

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

**FORM 10-Q**

(Mark One)

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

For the quarterly period ended: June 30, 2017

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from:

Commission file number **000-55097**

**RIGHTSCORP, INC.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of  
incorporation or organization)

**33-1219445**

(I.R.S. Employer  
Identification No.)

**3100 Donald Douglas Loop North  
Santa Monica, CA**

(Address of principal executive offices)

**90405**

(Zip Code)

Issuer's telephone number: **(310) 751-7510**

(Former name, former address and former fiscal year, if changed since last report)

Indicate by checkmark whether the registrant has (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer (Do not check if a smaller reporting company)	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

As of August 11, 2017, the issuer had 147,403,398 shares of its common stock, \$0.001 par value per share, outstanding.

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**PART I: FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

**Rightscorp, Inc.**  
Condensed Consolidated Balance Sheets

	June 30, 2017 <u>(Unaudited)</u>	December 31, 2016 <u></u>
<b><u>Assets</u></b>		
<b>Assets</b>		
Cash	\$ 1,725	\$ 5,047
Prepaid expenses	33,000	65,073
<b>Total Current Assets</b>	<u>34,725</u>	<u>70,120</u>
<b>Other Assets</b>		
Fixed assets, net	19,286	54,113
<b>Total Assets</b>	<u>\$ 54,011</u>	<u>\$ 124,233</u>
<b><u>Liabilities and Stockholders' Deficit</u></b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 2,086,150	\$ 1,885,977
Notes payable	50,000	50,000
Derivative liabilities	286,883	280,316
<b>Total Current Liabilities</b>	<u>2,423,033</u>	<u>2,216,293</u>
<b>Stockholders' Deficit</b>		
Preferred stock, \$.001 par value; 10,000,000 shares authorized; null shares issued and outstanding	—	—
Common stock, \$.001 par value; 250,000,000 shares authorized; 149,753,398 and 127,463,171 shares issued and outstanding, respectively	149,753	127,463
Additional paid in capital	10,433,338	9,664,168
Accumulated deficit	(12,952,113)	(11,883,691)
Total stockholders' deficit	<u>(2,369,022)</u>	<u>(2,092,060)</u>
<b>Total Liabilities and Stockholders' Deficit</b>	<u>\$ 54,011</u>	<u>\$ 124,233</u>

See accompanying notes

**Rightscorp, Inc.**  
Condensed Consolidated Statements of Operations  
(Unaudited)

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
<b>Revenue</b>				
Copyright settlement revenue	\$ 58,610	\$ 146,043	\$ 138,514	\$ 214,326
Consulting revenue	66,666	–	148,332	–
<b>Total revenue</b>	<u>125,276</u>	<u>146,043</u>	<u>286,846</u>	<u>214,326</u>
<b>Operating expenses:</b>				
Copyright holder fees	29,305	56,593	69,257	105,735
Sales and marketing	356	687	1,347	2,034
General and administrative	576,110	592,012	1,190,696	1,553,117
Depreciation and amortization	16,643	22,490	34,827	45,306
<b>Total operating expenses</b>	<u>622,414</u>	<u>671,782</u>	<u>1,296,127</u>	<u>1,706,192</u>
<b>Loss from operations</b>	<u>(497,138)</u>	<u>(525,739)</u>	<u>(1,009,281)</u>	<u>(1,491,866)</u>
<b>Other expenses:</b>				
Interest expense	–	–	(1,084)	–
Change in fair value of derivative liabilities	(162,796)	314,654	(58,057)	496,601
<b>Total other expenses</b>	<u>(162,796)</u>	<u>314,654</u>	<u>(59,141)</u>	<u>496,601</u>
<b>Net loss</b>	<u>\$ (659,934)</u>	<u>\$ (211,085)</u>	<u>\$ (1,068,422)</u>	<u>\$ (995,265)</u>
<b>Net loss per share – basic and diluted</b>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
<b>Weighted average common shares – basic</b>	<u>146,295,131</u>	<u>119,393,116</u>	<u>139,450,510</u>	<u>116,600,918</u>

See accompanying notes

**Rightscorp, Inc.**  
Condensed Consolidated Statement of Stockholders' Deficit  
For the six months ended June 30, 2017  
(Unaudited)

	Common stock		Additional Paid in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Stock	Amount			
<b>Balance at December 31, 2016</b>	<b>127,463,171</b>	<b>\$ 127,463</b>	<b>\$ 9,664,168</b>	<b>\$(11,883,691)</b>	<b>\$ (2,092,060)</b>
Fair value of shares issued for services	15,940,227	15,940	426,745	-	442,685
Fair value of stock-based compensation	-	-	98,785	-	98,785
Shares issued for cash	4,500,000	4,500	175,500	-	180,000
Shares issued upon exercise of warrants	1,850,000	1,850	16,650	-	18,500
Extinguishment of derivative liability	-	-	51,490	-	51,490
Net loss	-	-	-	(1,068,422)	(1,068,422)
<b>Balance at June 30, 2017</b>	<b><u>149,753,398</u></b>	<b><u>\$ 149,753</u></b>	<b><u>\$10,433,338</u></b>	<b><u>\$(12,952,113)</u></b>	<b><u>\$ (2,369,022)</u></b>

