# XBRL Rendering Preview

**Print Document**



| Document and Entity Information - USD ($) | 12 Months Ended Dec. 31, 2015 | Jun. 06, 2016 | Jun. 30, 2015 |
|---|---|---|---|
| **Document And Entity Information** | | | |
| Entity Registrant Name | NaturalNano, Inc. | | |
| Entity Central Index Key | 0000863895 | | |
| Document Type | 10-K | | |
| Trading Symbol | NNAN | | |
| Document Period End Date | Dec. 31, 2015 | | |
| Amendment Flag | false | | |
| Current Fiscal Year End Date | --12-31 | | |
| Entity a Well-known Seasoned Issuer | No | | |
| Entity a Voluntary Filer | No | | |
| Entity's Reporting Status Current | Yes | | |
| Entity Filer Category | Smaller Reporting Company | | |
| Entity Public Float | | | $ 334,751 |
| Entity Common Stock, Shares Outstanding | | 2,911,658 | |
| Document Fiscal Period Focus | FY | | |
| Document Fiscal Year Focus | 2015 | | |

| CONSOLIDATED BALANCE SHEETS - USD ($) | Dec. 31, 2015 | Dec. 31, 2014 |
|---|---|---|
| **Current assets:** | | |
| Cash | $ 4,743 | |
| Accounts and notes receivable, net | | $ 5,036 |
| Inventory, net | $ 98,200 | 231,764 |
| Prepaid expenses and other current assets | 7,040 | 73,140 |
| Total current assets | 109,983 | 309,940 |
| Total Assets | 109,983 | 309,940 |
| **Current Liabilities** | | |
| Notes payable (Note 2) | 1,929,941 | 1,534,946 |
| Accounts payable | 476,127 | 572,128 |
| Accrued expenses | 101,544 | 97,095 |
| Accrued interest | 506,598 | 239,937 |
| Accrued payroll | 1,151,448 | 1,068,448 |

| | | |
|---|---|---|
| Registration rights liability | 12,324 | 12,324 |
| Derivative liability (Note 4) | 687,014 | 387,721 |
| Total current liabilities | 4,864,996 | 3,912,599 |
| Total Liabilities | $ 4,864,996 | 3,912,599 |
| Rights to reserved common shares | | $ 559,289 |
| Commitments and contingencies | | |
| **Stockholders' Deficiency** | | |
| Common Stock - $.001 par value 800,000,000 authorized with 2,293,502 and 2,093,502 shares issued and outstanding respectively | $ 2,294 | $ 2,094 |
| Additional paid in capital | 21,953,148 | 21,454,431 |
| Accumulated deficit | (26,711,654) | (25,620,604) |
| Total stockholders' deficiency | (4,756,212) | (4,164,079) |
| Total liabilities and stockholders' deficiency | $ 109,983 | $ 309,940 |
| **Series D Preferred Stock [Member]** | | |
| **Stockholders' Deficiency** | | |
| Preferred stock | | |
| **Series B Preferred Stock [Member]** | | |
| **Current Liabilities** | | |
| Temporary stock | $ 1,199 | $ 2,131 |

| CONSOLIDATED BALANCE SHEETS (Parenthetical) - USD ($) | Dec. 31, 2015 | Dec. 31, 2014 |
|---|---|---|
| Common stock, par value (in dollars per share) | $ 0.001 | $ 0.001 |
| Common stock, authorized | 800,000,000 | 800,000,000 |
| Common stock, issued | 2,293,502 | 2,093,502 |
| Common stock, outstanding | 2,293,502 | 2,093,502 |
| **Series D Preferred Stock [Member]** | | |
| Preferred stock, issued | 100 | 100 |
| Preferred stock, outstanding | 100 | 100 |
| **Series B Preferred Stock [Member]** | | |
| Temporary stock, par value (in dollars per share) | $ 0.001 | $ 0.001 |
| Temporary stock, authorized | 10,000,000 | 10,000,000 |
| Temporary stock, aggregate liquidation preference (in dollars) | $ 10 | $ 10 |
| Temporary stock, shares issued | 5,000 | 5,000 |
| Temporary stock, shares outstanding | 5,000 | 5,000 |

| CONSOLIDATED STATEMENTS OF OPERATIONS - USD ($) | 12 Months Ended | |
|---|---|---|
| | Dec. 31, 2015 | Dec. 31, 2014 |
| **Income:** | | |
| Revenue | $ 368,066 | $ 193,606 |
| Cost of good sold | 157,134 | 62,922 |
| Gross Profit | 210,932 | 130,684 |
| **Operating expenses:** | | |
| Research and development | 4,584 | 40,076 |
| General and administrative excluding stock compensation expense (SCE) | 518,548 | 554,090 |
| SCE warrants for services | 102,782 | 105,501 |
| Total operating expenses | 625,914 | 699,667 |
| Loss from operations | (414,982) | (568,983) |
| **Other income (expense):** | | |
| Interest expense (net) | (266,661) | (301,614) |
| Net loss on derivative liability | (164,480) | $ (355,302) |
| Loss on exchange of share rights for debt | (304,727) | |
| Gain on forgiveness of liability | 9,800 | $ 4,107,646 |
| Other income (expense) | 50,000 | (200,000) |
| Total other income expense | (676,068) | 3,250,730 |
| (Loss) income before income taxes | $ (1,091,050) | $ 2,681,747 |
| Income taxes | | |
| Net (loss) income | $ (1,091,050) | $ 2,681,747 |
| (Loss) income per common share - basic (in dollars per share) | $ (0.52) | $ 1.34 |
| (Loss) income per common share - diluted (in dollars per share) | | $ 0.36 |
| **Weighted average shares outstanding:** | | |
| Basic (in shares) | 2,102,391 | 1,995,172 |
| Fully Diluted (in shares) | | 7,572,514 |

| CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIENCY - USD ($) | 12 Months Ended | |
|---|---|---|
| | Dec. 31, 2015 | Dec. 31, 2014 |
| **Common Stock [Member]** | | |
| **Increase (Decrease) in Stockholders' Equity [Roll Forward]** | | |
| Balance at beginning | $ 2,094 | $ 1,848 |
| Balance at beginning (in shares) | 2,093,502 | 1,847,797 |
| Fractional shares issued in reverse split | | $ 2 |
| Fractional shares issued in reverse split | | 1,923 |

| | | |
|---|---|---|
| (in shares) | | |
| Issuance of common stock for interest | | $ 100 |
| Issuance of common stock for interest (in shares) | | 100,000 |
| Series C preferred shares convertrd to common shares and change in value | | $ 144 |
| Series C preferred shares convertrd to common shares and change in value (in shares) | | 143,782 |
| Issuance of common stock for debt | $ 200 | |
| Issuance of common stock for debt (in shares) | 200,000 | |
| Balance at ending | $ 2,294 | $ 2,094 |
| Balance in ending (in shares) | 2,293,502 | 2,093,502 |
| **Series D Preferred Stock [Member]** | | |
| **Increase (Decrease) in Stockholders' Equity [Roll Forward]** | | |
| Balance at beginning (in shares) | 100 | 100 |
| Balance in ending (in shares) | 100 | 100 |
| **Additional Paid in Capital [Member]** | | |
| **Increase (Decrease) in Stockholders' Equity [Roll Forward]** | | |
| Balance at beginning | $ 21,454,431 | $ 21,729,238 |
| Fractional shares issued in reverse split | | (2) |
| Issuance of common stock for interest | | 11,900 |
| Series C preferred shares convertrd to common shares and change in value | | 114,500 |
| Series B preferred shares converted to commons stock and change in value | 932 | (1,706) |
| Issuance of common stock for debt | 9,800 | |
| Warrants issued for services | 102,782 | 105,501 |
| Change in value of rights to common shares | 385,203 | (505,000) |
| Balance at ending | 21,953,148 | 21,454,431 |
| **Accumulated Deficit [Member]** | | |
| **Increase (Decrease) in Stockholders' Equity [Roll Forward]** | | |
| Balance at beginning | $ (25,620,604) | $ (28,302,351) |
| Fractional shares issued in reverse split | | |
| Issuance of common stock for interest | | |
| Series B preferred shares converted to commons stock and change in value | | |
| Issuance of common stock for debt | | |
| Warrants issued for services | | |

| | | |
|---|---|---|
| Change in value of rights to common shares | | |
| Net loss | $ (1,091,050) | $ 2,681,747 |
| Balance at ending | (26,711,654) | (25,620,604) |
| Balance at beginning | (4,164,079) | (6,571,265) |
| Fractional shares issued in reverse split | | 0 |
| Issuance of common stock for interest | | 12,000 |
| Series C preferred shares convertrd to common shares and change in value | | 114,644 |
| Series B preferred shares converted to commons stock and change in value | 932 | (1,706) |
| Issuance of common stock for debt | 10,000 | |
| Warrants issued for services | 102,782 | 105,501 |
| Change in value of rights to common shares | 385,203 | (505,000) |
| Net loss | (1,091,050) | 2,681,747 |
| Balance at ending | $ (4,756,212) | $ (4,164,079) |

| CONSOLIDATED STATEMENTS OF CASH FLOWS - USD ($) | 12 Months Ended | |
|---|---|---|
| | Dec. 31, 2015 | Dec. 31, 2014 |
| **Cash flows from operating activities** | | |
| Net (loss) income | $ (1,091,050) | $ 2,681,747 |
| **Adjustments to reconcile net (loss) income to net cash used in operating activities** | | |
| Net gain on extinguishment /modification of debt | | (4,032,609) |
| Non-cash gain on forgiveness of debt | $ (9,800) | (75,037) |
| Change in fair value of derivative liabilities | 164,480 | 355,302 |
| Issuance of w arrants for services | 102,782 | $ 105,501 |
| Provision for excess inventory | $ 83,100 | |
| Provision for reserve on receivable from MJ Enterprise | | $ 200,000 |
| Gain on sale of equipment | $ (50,000) | |
| Loss on exchange of share rights for debt | 304,727 | |
| **Change in operating assets and liabilities:** | | |
| Decrease in accounts receivable | 5,036 | $ 18,170 |
| Decrease (increase) in inventory | 50,464 | (218,518) |
| Decrease (increase) in other current assets | 66,100 | (66,100) |

| | | |
|---|---|---|
| Increase (decrease) in accounts payable, accrued payroll and accrued expenses | 267,904 | 557,534 |
| Net cash used in operating activities | $ (106,257) | (474,010) |
| **Cash flows from investing activities** | | |
| Loan to MJ Enterprises | | $ (200,000) |
| Gain on sale of equipment | $ 50,000 | |
| Net cash provided (used) by investing activities | 50,000 | $ (200,000) |
| **Cash flows from financing activities** | | |
| Proceeds from convertible notes | $ 61,000 | 974,010 |
| Payment on debt extinguishment | | (300,000) |
| Net cash provided by financing activities | $ 61,000 | $ 674,010 |
| Increase in cash | $ 4,743 | |
| Cash at beginning of the year | | |
| Cash at the end of the year | $ 4,743 | |
| **Schedule of non-cash investing and financing activities** | | |
| Common stock issued for convertible notes | $ 10,000 | |
| Common stock issued for interest | | $ 12,000 |
| Share rights issued for debt extinguishment | | $ 54,289 |
| Debt issued in exchange for share rights | $ 344,000 | |

| PRINCIPAL BUSINESS ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES | 12 Months Ended Dec. 31, 2015 |
|---|---|
| **Organization, Consolidation and Presentation of Financial Statements [Abstract]** | |
| PRINCIPAL BUSINESS ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES | **1. PRINCIPAL BUSINESS ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES**<br><br>**Basis of Consolidation**<br>The consolidated financial statements include the accounts of NaturalNano, Inc. ("NaturalNano" or the "Company"), a Nevada corporation, and its wholly owned subsidiary NaturalNano Research, Inc. ("NN Research") a Delaware corporation. All significant inter-company accounts and transactions have been eliminated in consolidation.<br><br>**Description of the Business**<br><br>**Nanotechnology**<br>The Company, located in Rochester, New York, is engaged in the development and commercialization of material science technologies with an emphasis on additives to polymers and other industrial and consumer products by taking advantage of technology advances developed in-house. The Company's current activities are directed toward research, development, production and marketing of its proprietary technologies relating |

are directed toward research, development, production and marketing of its proprietary technologies relating to the treatment and separation of nanotubes from halloysite clay and the development of related commercial applications for cosmetics, health and beauty products and polymers, plastics and composites.

**ViralProtec**

In the fourth quarter of 2014, the Company announced the new business line, ViralProtec, (www.viralprotec.com) a division of NaturalNano. ViralProtec, is a reseller for healthcare personal protective equipment (PPE) and ancillary supplies. Our mission is to provide personal protective equipment for caregivers for infectious patient care that meet or exceed CDC and WHO guidelines. ViralProtec was created in response of the public concern and publicity surrounding the risk to caregivers and other responders created by the Ebola virus. The Company will maintain inventory on hand for customers to order complete protection kits from a single source instead multiple sources.

