
	$ 75,000	$ 93,750

Depreciation and amortization was $18,750 and $13,203 for the nine months ended September 30, 2014 and 2013 respectively.

NOTE 4 - DEFINITE-LIFE INTANGIBLE ASSETS

The Company's definite-life intangible assets are amortized, upon being placed in service, over the estimated useful lives of the assets, with no residual value. There was no amortization expense for the nine months ended September 30, 2014 and 2013. As of September 30, 2013, the Company's management decided to take an impairment charge of $6,234 representing the unamortized basis of the patents related to the creation and production of its product, ProAlgaZyme which is no longer producing revenue. The write off of the impairment loss was included in General and Administrative Expenses on the Statement of Operations for the nine months ended September 30, 2013.

NOTE 5 – CONVERTIBLE DEBT

HEP Investments, LLC

The Company and HEP Investments, LLC, a Michigan limited liability company ("Lender"), entered into the following documents, effective as of December 1, 2011, as amended through July 1, 2014: (i) a Loan Agreement under which the Lender has agreed to advance up to $6,000,000 to the Company, subject to certain conditions; (ii) a Convertible Secured Promissory Note in the principal amount of $6,000,000 ("Note") (of which $5,335,000 has been advanced as of September 30, 2014); (iii) a Security Agreement, under which the Company granted the Lender a security interest in all of its assets and (iv) an IP security agreement under which the Company and its subsidiaries granted the Lender a security interest in all their respective intellectual properties, including patents, in each case in order to secure their respective obligations to the Lender under the Note and related documents. In addition, the Company's subsidiaries have guaranteed the Company's obligations under the Note. The Company has also 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 Company's senior management, without the prior written consent of the Lender. Two representatives of the Lender will have the right to attend Board of Director meetings as non-voting observers.

Amounts advanced under the Note (i) are convertible into the Company's restricted common stock according to the following schedule: (A) $2,660,000 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, (B) $1,285,000 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, (C) $640,000 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, and (D) $750,000 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; (ii) bear interest at the rate of 11% per annum and (iii) must be repaid as follows: accrued interest must be paid on the first and second anniversary of the Note and unpaid principal not previously converted into common stock must be repaid on the second anniversary of the Note, with the provision that the first installment of the Note of $500,000 due on December 1, 2013 was initially extended to June 1, 2014. As of September 30, 2014, a total of $1,000,000 in $.12 convertible debt has become due. In July 2014, the Lender agreed to rolling 30 day extensions until notice is given to the Company to the contrary. The Lender has not converted any of the debt through the date of this report. The Note may be prepaid upon sixty days written notice, provided that the Company shall be required to pay a prepayment premium equal to 5% of the amount repaid. The Company determined that the modification of these Notes was not a substantial modification in accordance with ASC 470-50, "Modifications and Extinguishments."

NOTE 5 – CONVERTIBLE DEBT – (continued)

The Venture Group, LLC

On January 27, 2012, the Company and The Venture Group, LLC, a Maryland limited liability company ("Venture Group"), entered into the following agreements, effective as of January 26, 2012: (i) a Subscription Agreement under which the Lender has agreed to advance $500,000, (ii) a Subordinated Convertible Promissory Note in the principal amount of $500,000 ("Note"); and (iii) (a) a Security Agreement, under which the Company granted the Lender a subordinated security interest in all of its assets and (b) an IP security agreement under which the Company granted the Lender a subordinated security interest in all its intellectual properties, including patents, to secure its obligations to the Lender under the Note and related documents. Amounts advanced under the Note are (i) secured on a subordinated basis by all the Company's assets, (ii) convertible into the Company's restricted common stock at $.12 per share, (iii) bear interest at the rate of 11% per annum (payable on the first and second anniversary of the Note (unless earlier paid off), in cash or stock, at the Company's option), and (iv) unpaid principal not previously converted into common stock must be repaid on the second anniversary of the Note (January 27, 2014).

On October 30, 2013, the Venture Group converted $150,000 of the $500,000 convertible debenture into 1,250,000 shares of the Company's common stock.

On February 18, 2014, Venture Group converted the remaining $350,000 of the convertible debenture into 2,917,000 shares of the Company's common stock.

Other Debt

On February 7, 2014, the holders of $70,000 of 1% convertible debentures converted their debentures into 950,000 shares of the Company's common stock. On April 27, 2014, the holders of $70,600 of 1% convertible debentures converted their debentures into 1,088,000 shares of the Company's common stock.

During the six months ended June 30, 2014, the Company and the Note Holder and significant shareholder of the Company extended the remaining notes due for an additional six months. In September 2014, the Lender agreed to rolling 30 day extensions until notice is given to the Company to the contrary. The Company determined that the modification of these Notes was not a substantial modification in accordance with ASC 470-50, "Modifications and Extinguishments."

Convertible debt consists of the following:

	September 30, 2014 (Unaudited)	December 31, 2013
1% Convertible notes payable, net of unamortized discount of $-0- and $5,546 respectively, due at various dates ranging from October 2014 to May 2015	$ 240,000	$ 375,054
11% Convertible note payable - HEP Investments, LLC, a related party, net of unamortized discount of $ 2,270,176 and $2,235,217, respectively, due at various dates ranging from October 2014 to December 2015	3,064,824	1,814,783
11% Convertible note payable - Venture Group, net of unamortized discount of $29,707	-	320,293
	3,304,824	2,510,130
Less: Current portion	2,823,431	1,619,319
Long term portion	$ 481,393	$ 890,811

Amortization of the debt discount on the remaining notes was $1,285,295 and $925,107 for the nine months ended September 30, 2014 and 2013, respectively.