See accompanying notes

**Rightscorp, Inc.**  
Condensed Consolidated Statements of Cash Flows  
(Unaudited)

	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
<b>Cash Flows from Operating Activities</b>		
Net loss	\$ (1,068,422)	\$ (995,265)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	34,827	45,306
Fair value of shares issued for services	442,685	–
Fair value of stock-based compensation	98,785	430,481
Change in fair value of derivative liabilities	58,057	(496,600)
Prepaid expense	32,073	49,672
Accounts payable and accrued liabilities	200,173	235,611
Net cash used in operating activities	(201,822)	(730,795)
<b>Cash Flows from Financing Activities</b>		
Proceeds from the issuance of common stock	180,000	500,000
Proceeds from the exercise of warrants	18,500	55,800
Net cash provided by financing activities	198,500	555,800
Net decrease in cash	(3,322)	(174,995)
Cash, beginning of period	5,047	193,014
<b>Cash, end of period</b>	<b>\$ 1,725</b>	<b>\$ 18,019</b>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Extinguishment of derivative liability recorded as capital contribution	\$ 51,940	\$ –
Advances applied to accrued settlement	\$ 200,000	\$ –

See accompanying notes

**Rightscorp, Inc.**  
**Notes to Condensed Consolidated Financial Statements**  
**Three and six months ended June 30, 2017 and 2016**  
**(Unaudited)**

**Note 1 – Nature of the Business and Summary of Significant Accounting Policies**

Rightscorp, Inc., a Nevada corporation (the “Company”) was organized under the laws of the State of Nevada on April 9, 2010, and its fiscal year end is December 31. The Company is the parent company of Rightscorp, Inc., a Delaware corporation formed on January 20, 2011 (“Rightscorp Delaware”).

The Company has developed products and intellectual property relating to providing data and analytics regarding copyright infringement via the Internet. The Company provides services and data to help protect the rights of holders of copyrighted digital creative works. The Company has a patent-pending, proprietary method for gathering and analyzing infringement data and for reducing copyright infringement and collecting damages from infringers by notifying illegal downloaders via notifications sent to their Internet Service Providers.

Going Concern

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As reflected in the accompanying consolidated financial statements, during the six months ended June 30, 2017, the Company incurred a net loss of \$1,068,422, used cash in operating activities of \$201,822, and at June 30, 2017, the Company had a stockholders’ deficit of \$2,369,022. These factors raise substantial doubt about the Company’s ability to continue as a going concern within one year after the date that the financial statements are issued. In addition, the Company’s independent registered public accounting firm, in its report on the Company’s December 31, 2016 financial statements, has raised substantial doubt about the Company’s ability to continue as a going concern. The Company’s financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

At June 30, 2017, the Company had cash of \$1,725. On July 21, 2017, the Company issued an aggregate of 10,000,000 shares of common stock to an investor for a purchase price of \$200,000. Management believes that the Company will need at least another \$500,000 to \$1,000,000 in 2017 to fund operations based on our current operating plans. Management’s plans to continue as a going concern include raising additional capital through borrowings and/or the sale of common stock. No assurance can be given that any future financing will be available or, if available, that they will be on terms that are satisfactory to the Company. Even if the Company is able to obtain additional financing, it may contain undue restrictions on our operations, in the case of debt financing, or cause substantial dilution for our stock holders, in case of an equity financing.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements and related notes have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted pursuant to such rules and regulations. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the six months ended June 30, 2017 are not necessarily indicative of the results that may be expected for the year ended December 31, 2017. The condensed consolidated balance sheet at December 31, 2016, has been derived from the audited consolidated financial statements at such date. For further information, refer to the consolidated financial statements and footnotes thereto included in Rightscorp, Inc.’s annual report on Form 10-K for the year ended December 31, 2016, as filed with the SEC on April 14, 2017.

Principles of Consolidation

The financial statements include the accounts of Rightscorp Inc., and its wholly-owned subsidiary Rightscorp Delaware. Intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Significant estimates include accounting for potential liabilities, and the assumptions made in valuing share-based instruments issued for services, derivative liabilities, and the valuation allowance for deferred income taxes. Actual results could differ from those estimates.

### Concentrations

For the six months ended June 30, 2017, one customer accounted for approximately 46% of our revenue. No other customers accounted for 10% or more of our revenue during the six months ended June 30, 2017 or 2016.

### Stock-Based Compensation

The Company periodically grants stock options and warrants to employees and non-employees in non-capital raising transactions as compensation for services rendered. The Company accounts for stock option and stock warrant grants to employees based on the authoritative guidance provided by the Financial Accounting Standards Board where the value of the award is measured on the date of grant and recognized over the vesting period. The Company accounts for stock option and stock warrant grants to non-employees in accordance with the authoritative guidance of the Financial Accounting Standards Board where the value of the stock compensation is determined based upon the measurement date at either a) the date at which a performance commitment is reached, or b) at the date at which the necessary performance to earn the equity instruments is complete. Non-employee stock-based compensation charges generally are amortized over the vesting period on a straight-line basis. In certain circumstances where there are no future performance requirements by the non-employee, option or warrant grants are immediately vested and the total stock-based compensation charge is recorded in the period of the measurement date.

The fair value of the Company's common stock option and warrant grants is estimated using a Black-Scholes-Merton option pricing model, which uses certain assumptions related to risk-free interest rates, expected volatility, expected life of the common stock options, and future dividends. Compensation expense is recorded based upon the value derived from the Black-Scholes-Merton option pricing model, and based on actual experience. The assumptions used in the Black-Scholes-Merton option pricing model could materially affect compensation expense recorded in future periods.