**Liquidity and Going Concern**

Going Concern – The accompanying condensed consolidated financial statements 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. The Company generated a net loss for the year ended December 31, 2015 of approximately $1,091,000, had negative working capital of approximately $4,755,000 and a stockholders' deficiency of approximately $4,756,000 at December 31, 2015. Since inception the Company's growth has been funded through a combination of convertible and non-convertible debt from private investors and from cash advances from its former parent Technology Innovations, LLC. These factors, among others, may indicate that the Company will be unable to continue as a going concern for a reasonable period of time. The Company's continuation as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations, to obtain additional financing, renegotiate the terms of existing financing obligations and ultimately to attain successful operations. The ability to successfully achieve those items is uncertain. The financial statements do not include any adjustments that might result from the uncertainty.

As of December 31, 2015, the Company continued to require waivers for debt covenant violations and extensions of maturity dates. Refer to Note 2 for lender waivers and maturity extensions received from the lenders.

The Company's management and Board of Directors continue to actively assess the Company's operating structure with an objective to reduce ongoing expenses, increase sources of recurring revenue as well as seeking additional debt or equity financing. The Company will continually evaluate funding options including additional offerings of its securities to private and institutional investors and other credit facilities as they become available. There can be no assurance as to the availability or terms upon which such financing alternatives might be available.

The Company has experienced recurring losses from operations since its inception and continues to have a working capital deficiency and limited opportunities for additional capital infusion. The Company has experienced recurring defaults relating to the various provisions under its current debt obligations and is expected to require future forbearance and waivers relating to such provisions in the future. These negative financial conditions combined with delays experienced in product introduction and customer acceptance raises substantial doubt of the Company's ability to continue as a going concern.

**Reclassifications**

Certain prior year amounts have been reclassified to conform to the current year presentation.

**Concentration of Credit Risk**
The Company maintains cash in bank deposit accounts which could, at times, exceed federally insured limits. The Company has not experienced any losses on these accounts.

**Accounts Receivable**
The Company grants credit to substantially all of its customers and carries its accounts receivable at original invoice amount less an allowance for doubtful accounts. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for doubtful accounts based on history of past write-offs, collections, and current credit conditions. As of December 31, 2015 and 2014 no allowance for doubtful accounts was considered necessary.

**Inventory**
Inventory is stated at the lower of cost or market value. When halloysite nanotubes or Pleximer™ held in inventory are used, the carrying value of any such inventory used (i) for research and development is expensed in the period that it is used for the development of proprietary applications and processes and (ii) in cost of goods sold will be charged as customer shipments are made. Inventory for overhead costs are applied during production and included in cost of goods sold. As of December 31, 2015 and 2014, the reserve for excess inventory was approximately $83,100 and zero, respectively.

**Property and Equipment**
Property and equipment are recorded at cost. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance, and repairs are charged to expense as incurred. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method. No depreciation expense was recorded during the years ended December 31, 2015 or 2014 as all property and equipment owned by the Company was fully depreciated in prior years.

**Accrued Payroll**
The Company accrues for earned and unused vacation benefits and deferred compensation costs for amounts contractually owed to employees.

**Fair Value of Financial Instruments**
Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fair Value Measurement Topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") establishes a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument.

- Level 3 inputs are unobservable inputs based on the Company's own assumptions used to measure assets and liabilities at fair value.

A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The carrying amounts reported in the balance sheet of cash, accounts receivable, prepaid, accounts payable and accrued expenses approximate fair value because of the immediate or short-term maturity of these financial instruments. The fair value of notes payable approximates their carrying value as the terms of this debt reflects market conditions. The Company's derivative liability was determined utilizing Level 3 inputs.

**Derivative Financial Instruments**

The Company does not use derivative instruments to hedge exposures to cash flow, market or foreign currency risks. The Company evaluates all of its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair market value and then is revalued at each reporting date, with changes in fair value reported in the consolidated statement of operations. For stock based derivative financial instruments, the Company estimated the total enterprise value based upon trending the firm value from December 2006 to December 2015 considering company specific factors including the changes in forward estimated revenues and market factors, market multiples for comparable companies, and the Company's market share price, all equally weighted. Once the enterprise value was determined an option pricing model was used to allocate the enterprise value to the individual derivative securities in the Company's capital structure. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within twelve months of the balance sheet date.

**Income Taxes**

The Company accounts for income taxes in accordance with FASB ASC 740 which requires recognition of estimated income taxes payable or refundable on income tax returns for the current year and for the estimated future tax effect attributable to temporary differences and carry-forwards. Measurement of deferred income items is based on enacted tax laws including tax rates, with the measurement of deferred income tax assets being reduced by available tax benefits not expected to be realized. The Company recognizes penalties and accrued interest related to unrecognized tax benefits in income tax expense.

**Revenue Recognition**

Revenue is recognized upon shipment of ViralProtec orders and upon delivery of Pleximer™ and sample products. The Company earns and recognizes such revenue when the shipment of the sample products has occurred, title transfers, no further performance obligation exists, and when collection is reasonably assured.

**Research and Development**

Research and development costs are expensed in the period the expenditures are incurred. Capital assets acquired in support of research and development are capitalized and depreciated over their estimated useful life and related depreciation expense is included in research and development expense.

**Other (Expense) Income**

During 2015, the Company recognized a gain of $50,000 on the sale of fully depreciated equipment. During

During 2015, the Company recognized a gain of $50,000 on the sale of fully depreciated equipment. During 2014, the Company recorded a $200,000 provision related to the uncertainty of future collection of the receivable due from MJ Enterprises. The Company continues to aggressively pursue the collection of this amount with all possible avenues for recovery.

**Income (Loss) Per Share**

Basic income (loss) per common share is computed by dividing net income or loss by the weighted-average number of shares of common stock outstanding during the period. Diluted income or loss per common share gives effect to dilutive convertible preferred stock, convertible debt, options and warrants outstanding during the period. Shares to be issued upon the exercise of these instruments have not been included in the computation of diluted loss per share for the year ended December 31, 2015 as their effect is anti-dilutive based on the net loss incurred.

As of December 31, 2015 there were 39,567,578 shares underlying preferred stock, convertible debt, outstanding options and warrants that could potentially dilute future earnings. These potentially dilutive shares have been limited by certain debt and equity agreements with lenders. These agreements provide limitations on the conversion of the dilutive instruments such that the number of shares of Common Stock that may be acquired by the holder upon conversion of such instruments shall be limited to ensure that following such conversion the total number of shares of Common Stock then beneficially owned by the holder does not exceed 4.99% of the total number of issued and outstanding shares of Common Stock. The Company does not have sufficient authorized shares to satisfy conversion of all the potentially dilutive instruments.

As of December 31, 2014 there were 7,851,283 shares, respectively, underlying preferred stock, convertible debt, outstanding options and warrants that could potentially dilute future earnings. In addition to these potentially dilutive shares as of December 31, 2014 were an additional 6,666,667 reserved shares underlying the July 23, 2014 Exchange and Right to Shares Agreement with Cape One Master Fund II LLP further described in Note 2 below. The reconciliation of the numerator and denominator of the basic and diluted earnings per share (EPS) calculation was as follows for the year ended December 31, 2014:

| | |
|---|---|
| **Numerator:** | |
| Net income | $2,681,747 |
| Adjustment for interest expense on convertible notes | 60,229 |
| Net income, adjusted | 2,741,976 |
| **Denominator:** | |
| Weighted-average shares used to compute basic EPS | 1,995,172 |
| Effect of dilutive securities: | |
| Dilutive warrants | 185,934 |
| Cape One share rights | 5,388,741 |
| Convertible preferred B shares | 2,667 |
| Dilutive potential common shares | 5,577,342 |
| Weighted average shares used to compute diluted EPS | 7,572,514 |

The potentially dilutive shares have been limited by certain debt and equity agreements with lenders. These agreements provide limitations on the conversion of the dilutive instruments such that the number of shares of Common Stock that may be acquired by the holder upon conversion of such instruments shall be limited to ensure that following such conversion the total number of shares of Common Stock then beneficially owned by the holder does not exceed 4.99% of the total number of issued and outstanding shares of Common Stock.

These limitations have not been taken into account in the calculation of diluted earnings per share for the year ended December 31, 2014.

**Share Based Payments**

The Company has six incentive stock plans: the 2005 Incentive Stock Plan (the "2005 Plan"), the Amended and Restated 2007 Incentive Stock Plan (the "2007 Plan"), the 2008 Incentive Stock Plan ("the 2008 Plan"), the 2009 Stock Incentive Plan ("the 2009 Plan"), the 2011 Incentive Stock Plan ("the 2011 Plan") and the 2012 Stock Incentive Plan ("the 2012 Plan") or (collectively, the "Plans"). The Plans provide for issuance of share-based awards to officers, key employees, non-employee directors, vendors and consultants. The terms and vesting schedules for share-based awards vary by type of grant and the employment status of the grantee. Generally, option awards vest based upon time-based conditions and are granted at exercise prices based on the closing market price of the Company's stock on the date of grant.

The Company's accounting policy for equity instruments issued to consultants and vendors in exchange for goods and services follows the provisions of FASB ASC 505-50, Equity-Based Payments to Non-Employees. The measurement date for the fair value of the equity instruments issued is determined at the earlier of (i) the date at which a commitment for performance by the consultant or vendor is reached or (ii) the date at which the consultant or vendor's performance is complete. In the case of equity instruments issued to consultants, the fair value of the equity instrument is recognized over the term of the consulting agreement.

**Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and the accompanying notes. Actual results could differ materially from these estimates. On an ongoing basis, we evaluate such estimates. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

**Recent Accounting Pronouncements**

In November 2015, the FASB issued ASU-2015-17 Balance Sheet Classification of Deferred Taxes (Income Taxes topic 740). The Board issued this update as part of its Simplification Initiative. The objective of the Simplification Initiative is to identify, evaluate, and improve areas of generally accepted accounting principles (GAAP) for which cost and complexity can be reduced while maintaining or improving the usefulness of the information provided to users of financial statements. To simplify the presentation of deferred income taxes, this guidance requires that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. The guidance applies to all entities that present a classified statement of financial position. The current requirement that deferred tax liabilities and assets of a tax-paying component of an entity be offset and presented as a single amount is not affected by the amendments in this Update. This update will be effective for public business entities for annual periods, including interim periods within those annual periods, beginning after December 15, 2016. We are currently evaluating the impact of the adoption of ASU 2015-17 on our consolidated financial statements.

In May 2014 the FASB issued ASU 2014-09 Revenue from Contracts with Customers (Topic 606): The standard is effective for annual periods beginning after December 15, 2017, and interim periods therein, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a retrospective approach with the cumulative effect recognized at the date of adoption (which includes additional footnote disclosures). This update supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP. We are currently evaluating the impact of the adoption of this new guidance.

In July 2015, the FASB issued ASU-2015-11 Simplifying the Measurement of Inventory (Inventory topic 330) The Board issued this update as part of its Simplification Initiative. Under this guidance an entity should measure inventory at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. This update will be effective for public business entities for annual periods, including interim periods within those annual periods, beginning after December 15, 2016. We are currently evaluating the impact of the adoption of this new guidance.

In January 2015 the FASB issued ASU 2015-1, Income Statement—Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items This ASU eliminates from GAAP the concept of extraordinary items. ASU 2015-1 is effective for the annual period ending after December 15, 2015. Early adoption is permitted provided that the guidance is applied from the beginning of the fiscal year of adoption. We are currently evaluating the impact of the adoption of this new guidance.

On February 25, 2016, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) No. 2016-02, “Leases,” a comprehensive new lease standard which will supersede previous lease guidance. The standard requires a lessee to recognize in its balance sheet assets and liabilities related to long-term leases that were classified as operating leases under previous guidance. An asset will be recognized related to the right to use the underlying asset and a liability will be recognized related to the obligation to make lease payments over the term of the lease. The standard also requires expanded disclosures surrounding leases. The standard is effective for fiscal periods beginning after December 15, 2018, and requires modified retrospective adoption, with early adoption permitted. The Company is evaluating the impact of the adoption of this standard on our consolidated financial statements and related disclosures.

On March 30, 2016, the FASB issued ASU No. 2016-09, “Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting,” which amends the current stock compensation guidance. The amendments simplify the accounting for the taxes related to stock based compensation, including adjustments to how excess tax benefits and a company's payments for tax withholdings should be classified. The standard is effective for fiscal periods beginning after December 15, 2016, with early adoption permitted. The Company is evaluating the impact of the adoption of this standard on our consolidated financial statements and related disclosures.

In April, 2016, the FASB issued ASU No. 2016-10, “Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing” to clarify two aspects of Topic 606: (i) identifying performance obligations and (ii) the licensing implementation guidance, while retaining the related principles for those areas. The Company is evaluating the impact of the adoption of this standard on our consolidated for those areas. The Company is evaluating the impact of the adoption of this standard on our consolidated financial statements and related disclosures.