NOTE 6 - DERIVATIVE LIABILITY

In connection with the funding agreement signed December 1, 2011 with HEP Investments, LLC, the Company recorded a derivative liability of $552,988. This represents the future value of the stock to be issued under the terms of the convertible debt. This derivative liability was valued utilizing the Black-Scholes method of valuation using the following assumptions: closing stock price of $.17, expected volatility of 151.45% over the two year contractual life of the note, an annual rate of dividends 0% and a risk free interest rate of .27%. In addition, the Company has recognized other income of $24,422 representing the change in fair value of this derivative liability as of December 31, 2011. The derivative liability was marked to fair value at December 31, 2011 utilizing the Black-Scholes method of valuation using the following assumptions: closing stock price of $.25, a volatility of 151.49% over the remaining 1.92 year contractual life of the note, an annual rate of dividends of 0%, and a risk free rate of .25%.

On April 4, 2012, in connection with the HEP Investments agreement, as a result of reaching certain funding thresholds which entitled HEP Investments to additional shares of common stock, the Company was required to record an additional derivative liability of $496,375 utilizing the Black-Scholes method of valuation using the following assumptions: closing stock price of $.29, an expected volatility of 143.36% over the remaining 1.66 year contractual life of the note, an annual rate of dividends of 0%, and a risk free rate of .25%.

On May 8, 2012, in connection with the HEP Investments agreement, as a result of reaching certain funding thresholds which entitled HEP Investments to additional shares of common stock, the Company was required to record an additional derivative liability of $507,916 utilizing the Black-Scholes method of valuation using the following assumptions: closing stock price of $.29, an expected volatility of 140.93% over the remaining 1.57 year contractual life of the note, an annual rate of dividends of 0%, and a risk free rate of .25%.

On December 31, 2012, the Company valued the derivative liability at $1,026,128 utilizing the Black-Scholes method of valuation using the following assumptions: closing stock price of $.19, an expected volatility of 151.75% over the remaining 0.92 year contractual life of the note, an annual rate of dividends of 0%, and a risk free rate of .26%. The fair value of the derivative decreased by $506,729 which has been recorded in the statement of operations for the year ended December 31, 2012.

On March 18, 2013, in connection with the HEP Investments agreement, as a result of reaching certain funding thresholds which entitled HEP Investments to additional shares of common stock, the Company was required to record an additional derivative liability of $377,088 utilizing the Black-Scholes method of valuation using the following assumptions: closing stock price of $.22, an expected volatility of 160.96% over the remaining 0.71 year contractual life of the note, an annual rate of dividends of 0%, and a risk free rate of .25%.

On April 10, 2013, in connection with the HEP Investments agreement, as a result of reaching certain funding thresholds which entitled HEP Investments to additional shares of common stock, the Company was required to record an additional derivative liability of $616,040 utilizing the Black-Scholes method of valuation using the following assumptions: closing stock price of $.35, an expected volatility of 151.37% over the remaining 2.00 year contractual life of the note, an annual rate of dividends of 0%, and a risk free rate of .24%.

On April 16, 2013, in connection with the HEP Investments agreement, as a result of reaching certain funding thresholds which entitled HEP Investments to additional shares of common stock, the Company was required to record an additional derivative liability of $518,756 utilizing the Black-Scholes method of valuation using the following assumptions: closing stock price of $.30, an expected volatility of 151.72% over the remaining 2.00 year contractual life of the note, an annual rate of dividends of 0%, and a risk free rate of .24%.

On April 29, 2013, in connection with the HEP Investments agreement, as a result of reaching certain funding thresholds which entitled HEP Investments to additional shares of common stock, the Company was required to record an additional derivative liability of $856,410 utilizing the Black-Scholes method of valuation using the following assumptions: closing stock price of $.47, an expected volatility of 153.70% over the remaining 2.00 year contractual life of the note, an annual rate of dividends of 0%, and a risk free rate of .20%.

NOTE 6 - DERIVATIVE LIABILITY – (continued)

On May 7, 2013, in connection with the HEP Investments agreement, as a result of reaching certain funding thresholds which entitled HEP Investments to additional shares of common stock, the Company was required to record an additional derivative liability of $916,028 utilizing the Black-Scholes method of valuation using the following assumptions: closing stock price of $.50 an expected volatility of 153.46% over the remaining 2.00 year contractual life of the note, an annual rate of dividends of 0%, and a risk free rate of .22%.

On July 15, 2013, in connection with the HEP Investments agreement, as a result of reaching certain funding thresholds which entitled HEP Investments to additional shares of common stock, the Company was required to record an additional derivative liability of $504,699 utilizing the Black-Scholes method of valuation using the following assumptions: closing stock price of $.32 an expected volatility of 146.56% over the remaining 2.00 year contractual life of the note, an annual rate of dividends of 0%, and a risk free rate of .34%.

On July 25, 2013, in connection with the HEP Investments agreement, as a result of reaching certain funding thresholds which entitled HEP Investments to additional shares of common stock, the Company was required to record an additional derivative liability of $418,790 utilizing the Black-Scholes method of valuation using the following assumptions: closing stock price of $.46 an expected volatility of 147.03% over the remaining 2.00 year contractual life of the note, an annual rate of dividends of 0%, and a risk free rate of .32%.

On September 30, 2013, in connection with the HEP Investments agreement, as a result of reaching certain funding thresholds which entitled HEP Investments to additional shares of common stock, the Company was required to record an additional derivative liability of $479,502 utilizing the Black-Scholes method of valuation using the following assumptions: closing stock price of $.45 an expected volatility of 139.26% over the remaining 2.00 year contractual life of the note, an annual rate of dividends of 0%, and a risk free rate of .33%.

On October 28, 2013, in connection with the HEP Investments agreement, as a result of reaching certain funding thresholds which entitled HEP Investments to additional shares of common stock, the Company was required to record an additional derivative liability of $214,525 utilizing the Black-Scholes method of valuation using the following assumptions: closing stock price of $.37 an expected volatility of 134.91% over the remaining 2.00 year contractual life of the note, an annual rate of dividends of 0%, and a risk free rate of .33%.