### Derivative Financial Instruments

The Company evaluates 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 value and is then re-valued at each reporting date, with changes in the fair value reported in the statements of operations. The Company uses a probability weighted average Black-Scholes-Merton model to value the derivative instruments. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as 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 12 months of the balance sheet date.

### Fair Value of Financial Instruments

Under current accounting guidance, fair value is defined as the price at which an asset could be exchanged or a liability transferred in a transaction between knowledgeable, willing parties in the principal or most advantageous market for the asset or liability. Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. Where observable prices or parameters are not available, valuation models are applied. A fair value hierarchy prioritizes the inputs used in measuring fair value into three broad levels as follows:

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

Level 2 – Inputs, other than the quoted prices in active markets, are observable either directly or indirectly.

Level 3 – Unobservable inputs based on the Company's assumptions.

The Company is required to use observable market data if such data is available without undue cost and effort. As of June 30, 2017, the amounts reported for cash, accrued liabilities and accrued interest approximated fair value because of their short-term maturities.

At June 30, 2017 and December 31, 2016, derivative liabilities of \$286,883 and \$280,316, respectively, were valued using Level 2 inputs.

## Basic and diluted loss per share

Basic loss per share is computed by dividing net loss applicable to common stockholders by the weighted average number of outstanding common shares during the period. Diluted loss per share is computed by dividing the net loss applicable to common stockholders by the weighted average number of common shares outstanding plus the number of additional common shares that would have been outstanding if all dilutive potential common shares had been issued. Potential common shares are excluded from the computation when their effect is anti-dilutive.

At June 30, 2017 and June 30, 2016, the dilutive impact of outstanding stock options for 5,600,000 and 970,000 shares, respectively, and outstanding warrants for 44,572,197 and 47,657,640 shares, respectively, have been excluded because their impact on the loss per share is anti-dilutive.

## Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers. ASU 2014-09 is a comprehensive revenue recognition standard that will supersede nearly all existing revenue recognition guidance under current U.S. GAAP and replace it with a principle based approach for determining revenue recognition. Under ASU 2014-09, revenue is recognized when a customer obtains control of promised goods or services and is recognized in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The FASB has recently issued ASU 2016-08, ASU 2016-10, ASU 2016-11, ASU 2016-12, ASU 2016-20, and ASU 2017-05, all of which clarify certain implementation guidance within ASU 2014-09. ASU 2014-09 is effective for interim and annual periods beginning after December 15, 2017. Early adoption is permitted only in annual reporting periods beginning after December 15, 2016, including interim periods therein. The standard can be adopted either retrospectively to each prior reporting period presented (full retrospective method), or retrospectively with the cumulative effect of initially applying the guidance recognized at the date of initial application (the cumulative catch-up transition method). The Company is currently in the process of analyzing the information necessary to determine the impact of adopting this new guidance on its financial position, results of operations, and cash flows. The Company will adopt the provisions of this statement in the first quarter of fiscal 2018.

In February 2016, the FASB issued ASU No. 2016-02, Leases. This update will require the recognition of a right-of-use asset and a corresponding lease liability, initially measured at the present value of the lease payments, for all leases with terms longer than 12 months. For operating leases, the asset and liability will be expensed over the lease term on a straight-line basis, with all cash flows included in the operating section of the statement of cash flows. For finance leases, interest on the lease liability will be recognized separately from the amortization of the right-of-use asset in the statement of comprehensive income and the repayment of the principal portion of the lease liability will be classified as a financing activity while the interest component will be included in the operating section of the statement of cash flows. ASU 2016-02 is effective for annual and interim reporting periods beginning after December 15, 2018. Early adoption is permitted. Upon adoption, leases will be recognized and measured at the beginning of the earliest period presented using a modified retrospective approach. The Company is currently evaluating the impact of the adoption of ASU 2016-02 on its financial statements and related disclosures.

In July 2017, the FASB issued ASU 2017-11, *Earnings Per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815): (Part I) Accounting for Certain Financial Instruments with Down Round Features, (Part II) Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception*. ASU 2017-11 allows companies to exclude a down round feature when determining whether a financial instrument (or embedded conversion feature) is considered indexed to the entity's own stock. As a result, financial instruments (or embedded conversion features) with down round features may no longer be required to be accounted for as derivative liabilities. A company will recognize the value of a down round feature only when it is triggered and the strike price has been adjusted downward. For equity-classified freestanding financial instruments, an entity will treat the value of the effect of the down round as a dividend and a reduction of income available to common shareholders in computing basic earnings per share. For convertible instruments with embedded conversion features containing down round provisions, entities will recognize the value of the down round as a beneficial conversion discount to be amortized to earnings. The guidance in ASU 2017-11 is effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted, and the guidance is to be applied using a full or modified retrospective approach. The Company plans to adopt ASU 2017-11 in the third quarter of 2017. The adoption of ASU 2017-11 is expected to have a material impact on the Company's financial statements and related disclosures because derivative liabilities from financial instruments (or embedded conversion features) that have down round features are expected to be reclassified from liabilities to additional paid-in capital, effective as of the beginning of the fiscal year.

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statements.

## Note 2 – Fixed Assets

As of June 30, 2017 and December 31, 2016, fixed assets consisted of the following:

	<u>June 30, 2017</u>	<u>December 31, 2016</u>
	(Unaudited)	
Computer equipment and fixtures	\$ 312,756	\$ 312,756
Accumulated depreciation	(293,470)	(258,643)
Fixed assets, net	<u>\$ 19,286</u>	<u>\$ 54,113</u>

Depreciation and amortization expense for the three months ended June 30, 2017 and June 30, 2016 was \$16,643 and \$22,490, respectively.

