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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: June 30, 2015

OR

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

For the transition period from _____ to _____

Commission File Number: 000-53166

MusclePharm Corporation
(Exact name of registrant as specified in its charter)

Nevada	**77-0664193**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
4721 Ironton Street, Building A Denver, Colorado	**80239**
(Address of principal executive offices)	**(Zip code)**

(303) 396-6100
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 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 check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer ☐	Accelerated filer ☒
Non-accelerated filer ☐	Smaller reporting company ☐

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

Number of shares of the registrant's common stock outstanding at July 24, 2015: 13,706,929 excludes 875,621 common shares held in treasury.

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MusclePharm Corporation
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NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this Quarterly Report on Form 10-Q other than statements of historical fact, including statements regarding our future results of operations and financial position, our business strategy and plans, and our objectives for future operations, are forward-looking statements. The words “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in Part II, Item 1A, “Risk Factors” in this Quarterly Report on Form 10-Q. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this Quarterly Report on Form 10-Q may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

MusclePharm Corporation
Consolidated Balance Sheets
(In thousands, except share and per share data)

	June 30, 2015 (Unaudited)	December 31, 2014
ASSETS		
Current assets:		
Cash	$ 4,170	$ 1,020
Accounts receivable, net of allowance for doubtful accounts of $229 and $159 as of June 30, 2015 and December 31, 2014	24,607	16,644
Inventory	14,850	21,069
Prepaid giveaways	896	1,228
Prepaid stock compensation, current portion	4,573	4,476
Prepaid sponsorship and endorsement fees	448	238
Prepaid expenses and other current assets	3,620	1,742
Total current assets	53,164	46,417
Property and equipment, net	7,632	7,805
Long-term investments	977	—
Intangible assets, net	8,973	7,074
Prepaid stock compensation, noncurrent portion	4,110	4,952
Other assets	235	108
TOTAL ASSETS	$ 75,091	$ 66,356
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 37,834	$ 27,761
Accrued liabilities	9,121	7,023
Line of credit	6,000	8,000
Term loan, current portion	1,267	—
Other debt obligations	21	46
Total current liabilities	54,243	42,830
Term loan, noncurrent portion	2,318	—
Other long-term liabilities	361	146
TOTAL LIABILITIES	56,922	42,976
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Common stock, par value of $0.001 per share; 100,000,000 shares authorized as of June 30, 2015 and December 31, 2014; 14,660,596 and 13,996,007 shares issued as of June 30, 2015 and December 31, 2014; 13,784,975 and 13,120,386 shares outstanding as of June 30, 2015 and December 31, 2014	14	14
Additional paid-in capital	138,600	129,130
Treasury stock, at cost; 875,621 shares as of June 30, 2015 and December 31, 2014	(10,039)	(10,039)
Accumulated other comprehensive loss	(243)	(66)
Accumulated deficit	(110,163)	(95,659)
TOTAL STOCKHOLDERS' EQUITY	18,169	23,380
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 75,091	$ 66,356

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

MusclePharm Corporation
Consolidated Statements of Operations
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Revenue, net	$ 50,476	$ 46,741	$ 91,798	$ 96,950
Cost of revenue	32,978	31,094	59,916	63,430
Gross profit	17,498	15,647	31,882	33,520
Operating expenses:				
Advertising and promotion	8,285	5,920	15,510	12,248
Salaries and benefits	7,763	5,777	14,824	11,144
Selling, general and administrative	5,121	2,357	10,083	4,229
Research and development	921	1,164	1,886	2,261
Professional fees	2,064	1,292	3,519	2,077
Total operating expenses	24,154	16,510	45,822	31,959
(Loss) income from operations	(6,656)	(863)	(13,940)	1,561
Other (expense) income, net	(348)	(27)	(531)	317
(Loss) income before provision for income taxes	(7,004)	(890)	(14,471)	1,878
Provision for income taxes	21	45	33	77
Net (loss) income	$ (7,025)	$ (935)	$ (14,504)	$ 1,801
Net (loss) income per share, basic	$ (0.51)	$ (0.09)	$ (1.08)	$ 0.17
Net (loss) income per share, diluted	$ (0.51)	$ (0.09)	$ (1.08)	$ 0.15
Weighted-average shares used in computing net (loss) income per share, basic	13,647,267	10,610,022	13,491,433	10,459,522
Weighted-average shares used in computing net (loss) income per share, diluted	13,647,267	10,610,022	13,491,433	11,863,882