On December 18, 2013, in connection with the HEP Investments agreement, as a result of reaching certain funding thresholds which entitled HEP Investments to additional shares of common stock, the Company was required to record an additional derivative liability of $185,438 utilizing the Black-Scholes method of valuation using the following assumptions: closing stock price of $.33 an expected volatility of 134.11% over the remaining 2.00 year contractual life of the note, an annual rate of dividends of 0%, and a risk free rate of .34%.

On December 30, 2013, in connection with the HEP Investments agreement, as a result of reaching certain funding thresholds which entitled HEP Investments to additional shares of common stock, the Company was required to record an additional derivative liability of $248,701 utilizing the Black-Scholes method of valuation using the following assumptions: closing stock price of $.42 an expected volatility of 133.07% over the remaining 2.00 year contractual life of the note, an annual rate of dividends of 0%, and a risk free rate of .39%.

On December 31, 2013, the Company valued the derivative liability at $8,036,239 utilizing the Black-Scholes method of valuation using the following assumptions: closing stock price of $.39, an expected volatility of 133.09% over the remaining contractual lives of the note ranging from 0.90-1.93 years, an annual rate of dividends of 0%, and a risk free rate of .38%. The fair value of the derivative increased by $1,674,135 which has been recorded in the statement of operations for the twelve months ended December 31, 2013.

On March 31, 2014, the Company valued the derivative liability at $2,671,529 utilizing the Black-Scholes method of valuation using the following assumptions: closing stock price of $.17, an expected volatility of 145.45% over the remaining 1.27 years contractual life of the note, an annual rate of dividends of 0%, and a risk free rate of .44%. The fair value of the derivative decreased by $5,364,710 which has been recorded in the statement of operations for the three months ended March 31, 2014.

NOTE 6 - DERIVATIVE LIABILITY – (continued)

On June 30, 2014, the Company valued the derivative liability at $ 2,079,118 utilizing the Black-Scholes method of valuation using the following assumptions: closing stock price of $.16, an expected volatility of 135.6% over the remaining 1.04 years contractual life of the note, an annual rate of dividends of 0%, and a risk free rate of .47%. The fair value of the derivative decreased by $592,410 which has been recorded in the statement of operations for the three months ended June 30, 2014.

On July 14, 2014, in connection with the HEP Investments agreement, as a result of reaching certain funding thresholds which entitled HEP Investments to additional shares of common stock, the Company was required to record an additional derivative liability of $970,766 utilizing the Black-Scholes method of valuation using the following assumptions: closing stock price of $.15 an expected volatility of 135.1% over the remaining 2.00 year contractual life of the note, an annual rate of dividends of 0%, and a risk free rate of .48%. In connection with the funding, 690,000 warrants were issued as part of the financing. These warrants are classified as Finance Costs and valued at $90,065 utilizing the Black-Scholes method of valuation using the following assumptions: closing stock price of $.15 an expected volatility of 134.94% over the 5.00 year term of the warrant, an annual rate of dividends of 0%, and a risk free rate of .48%.

On September 19, 2014, in connection with the HEP Investments agreement, as a result of reaching certain funding thresholds which entitled HEP Investments to additional shares of common stock, the Company was required to record an additional derivative liability of $242,868 utilizing the Black-Scholes method of valuation using the following assumptions: closing stock price of $.13 an expected volatility of 127.8% over the remaining 2.00 year contractual life of the note, an annual rate of dividends of 0%, and a risk free rate of .59%. In connection with the funding, 166,667 warrants were issued as part of the financing. These warrants are classified as Finance Costs and valued at $18,147 utilizing the Black-Scholes method of valuation using the following assumptions: closing stock price of $.15 an expected volatility of 127.64% over the 5.00 year term of the warrant, an annual rate of dividends of 0%, and a risk free rate of .48%.

On September 30, 2014, the Company valued the derivative liability at $4,768,396 utilizing the Black-Scholes method of valuation using the following assumptions: closing stock price of $.13, an expected volatility of 126.7% over the remaining 2.00 years contractual life of the note, an annual rate of dividends of 0%, and a risk free rate of .58%. The fair value of the derivative increased by $1,475,643 which has been recorded in the statement of operations for the three months ended September 30, 2014.

NOTE 7 – LOANS PAYABLE – RELATED PARTIES

During the period ended September 30, 2014, the Company received loans from related parties in the amount of $28,010. The loans are non-interest bearing and are payable on demand.

NOTE 8 - FAIR VALUE

In accordance with FASB ASC 820, "Fair Value Measurements and Disclosures", the following table represents the Company's fair value hierarchy for its financial assets and liabilities measured at fair value on a recurring basis as of September 30, 2014 and December 31, 2013:

	Level 3	Total
September 30, 2014		
Derivative Instruments	$ 4,768,396	$ 4,768,396
December 31, 2013		
Derivative Instruments	$ 8,036,239	$ 8,036,239

Level 3 financial instruments consist of certain embedded conversion features. The fair value of these imbedded conversion features are estimated using the Black-Scholes valuation model. The Company adopted the disclosure requirements of ASU 2011-04, *"Fair Value Measurements"* during the quarter ended March 31, 2012.

NOTE 8 - FAIR VALUE – (continued)

The following table summarizes the changes in fair value of the Company's Level 3 financial instruments for the six months ended September 30, 2014 and the year ended December 31, 2013.

