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 March 31, 2014

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

For the transition period from _____________ to ______________

Commission file number: **000-30415**

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)

Not Applicable
(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 123,868,760 shares of common stock, $0.001 par value, outstanding at May 14, 2014.

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HEALTH ENHANCEMENT PRODUCTS, INC.
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(Inapplicable items have been omitted)

PART I – FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

HEALTH ENHANCEMENT PRODUCTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET

	March 31, 2014 (Unaudited)	December 31, 2013
ASSETS		
CURRENT ASSETS:		
Cash	$ 96,823	$ 493,104
Prepaid Expenses	89,588	72,122
Miscellaneous Receivable	118,467	118,467
Deferred Finance Costs	-	4,834
Total Current Assets	304,878	688,527
PROPERTY AND EQUIPMENT, NET	87,500	93,750
OTHER ASSETS:		
Patent Applications Pending	1,391,281	1,391,281
Deposits	-	845
Total Other Assets	1,391,281	1,392,126
TOTAL ASSETS	$ 1,783,659	$ 2,174,403
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts Payable	$ 600,432	$ 483,208
Convertible Debenture Payable, less discount of $201,873 and $111,280 at March 31, 2014 and December 31, 2013	1,558,727	1,619,319
Derivative Liability	2,671,529	8,036,239
Accrued Liabilities	825,474	738,686
Total Current Liabilities	5,656,162	10,877,452
LONG TERM LIABILITIES:		
Convertible Debenture Payable, less discount of $1,589,593 and $2,159,189 at March 31, 2014 and December 31, 2013	1,010,407	890,811
Total Long term Liabilities	1,010,407	890,811
TOTAL LIABILITIES	6,666,569	11,768,263
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' DEFICIT:		
Common stock, $.001 par value, 200,000,000 shares authorized 122,868,760 and 116,852,093 issued and outstanding at March 31, 2014 and December 31, 2013	122,869	116,852
Additional Paid-In Capital	33,637,984	32,895,380
Accumulated deficit	(38,643,763)	(42,606,092)
Total Stockholders' Deficit	(4,882,910)	(9,593,860)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 1,783,659	$ 2,174,403

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

HEALTH ENHANCEMENT PRODUCTS, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the three Months ended March 31, 2014	For the three Months ended March 31, 2013
REVENUES:	$ -	$ -
COSTS AND EXPENSES:		
General and Administrative	270,603	264,413
Professional fees and Consulting expense	117,132	141,476
Research and Development	391,021	129,448
Total Costs and Expenses	778,757	535,337
LOSS FROM OPERATIONS	(778,757)	(535,337)
OTHER INCOME (EXPENSE):		
Fair Value Adjustment of Derivative Liability	5,364,711	(138,749)
Amortization of Deferred Finance Costs	(4,835)	-
Amortization of Bond Discount	(479,003)	(174,559)
Finance costs paid in stock	-	(28,152)
Interest expense	(139,788)	(50,307)
Total Other Income (Expense)	4,741,085	(391,767)
NET INCOME (LOSS)	$ 3,962,328	$ (927,104)
BASIC INCOME (LOSS) PER SHARE	$ 0.03	$ (0.01)
WEIGHTED AVERAGE BASIC SHARES OUTSTANDING	119,931,693	105,336,818
FULLY DILUTED INCOME PER SHARE	$ 0.03	$ (0.01)
WEIGHTED AVERAGE FULLY DILUTED SHARES OUTSTANDING	153,980,232	105,336,818