Depreciation and amortization expense for the six months ended June 30, 2017 and June 30, 2016 was \$34,827 and \$45,306, respectively.

## Note 3 – Accounts Payable and Accrued Liabilities

As of June 30, 2017 and December 31, 2016, accounts payable and accrued liabilities consisted of the following:

	<u>June 30, 2017</u>	<u>December 31, 2016</u>
	(Unaudited)	
Accounts payable	\$ 963,613	\$ 862,860
Due to copyright holders	663,943	601,421
Accrued payroll	248,978	180,894
Insurance premium financing payable	9,616	40,802
Advance from BMG Rights Management	200,000	–
Accrued settlement	–	200,000
<b>Total</b>	<u>\$ 2,086,150</u>	<u>\$ 1,885,977</u>

At December 31, 2016, the Company had accrued \$200,000 related to a the settlement of class action complaint. On January 7, 2017, BMG Rights Management (US) LLC (“BMG”) advanced the Company \$200,000, which was used to pay off the settlement. The advance from BMG is to be applied to future billings from the Company to BMG for consulting services.

## Note 4 – Derivative Liabilities

In September 2014, the Company issued certain warrants which included an anti-dilution provision that allows for the exercise price of the warrants to be adjusted if the Company issues securities at a price lower than the current exercise price of these warrants.

Pursuant to current FASB authoritative guidance on determining whether an instrument (or embedded feature) is indexed to an entity's own stock, instruments, which do not have fixed settlement provisions, are deemed to be derivative instruments. The exercise price of the warrants did not have fixed settlement provisions because their exercise prices could be lowered if the Company issues securities at lower prices in the future. In accordance with the FASB authoritative guidance, the Company determined that the exercise feature of the warrants was not considered to be indexed to the Company's own stock, and bifurcated the exercise feature of the warrants and recorded a derivative liability. The derivative liability is re-measured at the end of every reporting period with the change in fair value reported in the statement of operations. In July 2017, the FASB issued ASU 2017-11, which when adopted by the Company, is expected to effect the Company's accounting for its derivative liabilities (see Note 1).

At December 31, 2016, the fair value of the derivative liabilities was \$280,316. During the six months ended June 30, 2017, the fair value of the derivative liabilities increased by \$58,057. At June 30, 2017, the fair value of the derivative liabilities was \$286,883.

At June 30, 2017 and December 31, 2016, the fair value of the derivative liabilities was determined through use of a probability-weighted Black-Scholes-Merton valuation model based on the following assumptions:

	June 30, 2017	December 31, 2016
Expected volatility	193%	172%
Expected life	2.24 years	2.7 years
Risk-free interest rate	1.38%	1.5%
Expected dividend yield	0%	0%

The expected volatilities are based on historical volatility of the Company's stock. The expected life of the warrants was based on the remaining term of the warrants. The risk-free interest rates were based on rates established by the Federal Reserve Bank. The expected dividend yield was based on the fact that the Company has not customarily paid dividends in the past and does not expect to pay dividends in the future.

#### **Note 5 – Common stock**

During the six months ended June 30, 2017, the Company issued an aggregate of 4,500,000 shares of common stock to investors for a purchase price of \$180,000, or \$0.04 per share.

During the six months ended June 30, 2017, the Company issued 1,850,000 shares of its common stock upon exercise of warrants at an exercise price of \$0.01 per share for total proceeds of \$18,500.

During the six months ended June 30, 2016, the Company sold an aggregate of 10,000,000 shares of its common stock at \$0.05 per share and warrants to purchase 10,000,000 shares of its common stock for total gross proceeds of \$500,000.

During the six months ended June 30, 2016, the Company issued 5,580,000 shares of its common stock upon the exercise of 5,580,000 warrants valued at \$55,800.

#### **Note 6 – Stock Compensation**

##### Common stock issued for services

During the six months ended June 30, 2017, the Company issued a total of 15,940,227 shares of common stock for services valued at \$442,865, including 5,000,000 shares of common stock issued to the Company's CEO as part of an employment agreement, 3,000,000 shares of common stock issued to a consultant, and 7,940,227 shares of common stock issued to employees. The fair value of the shares was based on the closing price of the Company's common stock on the date the shares were granted, which ranged from \$0.022 per share to \$0.0355 per share. For the three and six months ended June 30, 2017, total fair value of shares granted of \$174,685 and \$442,685, respectively, is included in general and administrative expense. During the six months ended June 30, 2016, the Company did not issue any shares of common stock for services.

##### Options

On February 14, 2017, the Company granted options to purchase 5,000,000 shares of common stock with an exercise price of \$0.05 to the Company's CEO as part of an employment agreement. Options exercisable into 1,000,000 shares of common stock vested immediately and the options exercisable into 4,000,000 shares of common stock will vest monthly over 48 months beginning on February 14, 2018. The fair value of these options was determined to be \$160,416.

On May 8, 2017, the Company granted options to purchase 450,000 shares of common stock with an exercise price of \$0.05 to the Company's employees. The options vested immediately. The fair value of these options was determined to be \$18,861.

The Company used the Black-Scholes-Merton option-pricing models with the following assumptions to calculate fair value :

	February 14, 2017	May 8, 2017
Expected volatility	173%	194%
Risk-free interest rate	2.47%	2.39%
Expected dividend yield	0%	0%
Expected life	10 years	10 years

The expected volatility is based on historical volatility of the Company's stock. The expected life of the options was based on the term of the options. The risk-free interest rate was based on rates established by the Federal Reserve Bank. The expected dividend yield was based on the fact that the Company has not customarily paid dividends in the past and does not expect to pay dividends in the future. For the six months ending June 30, 2016, the Company had no stock options requiring an assessment of value.