	September 30, 2014	December 31, 2013
Beginning Balance	$ 8,036,239	$ 1,026,128
Initial recognition - Derivative liability of embedded conversion feature of the Convertible Notes	1,213,633	5,335,976
Change in fair value	(4,481,478)	1,674,135
Ending Balance	$ 4,768,396	$ 8,036,239

Changes in the unobservable input values would likely cause material changes in the fair value of the Company's Level 3 financial instruments. The significant unobservable input used in the fair value measurement is the estimation of the likelihood of the occurrence of a change to the conversion price based on the contractual terms of the financial instruments. A significant increase (decrease) in this likelihood would result in a higher (lower) fair value measurement.

NOTE 9 - STOCKHOLDERS' DEFICIT

Board of Directors fees

As compensation for serving as a member of the board of directors, the Company granted warrants to purchase 50,000 shares of common stock to Philip M. Rice (CFO and a Director) in January, 2013, at an exercise price of $.12 per share. The warrants have a term of three years and vested as follows: 12,500 vested on the grant date and the remaining 37,500 vested quarterly (12,500 per quarter). The warrants were valued at $10,381 using the Black Scholes pricing model relying on the following assumptions: volatility 131.97%; annual rate of dividends 0%; discount rate 0.27%. In addition, Mr. Rice will receive $10,000 for the 2013 term, paid quarterly.

As compensation for serving as a member of the board of directors, the Company granted warrants to purchase 50,000 shares of common stock to Thomas K. Cox in June, 2013, at an exercise price of $.40 per share. The warrants have a term of three years and vested as follows: 12,500 vested on the grant date and the remaining 37,500 vested quarterly (12,500 per quarter). The warrants were valued at $15,873 using the Black Scholes pricing model relying on the following assumptions: volatility 145.67%; annual rate of dividends 0%; discount rate 0.25%. In addition, Mr. Cox will receive $10,000 for the 2013 term, paid quarterly.

As compensation for serving as a member of the board of directors, the Company granted warrants to purchase 50,000 shares of common stock to John B. Payne in July, 2013, at an exercise price of $.38 per share. The warrants have a term of three years and vested as follows: 12,500 vested on the grant date and the remaining 37,500 vested quarterly (12,500 per quarter). The warrants were valued at $17,187 using the Black Scholes pricing model relying on the following assumptions: volatility 143.37%; annual rate of dividends 0%; discount rate 0.25%. In addition, Mr. Payne will receive $10,000 for the 2013 term, paid quarterly.

As compensation for serving as a member of the board of directors, the Company granted warrants to purchase 50,000 shares of common stock to John Gorman in November, 2013, at an exercise price of $.36 per share. The warrants have a term of three years and vested as follows: 12,500 vested on the grant date and the remaining 37,500 vested quarterly (12,500 per quarter). The warrants were valued at $14,053 using the Black Scholes pricing model relying on the following assumptions: volatility 141.53%; annual rate of dividends 0%; discount rate 0.33%. In addition, Mr. Gorman will receive $10,000 for the 2013 term, paid quarterly.

As compensation for serving as a member of the board of directors, the Company granted warrants to purchase 50,000 shares of common stock to Philip M. Rice (CFO and a Director) in January, 2014, at an exercise price of $.38 per share. The warrants have a term of three years and vested or will vest as follows: 12,500 vested on the grant date and the remaining 37,500 shall vest quarterly (12,500 per quarter). The warrants were valued at $13,460 using the Black Scholes pricing model relying on the following assumptions: volatility 121.33%; annual rate of dividends 0%; discount rate 0.44%. In addition, Mr. Rice receives $10,000 for each annual term served, paid quarterly.

NOTE 9 - STOCKHOLDERS' DEFICIT

Board of Directors fees – (continued)

As compensation for serving as a member of the board of directors, the Company granted warrants to purchase 50,000 shares of common stock to Thomas K. Cox in June, 2014, at an exercise price of $.19 per share. The warrants have a term of three years and vested or will vest as follows: 12,500 vested on the grant date and the remaining 37,500 shall vest quarterly (12,500 per quarter). The warrants were valued at $7,311 using the Black Scholes pricing model relying on the following assumptions: volatility 138.05%; annual rate of dividends 0%; discount rate 0.41%. In addition, Mr. Cox receives $10,000 for each annual term served, paid quarterly.

As compensation for serving as a member of the board of directors, the Company granted warrants to purchase 50,000 shares of common stock to John B. Payne in July, 2014, at an exercise price of $.14 per share. The warrants have a term of three years and vested or will vest as follows: 12,500 vested on the grant date and the remaining 37,500 shall vest quarterly (12,500 per quarter). The warrants were valued at $4,876 using the Black Scholes pricing model relying on the following assumptions: volatility 118.27%; annual rate of dividends 0%; discount rate 0. 51%. In addition, Mr. Payne receives $10,000 for each annual term served, paid quarterly.

As compensation for serving as a member of the board of directors, the Company granted warrants to purchase 50,000 shares of common stock to Nola E. Masterson in September, 2014, at an exercise price of $.12 per share. The warrants have a term of three years and vested or will vest as follows: 12,500 vested on the grant date and the remaining 37,500 shall vest quarterly (12,500 per quarter). The warrants were valued at $4,074 using the Black Scholes pricing model relying on the following assumptions: volatility 113.93%; annual rate of dividends 0%; discount rate 0.59%. In addition, Ms. Masterson receives $10,000 for each annual term served, paid quarterly.

The company recorded Directors Fees of $66,250 during the nine months ended September 30, 2014, representing the fees expensed and the value of the vested warrants described above.

Stock Issuances

During the nine months ended September 30, 2014, the Company received proceeds of $502,500 from the issuance of 3,433,334 shares of common stock and 1,308,333 common stock warrants and $233,000 from the exercise of 2,040,000 common stock warrants. The Company issued 4,955,000 shares of common stock upon conversion of $490,600 of 1% and 11% convertible debentures during the nine months ended September 30, 2014. The Company issued 416,667 shares of common stock to a non-related party shareholder relating to a stock purchase in December 2013. The Company issued 500,000 shares of common stock to a non-related party for services rendered during the nine months ended September 30, 2014.