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

HEALTH ENHANCEMENT PRODUCTS, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the Three Months Ended March 31, 2014	For the Three Months Ended March 31, 2013
Cash Flows for Operating Activities:		
Net Income (Loss)	$ 3,962,328	$ (927,104)
Adjustments to reconcile net loss to net cash used by operating activities:		
Stock and warrants issued for services rendered	7,228	-
Stock and warrants issued for Director Fees	15,144	6,037
Stock and warrants issued for Finance Costs	-	28,152
Amortization of bond discount	479,003	174,558
Amortization of deferred finance costs	4,835	-
Amortization of intangibles	-	6,234
Depreciation expense	6,250	13,203
Fair value adjustment of Derivative Liability	(5,364,711)	138,749
(Decrease) in deferred rent	-	(19,110)
Changes in assets and liabilities:		
(Increase) in prepaid expenses	(17,466)	(27,959)
Decrease in security deposits	845	-
Increase (Decrease) in accounts payable	117,225	(23,591)
Increase in accrued liabilities	108,787	74,540
Net Cash (Used) by Operating Activities	(680,531)	(556,291)
Cash Flows from Investing Activities:	-	-
Cash Flow from Financing Activities:		
Proceeds of loan payable, other	-	35,000
Proceeds from issuance of convertible debentures	-	500,000
Proceeds from issuance stock and exercise of warrants	284,250	-
Net Cash Provided by Financing Activities	284,250	535,000
(Decrease) in Cash	(396,281)	(21,291)
Cash at Beginning of Period	493,104	47,147
Cash at End of Period	$ 96,823	$ 25,856
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for:		
Interest	$ -	$ -
Income Taxes	$ -	$ -

Supplemental Disclosure of Non-Cash Investing and Financing Activities:

Three Months Ended March 31, 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 Convertible Debenture holder applied $22,000 of accrued interest to the purchase price of 300,000 shares of the Company's common stock.

Three Months Ended March 31, 2013:

During the quarter ended March 31, 2013, the Company issued 11% Convertible Debentures totaling $500,000 and recorded $377,088 in discounts on debentures.

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

NOTE 1 – BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements include the accounts of Health Enhancement Products, Inc. and its wholly-owned subsidiaries (collectively, the "Company"). 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 three months ended March 31, 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 $778,757 and $535,337 for the three months ended March 31, 2014 and 2013, respectively. In addition, the Company had a working capital deficiency of $5,351,284 and a stockholders' deficit of $4,882,910 at March 31, 2014. These factors continue to raise substantial doubt about the Company's ability to continue as a going concern. During the first three months of 2014, the Company raised $284,250 in net proceeds from the issuance of common stock and the exercise of warrants into common stock. 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 Health Enhancement Products, 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 March 31, 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, miscellaneous receivables, accounts payable and accrued expenses. All of these items were determined to be Level 1 fair value measurements.

The carrying amounts of cash and equivalents, miscellaneous receivables, prepaid expenses, accounts payable, and accrued expenses 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 $-0- for the three months ended March 31, 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 three months ended March 31, 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. The Company ceased the sales of its sole product in the fourth quarter of 2011, and therefore recognized no provision for the three months ended March 31, 2014 or March 31, 2013.

Shipping and Handling Costs

Shipping and handling costs are expensed as incurred. For the three months ended March 31, 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 $25,000 for the quarters ended March 31, 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 $391,000 and $104,000 for the quarter ended March 31, 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 three months ended March 31, 2014, 50,000 common stock warrants valued at $7,228 were granted to the CFO for services rendered and 50,000 common stock warrants valued at $15,144 vested. During the three months ended March 31, 2013, 25,000 common stock warrants valued at $6,037 vested. As a result of these grants and vestings, the Company recorded compensation expense of $22,372 and $6,037 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:

	Three Months Ended March 31,	
	2014	2013
Expected volatility	121.33% to 128.35%	114.66% to 131.97%
Expected dividends	0%	0%
Expected term	3 – 5 years	3 years
Risk free rate	.41% to .44%	.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.

Income (Loss) Per Share

Basic income (loss) per share is computed by dividing the Company's net income (loss) by the weighted average number of common shares outstanding during the period presented. Diluted income (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 March 31, 2014, consisted of 28,257,091 common shares from convertible debentures and 15,350,539 common shares from outstanding warrants. Potentially dilutive securities as of March 31, 2013, consisted of 22,864,667 common shares from convertible debentures and 15,280,209 common shares from outstanding warrants. For the three months ended March 31, 2013 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 $12,853 and $7,461 for the three months ended March 31, 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.