During the three months ended June 30, 2017 and 2016, the Company recorded compensation costs of \$27,990 and \$11,942, respectively, relating to the vesting of stock options. During the six months ended June 30, 2017 and 2016, the Company recorded compensation costs of \$66,194 and \$23,883, respectively, relating to the vesting of stock options. As of June 30, 2017, the aggregate value of unvested options was \$116,387, which will continue to be amortized as compensation cost as the options vest over terms ranging from one to four years, as applicable.

The stock option activity for the six months ended June 30, 2017 is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Balance outstanding, December 31, 2016	900,000	\$ 0.17	4.67
Granted	5,450,000	0.05	9.65
Exercised	-	-	-
Forfeited/expired	(750,000)	0.15	-
Balance outstanding, June 30, 2017	5,600,000	\$ 0.06	9.60
Exercisable, June 30, 2017	1,933,332	\$ 0.07	9.53

At June 30, 2017, the Company's outstanding and exercisable options had no intrinsic value.

#### Warrants

On February 14, 2017, pursuant to the employment agreement with the Company CEO, warrants exercisable into 3,000,000 shares of common stock issued to the Company's CEO in 2015 were deemed fully vested and the exercise price of the warrants was reduced from \$0.25 per share to \$0.05 per share. The Company determined the expense related to this modification was \$13,023 and is included in general and administrative expense.

On January 20, 2017, the Company issued warrants exercisable into 350,000 shares of common stock for services. The fair value of warrants issued for services was determined to be \$9,378. The Company recorded the full \$9,378 in general and administrative expense since it determined that the award is a certainty and the service performance and its future benefit are not assured in this arrangement.

For the six months ending June 30, 2017 and 2016, the fair value of warrant awards was estimated using the Black-Scholes-Merton option-pricing model with the following assumptions:

	June 30, 2017	June 30, 2016
Expected volatility	171%	121%
Risk-free interest rate	1.5%	1.08%
Expected dividend yield	0%	0%
Expected life	2.5 years	3 years

The risk-free interest rate was based on rates established by the Federal Reserve Bank. The expected life of the exercise feature of the warrants was based on the remaining term of the warrants. The expected dividend yield was based on the fact that the Company has not customarily paid dividends in the past and does not expect to pay dividends in the future.

During the three months ended June 30, 2017 and 2016, the Company recorded compensation costs of \$19,569 and \$22,527, respectively, relating to the vesting of stock warrants. During the six months ended June 30, 2017 and 2016, the Company recorded compensation costs of \$19,569 and \$76,388, respectively, relating to the vesting of stock warrants. As of June 30, 2017, the aggregate value of unvested warrants was \$0.

A summary of the Company's warrant activity during the six months ended June 30, 2017 is presented below:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Balance outstanding, December 31, 2016	46,958,072	\$ 0.11	2.13
Granted	350,000	0.01	2.81
Exercised	(1,850,000)	0.01	2.30
Forfeited/expired	(885,875)	0.09	—
Balance outstanding, June 30, 2017	44,572,197	0.10	1.66
Exercisable, June 30, 2017	44,572,197	\$ 0.10	1.66

At June 30, 2017, the Company's outstanding warrants had an intrinsic value of \$348,480.

#### Note 7 – Subsequent Event

On July 21, 2017, the Company issued an aggregate of 10,000,000 shares of common stock to an investor for a purchase price of \$200,000, or \$0.02 per share. In connection with the foregoing, the Company relied upon the exemption from registration provided by Section 4(a)(2) under the Securities Act of 1933, as amended, for transactions not involving a public offering.

On July 30, 2017, Rightscorp, Inc. (the "Company") entered into two agreements to provide services to a holder (the "Client") of multiple copyrights at risk of infringement through peer-to-peer ("P2P") networks.

Pursuant to a "Representation Agreement," the Company will collect data as to infringements of protected copyrights of the Client and, if applicable, send notices to the Internet Service Providers of infringers of such infringements including, without limitation, DMCA notices and take down letters in the form required by law. In exchange, the Company will receive 50% of all gross proceeds of any settlement revenue received by the Client from pre-lawsuit "advisory notices," and 37.5% of all gross proceeds received by the Client from "final warning" notices sent immediately prior to a lawsuit. The Representation Agreement is non-exclusive; however, if the Company receives monthly revenues crossing certain thresholds ("Exclusivity Thresholds", which range from \$10,000 in the first month to \$100,000 after 12 months), the Company will not provide representation to direct competitors of the Client unless monthly revenues fall below the Exclusivity Thresholds.

Pursuant to a "Services Agreement", the Company will provide a number of services to the Client for the purpose of detecting and verifying those copyrighted works of the Client being accessed through P2P networks, as well as information about infringers. The Company will also provide certain reporting, litigation support, and copyright protection advising services to the Client. During the term of the Services Agreement, the Company will not provide litigation support services to any of the Client's direct competitors for the purposes of enforcing copyrights against individual P2P infringers. In exchange for these services, Client shall pay a monthly fee to the Company (the "Service Fee"), in addition to reasonable costs and expenses. The monthly Service Fee shall increase every three months for the term of the Services Agreement, from \$10,000 per month in the first three months, to \$85,000 per month after 16 months.