Executive Compensation

As compensation for serving as Chief Financial Officer, the Company, quarterly, will issue warrants to purchase 50,000 shares of common stock to Philip M. Rice at the prevailing market price with a term of 5 years, provided that the preceding quarterly and annual filings were submitted in a timely and compliant manner, at which time such warrants would vest. On March 31, 2014 the Company issued warrants to purchase 50,000 shares of common stock at $.17. The warrants were valued at $13,460 using the Black Scholes pricing model relying on the following assumptions: volatility 128.35%; annual rate of dividends 0%; discount rate 0.44%. On May 14, 2014, the Company issued warrants to purchase 50,000 shares of common stock at $.19. The warrants were valued at $6,756 using the Black Scholes pricing model relying on the following assumptions: volatility 121.96%; annual rate of dividends 0%; discount rate 0.47%. On August 14, 2014, the Company issued warrants to purchase 50,000 shares of common stock at $.19. The warrants were valued at $4,828 using the Black Scholes pricing model relying on the following assumptions: volatility 116.72%; annual rate of dividends 0%; discount rate 0.42%.

NOTE 9 - STOCKHOLDERS' DEFICIT

Common Stock Warrants

A summary of the status of the Company's warrants is presented below.

	September 30, 2014		December 31, 2013	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	16,900,539	$ 0.17	16,365,209	$ 0.17
Issued	2,515,000	0.16	4,820,330	0.18
Exercised	(2,040,000)	0.13	(2,785,000)	0.16
Cancelled	(110,037)	0.31	-	-
Expired	(5,591,000)	0.19	(1,500,000)	0.32
Outstanding, end of period	11,674,402	$ 0.16	16,900,539	$ 0.17

Warrants outstanding and exercisable by price range as of September 30, 2014 were as follows:

	Outstanding Warrants			Exercisable Warrants	
Range of	Number	Average Weighted Remaining Contractual Life in Years	Exercise Price	Number	Weighted Average Exercise Price
$ 0.12	3,439,439	1.21	$ 0.12	3,401,939	$ 0.12
0.125	2,596,097	0.73	0.125	2,596,097	0.125
0.14	50,000	4.87	0.14	12,500	0.14
0.15	3,265,000	2.05	0.15	3,265,000	0.15
0.17	50,000	4.50	0.17	50,000	0.17
0.19	150,000	3.37	0.19	125,000	0.19
0.20	250,000	2.58	0.20	250,000	0.20
0.22	477,004	1.87	0.22	477,004	0.22
0.25	707,000	3.77	0.25	707,000	0.25
0.30	250,000	4.16	0.30	250,000	0.30
0.33	250,000	3.75	0.33	250,000	0.33
0.36	39,863	2.09	0.36	39,863	0.36
0.38	100,000	2.03	0.38	87,500	0.38
0.40	50,000	2.19	0.40	50,000	0.40
	11,674,402	2.01		11,561,902	$ 0.16

NOTE 10- OTHER INCOME (EXPENSE)

On June 12, 2013, the Company entered into a Settlement Agreement and Mutual Release of all Claims (the "Settlement Agreement") with Ceptazyme, LLC ("Ceptazyme") and Zus Health, LLC ("Zus Health") resolving claims the parties brought against one another in connection with a license agreement between the Company and Zus Health dated September 2, 2010 (the "License Agreement"). Under the terms of the Settlement Agreement, the parties agreed to terminate the License Agreement and that no party would have any further obligations thereunder. No monetary consideration was exchanged in connection with the Settlement Agreement. As a result of this settlement, the deferred revenue of $235,000 and customer deposits of $27,837 were recognized as other income.

NOTE 10- OTHER INCOME (EXPENSE) – (continued)

On July 15, 2014, the Company settled a dispute with one of its vendors. The settlement agreement calls for the Company to make 10 payments of $6,250. If the payments are not made timely, a total liability of $97,463 out of the gross amount recorded on the Company's books of $191,146 will be due. As a result of this settlement, the difference of $93,683 is recognized as other income for the period ending September 30, 2014.

On May 1, 2013, the Company, through its legal counsel, sent a notice to the landlord at 7740 E. Evans, Scottsdale, AZ that it expected a timely return of the $118,466 security deposit. On June 14, 2013, the landlord filed a Complaint in the State Court of Arizona that the Company owed the landlord in excess of $210,000 in damages in addition to the $118,466 security deposit related to the property at 7740 E. Evans, Scottsdale, AZ. The security deposit has been classified as a Miscellaneous Receivable since the second quarter of 2013. On July 24, 2014, the Company settled the outstanding complaints and the $118,466 Miscellaneous Receivable was written off as other expense for the period ending September 30, 2014.

NOTE 11- COMMITMENTS AND CONTINGENCIES

Employment Agreement

The Company's Chief Executive Officer, Andrew Dahl, is serving under the terms of an employment agreement dated, December 16, 2011. Under the agreement Mr. Dahl serves as CEO for one year terms, subject to automatic renewal, unless either party terminates the Agreement on sixty days'' notice prior to the expiration of the term of the agreement. Mr. Dahl will be compensated as follows: he will receive an annual base salary of $240,000. In addition, Mr. Dahl is entitled to monthly bonus compensation equal to 2% of the Company's revenue, but only to the extent that such bonus amount exceeds his base salary for the month in question. In addition, Mr. Dahl will be entitled to warrants having an exercise price of $.25 per share, upon the attainment of specified milestones as follows: 1) Warrants for 500,000 shares upon identification of bio-active agents in the Company's product and filing of a patent with respect thereto, 2) Warrants for 500,000 shares upon entering into a business contract under which the Company receives at least $500,000 in cash payments, 3) Warrants for 1,000,000 shares upon the Company entering into a co-development agreement with a research company to develop medicinal or pharmaceutical applications (where the partner provides at least $2 million in cash or in-kind outlays), 4) Warrants for 1,000,000 shares upon the Company entering into a co-development agreement for nutraceutical or dietary supplement applications (where the partner provides at least $2 million in cash or in-kind outlays), 5) Warrants for 1,000,000 shares upon the Company entering into a pharmaceutical development agreement. As of September 30, 2014, none of the milestones referred to had been achieved and there has been no notice of contract termination.