Management does not believe that any recently issued, but not yet effective, accounting standards if currently adopted, would have a material effect on the accompanying financial statements.

| NOTES PAYABLE | 12 Months Ended Dec. 31, 2015 |
|---|---|
| **Debt Disclosure [Abstract]** | |
| NOTES PAYABLE | |

**2. NOTES PAYABLE**

**Notes payable as of December 31, 2015 and 2014, respectively consisted of the following:**

| **Notes Payable** | **2015** | **2014** |
|---|---|---|
| Senior Secured Convertible Notes | $ 441,988 | $ 441,988 |
| Senior Secured Promissory Notes | 398,938 | 398,938 |
| 2014-2015 Convertible Promissory Notes | 745,015 | 694,020 |
| Convertible Promissory Notes | 344,000 | - |
| Total | $ 1,929,941 | $ 1,534,946 |

**Senior Secured Convertible Notes and Senior Secured Promissory Notes**
As of December 31, 2015 and 2014, Notes payable on the balance sheets includes $840,926 for senior secured convertible notes and non-convertible senior secured promissory notes. The Senior Secured Promissory Notes are secured by, among other things, (i) the continuing security interest in certain assets of the Company pursuant to the terms of the Initial Notes dated March 7, 2007, (ii) the Pledge Agreement, as defined in the Initial Notes, and (iii) the Patent Security Agreement, dated as of March 6, 2007. The conversion rate for principal and accrued interest on Senior Secured Convertible Notes is 75% of the lowest volume weighted average price (VWAP) of the Company's common stock for the 1, 5 or 10 days immediately prior to the conversion. The Company has defaulted on certain provisions of the notes. The Company has obtained a waiver of default on the outstanding principal through November 30, 2016. As a condition of this forbearance the interest rate on these notes has been increased to 18%.

**2014 and 2015 Convertible Promissory Notes**
During 2015, the Company entered into two Senior Secured Convertible Promissory Notes aggregating $61,000. During 2015, the Company issued 200,000 common shares in satisfaction of $10,000 of outstanding principal. The issuance of these shares reflects a debt conversion price of $0.05 per share.

The 2015 Senior Secured Promissory Notes are secured by, among other things, (i) the continuing security interest in certain assets of the Company pursuant to the terms of the Initial Notes dated March 7, 2007, (ii) the Pledge Agreement, as defined in the Initial Notes, and (iii) the Patent Security Agreement, dated as of March 6, 2007. The proceeds from the 2014-2015 Senior Secured Promissory Notes are available for general working capital purposes and cannot be used to redeem or make any payment on account of any securities due to the Lenders. The Company has obtained a waiver of default on the outstanding principal through November 30, 2016. As a condition of this forbearance the interest rate on certain of these notes has been increased to 18 %.

In 2015, the Company granted certain warrants with an exercise prices less than the conversion price defined in the 2015 debt agreements. As a result, the conversion price of the 2015 Convertible Promissory Notes have been adjusted Based on the Company's issuance of warrants described above, the conversion price on these debt obligations were modified to $0.05 per share. On January 5, 2016 the conversion price on the debt was adjusted to $0.02 per share upon the issuance of 450,000 warrants exercisable at $0.02 per share.

During 2014 the Company entered into various Senior Secured Convertible Promissory Notes aggregating $694,020. The 2014 Senior Secured Promissory Notes are secured by, among other things, (i) the continuing security interest in certain assets of the Company pursuant to the terms of the Initial Notes dated March 7, 2007, (ii) the Pledge Agreement, as defined in the Initial Notes, and (iii) the Patent Security Agreement, dated as of March 6, 2007. These notes are convertible into shares of the Company's common stock at a conversion price of $0.30 per share and are subject to adjustment in the event of lower price issuances, subject to customary exceptions. The Company may prepay any amount due under the notes prior to the maturity date. The notes are subject to certain events of default which would cause all amounts due to become immediately payable. The Company is prohibited from effecting the conversion of the notes to the extent that as a result of such conversion, the note holders would beneficially own more than 4.99% of the issued and outstanding shares of the Company's common stock. The proceeds from the 2014 Senior Secured Promissory Notes are available for general working capital purposes and cannot be used to redeem or make any payment on account of any securities due to the Lenders. The Company has obtained a waiver of default on the outstanding principal through November 30, 2016 and bear an interest rate of 18% per annum as a condition of forbearance.

**2015 Exchange of Cape One Master Fund II LLP shares for Convertible Promissory Notes**

On December 15, 2015, the Company's board of directors determined that it was in the best interest of the corporation to exchange 6,666,667 reserved shares of the Company's common stock, held by Cape One Master Fund II LLP (as described below), for four convertible promissory notes totaling $344,000 with an interest rate of 8% per annum due June 30, 2017. These promissory notes are convertible to common stock at the rate of $0.05 per share. In the event that the Company shall, at any time, issue any additional shares of common stock or equivalents at a price per share less than the $0.05 conversion price then the conversion price for these convertible promissory notes shall be reduced. The Company recognized a loss on the exchange of the rights to reserved commons shares upon the issuance of these convertible promissory notes of approximately $305,000 in 2015. On January 5, 2016 the conversion price on the debt was adjusted to $0.02 per share upon the issuance of 450,000 warrants exercisable at $0.02 per share.

**2014 Subordinated Secured Convertible Note and Exchange and Right to Shares Agreement – Cape One Master Fund II LP**

On July 23, 2014, the Company and Cape One Master Fund II LLP agreed to exchange the Subordinated Secured Convertible Note and related accrued and unpaid interest totaling a combined $379,624 in exchange for 6,666,667 reserved shares of the Company's common stock. The Company and Cape One agreed that a beneficial ownership limitation of 4.99% shall be maintained at all times as to the number of the shares of the common stock outstanding immediately after giving effect to the issuance of the common stock issuable under this agreement. Cape One also agreed to a Lockup provision in the agreement that specifies that Cape One will not sell, transfer or hypothecate any of the reserved shares until Alpha Capital Anstalt has received $3,500,000

from the proceeds of sales of shares obtained upon conversion of notes issued by the Company and held by Alpha as of the date of this agreement. Upon expiration of the Lockup period, Cape One shall be allowed to sell the lesser of (i) 5% of the daily trading volume of the Company's common stock or, (ii) 10% of the reserved shares in any calendar month. The Company estimated the total enterprise value based upon a combination of the trending of the firm value from December 2006 to December 2014, market comparables and the market value of the Company's stock considering company specific factors including the changes in forward estimated revenues and market factors. Once the enterprise value was determined an option pricing model was used to allocate the enterprise value to these 6,666,667 rights and other securities in the Company's capital structure. The fair value of these 6,666,667 share rights was estimated at $54,289 and the Company recognized a gain on extinguishment of debt of $325,335 during the quarter ended September 30, 2014 based on the excess of the value of the instruments settled over the estimated fair market value of the underlying share rights.

**Payoff Agreement with Platinum Long Term Growth IV, LLC and Merit Consulting LLC**
On June 26, 2014, the Company entered into a Payoff Agreement with two of its lenders (collectively referred to as "the holders") where the holders agreed to surrender their outstanding promissory notes and debentures in the aggregate principal amount of $3,256,399 plus all accrued and unpaid interest amounting to $592,414 in consideration for an aggregate payment of $300,000. As further consideration, one of the lenders agreed to return its 2,587,674 shares of Series C Preferred Stock for cancellation. The Company reversed $70,165 in registration rights liabilities in connection with this Payoff Agreement. Effective upon the consummation of this Payoff Agreement, the Company had no further obligation to the holders pursuant to the terms of the preferred stock and the notes as defined in the Payoff Agreement. As a result of this Payoff Agreement, the Company recognized a gain on extinguishment of debt during the second quarter of 2014 in the amount of $3,747,273.

**Bitcoin Promissory Notes**
The Company established its subsidiary, Bitcoin Bidder, Inc. in June, 2014 for the sole purpose of bidding on bitcoins which had been seized by the FBI and were sold at auction June 27, 2014. In connection with this, the Company issued notes aggregating $2,150,000 under a Securities Purchase Agreement. Bitcoin Bidder, Inc. was not successful at the auction and $1,950,000 in borrowings was repaid to the lenders on June 30, 2014. The remaining $200,000 was repaid to the lenders in July, 2014 without any penalty or interest charges to NaturalNano. The Company dissolved Bitcoin Bidder, Inc. in 2014.

| SEGMENT INFORMATION | 12 Months Ended Dec. 31, 2015 |
|---|---|
| **Segment Reporting [Abstract]** | |
| SEGMENT INFORMATION | **3. SEGMENT INFORMATION**<br><br>The Company's reportable segments are strategic business units that offer different products and services. The Company's reportable segments are organized, managed and internally reported separately because each business requires different technology and marketing strategies. The Company currently has two operating segments, Nanotechnology and ViralProtec. A summary of the two segments is as follows:<br><br>**Nanotechnology** Research, development, production and marketing of its proprietary technologies relating to the treatment and separation of nanotubes from halloysite clay and the development of related commercial applications for cosmetics, health and beauty products and polymers, plastics and composites.<br><br>**ViralProtec** Distributor and reseller of personal protective equipment and supplies to protect medical workers from infection and contagious incidents |

medical workers from infection and contagious incidents.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies of the Company. The Company accounts for intersegment sales and transfers as if the sales or transfers were to third parties, that is, at current market prices. The Company relies on intersegment cooperation and management does not represent that these segments, if operated independently, would report the results contained herein. For purposes of determining segment loss, corporate overhead is primarily included in NaturalNano, other than direct expense of ViralProtec. Approximate information concerning the Company's operations by reportable segment as of and for the years ended December 31, 2014 and December 31, 2013 is as follows:

| | Nanotechnology | | ViralProtec | | Consolidated | |
|---|---|---|---|---|---|---|
| | **For the years ended December 31** | | **For the years ended December 31** | | **For the years ended December 31** | |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Revenue | $ 276,097 | $ 137,159 | $ 91,969 | $ 56,447 | $ 368,066 | $ 193,606 |
| Loss from operations | $ (288,060) | $ (549,741) | $ (126,922) | $ (19,242) | $ (414,982) | $ (568,983) |
| Interest expense | $ 266,661 | $ 301,614 | $ - | $ - | $ 266,661 | $ 301,614 |
| Loss on exchange of rights for debt | $ (304,727) | $ - | $ - | $ - | $ (304,727) | $ - |
| Gain on modification of debt | $ 9,800 | $ 4,107,646 | $ - | $ - | $ 9,800 | $ 4,107,646 |
| Net income (loss) | $ (964,128) | $ 2,700,989 | $ (126,922) | $ (19,242) | $ (1,091,050) | $ 2,681,747 |
| Assets | $ 26,958 | $ 90,052 | $ 83,025 | $ 219,888 | $ 109,983 | $ 309,940 |

**Geographic Areas –** The Company had no long-lived assets in any country other than the United States for any period presented. The Company had $10,800 and $9,300 in sales outside of the United States in 2015 and 2014, respectively.

**Major Customers –** During the years ended December 31, 2015 and 2014, the Company derived 99% and 95% respectively of its Nanotechnology revenue from one customer. During the year ended December 31, 2015, three Viral Protec customers represented 63% of the segment revenues.

| DERIVATIVE LIABILITIES | 12 Months Ended Dec. 31, 2015 |
|---|---|
| **Derivative Instruments and Hedging Activities Disclosure [Abstract]** | |
| DERIVATIVE LIABILITIES | **4. DERIVATIVE LIABILITIES** |

For stock based derivative financial instruments, the Company estimated the total enterprise value based upon a combination of the trending of the firm value from December 2006 to December 2015, market comparables, and the market value of the Company's stock, considering company specific factors including the changes in forward estimated revenues and market factors. Once the enterprise value was determined an option pricing model was used to allocate the enterprise value to the individual derivative and other securities in the

Company's capital structure. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within twelve months of the balance sheet date.

The Company's derivative liabilities as of December 31, 2015 and December 31, 2014 are as follows:

- The debt conversion feature embedded in the various Convertible Promissory Notes which contain anti-dilution provisions that would be triggered if the Company issued instruments with rights to the Company's common stock at prices below this exercise price (described in Note 2.)
- Derivative liabilities related to outstanding warrants and options due to the Company having insufficient authorized shares to satisfy the exercise or conversion of all outstanding instruments as of December 31, 2015 and December 31, 2014.

The fair value of the derivative liabilities as of December 31, 2015 and December 31, 2014 are as follows:

| | 2015 | 2014 |
|---|---|---|
| **Derivative Instrument** | | |
| Notes conversion feature liability | $ 686,255 | $ 375,949 |
| Warrant liability | 759 | 11,772 |
| Total | $ 687,014 | $ 387,721 |

**Fair Value Valuation Hierarchy Measurement**

FASB ASC 820 establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument.
- Level 3 inputs are unobservable inputs based on the Company's own assumptions used to measure assets and liabilities at fair value.