Future Impact of Recently Issued Accounting Standards

In July 2012, the Financial Accounting Standards Board ("FASB") issued ASU No. 2012-02, " *Testing Indefinite-Lived Intangible Assets for Impairment"* ("ASU 2012-02"). ASU 2012-02 gives entities an option to first assess qualitative factors to determine whether the existence of events and circumstances indicate that it is more likely than not that the indefinite-lived intangible asset is aired. If based on its qualitative assessment an entity concludes that it is more likely than not that the fair value of an indefinite lived intangible asset is less than its carrying amount, quantitative impairment testing is required. However, if an entity concludes otherwise, quantitative impairment testing is not required. ASU is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, with early adoption permitted. ASU 2012-02 is not expected to have a material impact on the Company's financial position or results of operations.

Management does not believe there would have been a material effect on the accompanying financial statements had any other recently issued, but not yet effective, accounting standards been adopted in the current period

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment at March 31, 2014 and December 31, 2013 consists of the following:

	March 31, 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	(12,500)	(6,250)
	$ 87,500	$ 93,750

Depreciation and amortization was $6,250 and $13,203 for the three months ended March 31, 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. Amortization expense for the three months ended March 31, 2014 and 2013 were $- 0 - and $- 0 -, respectively. As of March 31, 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 has been included in General and Administrative Expenses on the Statement of Operations for the three months ended March 31, 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 March 17, 2014: (i) a Loan Agreement under which the Lender has agreed to advance up to $4,050,000 to the Company, subject to certain conditions, (ii) a Convertible Secured Promissory Note in the principal amount of $4,050,000 ("Note") and (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 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 are (i) 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) $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 (C) $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 Note of $500,000 due on December 1, 2013 has been extended to June 1, 2014. The Company determined that the modification of these Notes was not a substantial modification in accordance with ASC 470-50, "Modifications and Extinguishments". 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.

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 2,916,667 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.

During the three months ended March 31, 2014, the Company and the Note Holder and significant shareholder of the Company extended the remaining notes due for an additional six months. 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:

	March 31, 2014 (Unaudited)	December 31, 2013
1% Convertible notes payable, net of unamortized discount of $22,526 and $5,546 respectively, due at various dates ranging from September 2014 to May 2015	$ 288,074	$ 375,054
11% Convertible note payable - HEP Investments, LLC, a related party, net of unamortized discount of $1,768,940 and $2,235,217, respectively, due at various dates ranging from June 2014 to December 2015	2,281,060	1,814,783
11% Convertible note payable, Venture Group, net of unamortized discount of $29,707	-	320,293
	2,569,134	2,510,130
Less: Current portion	1,558,727	1,619,319
Long term portion	$ 1,010,407	$ 890,811

Amortization of the debt discount on the remaining notes was $479,003 and $174,559 for the three months ended March 31, 2014 and 2013, respectively.

NOTE 6 - DERIVATIVE LIABILITY

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%.

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%.

NOTE 6 - DERIVATIVE LIABILITY – (continued)

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 $5,364,711 which has been recorded in the statement of operations for the year ended March 31, 2014.

NOTE 7 - STOCKHOLDERS' DEFICIT

Stock Issuances

During the three months ended March 31, 2014, the Company received proceeds of $100,000 from the issuance of 500,000 shares of common stock and $184,250 from the exercise of 1,650,000 common stock warrants.

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 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 $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 received $10,000 for each annual term served, paid in cash 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 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 $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 receives $10,000 for each annual term served, paid in cash quarterly.

NOTE 7 - 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 John B. Payne in July, 2013, 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 $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 receives $10,000 for each annual term served, paid in cash 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 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 $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 receives $10,000 for each annual term served, paid in cash quarterly.

The company recorded Directors Fees of $74,401 during the twelve months ended December 31, 2013, representing the fees expensed and the value of the vested warrants described above.

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 will receive $10,000 for each annual term served, paid in cash quarterly.

The company recorded Directors Fees of $15,144 during the three months ended March 31, 2014, representing the fees expensed and the value of the vested warrants described above.