NOTE 12 - SUBSEQUENT EVENTS

Name Change

On October 14, 2014, at the annual meeting of the Shareholders' of the Company, a proposal was passed to change the name of the Company from Health Enhancement Products, Inc. to Zivo Bioscience, Inc. On October 16, 2014, the Amended Articles of Incorporation effecting the name change were filed with the State of Nevada.

On October 30, 2014, FINRA (Financial Industry Regulatory Authority) approved the name Zivo Bioscience, Inc. for trading purposes. Effective November 10, 2014, the Company began trading on the OTCQB under the symbol: ZIVO.

Loan Payable – Related Party

During the period from October 1, 2014 through November 14, 2014 related parties loaned the Company $55,425. These loans payable are non-interest bearing and payable on demand.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

The anticipated income streams are to be generated from a) royalties and advances for licensed natural bioactive ingredients, and b) bulk sales of such ingredients. These bulk ingredients are expected to be made by contracted ingredient manufacturers and then sold by us to food, dietary supplement and medical food processors and/or name-brand marketers. Because we are engaged in a collaboration agreement with Zoetis to determine the market validity of our candidate products in addressing bovine mastitis, we expect that at the conclusion of our joint study period, the two parties will engage in discussions regarding options and licenses, whereupon revenues can be expected. We do not believe that these revenues will likely materialize in the last quarter of 2014, as the option/collaboration agreement allows for up to six months for negotiations, which could carry over into 2015.

Further, our current canine joint health studies may culminate in another option/collaboration agreement with a large animal health company, or we may elect to pursue a direct supply contract with an established canine dietary supplement maker/marketer. Should any revenue materialize in 2014 for this specific product category, it would consist of an option payment, license fee or marketing consideration.

With respect to our WellMetris, LLC subsidiary, potential revenue may be expected in the last quarter of 2014 only if capital funding is secured to activate the manufacturing of analyzers and test cartridges to build inventory, as well as product launch expenses.

Results of Operations for the three months ended September 30, 2014 and 2013.

Net Sales.

We had no sales during the three months ended September 30, 2014 and 2013. We expect to derive future income from the licensing and sale of natural bioactive ingredients derived from algae cultures to much larger, better-financed animal, food, dietary supplement and medical food manufacturers.

Cost of Sales.

We had no cost of sales during the three months ended September 30, 2014 and 2013.

Research and Development Expenses.

For the three months ended September 30, 2014, we incurred $508,816 in research and development expenses, as compared to $270,811 for the comparable period in 2013. These expenses were comprised of costs associated with external research. The increase of $238,000 is due to increased work with external research projects. If we are able to obtain sufficient funding, our research and development costs will grow as we work to complete the research in the development of natural bioactive compounds for use as dietary supplements and food ingredients, as well as lead compounds for medicinal and pharmaceutical applications in humans and animals. The Company's scientific efforts are focused on the metabolic aspects of oxidation and inflammation, with a parallel program to validate and license products for healthy immune response.

Selling and Marketing Expenses.

We had no selling and marketing expenses during the three months ended September 30, 2014 and 2013.

General and Administrative Expenses.

General and administrative expenses were $325,244 for the three months ended September 30, 2014, as compared to $339,409 for the comparable prior period. The general and administrative expense during 2014 is similar to the same period during 2013.

Professional and Consulting Expenses.

Professional and consulting expenses were $262,382 for the three months ended September 30, 2014, as compared to $277,930 for the comparable prior period. The professional and consulting expense during 2014 is similar to the same period during 2013.

Other Income (Expense)

For the three months ended September 30, 2014, Other Expenses decreased by approximately $1,549,000 from approximately $3,793,000 to $2,244,000. The decrease was due primarily to a decrease in Finance Charges of approximately $1,315,000 and a decrease in Change in Derivative Liability of approximately $278,000, offset by an increase in interest expense of approximately $54,000, as compared to the prior period.

Results of Operations for the nine months ended September 30, 2014 and 2013

Net Sales.

We had no sales during the nine months ended September 30, 2014 and 2013. We expect to derive future income from the licensing and sale of natural bioactive ingredients derived from algae cultures to much larger, better-financed animal, food, dietary supplement and medical food manufacturers.

Cost of Sales.

We had no cost of sales during the nine months ended September 30, 2014 and 2013.

Research and Development Expenses.

For the nine months ended September 30, 2014, we incurred $1,305,627 in research and development expenses, as compared to $711,176 for the comparable period in 2013. Of these expenses, $1,305,627 and $440,365 for the nine months ended September 30, 2014 and 2013, respectively, were mainly comprised of costs associated with external research. The increase of $594,000 is due to increased work with external research projects. If we are able to obtain sufficient funding, our research and development costs will grow as we work to complete the research in the development of natural bioactive compounds for use as dietary supplements and food ingredients, as well as biologics for medicinal and pharmaceutical applications in humans and animals. The Company's scientific efforts are focused on the metabolic aspects of oxidation and inflammation, with a parallel program to validate and license products for healthy immune response.

Selling and Marketing Expenses.

We had no selling and marketing expenses during the nine months ended September 30, 2014 and 2013.