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

MusclePharm Corporation
Consolidated Statements of Comprehensive (Loss) Income
(In thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net (loss) income	$ (7,025)	$ (935)	$ (14,504)	$ 1,801
Other comprehensive (loss) income:				
Change in foreign currency translation adjustment	(97)	23	(177)	19
Comprehensive (loss) income	$ (7,122)	$ (912)	$ (14,681)	$ 1,820

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

MusclePharm Corporation
Consolidated Statement of Stockholders' Equity
(In thousands, except share data)
(Unaudited)

	Common Stock		Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount					
Balance — December 31, 2014	13,120,386	$ 14	$ 129,130	$(10,039)	$ (66)	$ (95,659)	$ 23,380
Issuance of common stock warrants to third parties for services	—	—	50	—	—	—	50
Stock-based compensation related to issuance of restricted stock awards to employees, executives and directors	244,589	—	6,211	—	—	—	6,211
Stock issued in conjunction with product line expansion	150,000	—	1,198	—	—	—	1,198
Stock issued in conjunction with MusclePharm apparel rights acquisition	170,000	—	1,394	—	—	—	1,394
Stock issued in conjunction with financing agreement	50,000	—	325	—	—	—	325
Stock issued in conjunction with non-employee consulting/endorsement agreement	50,000	—	292	—	—	—	292
Change in foreign currency translation adjustment	—	—	—	—	(177)	—	(177)
Net loss	—	—	—	—	—	(14,504)	(14,504)
Balance — June 30, 2015	13,784,975	$ 14	$ 138,600	$(10,039)	$ (243)	$ (110,163)	$ 18,169

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

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MusclePharm Corporation
Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Six Months Ended June 30,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income	$ (14,504)	$ 1,801
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation of property and equipment	838	647
Amortization of intangible assets	498	578
Provision for doubtful accounts	98	140
Amortization of prepaid stock compensation	2,236	1,578
Amortization of prepaid sponsorship and endorsement fees	3,252	3,468
Accretion of discount on marketable securities	—	(15)
Amortization of debt issuance costs	19	—
Stock-based compensation	6,536	4,467
Issuance of common stock warrants to third parties for services	50	—
Gain on settlement of accounts payable	—	(31)
Loss on disposal of property and equipment	7	—
Change in fair value of derivative liabilities	—	(374)
Unrealized loss on derivative assets	—	119
Unrealized gain on marketable securities	—	(215)
Changes in operating assets and liabilities:		
Accounts receivable	(8,061)	(4,790)
Inventory	6,219	(3,156)
Prepaid giveaways	331	202
Prepaid sponsorship and endorsement fees	(3,462)	(2,475)
Prepaid expenses and other current assets	(1,857)	(370)
Other assets	(127)	(35)
Accounts payable	10,100	(3,239)
Accrued liabilities	2,016	1,971
Net cash provided by operating activities	4,189	271
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(851)	(2,371)
Sale proceeds from settlement of marketable securities	—	490
Change in restricted cash balance	—	2,500
Proceeds from disposal of property and equipment	447	2
Purchase of MusclePharm apparel rights	(850)	—
Purchase of trademarks	(87)	—
Investment in contract manufacturer	(977)	—
Net cash (used in) provided by investing activities	(2,318)	621
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	4,001	—
Payments on line of credit	(6,001)	(2,500)
Repayments of term loan	(415)	(17)
Proceeds from issuance of term loan	4,000	—
Issuance costs of term loan	(40)	—
Repayments of other debt obligations	(25)	
Repayment of capital lease obligations	(64)	(37)
Net cash provided by (used in) financing activities	1,456	(2,554)
Effect of exchange rate changes on cash	(177)	19
Net increase (decrease) in cash and cash equivalents	3,150	(1,643)
Cash and cash equivalents, beginning of period	1,020	5,412
Cash and cash equivalents, end of period	$ 4,170	$ 3,769
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid for income taxes	$ 54	$ 77
Cash paid for interest	$ 270	$ 53
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING INFORMATION		
Stock issued in conjunction with MusclePharm apparel rights acquisition	$ 1,394	$
Stock issued for Biozone asset acquisition	$ —	$ 9,840
Reclassification of derivative liability to additional paid-in capital and warrant settlements	$ —	$ 773
Common stock issued for board member compensation	$ —	$ 115
Capital leases	$ 359	$ 27
Purchase of property and equipment included in accounts payable and accrued liabilities		