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

	March 31, 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	100,000	0.28	4,820,330	0.18
Exercised	(1,650,000)	0.13	(2,785,000)	0.16
Expired	-		(1,500,000)	0.32
Outstanding, end of period	15,350,539	$ 0.17	16,900,539	$ 0.17

NOTE 7 - STOCKHOLDERS' DEFICIT – (continued)

Stock Issuances – (continued)

Warrants outstanding and exercisable by price range as of March 31, 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	1.66	$ 0.12	3,439,439	$ 0.12
0.125	5,502,097	0.88	0.125	5,502,097	0.125
0.15	1,300,000	0.69	0.15	1,300,000	0.15
0.17	50,000	5.00	0.17	12,500	0.17
0.22	477,004	2.37	0.22	477,004	0.22
0.25	3,782,000	2.52	0.25	3,782,000	0.25
0.30	350,000	4.27	0.30	350,000	0.30
0.33	250,000	4.25	0.33	250,000	0.33
0.36	50,000	1.59	0.36	25,000	0.36
0.38	100,000	2.54	0.38	87,500	0.38
0.40	50,000	2.19	0.40	50,000	0.40
	15,350,539	1.73		15,275,539	$ 0.17

NOTE 8- 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 receives 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 March 31, 2014, none of the milestones referred to had been achieved and there had been no notice of contract termination.

NOTE 8- COMMITMENTS AND CONTINGENCIES – (continued)

Miscellaneous Receivable

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. On July 24, 2013, the Company filed an Answer and Counter Claim disputing the claim and asking the court for relief in the amount of $118,466.

NOTE 9 - SUBSEQUENT EVENTS

HEP Investments

On April 15, 2014, the Company and HEP Investments, LLC, a Michigan limited liability company (“Lender”), entered into the following documents, effective as of April 15, 2014: (i) Fourth Amendment to Loan Agreement under which the Lender has agreed to advance an additional $500,000 up to a total of $4,550,000 to the Company, subject to certain conditions, and (ii) an Amended and Restated Senior Secured Convertible Promissory Note. These agreements amend agreements the Company entered into with HEP Investments as previously disclosed.

Other Investment

As of May 6, 2014, the Company received $200,000 from sales of 1,000,000 shares of its common stock.

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

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained in this report are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements involve known and unknown risks, uncertainties and other factors which may cause our or our industry's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements include, but are not limited to statements regarding:

- our ability to raise the funds we need to continue our operations;
- our goal to increase our revenues and become profitable;
- regulation of our product;
- market acceptance of our product and derivatives thereof;
- the results of current and future testing of our product;
- the anticipated performance and benefits of our product;
- the ability to generate licensing fees; and
- our financial condition or results of operations.

In some cases, you can identify forward-looking statements by terms such as "may, will, should, could, would, expects, plans, anticipates, believes, estimates, projects, predicts, potential" and similar expressions intended to identify forward-looking statements. These statements are only predictions and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by such forward-looking statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Also, these forward-looking statements represent our estimates and assumptions only as of the date of this report. Except as otherwise required by law, we expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this report to reflect any change in our expectations or any change in events, conditions or circumstances on which any of our forward-looking statements are based. We qualify all of our forward-looking statements by these cautionary statements.

Critical Accounting Policies

The accompanying discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses, and related disclosure of contingent assets and liabilities. These estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We base our estimates and judgments on historical experience and all available information. However, future events are subject to change, and the best estimates and judgments routinely require adjustment. US GAAP requires us to make estimates and judgments in several areas, including those related to recording various accruals, income taxes, the useful lives of long-lived assets, such as property and equipment and intangible assets, and potential losses from contingencies and litigation. We believe the policies discussed below are the most critical to our financial statements because they are affected significantly by management's judgments, assumptions and estimates.

Results of Operations for the three months ended March 31, 2014 and 2013.

Net Sales.

We had no sales during the three months ended March 31, 2014 and 2013.

Cost of Sales.

We had no cost of sales during the three months ended March 31, 2014 and 2013.

***Research and Development Expenses*.**

For the three months ended March 31, 2014, we incurred $391,021 on research and development expenses, as compared to $129,448 for the comparable period in 2013. These expenses are mainly comprised of costs associated with external research. 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 cholesterol balance.

***Selling and Marketing Expenses*.**

We had no selling and marketing expenses during the three months ended March 31, 2014 and 2013.