The Representation Agreement and the Services Agreement both have an initial term of three years, followed by automatic renewals in monthly increments. The Representation Agreement and the Services Agreement may be terminated by the Client at any time for any reason upon 45 days prior written notice to the Company.

## ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion and analysis of the results of operations and financial condition of Rightscorp, Inc. (the “Company”, “we”, “us” or “our”) should be read in conjunction with the financial statements of Rightscorp, Inc., and the notes to those financial statements that are included elsewhere in this Form 10-Q. This discussion includes forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, expectations and intentions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those set forth under the Risk Factors and Business sections in the Company’s Annual Report on Form 10-K for the year ended December 31, 2016, filed with the Securities and Exchange Commission on April 14, 2017. Words such as “anticipate,” “estimate,” “plan,” “project,” “continuing,” “ongoing,” “expect,” “believe,” “intend,” “may,” “will,” “should,” “could,” and similar expressions are used to identify forward-looking statements.

### Overview

Our company was organized under the laws of the State of Nevada on April 9, 2010, and our fiscal year end is December 31. Our company is the parent company of Rightscorp, Inc. a Delaware corporation formed on January 20, 2011 (“Rightscorp Delaware”). The acquisition of Rightscorp Delaware was treated as a reverse acquisition, and the business of Rightscorp Delaware became the business of our company.

We have developed products and intellectual property relating to providing data and analytics regarding copyright infringement via the Internet. We provide services and data to help protect the rights of holders of copyrighted digital creative works. The Company has a patent-pending, proprietary method for gathering and analyzing infringement data and for reducing copyright infringement and collecting damages from infringers by notifying illegal downloaders via notifications sent to their Internet Service Providers. The Company has closed more than 230,000 cases of copyright infringement to date.

### Recent Developments

On July 30, 2017, Rightscorp, Inc. (the “Company”) entered into two agreements to provide services to a holder (the “Client”) of multiple copyrights at risk of infringement through peer-to-peer (“P2P”) networks.

Pursuant to a “Representation Agreement,” the Company will collect data as to infringements of protected copyrights of the Client and, if applicable, send notices to the Internet Service Providers of infringers of such infringements including, without limitation, DMCA notices and take down letters in the form required by law. In exchange, the Company will receive 50% of all gross proceeds of any settlement revenue received by the Client from pre-lawsuit “advisory notices,” and 37.5% of all gross proceeds received by the Client from “final warning” notices sent immediately prior to a lawsuit. The Representation Agreement is non-exclusive; however, if the Company receives monthly revenues crossing certain thresholds (“Exclusivity Thresholds”), the Company will not provide representation to direct competitors of the Client unless monthly revenues fall below the Exclusivity Thresholds. In any month where the Exclusivity Thresholds are not reached as a result of settlement revenues alone, the Client may, at the Client’s option, pay the difference between those revenues and the Exclusivity Thresholds in order to trigger the exclusivity provisions of the Representation Agreement. The Exclusivity Thresholds are:

Month 1	\$40,000
Months 2-5	\$50,000 per month
Months 6-12	\$75,000 per month
Months 12+	\$100,000 per month

The Representation Agreement has an initial term of three (3) years, followed by automatic renewals in monthly increments. The Representation Agreement may be terminated by the Client at any time for any reason upon forty-five (45) days prior written notice to the Company.

Under the Online Copyright Infringement Scanning Detection Services Agreement (the “Services Agreement”), the Company will provide, among other things, a number of services to the Client for the purpose of detecting and verifying those copyrighted works of the Client being accessed through P2P networks, as well as information about infringers. The Company will also provide certain reporting, litigation support, and copyright protection advising services to the Client. During the term of the Services Agreement, the Company will not provide litigation support services to any of the Client’s direct competitors for the purposes of enforcing copyrights against individual P2P infringers. In exchange for these services, Client shall pay a monthly fee to the Company (the “Service Fee”), in addition to reasonable costs and expenses. The monthly Service Fee shall increase every three months for the term of the Services Agreement, as follows:

Months 1-3	\$10,000 per month
Months 4-6	\$18,000 per month
Months 7-9	\$25,000 per month
Months 10-12	\$40,000 per month
Months 13-15	\$60,000 per month
Months 16+	\$85,000 per month

The Services Agreement has an initial term of three (3) years, followed by automatic renewals in monthly increments. The Services Agreement may be terminated by the Client at any time for any reason upon forty-five (45) days prior written notice to the Company.



### **Three months ended June 30, 2017 compared to three months ended June 30, 2016**

#### *Revenue*

We generated copyright settlement revenues of \$58,610 during the three months ended June 30, 2017, a decrease of \$87,433 or 60% as compared to \$146,043 for the three months ended June 30, 2016.

During the three months ended June 30, 2017, we generated revenues of \$66,666 from consulting services rendered under service arrangements with prominent trade organizations. Under the agreements, the Company is providing certain data and consultation regarding copyright infringements on such organizations' respective properties. During the three months ended June 30, 2016, we had no consulting services revenue.

#### *Operating Expenses*

##### *Copyright Holder Fees*

In return for the right to pursue copyright infringers, we pay the copyright holders a percentage of the revenue we collect, in accordance with our representation agreements with our clients entered into prior to our notices being sent to infringers. For the three months ended June 30, 2017 we accrued \$29,305 due to copyright holders. For the three months ended June 30, 2016 we accrued \$56,593 to copyright holders.