A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The derivative liabilities are measured at fair value using certain estimated factors such as volatility and probability and are classified within Level 3 of the valuation hierarchy. The following table provides a roll forward of the liabilities carried at fair value measured using significant unobservable inputs (level 3).

| | 2015 | 2014 |
|---|---|---|
| Fair value – beginning of year | $ 387,721 | $ 32,419 |
| Liability recognized for conversion feature of debt issued in exchange for share rights | 134,813 | - |
| Loss recognized | 164,480 | 355,302 |
| Fair value – end of year | $ 687,014 | $ 387,721 |

| INCOME TAXES | 12 Months Ended Dec. 31, 2015 |
|---|---|
| **Income Tax Disclosure [Abstract]** | |
| INCOME TAXES | |

**5. INCOME TAXES**

Following is a summary of the components giving rise to the income tax benefit for the years ended December 31:

**The benefit for income taxes consists of the following:**

| | 2015 | 2014 |
|---|---|---|
| Currently payable | | |
| Federal | $ - | $ - |
| State | - | - |
| Total currently payable | $ - | $ - |
| Deferred | | |
| Federal | $ (121,318) | $(1,084,885) |
| State | $ (413) | $ (17,832) |
| Total deferred | $ (121,731) | $(1,102,717) |
| Less: increase in valuation allowance | 121,731 | 1,102,717 |
| Net deferred | - | - |
| Total income taxes | $ - | $ - |

**Individual components of deferred taxes at December 31 are as follows:**

| | 2015 | 2014 |
|---|---|---|
| Deferred tax assets | | |
| Net operating loss carry forwards | $ 2,939,421 | $ 2,910,879 |
| Equity issued for services | 1,333,873 | 1,298,831 |
| Accrued compensation | 351,870 | 323,575 |
| Other | 205,952 | 175,683 |
| Total | $ 4,831,117 | 4,708,968 |
| Less valuation allowance | (4,831,117) | (4,708,968) |
| Net deferred tax asset | $ - | $ - |

The Company has approximately $11,700,000 in federal net operating loss carry-forwards ("NOLs") available to reduce future taxable income. These carry-forwards expire at various dates from 2024 through 2035. Due to the uncertainty of the Company's ability to generate sufficient taxable income in the future to utilize the NOLs before they expire, the Company has recorded a valuation allowance to reduce the gross deferred tax asset to zero. The $1,047,000 reduction of the net operating loss reflected on the financial statements as compared to the tax return is attributable to the unrecognized tax benefit of $760,000 plus approximately $287,000 related to tax deductions for stock awards, options and warrants exercised subsequent to the implementation of FASB ASC 718, which are not included in the determination of the deferred tax asset above and will be recognized in accordance with FASB ASC 718 when realized for tax purposes.

Internal Revenue Code Section 382 ("Section 382") imposes limitations on the availability of a company's net operating losses and other corporate tax attributes as ownership changes occur. As a result of the historical equity instruments issued by the Company, a Section 382 ownership change or changes may have occurred and a study will be required to determine the date of the ownership change, if any. The amount of the Company's net operating losses and other tax attributes incurred prior to the ownership change may be limited based on the Company's value. A full valuation allowance has been established for the deferred tax assets including the net operating losses and other corporate tax attributes available. Accordingly, any limitations resulting from Section 382 application is not expected to have a material effect on the balance sheets or statements of operations of the Company.

The differences between the United States statutory federal income tax rate and the effective income tax rate in the accompanying consolidated statements of operations are as follows:

| | 2015 | 2014 |
|---|---|---|
| Statutory United States federal rate | 34.0% | 34.0% |
| Nontaxable gain on extinguishment of debt | | (52.9) |
| Nondeductible interest expense | (8.3) | 3.8 |
| Reduction of NOL carryover from extinguishment of debt | - | 52.9 |
| Change in valuation allowance | (11.2) | (41.1) |
| Other - Non deductible loss | 14.5 | 3.3 |
| Effective tax rate | 0% | 0% |

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

| | | |
|---|---|---|
| Unrecognized tax benefits balance at January 1 | $ 760,000 | $ 760,000 |
| Unrecognized tax benefits balance at December 31 | $ 760,000 | $ 760,000 |

At each of December 31, 2015 and 2014, the total unrecognized tax benefits of $760,000 have been netted against the related deferred tax assets.

The Company recognizes interest accrued and penalties related to unrecognized tax benefits in tax expense. During the years ended December 31, 2015 and 2014 the Company recognized no interest and penalties. The Company files income tax returns in the U.S. federal jurisdiction and New York State. The tax years 2012 - 2015 generally remain open to examination by major taxing jurisdictions to which the Company is subject.

| STOCKHOLDERS DEFICIENCY | 12 Months Ended |
|---|---|
| | Dec. 31, 2015 |
| **Stockholders' Equity Note [Abstract]** | |
| STOCKHOLDERS EQUITY | **6. STOCKHOLDERS DEFICIENCY** |

As of December 31, 2015 the Company was authorized to issue up to 800,000,000 shares of common stock and 10,000,000 shares of preferred stock

10,000,000 shares of preferred stock.

***Preferred Stock Issuances***

**Series D Preferred Stock** On June 10, 2013 the Company obtained the consent of the holders of the majority of the outstanding preferred shares for the creation of a Series D Preferred Stock. The holder of the Series D Preferred Stock is entitled to a 51% vote on all matters submitted to a vote of the shareholders of the Company. There are no other rights or preferences attached to the Series D Preferred Stock. On July 1, 2013, the Company issued 100 shares of the Company's Series D Preferred Stock to Jim Wemett, the sole officer and a director of the Company. Such securities were issued under Section 4(2) of the Securities Act of 1933, as amended and Regulation D promulgated by the Securities and Exchange Commission.

**Series B and C Preferred Stock**

Each share of the Series B and C Convertible Preferred Stock are convertible into 160 shares of the Company's common stock and votes on an as-converted basis (with each share having 160 votes). Both the Series B and C designations limit the holders' rights to convert its Convertible Preferred Stock, and the aggregate voting powers, to no more than 4.99% of the votes attributable to the total outstanding common shares. Accordingly, the votes attributable to the Series B and C Convertible Preferred constitutes 4.99% of the aggregate votes attributable to the Company's outstanding shares on an as converted basis.

During 2014, Platinum elected to convert 269,592 shares of their Series C preferred shares into 143,782 common shares at the then prescribed conversion rate of 160 common shares per each Series C share. In connection with the June 27, 2014 Payoff Agreement (Note 2) all shares of the remaining Series C preferred shares were cancelled.

***Common Stock Issuances***

During 2015, the Company issued 200,000 common shares in satisfaction of $20,000 of principal obligations to lenders on convertible debt. During 2014, the Company issued 100,000 common shares in satisfaction of $12,000 of interest obligations to lenders on convertible debt.

***Warrants Grants***

The Company has issued warrants to purchase shares of its common stock to certain consultants and debt holders. As of December 31, 2015 and December 31, 2014 there were common stock warrants outstanding to purchase an aggregate of 1,217,941 and 545,294 shares of common stock, respectively, pursuant to the warrant grant agreements.

On February 15, 2015, the Company granted a total of 300,000 warrants to the Company's board members. These warrants grant the right to purchase one share of common stock at an exercise price of $0.10 per share. The warrants were fully vested as of the grant date and contain a cashless exercise provision. The fair value of the warrants on the date of grant was determined using the Black-Scholes model and was measured on the date of grant at $61,106. An expected volatility assumption of 140% was used based on the volatility of the Company's stock price utilizing a look-back basis and the risk-free interest rate of 1.62% which was derived from the U.S. treasury yields on the date of grant. The market price of the Company's common stock on the grant date was $0.22 per share. The expiration date used in the valuation model aligns with the warrant life of five years as indicated in the agreements. The dividend yield was assumed to be zero.

On May 30, 2015, the Company granted a total of 375,000 warrants to the Company's board members and one consultant. These warrants grant the right to purchase one share of common stock at an exercise price of $0.05

per share. The warrants were fully vested as of the grant date and contain a cashless exercise provision. The fair value of the warrants on the date of grant was determined using the Black-Scholes model and was measured on the date of grant at $41,676. An expected volatility assumption of 140% was used based on the volatility of the Company's stock price utilizing a look-back basis and the risk-free interest rate of 1.49% which was derived from the U.S. treasury yields on the date of grant. The market price of the Company's common stock on the grant date was $0.12 per share. The expiration date used in the valuation model aligns with the warrant life of five years as indicated in the agreements. The dividend yield was assumed to be zero.

| | 2015 | | | 2014 | | |
|---|---|---|---|---|---|---|
| | Shares | Weighted average exercise price | Weighted average remaining life-Years | Shares | Weighted average exercise price | Weighted average remaining life-Years |
| Outstanding: beginning of the year | 545,294 | $ 1.13 | 5.9 | 394,110 | $ 4.26 | 2.24 |
| Granted during the year | 675,000 | $ 0.07 | | 160,000 | $ 0.42 | |
| Cancelled or forfeited | (2,353) | $ 102.00 | | (8,824) | $ 127.50 | |
| Warrants outstanding: end of year | 1,217,941 | $ 0.35 | 4.1 | 545,294 | $ 1.13 | 5.9 |
| Warrants exercisable: end of year | 1,217,941 | $ 0.35 | 4.1 | 545,294 | $ 1.13 | 5.9 |

During 2014, the Company granted a total of 160,000 warrants to certain consultants, the Company's CEO and the Company's independent board member. These warrants grant the right to purchase one share of common stock at an exercise price of $0.42 per share. The warrants were fully vested as of the grant date and contain a cashless exercise provision. The fair value of the warrants on the date of grant was determined using the Black-Scholes model and was measured on the various dates of grant at $105,501. An expected volatility assumption of 289% has been used based on the volatility of the Company's stock price utilizing a look-back basis and the risk-free interest rate of 1.63% and was derived from the U.S. treasury yields on the dates of grant. The market price of the Company's common stock on the grant date was $0.66 per share. The expiration date used in the valuation model aligns with the warrant life of five years as indicated in the agreements. The dividend yield was assumed to be zero.

***Incentive Stock Plans***

Under the Company's 2005 Incentive Stock Plan (the "2005 Plan"), the Amended and Restated 2007 Incentive Stock Plan (the "2007 Plan"), the 2008 Incentive Stock Plan (the"2008 Plan"), the 2009 Stock Incentive Plan (the "2009 Plan"), the 2011 Stock Incentive Plan (the "2011 Plan") and the 2012 Stock Incentive Plan (the "2012 Plan"), officers, employees, directors and consultants may be granted options to purchase the Company's common stock at fair market value as of the date of grant. Options become exercisable over varying vesting periods commencing from the date of grant and have terms of five to ten years. The plans also provide for the granting of performance-based and restricted stock awards. The shares of Common Stock underlying the plans are reserved by the Company from its authorized, but not issued Common Stock. Such shares are issued by the Company upon exercise by any option holder pursuant to any grant of such shares. The Plans are authorized to grant awards as follows: the 2005 Plan is authorized to grant up to 823,529 share unit awards, the 2007 Plan is authorized to grant up to 1,000,000 share unit awards, and the 2008 Plan is authorized to grant up to 47,058,824 unit share awards. The 2009 Plan is authorized to grant up to 1,176,471 share unit awards. The 2011 Plan is authorized to grant up to 1,470,588 share unit awards. The 2012 Plan is authorized to grant up to 1,764,706 share unit awards.

Employee stock compensation expense was $0 for the years ended December 31, 2015 and 2014. No option grants were made in 2015 or 2014.

A summary of the status of outstanding incentive stock plans is presented below:

| | 2015 | | | 2014 | | |
|---|---|---|---|---|---|---|
| | Shares | Weighted Average Exercise Price | Weighted Average Remaining Life-years | Shares | Weighted Average Exercise Price | Weighted Average Remaining Life-years |
| Outstanding beginning of year | 2,363 | $ 1,070 | 3.53 | 2,363 | $ 921 | 3.5 |
| Granted during the year | - | | | - | | |
| Cancelled or forfeited | (1,264) | $ 255 | | - | | |
| Options outstanding end of year | 1,099 | $ 2,008 | 1.05 | 2,363 | $ 1,070 | 2.1 |
| Options exercisable end of year | 1,099 | $ 2,008 | 1.05 | 2,363 | $ 1,070 | 2.1 |

As of December 31, 2015, the aggregate intrinsic value of the stock options outstanding and exercisable was $0.

| CREDITOR CONCESSIONS | 12 Months Ended Dec. 31, 2015 |
|---|---|
| **Payables and Accruals [Abstract]** | |
| CREDITOR CONCESSIONS | |

## 7. CREDITOR CONCESSIONS

During the 2015 and 2014, the Company entered into various agreements with certain vendors to settle accounts payable that were outstanding for amounts less than the liability that was recorded in the

accompanying consolidated balance sheet. As a result of these agreements, liabilities of $10,000 and $75,037 respectively, were relieved resulting in a gain on forgiveness of debt. These vendor concessions have been treated as gains in the period that the underlying agreement was reached.