Purchase of property and equipment included in accounts payable and accrued liabilities	$ 283	$ 375
Purchase of trademark registration included in accounts payable	$ 66	$ —

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

MusclePharm Corporation
Notes to Consolidated Financial Statements
(Unaudited)

Note 1: Description of Business and Basis of Presentation

Description of Business

MusclePharm Corporation, or the Company, was incorporated in Nevada in 2006. The Company is a scientifically driven, performance lifestyle company that develops, manufactures, markets and distributes branded nutritional supplements. The Company is headquartered in Denver, Colorado and has the following wholly-owned operating subsidiaries: MusclePharm Canada Enterprises Corp ("MusclePharm Canada"), BioZone Laboratories, Inc. ("BioZone Labs") and MusclePharm Ireland ("MusclePharm Ireland").

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Reclassifications

Certain amounts in the consolidated statement of cash flows for the six months ended June 30, 2014 were revised to conform to the consolidated statement of cash flows for the year ended December 31, 2014 and the current period presentation. These adjustments resulted in a decrease in net cash provided by operating activities of $269,000, an increase in net cash provided by investing activities of $306,000, and an increase in net cash used in financing activities of $37,000.

Note 2: Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of MusclePharm Corporation and its wholly-owned subsidiaries. Acquisitions are included in the consolidated financial statements from the date of the acquisition. All significant intercompany balances and transactions have been eliminated in consolidation.

Unaudited Interim Financial Information

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with GAAP. In our opinion, the unaudited interim consolidated financial statements include all adjustments of a normal recurring nature necessary for the fair presentation of our financial position as of June 30, 2015, our results of operations for the three and six months ended June 30, 2015 and 2014, and our cash flows for the six months ended June 30, 2015 and 2014. The results of operations for the three and six months ended June 30, 2015 are not necessarily indicative of the results to be expected for the year ending December 31, 2015.

These unaudited interim consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the SEC on March 16, 2015.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the consolidated financial statements and accompanying notes. Such estimates include, but are not limited to, allowance for doubtful accounts and revenue discounts and allowances, valuations of equity securities and intangible assets, fair value of derivatives, warrants and options, among others. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In April 2015, the Financial Accounting Standards Board ("FASB") issued ASU No. 2015-03, Interest — Imputation of Interest (Subtopic 835-30) — Simplifying the Presentation of Debt Issuance Costs, which provides guidance on simplifying the presentation of debt issuance costs, requiring that debt issuance costs related to a recognized debt liability be presented in the consolidated balance sheets as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. This standard requires retrospective adoption and will be effective for the Company beginning in its first quarter of 2016. The Company does not expect this standard to have a material impact on its consolidated financial statements.

In August 2014, the FASB issued ASU No. 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern ("ASU 2014-15"). ASU 2014-15 explicitly requires management to assess an entity's ability to continue as a going concern, and to provide related footnote disclosure in certain circumstances. The new standard will be effective for all entities in the first annual period ending after December 15, 2016. Earlier adoption is permitted. The Company is currently evaluating the impact of the adoption of ASU 2014-15.

In June 2014, the FASB issued ASU No. 2014-12, Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period ("ASU 2014-12"). The amendments in ASU 2014-12 require that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. A reporting entity should apply existing guidance in Accounting Standards Codification Topic No. 718, "Compensation – Stock Compensation", as it relates to awards with performance conditions that affect vesting to account for such awards. The amendments in ASU 2014-12 are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Early adoption is permitted. Entities may apply the amendments in ASU 2014-12 either: (a) prospectively to all awards granted or modified after the effective date; or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the consolidated financial statements and to all new or modified awards thereafter. The adoption of ASU 2014-12 is not expected to have a material effect on the Company's consolidated financial statements or disclosures.

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers" ("ASU 2014-09"), which provides guidance for revenue recognition. ASU 2014-09 affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets and supersedes the revenue recognition requirements in Topic 605, "Revenue Recognition," and most industry-specific guidance. This ASU also supersedes some cost guidance included in Subtopic 605-35, "Revenue Recognition- Construction-Type and Production-Type Contracts." ASU 2014-09's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which a company expects to be entitled in exchange for those goods or services. In doing so, companies will need to use more judgment and make more estimates than under today's guidance, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. ASU 2014-09 is effective for the Company beginning January 1, 2017 and, at that time, the Company may adopt the new standard under the full retrospective approach or the modified retrospective approach. Early adoption is not permitted. The Company has not yet selected a transition method nor determined the effect of ASU 2014-09 on its ongoing financial reporting.