##### *Sales and Marketing*

Sales and marketing expenses consist primarily of advertising and marketing and consulting expenses. Sales and marketing costs were \$356 for the three months ended June 30, 2017 compared to \$687 for the three months ended June 30, 2016, a decrease of \$331.

##### *General and administrative*

General and administrative expenses consist primarily of salaries and related expenses for our management and personnel, and professional fees, such as accounting, consulting and legal. Total wage and related expenses for the three months ended June 30, 2017 were \$383,5880, of which \$202,675 were non-cash charges related to the issuance and vesting of common stock, options and warrants issued for services. Total decrease in general and administrative expenses was \$15,902 over the three months ended June 30, 2016. Our total general and administrative expenses for the three months ended June 30, 2017 were \$576,110.

##### *Depreciation and Amortization*

Depreciation and amortization expenses were \$16,643 during the three months ended June 30, 2017, a decrease of \$5,847, as compared to \$22,490 for the three months ended June 30, 2016.

##### *Change in fair value of Derivative*

We had a change in the fair value of derivative liabilities income of \$162,796 during the three months ended June 30, 2017, compared to \$314,654 for the three months ended June 30, 2016.

#### *Net loss*

As a result of the foregoing, during the three months ended June 30, 2017, we recorded a net loss of \$659,934 compared to net loss of \$211,085 for the three months ended June 30, 2016.

### **Six months ended June 30, 2017 compared to six months ended June 30, 2016**

#### *Revenue*

We generated copyright settlement revenues of \$138,514 during the six months ended June 30, 2017, a decrease of \$75,812 or 35% as compared to \$214,326 for the six months ended June 30, 2016.

During the six months ended June 30, 2017, we generated revenues of \$148,332 from consulting services rendered under service arrangements with prominent trade organizations. Under the agreements, the Company is providing certain data and consultation regarding copyright infringements on such organizations' respective properties. During the six months ended June 30, 2016, we had no consulting services revenue.

### *Operating Expenses*

#### *Copyright Holder Fees*

In return for the right to pursue copyright infringers, we pay the copyright holders a percentage of the revenue we collect, in accordance with our representation agreements with our clients entered into prior to our notices being sent to infringers. For the six months ended June 30, 2017 we accrued \$69,257 due to copyright holders. For the six months ended June 30, 2016 we accrued \$105,735 to copyright holders.

#### *Sales and Marketing*

Sales and marketing expenses consist primarily of advertising and marketing and consulting expenses. Sales and marketing costs were \$1,347 for the six months ended June 30, 2017 compared to \$2,034 for the six months ended June 30, 2016, a decrease of \$387.

#### *General and administrative*

General and administrative expenses consist primarily of salaries and related expenses for our management and personnel, and professional fees, such as accounting, consulting and legal. Total wage and related expenses for the six months ended June 30, 2017 were \$798,818, of which \$434,970 were non-cash charges related to the issuance and vesting of common stock, options and warrants issued for services. Total decrease in general and administrative expenses was \$362,421 over the six months ended June 30, 2016. Our total general and administrative expenses for the six months ended June 30, 2017 were \$1,190,696.

#### *Depreciation and Amortization*

Depreciation and amortization expenses were \$34,827 during the six months ended June 30, 2017, a decrease of \$10,479, as compared to \$45,306 for the six months ended June 30, 2016.

#### *Interest*

Interest expense totaled \$1,084 during the six months ended June 30, 2017, compared to \$0 in the six months ended June 30, 2016.

#### *Change in fair value of Derivative*

We had a change in the fair value of derivative liabilities expense of \$58,057 during the six months ended June 30, 2017, compared to income of \$496,601 for the six months ended June 30, 2016.

#### *Net loss*

As a result of the foregoing, during the six months ended June 30, 2017, we recorded a net loss of \$1,068,422 compared to net loss of \$995,265 for the six months ended June 30, 2016.

### **Liquidity and Capital Resources**

During the six months ended June 30, 2017, the Company incurred a net loss of \$1,068,422, used cash in operating activities of \$201,822, and at June 30, 2017, the Company had a stockholders' deficit of \$2,369,022. These factors raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued. In addition, the Company's independent registered public accounting firm, in its report on the Company's December 31, 2016 financial statements, has raised substantial doubt about the Company's ability to continue as a going concern.

At June 30, 2017, the Company had cash of \$1,725. On July 21, 2017, the Company issued an aggregate of 10,000,000 shares of common stock to an investor for a purchase price of \$200,000. Management believes that the Company will need at least another \$500,000 to \$1,000,000 in 2017 to fund operations based on our current operating plans. Management's plans to continue as a going concern include raising additional capital through borrowings and/or the sale of common stock. No assurance can be given that any future financing will be available or, if available, that it will be on terms that are satisfactory to the Company. Even if the Company is able to obtain additional financing, it may contain undue restrictions on our operations, in the case of debt financing, or cause substantial dilution for our stock holders, in case of an equity financing.

### **Operating Activities**

During the six months ended June 30, 2017, we used \$201,822 of cash in operating activities. Non-cash adjustments included \$34,827 related to depreciation and amortization, \$98,785 for stock compensation expense, \$58,057 related change in fair value of derivative liabilities, and net changes in operating assets and liabilities of \$232,246.

During the six months ended June 30, 2016, we used \$730,795 of cash in operating activities. Non-cash adjustments included \$45,306 related to depreciation and amortization, \$430,481 for stock compensation expense, \$496,600 related to gain on derivative liabilities, and net changes in operating assets and liabilities of \$285,283.