| COMMITMENTS AND LEASE OBLIGATIONS | 12 Months Ended Dec. 31, 2015 |
|---|---|

| | |
|---|---|
| **Commitments and Contingencies Disclosure [Abstract]** | |
| COMMITMENTS AND LEASE OBLIGATIONS | **8. COMMITMENTS AND LEASE OBLIGATIONS**<br><br>**Lease obligations**<br>The Company leases approximately 9,200 square feet in Rochester, NY for laboratory space. The lease is a month-to-month agreement at $2,000 per month with no targeted end date. Total rent expense of $24,000 was incurred in each of the years ended December 31, 2015 and 2014. The Company's corporate operations are currently conducted from office space located at 763 Linden Avenue Rochester, New York. There is no signed lease agreement for this location, the Company incurred $2,500 in rent expense during each of the years ended 2015and 2014.<br><br>**Commitments**<br><br>**Legal Proceedings**<br>On March 24, 2009 the Company received a demand notice from an attorney representing a group of certain former employees of the Company, including but not limited to the Company's former President and Chief Financial Officer, demanding immediate payment of $331,265 for certain deferred compensation, severance and vacation benefits. Each of the former employees cited in the demand notice, as well as other former employees, had executed written agreements during 2008 that allowed the Company to defer certain of these compensation payments. The Company has accrued for earned and unused vacation benefits and deferred payroll costs for amounts electively deferred by these and other former employees as of December 31, 2015. The Company has retained counsel in connection with this demand and continues to evaluate this demand notice and has responded to this demand. No actions or probable settlement discussions between the parties have developed since the filing of this demand. Due to the Company's current cash and liquidity position discussed above and the current evaluation of the items in the demand notice, the timing of future payment of these outstanding amounts in uncertain. No further communication has been had regarding this notice.<br><br>During the third quarter ending September 30, 2010, two former employees, one involved in the March 24, 2009 demand, agreed to forgive the Company's liability to them of $54,691 related to deferred compensation in exchange for shares of common stock. |

| REVERSE STOCK SPLIT | 12 Months Ended<br>Dec. 31, 2015 |
|---|---|
| **Reverse Stock Split Abstract [Abstract]** | |
| REVERSE STOCK SPLIT | **9. REVERSE STOCK SPLIT**<br><br>On December 19, 2014, the Company filed a Certificate of Amendment to its Restated Certificate of Incorporation, as amended, with the Secretary of State of the State of Nevada, to effect a 1-for-300 reverse stock split of its common stock, or the Reverse Stock Split. This action had previously been approved by the Company's Board of Directors on November 4, 2014. As a result of the Reverse Stock Split, every three hundred shares of the Company's pre-reverse split common stock were combined and reclassified into one share of its common stock. No fractional shares were issued in connections with the Reverse Stock Split. Stockholders who would have been entitled to receive a fractional share in connection with the Reverse Stock |

| | |
|---|---|
| | Split received one whole share. The par value and other terms of the common stock were not affected by the Reverse Stock Split.<br><br>The Company's common stock began trading at its post-Reverse Stock Split price at the beginning of trading on December 23, 2014. |

| SUBSEQUENT EVENTS | 12 Months Ended Dec. 31, 2015 |
|---|---|
| **Subsequent Events [Abstract]** | |
| SUBSEQUENT EVENTS | **10. SUBSEQUENT EVENTS**<br><br>**Debt, Stock and Warrant transactions subsequent to December 31, 2015**<br><br>On March 10, 2016, the Company issued 110,000 common shares in satisfaction of $5,500 of outstanding principal. The issuance of these shares reflects a debt conversion price of $0.05 per share.<br><br>On January 7 and April 13, 2016, the Company issued a total of 508,156 shares of restricted common stock in connection with four cashless exercise transaction from warrant holders. On January 7, 2016 and April 13, 2016, the Company issued 37,500 and 36,776 respectively, restricted common shares to a consultant based on a request for the exercise of certain warrants agreement with the consultant. Also on January 7, 2016 and April 13, 2016 the Company issued 250,000 and 183,880 respectively, restricted common shares to the Company's CEO based on a request for the exercise of certain warrants agreement with the CEO.<br><br>On January 5, 2016, the Company issued a total of 450,000 warrants to directors and a consultant. These warrants vested immediately and were granted with a ten year life, an exercise price of $0.02 per share and included a cashless exercise provision. |

| PRINCIPAL BUSINESS ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (Policies) | 12 Months Ended Dec. 31, 2015 |
|---|---|
| **Organization, Consolidation and Presentation of Financial Statements [Abstract]** | |
| Basis of Consolidation | **Basis of Consolidation**<br>The consolidated financial statements include the accounts of NaturalNano, Inc. ("NaturalNano" or the "Company"), a Nevada corporation, and its wholly owned subsidiary NaturalNano Research, Inc. ("NN Research") a Delaware corporation. All significant inter-company accounts and transactions have been eliminated in consolidation. |
| Description of the Business | **Description of the Business**<br><br>**Nanotechnology**<br>The Company, located in Rochester, New York, is engaged in the development and commercialization of material science technologies with an emphasis on additives to polymers and other industrial and consumer |

products by taking advantage of technology advances developed in-house. The Company's current activities are directed toward research, development, production and marketing of its proprietary technologies relating to the treatment and separation of nanotubes from halloysite clay and the development of related commercial applications for cosmetics, health and beauty products and polymers, plastics and composites.

**ViralProtec**

In the fourth quarter of 2014, the Company announced the new business line, ViralProtec, (www.viralprotec.com) a division of NaturalNano. ViralProtec, is a reseller for healthcare personal protective equipment (PPE) and ancillary supplies. Our mission is to provide personal protective equipment for caregivers for infectious patient care that meet or exceed CDC and WHO guidelines. ViralProtec was created in response of the public concern and publicity surrounding the risk to caregivers and other responders created by the Ebola virus. The Company will maintain inventory on hand for customers to order complete protection kits from a single source instead multiple sources.

Liquidity and Going Concern

**Liquidity and Going Concern**

Going Concern – The accompanying condensed consolidated financial statements 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. The Company generated a net loss for the year ended December 31, 2015 of approximately $1,091,000, had negative working capital of approximately $4,755,000 and a stockholders' deficiency of approximately $4,756,000 at December 31, 2015. Since inception the Company's growth has been funded through a combination of convertible and non-convertible debt from private investors and from cash advances from its former parent Technology Innovations, LLC. These factors, among others, may indicate that the Company will be unable to continue as a going concern for a reasonable period of time. The Company's continuation as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations, to obtain additional financing, renegotiate the terms of existing financing obligations and ultimately to attain successful operations. The ability to successfully achieve those items is uncertain. The financial statements do not include any adjustments that might result from the uncertainty.

As of December 31, 2015, the Company continued to require waivers for debt covenant violations and extensions of maturity dates. Refer to Note 2 for lender waivers and maturity extensions received from the lenders.

The Company's management and Board of Directors continue to actively assess the Company's operating structure with an objective to reduce ongoing expenses, increase sources of recurring revenue as well as seeking additional debt or equity financing. The Company will continually evaluate funding options including additional offerings of its securities to private and institutional investors and other credit facilities as they become available. There can be no assurance as to the availability or terms upon which such financing alternatives might be available.

The Company has experienced recurring losses from operations since its inception and continues to have a working capital deficiency and limited opportunities for additional capital infusion. The Company has experienced recurring defaults relating to the various provisions under its current debt obligations and is expected to require future forbearance and waivers relating to such provisions in the future. These negative financial conditions combined with delays experienced in product introduction and customer acceptance raises substantial doubt of the Company's ability to continue as a going concern.

Reclassifications

**Reclassifications**

Certain prior year amounts have been reclassified to conform to the current year presentation.

| | |
|---|---|
| Concentration of Credit Risk | **Concentration of Credit Risk**<br>The Company maintains cash in bank deposit accounts which could, at times, exceed federally insured limits. The Company has not experienced any losses on these accounts. |
| Accounts Receivable | **Accounts Receivable**<br>The Company grants credit to substantially all of its customers and carries its accounts receivable at original invoice amount less an allowance for doubtful accounts. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for doubtful accounts based on history of past write-offs, collections, and current credit conditions. As of December 31, 2015 and 2014 no allowance for doubtful accounts was considered necessary. |
| Inventory | **Inventory**<br>Inventory is stated at the lower of cost or market value. When halloysite nanotubes or Pleximer™ held in inventory are used, the carrying value of any such inventory used (i) for research and development is expensed in the period that it is used for the development of proprietary applications and processes and (ii) in cost of goods sold will be charged as customer shipments are made. Inventory for overhead costs are applied during production and included in cost of goods sold. As of December 31, 2015 and 2014, the reserve for excess inventory was approximately $83,100 and zero, respectively. |
| Property and Equipment | **Property and Equipment**<br>Property and equipment are recorded at cost. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance, and repairs are charged to expense as incurred. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method. No depreciation expense was recorded during the years ended December 31, 2015 or 2014 as all property and equipment owned by the Company was fully depreciated in prior years. |
| Accrued Payroll | **Accrued Payroll**<br>The Company accrues for earned and unused vacation benefits and deferred compensation costs for amounts contractually owed to employees. |
| Fair Value of Financial Instruments | **Fair Value of Financial Instruments**<br>Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fair Value Measurement Topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") establishes a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:<br><br>• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.<br>• Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument.<br>• Level 3 inputs are unobservable inputs based on the Company's own assumptions used to measure assets and liabilities at fair value.<br><br>A financial asset or liability's classification within the hierarchy is determined based on the lowest level input |

that is significant to the fair value measurement. The carrying amounts reported in the balance sheet of cash, accounts receivable, prepaid, accounts payable and accrued expenses approximate fair value because of the immediate or short-term maturity of these financial instruments. The fair value of notes payable approximates their carrying value as the terms of this debt reflects market conditions. The Company's derivative liability was determined utilizing Level 3 inputs.

| | |
|---|---|
| Derivative Financial Instruments | **Derivative Financial Instruments** The Company does not use derivative instruments to hedge exposures to cash flow, market or foreign currency risks. The Company evaluates all of its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair market value and then is revalued at each reporting date, with changes in fair value reported in the consolidated statement of operations. For stock based derivative financial instruments, the Company estimated the total enterprise value based upon trending the firm value from December 2006 to December 2015 considering company specific factors including the changes in forward estimated revenues and market factors, market multiples for comparable companies, and the Company's market share price, all equally weighted. Once the enterprise value was determined an option pricing model was used to allocate the enterprise value to the individual derivative securities in the Company's capital structure. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within twelve months of the balance sheet date. |
| Income Taxes | **Income Taxes** The Company accounts for income taxes in accordance with FASB ASC 740 which requires recognition of estimated income taxes payable or refundable on income tax returns for the current year and for the estimated future tax effect attributable to temporary differences and carry-forwards. Measurement of deferred income items is based on enacted tax laws including tax rates, with the measurement of deferred income tax assets being reduced by available tax benefits not expected to be realized. The Company recognizes penalties and accrued interest related to unrecognized tax benefits in income tax expense. |
| Revenue Recognition | **Revenue Recognition** Revenue is recognized upon shipment of ViralProtec orders and upon delivery of Pleximer™ and sample products. The Company earns and recognizes such revenue when the shipment of the sample products has occurred, title transfers, no further performance obligation exists, and when collection is reasonably assured. |
| Research and Development | **Research and Development** Research and development costs are expensed in the period the expenditures are incurred. Capital assets acquired in support of research and development are capitalized and depreciated over their estimated useful life and related depreciation expense is included in research and development expense. |
| Other (Expense) Income | **Other (Expense) Income** During 2015, the Company recognized a gain of $50,000 on the sale of fully depreciated equipment. During 2014, the Company recorded a $200,000 provision related to the uncertainty of future collection of the receivable due from MJ Enterprises. The Company continues to aggressively pursue the collection of this amount with all possible avenues for recovery. |
| Income (Loss) Per Share | **Income (Loss) Per Share** Basic income (loss) per common share is computed by dividing net income or loss by the weighted-average number of shares of common stock outstanding during the period. Diluted income or loss per common share gives effect to dilutive convertible preferred stock, convertible debt, options and warrants outstanding during |

the period. Shares to be issued upon the exercise of these instruments have not been included in the computation of diluted loss per share for the year ended December 31, 2015 as their effect is anti-dilutive based on the net loss incurred.

As of December 31, 2015 there were 39,567,578 shares underlying preferred stock, convertible debt, outstanding options and warrants that could potentially dilute future earnings. These potentially dilutive shares have been limited by certain debt and equity agreements with lenders. These agreements provide limitations on the conversion of the dilutive instruments such that the number of shares of Common Stock that may be acquired by the holder upon conversion of such instruments shall be limited to ensure that following such conversion the total number of shares of Common Stock then beneficially owned by the holder does not exceed 4.99% of the total number of issued and outstanding shares of Common Stock. The Company does not have sufficient authorized shares to satisfy conversion of all the potentially dilutive instruments.

As of December 31, 2014 there were 7,851,283 shares, respectively, underlying preferred stock, convertible debt, outstanding options and warrants that could potentially dilute future earnings. In addition to these potentially dilutive shares as of December 31, 2014 were an additional 6,666,667 reserved shares underlying the July 23, 2014 Exchange and Right to Shares Agreement with Cape One Master Fund II LLP further described in Note 2 below. The reconciliation of the numerator and denominator of the basic and diluted earnings per share (EPS) calculation was as follows for the year ended December 31, 2014:

| | |
|---|---|
| **Numerator:** | |
| Net income | $2,681,747 |
| Adjustment for interest expense on convertible notes | 60,229 |
| Net income, adjusted | 2,741,976 |
| **Denominator:** | |
| Weighted-average shares used to compute basic EPS | 1,995,172 |
| Effect of dilutive securities: | |
| Dilutive warrants | 185,934 |
| Cape One share rights | 5,388,741 |
| Convertible preferred B shares | 2,667 |
| Dilutive potential common shares | 5,577,342 |
| Weighted average shares used to compute diluted EPS | 7,572,514 |

The potentially dilutive shares have been limited by certain debt and equity agreements with lenders. These agreements provide limitations on the conversion of the dilutive instruments such that the number of shares of Common Stock that may be acquired by the holder upon conversion of such instruments shall be limited to ensure that following such conversion the total number of shares of Common Stock then beneficially owned by the holder does not exceed 4.99% of the total number of issued and outstanding shares of Common Stock. These limitations have not been taken into account in the calculation of diluted earnings per share for the year ended December 31, 2014.