Note 3: Fair Value of Financial Instruments

The Company's financial instruments consisted primarily of accounts receivable, accounts payable, accrued liabilities and debt. The Company's debt approximates fair value based upon current borrowing rates available to the Company for debt with similar maturities.

Note 4: Capstone Nutrition Agreements

Effective March 2, 2015, the Company entered a number of agreements with Capstone Nutrition ("Capstone") as follows:

Effective March 2, 2015, the Company and Capstone executed an amendment (the "Amendment") to the Manufacturing Agreement dated November 27, 2013. Pursuant to the Amendment, Capstone shall be the Company's nonexclusive manufacturer of dietary supplements and food products sold or intended to be sold by the Company (the "Products"). The Amendment includes amended pricing for Products. The initial term ends January 1, 2022, and will continue thereafter for three successive twenty-four month terms and includes renewal options.

Contribution toward Capstone Facility Build-Out. The Company agreed to pay to Capstone a non-refundable sum of $2.5 million to be used by Capstone solely in connection with the expansion of its facility necessary to fulfill anticipated Company requirements under the Manufacturing Agreement and Amendment. The Company has paid Capstone $1.7 million as of June 30, 2015.

The Company and Capstone entered into a Class B Common Stock Warrant Purchase Agreement ("Warrant Agreement") whereby the Company may purchase approximately 19.9% of Capstone's parent company, INI Parent, Inc. ("INI"), on a fully-diluted basis as of March 2, 2015. Pursuant to the Warrant Agreement, INI issued to the Company a warrant (the "Warrant") to purchase shares of INI's Class B common stock, par value $0.001 per share at an exercise price of $0.01 per share (the "Warrant Shares").

The Company completed an independent valuation of the warrants and recorded an asset of $977,000, which is included in the caption long-term investments on the consolidated balance sheets as of June 30, 2015. The Company also recorded $1.5 million of prepaid expenses and other assets on the consolidated balance sheet as of June 30, 2015 and will be amortized over the remaining life of the Manufacturing Agreement.

The Company and INI also entered into an option agreement (the "Option Agreement"). Subject to additional provisions and conditions set forth in the Option Agreement, at any time on or prior to June 30, 2016, the Company shall have the right to purchase for cash all of the remaining outstanding shares of INI's common stock not already owned by the Company after giving effect to the exercise of the Warrant, based on an aggregate enterprise value, equal to $200 million. Such purchase is intended to be consummated pursuant to a definitive merger agreement. The fair value of the option was deemed de minimus as of the transaction date.

Note 5: Balance Sheet Components

Inventory

Inventory consisted of the following as of June 30, 2015 and December 31, 2014 (in thousands):

	June 30, 2015	December 31, 2014
Raw materials	$ 1,252	$ 1,169
Work-in-process	66	101
Finished goods	13,532	19,799
Inventory	$14,850	$ 21,069

The Company writes down inventory for obsolete and slow moving inventory based on the age of the product as determined by the expiration date. Products within one year of their expiration dates are considered for write-off purposes. Historically, the Company has had minimal returns with established customers, and any damaged packaging is sent back to the manufacturer for replacement. The Company incurred insignificant inventory write-offs during the three and six months ended June 30, 2015 and 2014.

Property and Equipment

Property and equipment consisted of the following as of June 30, 2015 and December 31, 2014 (in thousands):

	June 30, 2015	December 31, 2014
Furniture and fixtures	$ 4,052	$ 4,041
Leasehold improvements	3,007	2,298
Manufacturing and lab equipment	1,562	1,388
Vehicles	470	470
Displays	487	488
Website	399	241
Office equipment and computers	229	—
Construction in process	891	1,511
Property and equipment, gross	11,097	10,437
Less: accumulated depreciation and amortization	(3,465)	(2,632)
Property and equipment, net	$ 7,632	$ 7,805

Depreciation and amortization expense related to property and equipment was $456,000 and $333,000 for the three months ended June 30, 2015 and 2014, respectively, and $838,000 and $647,000 for the six months ended June 30, 2015 and 2014, respectively. These expenses are included in the selling, general and administrative expenses in the consolidated statements of operations.