## **Financing Activities**

During the six months ended June 30, 2017, we received \$198,500 in proceeds from issuance of common stock and exercise of warrants for cash.

During the six months ended June 30, 2016, we received \$555,800 in proceeds from issuance of common stock and exercise of warrants for cash.

## **Critical Accounting Policies and Estimates**

The Company prepared its condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management periodically evaluates the estimates and judgments made. Management bases its estimates and judgments on historical experience and on various factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates as a result of different assumptions or conditions.

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

### **Revenue**

#### *Copyright settlement revenue*

The Company provides a service to copyright owners under which copyright owners retain the Company to identify and collect settlement payments from Internet users who have infringed on their copyrights. Revenue is recognized when the Company collects a fee from an infringer which acts as a settlement of the infringement liability. Generally, the Company has agreed to remit 50% of such collections to the copyright holder. The Company also provides services to copyright holders. Service fee revenue is recognized when the service has been provided.

#### *Consulting revenue*

Revenue is recognized in the period services are rendered and earned under service arrangements with clients where service fees are fixed or determinable and collectability is reasonably assured.

### **Stock-Based Compensation**

The Company periodically grants stock options and warrants to employees and non-employees in non-capital raising transactions as compensation for services rendered. The Company accounts for stock option and stock warrant grants to employees based on the authoritative guidance provided by the Financial Accounting Standards Board where the value of the award is measured on the date of grant and recognized over the vesting period. The Company accounts for stock option and stock warrant grants to non-employees in accordance with the authoritative guidance of the Financial Accounting Standards Board where the value of the stock compensation is determined based upon the measurement date at either a) the date at which a performance commitment is reached, or b) at the date at which the necessary performance to earn the equity instruments is complete. Non-employee stock-based compensation charges generally are amortized over the vesting period on a straight-line basis. In certain circumstances where there are no future performance requirements by the non-employee, option or warrant grants are immediately vested and the total stock-based compensation charge is recorded in the period of the measurement date.

The fair value of the Company's common stock option and warrant grants is estimated using a Black-Scholes option pricing model, which uses certain assumptions related to risk-free interest rates, expected volatility, expected life of the common stock options, and future dividends. Compensation expense is recorded based upon the value derived from the Black-Scholes option pricing model, and based on actual experience. The assumptions used in the Black-Scholes option pricing model could materially affect compensation expense recorded in future periods.

### **Derivative Financial Instruments**

The Company evaluates 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 value and is then re-valued at each reporting date, with changes in the fair value reported in the statements of operations. The Company uses a probability weighted average Black-Scholes-Merton model to value the derivative instruments. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as 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 12 months of the balance sheet date.

## **Recent Accounting Pronouncements**

See Footnote 1 of the condensed consolidated financial statements for a discussion of recently issued accounting standards.

## **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

As a smaller reporting company, the Company is not required to provide this disclosure.

## **ITEM 4. CONTROLS AND PROCEDURES**

### **Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Securities Exchange Act of 1934, as amended (the "Exchange Act") reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our disclosure controls and procedures were designed to provide reasonable assurance that the controls and procedures would meet their objectives.

As required by Rule 13a-15(b) under the Exchange Act, our management carried out an evaluation, with the participation of our Chief Executive and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this report due to the material weaknesses in our internal controls as reported in our Form 10-K for the year ended December 31, 2016.

### **Changes in Internal Controls**

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II: OTHER INFORMATION

### ITEM 1 - LEGAL PROCEEDINGS

None.

### ITEM 1A. RISK FACTORS.

Not required for a smaller reporting company.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the three months ended June 30, 2017, the Company issued 7,940,227 shares of common stock to employees.

In connection with the foregoing, the Company relied upon the exemption from registration provided by Section 4(a)(2) under the Securities Act of 1933, as amended, for transactions not involving a public offering.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

### ITEM 4. MINE SAFETY DISCLOSURES

None.

### ITEM 5. OTHER INFORMATION

On July 21, 2017, the Company issued an aggregate of 10,000,000 shares of common stock to an investor for a purchase price of \$200,000, or \$0.02 per share. In connection with the foregoing, the Company relied upon the exemption from registration provided by Section 4(a)(2) under the Securities Act of 1933, as amended, for transactions not involving a public offering.

### ITEM 6. EXHIBITS

<b>No.</b>	<b>Description</b>
31.1*	<a href="#">Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
32.1*	<a href="#">Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 Certifications under Sarbanes-Oxley Act of 2002</a>
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	XBRL Taxonomy Extension Definition Linkbase
101.LAB*	XBRL Taxonomy Extension Label Linkbase
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase

\* Filed herewith.

**SIGNATURES**

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

**RIGHTSCORP, INC.**

Dated: August 14, 2017

By: /s/ Cecil Kyte

Name: Cecil Kyte

Title: Chief Executive Officer and Chief Financial Officer  
(Principal Executive, Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO RULE 13A-14(a) OR 15D-14(a) OF  
THE SECURITIES EXCHANGE ACT OF 1934, AS  
ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Cecil Kyte, certify that:

1. I have reviewed this report on Form 10-Q of Rightscorp, Inc. for the period ending June 30, 2017;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

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

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

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

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

Date: August 14, 2017

/s/ Cecil Kyte

Cecil Kyte

Chief Executive Officer and Chief Financial Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Rightscorp, Inc. (the "Company") for the period ended June 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Cecil Kyte, Chief Executive Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 14, 2017

By: /s/ Cecil Kyte  
Name: Cecil Kyte  
Title: Chief Executive Officer and Chief Financial Officer