Share Based Payments

**Share Based Payments**

The Company has six incentive stock plans: the 2005 Incentive Stock Plan (the “2005 Plan”), the Amended and Restated 2007 Incentive Stock Plan (the “2007 Plan”), the 2008 Incentive Stock Plan (“the 2008 Plan”), the 2009 Stock Incentive Plan (“the 2009 Plan”), the 2011 Incentive Stock Plan (“the 2011 Plan") and the 2012 Stock Incentive Plan (“the 2012 Plan”) or (collectively, the “Plans”). The Plans provide for issuance of share-based awards to officers, key employees, non-employee directors, vendors and consultants. The terms and vesting schedules for share-based awards vary by type of grant and the employment status of the grantee. Generally, option awards vest based upon time-based conditions and are granted at exercise prices based on the closing market price of the Company's stock on the date of grant.

The Company's accounting policy for equity instruments issued to consultants and vendors in exchange for goods and services follows the provisions of FASB ASC 505-50, Equity-Based Payments to Non-Employees. The measurement date for the fair value of the equity instruments issued is determined at the earlier of (i) the date at which a commitment for performance by the consultant or vendor is reached or (ii) the date at which the consultant or vendor's performance is complete. In the case of equity instruments issued to consultants, the fair value of the equity instrument is recognized over the term of the consulting agreement.

| | |
|---|---|
| Estimates | **Estimates**<br>The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and the accompanying notes. Actual results could differ materially from these estimates. On an ongoing basis, we evaluate such estimates. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. |
| Recent Accounting Pronouncements | **Recent Accounting Pronouncements**<br><br>In November 2015, the FASB issued ASU-2015-17 Balance Sheet Classification of Deferred Taxes (Income Taxes topic 740). The Board issued this update as part of its Simplification Initiative. The objective of the Simplification Initiative is to identify, evaluate, and improve areas of generally accepted accounting principles (GAAP) for which cost and complexity can be reduced while maintaining or improving the usefulness of the information provided to users of financial statements. To simplify the presentation of deferred income taxes, this guidance requires that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. The guidance applies to all entities that present a classified statement of financial position. The current requirement that deferred tax liabilities and assets of a tax-paying component of an entity be offset and presented as a single amount is not affected by the amendments in this Update. This update will be effective for public business entities for annual periods, including interim periods within those annual periods, beginning after December 15, 2016. We are currently evaluating the impact of the adoption of ASU 2015-17 on our consolidated financial statements.<br><br>In May 2014 the FASB issued ASU 2014-09 Revenue from Contracts with Customers (Topic 606): The standard is effective for annual periods beginning after December 15, 2017, and interim periods therein, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a retrospective approach with the cumulative effect recognized at the date of adoption (which includes additional footnote disclosures). This update supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP. We are currently evaluating the impact of the adoption of this new guidance. |

In July 2015, the FASB issued ASU-2015-11 Simplifying the Measurement of Inventory (Inventory topic 330) The Board issued this update as part of its Simplification Initiative. Under this guidance an entity should measure inventory at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. This update will be effective for public business entities for annual periods, including interim periods within those annual periods, beginning after December 15, 2016. We are currently evaluating the impact of the adoption of this new guidance.

In January 2015 the FASB issued ASU 2015-1, Income Statement—Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items This ASU eliminates from GAAP the concept of extraordinary items. ASU 2015-1 is effective for the annual period ending after December 15, 2015. Early adoption is permitted provided that the guidance is applied from the beginning of the fiscal year of adoption. We are currently evaluating the impact of the adoption of this new guidance.

On February 25, 2016, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) No. 2016-02, “Leases,” a comprehensive new lease standard which will supersede previous lease guidance. The standard requires a lessee to recognize in its balance sheet assets and liabilities related to long-term leases that were classified as operating leases under previous guidance. An asset will be recognized related to the right to use the underlying asset and a liability will be recognized related to the obligation to make lease payments over the term of the lease. The standard also requires expanded disclosures surrounding leases. The standard is effective for fiscal periods beginning after December 15, 2018, and requires modified retrospective adoption, with early adoption permitted. The Company is evaluating the impact of the adoption of this standard on our consolidated financial statements and related disclosures.

On March 30, 2016, the FASB issued ASU No. 2016-09, “Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting,” which amends the current stock compensation guidance. The amendments simplify the accounting for the taxes related to stock based compensation, including adjustments to how excess tax benefits and a company's payments for tax withholdings should be classified. The standard is effective for fiscal periods beginning after December 15, 2016, with early adoption permitted. The Company is evaluating the impact of the adoption of this standard on our consolidated financial statements and related disclosures.

In April, 2016, the FASB issued ASU No. 2016-10, “Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing” to clarify two aspects of Topic 606: (i) identifying performance obligations and (ii) the licensing implementation guidance, while retaining the related principles

for those areas. The Company is evaluating the impact of the adoption of this standard on our consolidated financial statements and related disclosures.

Management does not believe that any recently issued, but not yet effective, accounting standards if currently adopted, would have a material effect on the accompanying financial statements.

| PRINCIPAL BUSINESS ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (Tables) | 12 Months Ended Dec. 31, 2015 |
| --- | --- |

(Tables) | Dec. 31, 2015

**Organization, Consolidation and Presentation of Financial Statements [Abstract]**

Schedule of basic and diluted earnings per share

The reconciliation of the numerator and denominator of the basic and diluted earnings per share (EPS) calculation was as follows for the year ended December 31, 2014:

| | |
|---|---|
| **Numerator:** | |
| Net income | $2,681,747 |
| Adjustment for interest expense on convertible notes | 60,229 |
| Net income, adjusted | 2,741,976 |
| **Denominator:** | |
| Weighted-average shares used to compute basic EPS | 1,995,172 |
| Effect of dilutive securities: | |
| Dilutive warrants | 185,934 |
| Cape One share rights | 5,388,741 |
| Convertible preferred B shares | 2,667 |
| Dilutive potential common shares | 5,577,342 |
| Weighted average shares used to compute diluted EPS | 7,572,514 |

**NOTES PAYABLE (Tables)** | **12 Months Ended Dec. 31, 2015**

**Debt Disclosure [Abstract]**

Schedule of notes payable

**Notes payable as of December 31, 2015 and 2014, respectively consisted of the following:**

| **Notes Payable** | **2015** | **2014** |
|---|---|---|
| Senior Secured Convertible Notes | $ 441,988 | $ 441,988 |
| Senior Secured Promissory Notes | 398,938 | 398,938 |
| 2014-2015 Convertible Promissory Notes | 745,015 | 694,020 |
| Convertible Promissory Notes | 344,000 | - |
| Total | $1,929,941 | $1,534,946 |

**SEGMENT INFORMATION (Tables)** | **12 Months Ended Dec. 31, 2015**

**Segment Reporting [Abstract]**

Schedule of company's operations by reportable segment

Approximate information concerning the Company's operations by reportable segment as of and for the years ended December 31, 2014 and December 31, 2013 is as follows:

| | Nanotechnology **For the years ended December 31** | | ViralProtec **For the years ended December 31** | | Consolidated **For the years ended December 31** | |
|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Revenue | $ 276,097 | $ 137,159 | $ 91,969 | $ 56,447 | $ 368,066 | $ 193,606 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Loss from operations | $ (288,060) | $ (549,741) | $ (126,922) | $ (19,242) | $ (414,982) | $ (568,983) |
| Interest expense | $ 266,661 | $ 301,614 | $ - | $ - | $ 266,661 | $ 301,614 |
| Loss on exchange of rights for debt | $ (304,727) | $ - | $ - | $ - | $ (304,727) | $ - |
| Gain on modification of debt | $ 9,800 | $ 4,107,646 | $ - | $ - | $ 9,800 | $ 4,107,646 |
| Net income (loss) | $ (964,128) | $ 2,700,989 | $ (126,922) | $ (19,242) | $ (1,091,050) | $ 2,681,747 |
| Assets | $ 26,958 | $ 90,052 | $ 83,025 | $ 219,888 | $ 109,983 | $ 309,940 |

| DERIVATIVE LIABILITIES (Tables) | 12 Months Ended Dec. 31, 2015 |
|---|---|
| **Derivative Instruments and Hedging Activities Disclosure [Abstract]** | |
| Schedule of fair value of the derivative liabilities | The fair value of the derivative liabilities as of December 31, 2015 and December 31, 2014 are as follows: |

| | 2015 | 2014 |
|---|---|---|
| **Derivative Instrument** | | |
| Notes conversion feature liability | $ 686,255 | $ 375,949 |
| Warrant liability | 759 | 11,772 |
| Total | $ 687,014 | $ 387,721 |

Schedule of liabilities carried at fair value measured using significant unobservable inputs (level 3)

The following table provides a roll forward of the liabilities carried at fair value measured using significant unobservable inputs (level 3).

| | 2015 | 2014 |
|---|---|---|
| Fair value – beginning of year | $ 387,721 | $ 32,419 |
| Liability recognized for conversion feature of debt issued in exchange for share rights | 134,813 | - |
| Loss recognized | 164,480 | 355,302 |
| Fair value – end of year | $ 687,014 | $ 387,721 |

| INCOME TAXES (Tables) | 12 Months Ended Dec. 31, 2015 |
|---|---|
| **Income Tax Disclosure [Abstract]** | |
| Schedule of components giving rise to the income tax benefit | **The benefit for income taxes consists of the following:** |

| | 2015 | 2014 |
|---|---|---|
| Currently payable | | |
| Federal | $ - | $ - |
| State | - | - |
| Total currently payable | $ - | $ - |
| Deferred | | |
| Federal | $ (121,318) | $ (1,084,885) |

| | | |
|---|---|---|
| Federal | $ (121,318) | $(1,084,885) |
| State | $ (413) | $ (17,832) |
| Total deferred | $ (121,731) | $(1,102,717) |
| Less: increase in valuation allowance | 121,731 | 1,102,717 |
| Net deferred | - | - |
| Total income taxes | $ - | $ - |

Schedule of individual components of deferred taxes

**Individual components of deferred taxes at December 31 are as follows:**

| | 2015 | 2014 |
|---|---|---|
| Deferred tax assets | | |
| Net operating loss carry forwards | $ 2,939,421 | $ 2,910,879 |
| Equity issued for services | 1,333,873 | 1,298,831 |
| Accrued compensation | 351,870 | 323,575 |
| Other | 205,952 | 175,683 |
| Total | $ 4,831,117 | 4,708,968 |
| Less valuation allowance | (4,831,117) | (4,708,968) |
| Net deferred tax asset | $ - | $ - |

Schedule of effective income tax rate in the accompanying consolidated statements of operations

The differences between the United States statutory federal income tax rate and the effective income tax rate in the accompanying consolidated statements of operations are as follows:

| | 2015 | 2014 |
|---|---|---|
| Statutory United States federal rate | 34.0% | 34.0% |
| Nontaxable gain on extinguishment of debt | | (52.9) |
| Nondeductible interest expense | (8.3) | 3.8 |
| Reduction of NOL carryover from extinguishment of debt | - | 52.9 |
| Change in valuation allowance | (11.2) | (41.1) |
| Other - Non deductible loss | 14.5 | 3.3 |
| Effective tax rate | 0% | 0% |

Schedule of reconciliation of the beginning and ending amount of unrecognized tax benefits

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

| | | |
|---|---|---|
| Unrecognized tax benefits balance at January 1 | $ 760,000 | $ 760,000 |
| Unrecognized tax benefits balance at December 31 | $ 760,000 | $ 760,000 |

**STOCKHOLDERS DEFICIENCY (Tables)**

**12 Months Ended**

**Dec. 31, 2015**

**Stockholders' Equity Note [Abstract]**

Schedule of outstanding w arrants

| | 2015 | | | 2014 | | |
|---|---|---|---|---|---|---|
| | Shares | Weighted average exercise price | Weighted average remaining life-Years | Shares | Weighted average exercise price | Weighted average remaining life-Years |
| Outstanding: | | | | | | |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Outstanding: beginning of the year | 545,294 | $ | 1.13 | 5.9 | 394,110 | $ | 4.26 | 2.24 |
| | Granted during the year | 675,000 | $ | 0.07 | | 160,000 | $ | 0.42 | |
| | Cancelled or forfeited | (2,353) | $ | 102.00 | | (8,824) | $ | 127.50 | |
| | Warrants outstanding: end of year | 1,217,941 | $ | 0.35 | 4.1 | 545,294 | $ | 1.13 | 5.9 |
| | Warrants exercisable: end of year | 1,217,941 | $ | 0.35 | 4.1 | 545,294 | $ | 1.13 | 5.9 |