General and Administrative Expenses.

General and administrative expenses were $857,992 for the nine months ended September 30, 2014, as compared to $1,075,825 for the comparable prior period. The decrease in general and administrative expense during 2014 is due primarily to is due primarily to a warrant granted to the Chief Financial Officer in April 2013 for 557,000 shares of common stock whereby the Company recorded a compensation expense (non-cash) of $251,000. The remaining general and administrative expense during 2014 is similar to the same period during 2013.

Professional and Consulting Expenses.

Professional and consulting expenses were $512,291 for the nine months ended September 30, 2014, as compared to $518,886 for the comparable prior period. The professional and consulting expense during 2014 is similar to the same period during 2013.

Other Income (Expense)

For the nine months ended September 30, 2014 as compared to the prior period, Other Income (Expense) changed by approximately $10,682,000, from an expense of approximately $8,051,000 to income of approximately $2,631,000. The change was due primarily to a change in the Fair Value Adjustment of Derivative Liability of $7,618,000 (from an expense of $3,136,000 for the nine months ended September 30, 2013 compared to income of $4,482,000 for the nine months ended September 30, 2014). Finance Charges decreased by $3,887,000 compared to the prior period, offset by an increases in interest expense of $184,000 and Amortization of Debt Discount of $360,000 compared to the prior period. Other Income (Expense) changed by $287,000 from the prior period relating to several transactions as discussed further in Note 10 of the Notes to the Consolidated Financial Statements.

Liquidity and Capital Resources

The unaudited condensed consolidated financial statements contained in this Quarterly Report have been prepared on a "going concern" basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. We have a near term need for additional capital. For the reasons discussed herein, there is a significant risk that we will be unable to continue as a going concern, in which case, you would suffer a total loss of your investment in our company.

As of November 11, 2014, we had a cash balance of approximately $5,000. We have incurred significant net losses since inception, including a net loss of $45,446 for the nine months ended September 30, 2014. We have, since inception, consistently incurred negative cash flow from operations. During the period ended September 30, 2014, we incurred negative cash flows from operations of $2,438,160. As of September 30, 2014, we had a working capital deficiency of $9,028,139 and a stockholders' deficiency of $8,043,251. Although we recently raised a limited amount of capital, we have a near term need for additional capital.

During the nine months ended September 30, 2014, our operating activities used $2,438,160 in cash, a decrease of $247,000 from the comparable prior period. The approximate $247,000 increase in cash used by operating activities was primarily attributable to the following (all of which are approximated): a $10,312,000 decrease in net loss, offset by $14,234,000 in non-cash expenses, $251,000 of changes (decrease) in prepaid expenses, miscellaneous receivables, security deposits and $460,000 of changes (increase) in accounts payable, accrued liabilities and the reduction of deferred revenue and customer deposits.

Our investing activities had no cash expenditures during the nine months ended September 30, 2014 compared to cash expenditures of approximately $331,000 relating to the purchase of the intangible assets of Wellness Indicators from Essex Angel Capital during the nine months ended September 31, 2013.

Our financing activities generated $2,047,000, a $710,000 decrease from the comparable prior period. The decrease in cash provided by financing activities was due to a $1,183,000 reduction of proceeds from issuance of convertible debentures offset by an increase in proceeds of $188,000 from the sale of common stock and the exercise of common stock warrants, a $28,000 increase of proceeds of loan payable from a related party and reduction of $259,000 of a repayment of Loan Payable to a related party.

Although we raised a limited amount of capital during 2013 and the first nine months of 2014, we continue to experience a shortage of capital, which is materially and adversely affecting our ability to run our business. As noted above, we have been largely dependent upon external sources for funding. We have in the past had great difficulty in raising capital from external sources. We will still be reliant upon external financing for the continuation of our research program.

We estimate that we will require approximately $3 million in cash over the next 12 months in order to fund our normal operations and research and development activities and an additional $4.8 million in new capital to launch the WellMetris technology. Based on this cash requirement, we have a near term need for substantial additional funding. Historically, we have had great difficulty raising funds from external sources; however, we recently were able to raise capital from outside sources. If we are unable to raise the required funding, we will have to curtail our research and development and other activities, in which case, there could be a material adverse effect on our business.

Significant elements of income or loss not arising from our continuing operations

We do not expect to experience any significant elements of income or loss other than those arising from our continuing operations, other than those arising out of changes in the fair value of derivative liabilities. For the nine months ended September 30, 2014, we recognized $4,481,478 in income for financial statement purposes, due to the change in fair value of derivative liabilities as of September 30, 2014. We may incur income or expense in future periods arising out of changes in the fair value of derivative liabilities.

Seasonality

Anticipated income streams are to be generated from the following:

· For ZIVO:

a) royalties and advances for licensed natural bioactive ingredients, isolated natural compounds and synthetic variants thereof, and b) bulk sales of such ingredients;

· For WellMetris:

The selling of wellness tests and data services related to medical records management and analysis/compilation of data gathered on behalf of payers

We do not anticipate that these will be affected by seasonality.

Staffing

We have conducted all of our activities since inception with a minimum level of qualified staff. We currently do not expect a significant increase in staff.

Off-Balance Sheet arrangements

We have no off-balance sheet arrangements that would create contingent or other forms of liability.

Item 4 Controls and Procedures

Management's Report on Disclosure Controls and Procedures.

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Securities Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Financial Officer, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, we recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, as ours are designed to do, and we necessarily were required to apply our judgment in evaluating the cost-benefit relationship of possible changes or additions to our controls and procedures.

As of September 30, 2014, we carried out an evaluation, under the supervision and with the participation of our management, including our principal executive/principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934. Based upon that evaluation, our principal executive/principal financial officer concluded that our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, are effective in enabling us to record, process, summarize and report information required to be included in our periodic SEC filings within the required time period.