Intangible Assets

Intangible assets consist of the following (in thousands) and include the acquisition of MusclePharm's apparel rights from Worldwide Apparel disclosed further in Note 10:

	June 30, 2015			
	Gross Value	Accumulated Amortization	Net Carrying Value	Weighted-Average Useful Lives (Years)
Amortized Intangible Assets				
Customer relationships	$ 3,130	$ (313)	$ 2,817	15.0
Non-compete agreements	69	(52)	17	2.0
Patents	2,211	(434)	1,777	7.9
Trademarks	671	(64)	607	6.6
Brand	4,020	(303)	3,717	10.5
Domain name	68	(30)	38	5.0
Total intangible assets	$ 10,169	$ (1,196)	$ 8,973	

	December 31, 2014			
	Gross Value	Accumulated Amortization	Net Carrying Value	Weighted-Average Useful Lives (Years)
Amortized Intangible Assets				
Customer relationships	$ 3,130	$ (209)	$ 2,921	15.0
Non-compete agreements	69	(35)	34	2.0
Patents	2,211	(293)	1,918	7.9
Trademarks	518	(20)	498	4.5
Brand	1,776	(118)	1,658	15.0
Domain name	68	(23)	45	5.0
Total intangible assets	$ 7,772	$ (698)	$ 7,074	

Intangible assets amortization expense was $273,000 and $293,000 for the three months ended June 30, 2015 and 2014, respectively, and $498,000 and $578,000 for the six months ended June 30, 2015 and 2014, respectively. These expenses are included in selling, general and administrative expenses in the consolidated statements of operations.

As of June 30, 2015, the estimated future amortization expense of intangible assets is as follows (in thousands):

Year Ending December 31,	
The remainder of 2015	$ 548
2016	1,062
2017	1,043
2018	1,031
2019	999
2020	975
Thereafter	3,315
Total amortization expense	$8,973

Note 6: Other (Expense) Income, net

During the three and six months ended June 30, 2015 and 2014, other (expense) income, net consisted of the following (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Other (expense) income, net:				
Interest income	$ —	$ —	$ —	$ 223
Interest expense	(133)	(17)	(258)	(56)
Change in fair value of derivative liabilities	—	(110)	—	374
Gain on settlement of accounts payable	—	26	—	31
Loss on marketable securities	—	—	—	(386)
Foreign currency loss	(197)	(4)	(261)	(34)
Other	(18)	78	(12)	165
Total other (expense) income, net	$ (348)	$ (27)	$ (531)	$ 317

Note 7: Debt

In September 2014, the Company entered into a line of credit facility with a banking institution for up to $8.0 million of borrowings. The line of credit matures in September 2017 and accrues interest at the prime rate plus 2%, currently 5.25%. The line of credit is secured by the Company's inventory, accounts receivable, intangible assets and equipment. As of June 30, 2015, the outstanding borrowings under the line of credit were $6.0 million. The Company was not in compliance with certain financial covenants under the line of credit as of June 30, 2015 and received a written waiver from the bank until August 31, 2015.

In February 2015, the Company entered into a term loan agreement with the same banking institution for a principal amount of $4.0 million. The term loan carries a fixed interest rate of 5.25% per annum, is repayable in 36 equal monthly installments of principal and interest, and matures in February 2018. Outstanding borrowings are subject to prepayment penalties of 1.0% of the prepayment amount. The Company also paid debt issuance costs of $40,000 which were recorded in prepaid expenses in the consolidated balance sheets. As of June 30, 2015, the outstanding borrowings under the term loan were $3.6 million.

Borrowings on the term loan are secured by the Company's assets and 860,900 shares of common stock held in treasury. The Company is also required to comply with certain negative covenants under the term loan, including restrictions on indebtedness, investments, asset dispositions, mergers or consolidations and other corporate activities. The Company was not in compliance with certain financial covenants under the term loan as of June 30, 2015 and received a written waiver from the bank until August 31, 2015.

Note 8: Commitments and Contingencies

Operating Leases and Capital Leases

The Company leases office and warehouse facilities under operating leases which expire at various dates through 2029. For lease agreements that contain escalating rent provisions, lease expense is recorded on a straight-line basis over the lease term. Rent expense was $384,000 and $336,000 for the three months ended June 30, 2015 and 2014, respectively, and $767,000 and $633,000 for the six months ended June 30, 2015 and 2014, respectively.

In December 2014, the Company entered into a capital lease agreement providing for approximately $1.8 million in credit to lease up to 50 vehicles as part of a fleet lease program. As of June 30, 2015, the Company acquired 16 vehicles under the capital lease, which are included in the caption property and equipment, net in the accompanying consolidated balance sheets.