Schedule of employee stock compensation expense

A summary of the status of outstanding incentive stock plans is presented below:

| | 2015 | | | | 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| | Shares | | Weighted Average Exercise Price | Weighted Average Remaining Life-years | Shares | | Weighted Average Exercise Price | Weighted Average Remaining Life-years |
| Outstanding beginning of year | 2,363 | $ | 1,070 | 3.53 | 2,363 | $ | 921 | 3.5 |
| Granted during the year | - | | | | - | | | |
| Cancelled or forfeited | (1,264) | $ | 255 | | - | | | |
| Options outstanding end of year | 1,099 | $ | 2,008 | 1.05 | 2,363 | $ | 1,070 | 2.1 |
| Options exercisable end of year | 1,099 | $ | 2,008 | 1.05 | 2,363 | $ | 1,070 | 2.1 |

| PRINCIPAL BUSINESS ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (Details) - USD ($) | 12 Months Ended | |
|---|---|---|
| | Dec. 31, 2015 | Dec. 31, 2014 |
| **Numerator:** | | |
| Net income (loss) | $ (1,091,050) | $ 2,681,747 |
| Adjustment for interest expense on convertible notes | | 60,229 |
| Net income, adjusted | | $ 2,741,976 |
| **Denominator:** | | |
| Weighted-average shares used to compute basic EPS | 2,102,391 | 1,995,172 |
| **Effect of dilutive securities:** | | |
| Dilutive w arrants | | 185,934 |
| Cape One share rights | | 5,388,741 |
| Convertible preferred B shares | | 2,667 |

| | |
|---|---|
| Dilutive potential common shares | 5,577,342 |
| Weighted average shares used to compute diluted EPS | 7,572,514 |

| PRINCIPAL BUSINESS ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (Details Narrative) - USD ($) | 12 Months Ended | | |
|---|---|---|---|
| | Dec. 31, 2015 | Dec. 31, 2014 | Dec. 31, 2013 |
| Net income (loss) | $ (1,091,050) | $ 2,681,747 | |
| Working capital | 4,755,000 | | |
| Stockholders' deficiency | (4,756,212) | $ (4,164,079) | $ (6,571,265) |
| Gain on sale of equipment | $ 50,000 | | |
| Uncertainty of future collection of the receivable | | $ 5,036 | |
| Number of shares underlying preferred stock, convertible debt | 39,567,578 | 7,851,283 | |
| Provision for excess inventory | $ 83,100 | | |
| **MJ Enterprises [Member]** | | | |
| Uncertainty of future collection of the receivable | | $ 200,000 | |
| **Cape One Master Fund II LLP [Member]** | | | |
| Number of potentially dilutive shares | | 6,666,667 | |

| NOTES PAYABLE (Details) - USD ($) | Dec. 31, 2015 | Dec. 31, 2014 |
|---|---|---|
| **Short-term Debt [Line Items]** | | |
| Notes payable | $ 1,929,941 | $ 1,534,946 |
| **Senior Secured Convertible Notes [Member]** | | |
| **Short-term Debt [Line Items]** | | |
| Notes payable | 441,988 | 441,988 |
| **Senior Secured Promissory Note [Member]** | | |
| **Short-term Debt [Line Items]** | | |
| Notes payable | 398,938 | 398,938 |
| **2014-2015 Convertible Promissory Notes [Member]** | | |
| **Short-term Debt [Line Items]** | | |
| Notes payable | 745,015 | $ 694,020 |
| **8% Convertible Promissory Notes Due On June 30, 2017 [Member]** | | |
| **Short-term Debt [Line Items]** | | |
| Notes payable | $ 344,000 | |

| NOTES PAYABLE (Details Narrative) | | | 3 Months Ended | 12 Months Ended | | | |
|---|---|---|---|---|---|---|---|
| | Dec. 15, 2015 USD ($) $ / shares shares | Jul. 23, 2014 USD ($) shares | Sep. 30, 2014 USD ($) | Dec. 31, 2015 USD ($) Number $ / shares shares | Dec. 31, 2014 USD ($) $ / shares | Mar. 10, 2016 $ / shares | Jan. 05, 2016 $ / shares shares |
| Notes payable current | | | | $ 1,929,941 | $ 1,534,946 | | |
| Proceeds from notes payable | | | | 61,000 | 974,010 | | |
| Rights to reserved common shares fair value | | | | | 559,289 | | |
| Gain on extinguishment of debt | | | | 9,800 | 4,107,646 | | |
| **Subsequent Event [Member]** | | | | | | | |
| Conversion price (in dollars per share) \| $ / shares | | | | | | $ 0.05 | |
| **Senior Secured Convertible Notes and Senior Secured Promissory Notes [Member]** | | | | | | | |
| Notes payable current | | | | $ 840,926 | 840,926 | | |
| Description of conversion terms | | | | The conversion rate for principal and accrued interest on Senior Secured Convertible Notes is 75% of the lowest volume weighted average price (VWAP) of the Company’s common stock for the 1, 5 or 10 days immediately prior to the conversion. | | | |
| Forbearance interest rate | | | | 18.00% | | | |
| **2014-2015 Convertible Promissory Notes [Member]** | | | | | | | |
| Notes payable current | | | | $ 745,015 | $ 694,020 | | |
| Forbearance interest rate | | | | 18.00% | 18.00% | | |

| | | | | |
|---|---|---|---|---|
| Forbearance interest rate | | 18.00% | 18.00% | |
| Number of promissory notes issued \| shares | | 2 | | |
| Proceeds from notes payable | | $ 61,000 | | |
| Description of collateral | | Secured by, among other things, (i) the continuing security interest in certain assets of the Company pursuant to the terms of the Initial Notes dated March 7, 2007, (ii) the Pledge Agreement, as defined in the Initial Notes, and (iii) the Patent Security Agreement, dated as of March 6, 2007. | Secured by, among other things, (i) the continuing security interest in certain assets of the Company pursuant to the terms of the Initial Notes dated March 7, 2007, (ii) the Pledge Agreement, as defined in the Initial Notes, and (iii) the Patent Security Agreement, dated as of March 6, 2007. | |
| Conversion price (in dollars per share) \| $ / shares | | $ 0.05 | $ 0.30 | |
| Percentage of beneficial ownership limitation | | | 4.99% | |
| Outstanding principal | | $ 10,000 | | |
| Number of common shares issued \| Number | | 200,000 | | |
| **2014-2015 Convertible Promissory Notes [Member] \| Subsequent Event [Member] \| Warrant [Member]** | | | | |
| Conversion price (in dollars per share) \| $ / shares | | | | $ 0.02 |
| Number of warrants issued \| shares | | | | 450,000 |
| Warrants exercisable (in dollars per share) \| $ / shares | | | | $ 0.02 |
| **2014 Subordinated Secured Convertible Note [Member] \| Cape One Master Fund II LLP [Member]** | | | | |
| Notes payable current | | $ 305,000 | | |
| Notes payable | $ 379,624 | | | |

| | | | | |
|---|---|---|---|---|
| Number of reserve common stock issued \| shares | | 6,666,667 | | |
| Percentage of beneficial ownership limitation | | 4.99% | | |
| Description of lockup provision | | Lockup provision in the agreement that specifies that Cape One will not sell, transfer or hypothecate any of the reserved shares until Alpha Capital Anstalt has received $3,500,000 from the proceeds of sales of shares obtained upon conversion of notes issued by the Company and held by Alpha as of the date of this agreement. Upon expiration of the Lockup period, Cape One shall be allowed to sell the lesser of (i) 5% of the daily trading volume of the Company's common stock or, (ii) 10% of the reserved shares in any calendar month. | | |
| Rights to reserved common shares fair value | | | $ 54,289 | |
| Gain on extinguishment of debt | | | $ 325,335 | |
| **2014 Subordinated Secured Convertible Note [Member] \| Alpha Capital Anstalt [Member]** | | | | |
| Proceeds receivable from sale of shares obtained | | $ 3,500,000 | | |
| **8% Convertible Promissory Notes Due On June 30, 2017 [Member]** | | | | |
| Notes payable current | | | | $ 344,000 |
| **8% Convertible Promissory Notes Due On June 30, 2017 [Member] \| Cape One Master Fund II LLP [Member]** | | | | |
| Number of promissory notes issued \| shares | 4 | | | |
| Conversion price (in dollars per share) \| $ / shares | $ 0.05 | | | |

| | | |
|---|---|---|
| Notes payable | $ 344,000 | |
| Number of reserve common stock issued \| shares | 6,666,667 | |
| **8% Convertible Promissory Notes Due On June 30, 2017 [Member] \| Cape One Master Fund II LLP [Member] \| Subsequent Event [Member] \| Warrant [Member]** | | |
| Conversion price (in dollars per share) \| $ / shares | | $ 0.02 |
| Number of warrants issued \| shares | | 450,000 |
| Warrants exercisable (in dollars per share) \| $ / shares | | $ 0.02 |

| NOTES PAYABLE (Details Narrative 1) - USD ($) | | 1 Months Ended | | 3 Months Ended | 12 Months Ended | |
|---|---|---|---|---|---|---|
| | Jun. 26, 2014 | Jul. 30, 2014 | Jun. 30, 2014 | Jun. 30, 2014 | Dec. 31, 2015 | Dec. 31, 2014 |
| Gain on extinguishment of debt | | | | | $ 9,800 | $ 4,107,646 |
| Proceeds from notes payable | | | | | $ 61,000 | $ 974,010 |
| **Platinum Long Term Growth IV, LLC and Merit Consulting LLC [Member]** | | | | | | |
| Notes payable | $ 3,256,399 | | | | | |
| Accrued and unpaid interest | 592,414 | | | | | |
| Repayment of debt origination | 300,000 | | | | | |
| Reserve of registration rights liabilities | $ 70,165 | | | | | |
| Gain on extinguishment of debt | | | | $ 3,747,273 | | |
| **Platinum Long Term Growth IV, LLC and Merit Consulting LLC [Member] \| Series C Preferred Stock [Member]** | | | | | | |
| Number of shares cancelled | 2,587,674 | | | | | |
| **Bitcoin Bidder Inc [Member]** | | | | | | |
| Proceeds from notes payable | | | $ 2,150,000 | | | |
| Repayments of notes payable | | $ 200,000 | $ 1,950,000 | | | |

| SEGMENT INFORMATION (Details) - USD ($) | 12 Months Ended | |
|---|---|---|
| | Dec. 31, 2015 | Dec. 31, 2014 |
| Revenue | $ 368,066 | $ 193,606 |
| Loss from operations | (414,982) | (568,983) |
| Interest expense | 266,661 | 301,614 |
| Loss on exchange of rights for debt | (304,727) | |
| Gain on modification of debt | 9,800 | 4,107,646 |
| Net income (loss) | (1,091,050) | 2,681,747 |

| | | |
|---|---|---|
| Assets | 109,983 | 309,940 |
| **Nanotechnology Segment [Member]** | | |
| Revenue | 276,097 | 137,159 |
| Loss from operations | (288,060) | (549,741) |
| Interest expense | 266,661 | $ 301,614 |
| Loss on exchange of rights for debt | (304,727) | |
| Gain on modification of debt | 9,800 | $ 4,107,646 |
| Net income (loss) | (964,128) | 2,700,989 |
| Assets | 26,958 | 90,052 |
| **ViralProtec Segment [Member]** | | |
| Revenue | 91,969 | 56,447 |
| Loss from operations | $ (126,922) | $ (19,242) |
| Interest expense | | |
| Loss on exchange of rights for debt | | |
| Gain on modification of debt | | |
| Net income (loss) | $ (126,922) | $ (19,242) |
| Assets | $ 83,025 | $ 219,888 |

| SEGMENT INFORMATION (Detail Narrative) | 12 Months Ended | |
|---|---|---|
| | Dec. 31, 2015 USD ($) Number | Dec. 31, 2014 USD ($) |
| Number of reportable segments \| Number | 2 | |
| Sales revenue | $ 368,066 | $ 193,606 |
| **UNITED STATES** | | |
| Sales revenue | $ 10,800 | $ 9,300 |
| **Sales Revenue, Net [Member]** | | |
| Concentration risk, percentage | 99.00% | 95.00% |
| Number of customers \| Number | 1 | |
| **ViralProtec Segment [Member]** | | |
| Sales revenue | $ 91,969 | $ 56,447 |
| **ViralProtec Segment [Member] \| Sales Revenue, Net [Member]** | | |
| Concentration risk, percentage | 63.00% | |
| Number of customers \| Number | 3 | |

| DERIVATIVE LIABILITIES (Details) - USD ($) | Dec. 31, 2015 | Dec. 31, 2014 |
|---|---|---|
| **Derivative Instruments and Hedging Activities Disclosures [Line Items]** | | |
| Notes conversion feature liability | $ 686,255 | $ 375,949 |

| | | |
|---|---|---|
| Total | 687,014 | 387,721 |
| **Warrant [Member]** | | |
| **Derivative Instruments and Hedging Activities Disclosures [Line Items]** | | |
| Total | $ 759 | $ 11,772 |

| DERIVATIVE LIABILITIES (Details 1) - USD ($) | 12 Months Ended | |
|---|---|---|
| | Dec. 31, 2015 | Dec. 31, 2014 |
| **Derivative Liability [Roll Forward]** | | |
| Fair value - beginning of year | $ 387,721 | $ 32,419 |
| Liability recognized for conversion feature of debt issued in exchange for share rights | 134,813 | |
| Loss recognized | 164,480 | $ 355,302 |
| Fair value - end of year | $ 687,014 | $ 387,721 |



| INCOME TAXES (Details) - USD ($) | 12 Months Ended | |
|---|---|---|
| | Dec. 31, 2015 | Dec. 31, 2014 |
| **Currently payable** | | |
| Federal | | |
| State | | |
| Total currently payable | | |
| **Deferred** | | |
| Federal | $ (121,318) | $ (1,084,885) |
| State | (413) | (17,832) |
| Total deferred | (121,731) | (1,102,717) |
| Less: increase in valuation allowance | $ 121,731 | $ 1,102,717 |
| Net deferred | | |
| Total income taxes | | |

| INCOME TAXES (Details 1) - USD ($) | Dec. 31, 2015 | Dec. 31, 2014 |
|---|---|---|
| **Deferred tax assets** | | |
| Net operating loss carry forwards | $ 2,939,421 | $ 2,910,879 |
| Equity issued for services | 1,333,873 | 1,298,831 |
| Accrued compensation | 351,870 | 323,575 |
| Other | 205,952 | 175,683 |
| Total | 4,831,117 | 4,708,968 |
| Less valuation allowance | $ (4,831,117) | $ (4,708,968) |
| Net deferred tax asset | | |