Changes in Internal control Over Financial Reporting.

There have been no changes in our internal control over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the nine months ended September 30, 2014, the Company issued 5,973,334 shares of common stock for $757,500.

We believe that the foregoing transactions were exempt from the registration requirements under Rule 506 of Regulation D promulgated under the Securities Act of 1933, as amended ("the Act") or Section 4(2) under the Act, based on the following facts: there was no general solicitation, there was a limited number of investors, each of whom was an "accredited investor" (within the meaning of Regulation D under the "1933 Act", as amended) and was (either alone or with his/her purchaser representative) sophisticated about business and financial matters, each such investor had the opportunity to ask questions of our management and to review our filings with the Securities and Exchange Commission, and all shares issued were subject to restrictions on transfer, so as to take reasonable steps to assure that the purchasers were not underwriters within the meaning of Section 2(11) under the 1933 Act.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

Exhibit Number	Description	
3.12	Amended Articles of Incorporation dated October 16, 2014 effecting the Company's name change	*
31.1	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended	*
31.2	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended	*
32.1	Certification of the Principal Executive Officer pursuant to U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	*
32.2	Certification of the Principal Financial Officer pursuant to U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	*

*Furnished herewith (all other exhibits are deemed filed)

SIGNATURES

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

ZIVO BIOSCIENCE, INC.

Date: November 14, 2014

By: */s/Andrew Dahl*
Andrew Dahl
Chief Executive Officer

List of Exhibits

Exhibit Number	Description	
3.12	Amended Articles of Incorporation dated October 16, 2014 effecting the Compamy's name change	*
31.1	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended	*
31.2	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended	*
32.1	Certification of the Principal Executive Officer pursuant to U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	*
32.2	Certification of the Principal Financial Officer pursuant to U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	*

*Furnished herewith (all other exhibits are deemed filed)

EXHIBIT 3.12

090203

ROSS MILLER
Secretary of State
204 North Carson Street, Suite 1
Carson City, Nevada 89701-4520
(775) 684-5708
Website: www.nvsos.gov

Filed in the office of	Document Number
Ross Miller Secretary of State State of Nevada	20140717615-34
	Filing Date and Time 10/16/2014 8:00 AM
	Entity Number C1851-1983

Certificate of Amendment

(PURSUANT TO NRS 78.385 AND 78.390)

USE BLACK INK ONLY - DO NOT HIGHLIGHT

ABOVE SPACE IS FOR OFFICE USE ONLY

Certificate of Amendment to Articles of Incorporation For Nevada Profit Corporations

(Pursuant to NRS 78.385 and 78.390 - After Issuance of Stock)

1. Name of corporation:

Health Enhancement Products, Inc.

2. The articles have been amended as follows: (provide article numbers, if available)

Article 1. The name of the corporation is Zivo Bioscience, Inc.

3. The vote by which the stockholders holding shares in the corporation entitling them to exercise at least a majority of the voting power, or such greater proportion of the voting power as may be required in the case of a vote by classes or series, or as may be required by the provisions of the articles of incorporation* have voted in favor of the amendment is: 74%

4. Effective date and time of filing: (optional) Date: Oct 14, 2014 Time: 4 PM

(must not be later than 90 days after the certificate is filed)

5. Signature: (required)

X

Signature of Officer Philip M. Rice, II, Chief Financial Officer

*If any proposed amendment would alter or change any preference or any relative or other right given to any class or series of outstanding shares, then the amendment must be approved by the vote, in addition to the affirmative vote otherwise required, of the holders of shares representing a majority of the voting power of each class or series affected by the amendment regardless to limitations or restrictions on the voting power thereof.

IMPORTANT: Failure to include any of the above information and submit with the proper fees may cause this filing to be rejected.

This form must be accompanied by appropriate fees.

EXHIBIT 31.1

CERTIFICATION PURSUANT TO PURSUANT TO RULE 13A-14(A) OR RULE 15D-14(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Andrew Dahl, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Zivo Bioscience, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f))for the registrant and have:

    (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function).

    (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2014

/s/Andrew Dahl
Andrew Dahl,
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO PURSUANT TO RULE 13A-14(A) OR RULE 15D-14(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Philip M. Rice II, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Zivo Bioscience, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f))for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function).

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2014

/s/ Philip M. Rice II
Philip M. Rice II
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(Subsections (a) and (b) of Section 1350,
Chapter 63 of Title 18, United States Code)

In connection with the Quarterly Report on Form 10-Q for the period ending September 30, 2014 of Zivo Bioscience, Inc., a Nevada corporation (the “Company”), as filed with the Securities and Exchange Commission (the “Report”), I, Andrew Dahl, Chief Executive Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350), that to the best of my knowledge and belief:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 14, 2014

/s/Andrew Dahl
Andrew Dahl
Chief Executive Officer

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 HAS BEEN PROVIDED TO HEALTH ENHANCEMENT PRODUCTS, INC. AND WILL BE RETAINED BY HEALTH ENHANCEMENT PRODUCTS, INC. AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(Subsections (a) and (b) of Section 1350,
Chapter 63 of Title 18, United States Code)

In connection with the Quarterly Report of Zivo Bioscience, Inc., a Nevada corporation (the "Company"), on Form 10-Q for the period ended September 30, 2014 as filed with the Securities and Exchange Commission (the "Report"), I, Philip M. Rice II, Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350), that to the best of my knowledge and belief:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 14, 2014

/s/ Philip M. Rice II
Philip M. Rice II
Chief Financial Officer

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 HAS BEEN PROVIDED TO HEALTH ENHANCEMENT PRODUCTS, INC. AND WILL BE RETAINED BY HEALTH ENHANCEMENT PRODUCTS, INC. AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.