***General and Administrative Expenses*.**

General and administrative expenses were $270,613 for the three months ended March 31, 2014, as compared to $264,413 for the comparable prior period. The increase in general and administrative expense during 2014 is due primarily to increased business activity.

***Professional and Consulting Expenses*.**

Professional and consulting expenses were $117,132 for the three months ended March 31, 2014, as compared to $141,476 for the comparable prior period. The decrease in professional and consulting expense during 2014 is due primarily to a reduction of $45,000 in the use of outside business consultants, a decrease of $35,000 in accounting fees and an increase in legal fees.

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 May 8, 2014, we had a cash balance of approximately $39,000. We have incurred significant net losses since inception, despite net income of $3,962,328 for the quarter ended March 31, 2014. We have, since inception, consistently incurred negative cash flow from operations. During the quarter ended March 31, 2014, we incurred negative cash flows from operations of $680,531. As of March 31, 2014, we had a working capital deficiency of $5,351,284 and a stockholders' deficiency of $4,882,910. Although we recently raised a limited amount of capital, we have a near term need for additional capital.

During the three months ended March 31, 2014, our operating activities used $681,531 in cash, an increase of $124,240 from the comparable prior period. The approximate $124,000 increase in cash used by operating activities was primarily attributable to the following (all of which are approximated): a $4,889,000 increase in net income, offset by $5,200,000 in non-cash expenses and $186,000 of changes (increase) in prepaid expenses, accounts payable, and accrued liabilities.

Our financing activities generated $284,000, a $251,000 decrease from the comparable prior period. The decrease in cash provided by financing activities was due entirely to proceeds of $284,000 from the sale of common stock and the exercise of common stock warrants in the three months ended March 31, 2014 compared to proceeds of $535,000 from the comparable prior period.

Although we raised a limited amount of capital during 2013 and the first quarter 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 $3,000,000 in cash over the next 12 months in order to fund our normal operations and research and development activities. 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 operation. For the three months ended March 31, 2014, we recognized $5,364,711 in income for financial statement purposes, due to the change in fair value of derivative liabilities as of March 31, 2014. We may incur income or expense in future periods arising out of changes in the fair value of derivative liabilities. Any such changes are non-cash changes, however, and do not affect our need to continue to raise capital.

Seasonality

Based on our business model implemented at the beginning of 2012, anticipated income streams are to be generated from a) Royalties and advances for licensed natural bioactive ingredients, isolated natural compounds and synthetic variants thereof, and b) bulk sales of such ingredients; and in our WellMetris business the sale 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 March 31, 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 quarter ended March 31, 2014, the Company issued 500,000 shares of common stock for $100,000. Additionally, the Company issued 1,650,000 shares of common stock from the exercise of its warrants for net proceeds of $184,250. Finally, the Company issued 3,867,000 shares of common stock through the conversion of $420,000 of debt held by convertible noteholders.

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

From April 1, 2014 through May 14, 2014:

1. The Company and HEP Investments, LLC, a Michigan limited liability company ("Lender"), entered into the following documents, effective as of April 15, 2014: (i) Fourth Amendment to Loan Agreement under which the Lender has agreed to advance an additional $500,000 up to a total of $4,550,000 to the Company, subject to certain conditions, and (ii) an Amended and Restated Senior Secured Convertible Promissory Note. These agreements amend agreements the Company entered into with HEP Investments as previously disclosed.

2. The Company received $200,000 from the sale 1,000,000 shares of its common stock.

Item 6. Exhibits

Exhibit Number	Description	
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.

HEALTH ENHANCEMENT PRODUCTS, INC.

Date: May 14, 2014

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

List of Exhibits

Exhibit Number	Description	
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 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 the Company;

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: May 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 Health Enhancement Products, Inc. (the "Company");

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 Registrants other certifying officers 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 Rules 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 the material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly through 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 evaluations, and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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: May 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 March 31, 2014 of Health Enhancement Products, 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: May 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 Annual Report of Health Enhancement Products, Inc., a Nevada corporation (the "Company"), on Form 10-Q for the period March 31, 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: May 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.