12 Months Ended

| INCOME TAXES (Details 2) | 12 Months Ended | |
|---|---|---|
| | Dec. 31, 2015 | Dec. 31, 2014 |
| **Income Tax Disclosure [Abstract]** | | |
| Statutory United States federal rate | 34.00% | 34.00% |
| Nontaxable gain on extinguishment of debt | | (52.90%) |
| Nondeductible interest expense | (8.30%) | 3.80% |
| Reduction of NOL carryover from extinguishment of debt | | 52.90% |
| Change in valuation allow ance | (11.20%) | (41.10%) |
| Other - Non deductible loss | 14.50% | 3.30% |
| Effective tax rate | 0.00% | 0.00% |

| INCOME TAXES (Details 3) - USD ($) | Dec. 31, 2015 | Dec. 31, 2014 |
|---|---|---|
| **Income Tax Disclosure [Abstract]** | | |
| Unrecognized tax benefits balance at beginning | $ 760,000 | $ 760,000 |
| Unrecognized tax benefits balance at ending | $ 760,000 | $ 760,000 |

| INCOME TAXES (Details Narrative) - USD ($) | 12 Months Ended | | |
|---|---|---|---|
| | Dec. 31, 2015 | Dec. 31, 2014 | Dec. 31, 2013 |
| **Income Tax Disclosure [Abstract]** | | | |
| Federal net operating loss carry-forw ards | $ 11,700,000 | | |
| Operating carry forw ard loss expiration date | 2025 through 2035 | | |
| Net operating loss carry-forw ard relates to tax deductions for stock aw ards, options and w arrants exercised | $ 287,000 | | |
| Unrecognized tax benefits | 760,000 | $ 760,000 | $ 760,000 |
| Reduction in net operating loss | $ 1,047,000 | | |

| STOCKHOLDERS DEFICIENCY (Details Narrative) - USD ($) | May. 30, 2015 | Feb. 15, 2015 | Jun. 10, 2013 | 12 Months Ended | | Jul. 01, 2013 |
|---|---|---|---|---|---|---|
| | | | | Dec. 31, 2015 | Dec. 31, 2014 | |
| Common stock, shares authorized | | | | 800,000,000 | 800,000,000 | |
| Preferred stock, shares authorized | | | | 10,000,000 | | |
| Common stock w arrants outstanding | | | | 1,217,941 | 545,294 | |
| Employee stock compensation expense | | | | $ 0 | $ 0 | |
| Outstanding intrinsic value | | | | 0 | | |
| Exercisable intrinsic value | | | | $ 0 | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Series B Preferred Stock [Member]** | | | | | | |
| Stock issued during period, conversion of shares | | | | 160 | | |
| Stock conversion limit percentage | | | | 4.99% | | |
| **Series C Preferred Stock [Member]** | | | | | | |
| Stock issued during period, conversion of shares | | | | 160 | | |
| Stock conversion limit percentage | | | | 4.99% | | |
| **Series C Preferred Stock [Member] \| Platinum Long Term Growth IV, LLC [Member]** | | | | | | |
| Stock issued during period, conversion of shares | | | | | 269,592 | |
| Number of shares convertrd to common shares | | | | | 143,782 | |
| Conversion price (in dollars per share) | | | | | $ 160 | |
| **Series D Preferred Stock [Member]** | | | | | | |
| Preferred stock, issued | | | | 100 | 100 | 100 |
| Description of preferred stock voting rights | | | The holder of the Series D Preferred Stock is entitled to a 51% vote on all matters submitted to a vote of the shareholders of the Company. | | | |
| **2005 Incentive Stock Plan [Member]** | | | | | | |
| Number of authorized grants | | | | 823,529 | | |
| **Amended And Restated 2007 Incentive Stock Plan [Member]** | | | | | | |
| Number of authorized grants | | | | 1,000,000 | | |
| **2008 Incentive Stock Plan [Member]** | | | | | | |
| Number of authorized grants | | | | 47,058,824 | | |
| **2009 Stock Incentive Plan [Member]** | | | | | | |
| Number of authorized grants | | | | 1,176,471 | | |
| **2011 Stock Incentive Plan [Member]** | | | | | | |
| Number of authorized grants | | | | 1,470,588 | | |
| **2012 Stock Incentive Plan [Member]** | | | | | | |
| Number of authorized grants | | | | 1,764,706 | | |
| **Board Members [Member]** | | | | | | |
| Number of w arrants granted | | 300,000 | | | | |
| Fair value of the w arrants granted | | $ 61,106 | | | | |
| Expected volatility assumption | | 140.00% | | | | |
| Rsk-free interest rate | | 1.62% | | | | |
| Market price of common stock (in dollars per share) | $ 0.12 | $ 0.22 | | | | |
| Exercise price of stock (in dollars per share) | $ 0.05 | $ 0.10 | | | | |

| | | | | |
|---|---|---|---|---|
| Warrant term | | 5 years | | |
| Dividend yield | | 0.00% | | |
| **Board Members & One Consultant [Member]** | | | | |
| Number of warrants granted | 375,000 | | | |
| Fair value of the warrants granted | $ 41,676 | | | |
| Expected volatility assumption | 140.00% | | | |
| Rsk-free interest rate | 1.49% | | | |
| Warrant term | 5 years | | | |
| Dividend yield | 0.00% | | | |
| **Mr. Jim Wemett & Board Members [Member]** | | | | |
| Number of warrants granted | | | | 160,000 |
| Fair value of the warrants granted | | | | $ 105,501 |
| Expected volatility assumption | | | | 289.00% |
| Rsk-free interest rate | | | | 1.63% |
| Market price of common stock (in dollars per share) | | | | $ 0.66 |
| Exercise price of stock (in dollars per share) | | | | $ 0.42 |
| Warrant term | | | | 5 years |
| Dividend yield | | | | 0.00% |
| **Lender [Member]** | | | | |
| Number of common shares issued | | | 200,000 | 100,000 |
| Convertible debt | | | $ 20,000 | $ 12,000 |

| STOCKHOLDERS DEFICIENCY (Details) - Warrant [Member] - $ / shares | 12 Months Ended Dec. 31, 2015 | Dec. 31, 2014 |
|---|---|---|
| **Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Nonvested, Number of Shares [Roll Forward]** | | |
| Outstanding: beginning of the year | 545,294 | 394,110 |
| Granted during the year | 675,000 | 160,000 |
| Cancelled or forfeited | (2,353) | (8,824) |
| Outstanding: end of year | 1,217,941 | 545,294 |
| Exercisable: end of year | 1,217,941 | 545,294 |
| **Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Nonvested, Weighted Average Exercise Price [Roll Forward]** | | |

| [Roll Forward] | | |
|---|---|---|
| Outstanding: beginning of the year | $ 1.13 | $ 4.26 |
| Granted | 0.07 | 0.42 |
| Cancelled or forfeited | 102.00 | 127.50 |
| Outstanding: end of year | 0.35 | 1.13 |
| Exercisable: end of year | $ 0.35 | $ 1.13 |
| **Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Nonvested, Weighted Average Remaining Contractual Term [Roll Forward]** | | |
| Outstanding: beginning of the year | 5 years 10 months 24 days | 2 years 2 months 26 days |
| Outstanding: end of year | 4 years 1 month 6 days | 5 years 10 months 24 days |
| Exercisable: end of year | 4 years 1 month 6 days | 5 years 10 months 24 days |

| STOCKHOLDERS DEFICIENCY (Details 1) - Incentive Stock Plans [Member] - $ / shares | 12 Months Ended | |
|---|---|---|
| | Dec. 31, 2015 | Dec. 31, 2014 |
| **Share-based Compensation Arrangement by Share-based Payment Award, Options, Outstanding [Roll Forward]** | | |
| Outstanding beginning of year | 2,363 | 2,363 |
| Granted during the year | | |
| Cancelled or forfeited | (1,264) | |
| Outstanding end of year | 1,099 | 2,363 |
| Exercisable end of year | 1,099 | 2,363 |
| **Share-based Compensation Arrangement by Share-based Payment Award, Options, Outstanding, Weighted Average Exercise Price [Roll Forward]** | | |
| Outstanding beginning of year | $ 1,070 | $ 921 |
| Cancelled or forfeited | 255 | |
| Outstanding end of year | 2,008 | 1,070 |
| Exercisable end of year | $ 2,008 | $ 1,070 |
| **Share-based Compensation Arrangement by Share-based Payment Award, Options, Outstanding, Weighted Average Remaining Contractual Term [Roll Forward]** | | |
| Outstanding beginning of year | 3 years 6 months 11 days | 3 years 6 months |
| Outstanding end of year | 1 year 18 days | 2 years 1 month 6 days |

| | | |
|---|---|---|
| Exercisable end of year | 1 year 18 days | 2 years 1 month 6 days |

| CREDITOR CONCESSIONS (Details Narrative) - USD ($) | Dec. 31, 2015 | Dec. 31, 2014 |
|---|---|---|
| **Payables and Accruals [Abstract]** | | |
| Agreements liabilities | $ 10,000 | $ 75,037 |

| COMMITMENTS AND LEASE OBLIGATIONS (Details Narrative) | 3 Months Ended | 12 Months Ended | | |
|---|---|---|---|---|
| | Sep. 30, 2010 shares | Dec. 31, 2015 USD ($) ft² | Dec. 31, 2014 USD ($) | Mar. 24, 2009 USD ($) |
| Loss contingency | | | | $ 331,265 |
| Rent expense | | $ 2,500 | $ 2,500 | |
| Number of shares issued for deferred compensation \| shares | 54,691 | | | |
| **Land and Building [Member] \| Month-to-Month Agreement [Member]** | | | | |
| Area of land leased for laboratory space \| ft² | | 9,200 | | |
| Rent expense per month | | $ 2,000 | | |
| Rent expense | | $ 24,000 | $ 24,000 | |

| REVERSE STOCK SPLIT (Details Narrative) | 12 Months Ended |
|---|---|
| | Dec. 31, 2015 |
| **Reverse Stock Split Abstract [Abstract]** | |
| Description of reverse stock split | 1-for-300 reverse stock split of its common stock, or the Reverse Stock Split. |

| SUBSEQUENT EVENTS (Details Narrative) - USD ($) | | | | | | 3 Months Ended | 12 Months Ended | |
|---|---|---|---|---|---|---|---|---|
| | Apr. 13, 2016 | Mar. 10, 2016 | Jan. 07, 2016 | Jan. 05, 2016 | May. 30, 2015 | Apr. 13, 2016 | Dec. 31, 2015 | Dec. 31, 2014 |
| Convertible debt instrument amount | | | | | | | $ 344,000 | |
| Warrant exercised | | | | | | | 1,217,941 | 545,294 |
| **Board Members & One Consultant [Member]** | | | | | | | | |
| Warrant term | | | | | 5 years | | | |
| **Subsequent Event [Member]** | | | | | | | | |
| Debt conversion rate (in dollar per share) | | $ 0.05 | | | | | | |
| Number of shares issued upon conversion | | 110,000 | | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| Convertible debt instrument amount | | $ 5,500 | | | |
| **Subsequent Event [Member] \| Board Members & One Consultant [Member] \| Warrant [Member]** | | | | | |
| Number of w arrants issued | | | | 450,000 | |
| Warrants exercisable (in dollars per share) | | | | $ 0.02 | |
| Warrant term | | | | 10 years | |
| **Subsequent Event [Member] \| Warrant [Member]** | | | | | |
| Warrant exercised | 4 | | | | 4 |
| **Subsequent Event [Member] \| Restricted Stock [Member]** | | | | | |
| Number of shares issued | | | | | 508,156 |
| **Subsequent Event [Member] \| Restricted Stock [Member] \| Warrants Agreement [Member] \| James Wemett [Member]** | | | | | |
| Number of shares issued | 183,880 | | | | |
| **Subsequent Event [Member] \| Restricted Stock [Member] \| Warrants Agreement [Member] \| James Wemett [Member]** | | | | | |
| Number of shares issued | | | 250,000 | | |
| **Subsequent Event [Member] \| Restricted Stock [Member] \| Warrants Agreement [Member] \| Consultants [Member]** | | | | | |
| Number of shares issued | 36,776 | | 37,500 | | |