The Company also leases manufacturing and warehouse equipment under capital leases, which expire at various dates through May 2019. As of June 30, 2015 and December 31, 2014, the Company had an outstanding balance on capital leases of $560,000 and $265,000, respectively, which were included as a component of accrued liabilities and other long-term liabilities in the consolidated balance sheets. As of June 30, 2015, the Company's future minimum lease payments are as follows (in thousands):

Year Ending December 31,	
The remainder of 2015	$112
2016	216
2017	136
2018	102
2019	42
Total minimum lease payments	608
Less amounts representing interest	(48)
Present value of minimum lease payments	$560

Contingencies

In the normal course of business, the Company may become involved in legal proceedings. The Company will accrue a liability for such matters when it is probable that a liability has been incurred and the amount can be reasonably estimated. When only a range of possible losses can be established, the most probable amount in the range is accrued. If no amount within this range is a better estimate than any other amount within the range, the minimum amount in the range is accrued. The accrual for a litigation loss contingency might include, for example, estimates of potential damages, outside legal fees and other directly related costs expected to be incurred. As of June 30, 2015 and December 31, 2014, the Company was not involved in any material legal proceedings, except for the SEC investigation discussed below and routine litigation experienced in the ordinary course of its business.

SEC Investigation

In July 2013, the Company received a formal order of investigation (the "Investigation") from the Denver Regional Office of the SEC which is actively investigating various areas of potential violation of the federal securities laws involving the Company and its management. The SEC has issued subpoenas for documents and testimony and has deposed numerous witnesses in connection with the Investigation. As a result of a review undertaken by the Company's personnel in conjunction with the Audit Committee of the Board of Directors during 2014, the Company amended certain prior reports to revise various disclosures concerning executive compensation and disclosure of perquisites, among other things, and filed amendments to the annual reports on Form 10-K for the fiscal years ended December 31, 2013, 2012 and 2011. The Investigation remains ongoing. The Investigation could lead to the SEC seeking fines, penalties, injunctive relief and the adoption of corrective plans to establish reporting and other practices affecting the Company. The Company has reached an agreement in principle with the staff of the Enforcement Division of the SEC Denver Regional Office to resolve the investigation by the SEC, however, such agreement must be approved by the SEC Commissioners. Neither the nature of the relief, the amount of any monetary relief, nor the nature of the corrective actions, whether voluntary or imposed as a result of court proceedings that could be sought by the SEC, can be predicted. The result of any of the foregoing could have a material adverse effect on the Company or its management.

Insurance Carrier Lawsuit

In an effort to recover SEC legal defense costs, the Company engaged with outside counsel to review, evaluate and advise on the current Director and Officer policy and corresponding coverages. On February 12, 2015, the Company filed a complaint and jury demand in the District Court, City and County of Denver, Colorado against Liberty Insurance Underwriters, Inc. This action arises from the wrongful and unreasonable denial of coverage by Liberty for the cost and expenses that the Company has incurred and will continue to incur in connection with the SEC investigation under the Company's Directors and Officers Insurance policies.

Product Liability

Additionally, as a manufacturer of nutritional supplements and other consumer products that are ingested by consumers, the Company may be subject to various product liability claims. The Company currently maintains product liability insurance with a deductible/retention of $10,000 per claim with an aggregate cap on retained loss of $20.0 million. As of June 30, 2015 and December 31, 2014, the Company had not recorded an accrual for product liability claims. There can be no assurance that insurance coverage will be available for product liability claims or other claims experienced in the ordinary course of the Company's business.

Sponsorship and Endorsement Contract Liabilities

The Company has various non-cancelable endorsement and sponsorship agreements with terms expiring through 2022. The total future contractual payments as of June 30, 2015 are as follows (in thousands):

		Year Ending December 31,						
	Remainder of 2015	2016	2017	2018	2019	2020	Thereafter	Total
Future Contractual Payments:								
Endorsement	$ 4,762	$ 8,482	$ 9,117	$6,000	$4,167	$5,000	$ 6,667	$44,195
Sponsorship	3,054	4,563	3,205	2,830	985	—	—	14,637
Total future payments	$ 7,816	$13,045	$12,322	$8,830	$5,152	$5,000	$ 6,667	$58,832

The following agreements signed during the second quarter 2015 are included in the table above:

In April 2015, the Company entered a partnership with the Cleveland Cavaliers of the National Basketball Association. Under the agreement, MusclePharm Combat Crunch will be the premier partner of the Cleveland Cavaliers and the exclusive presenting partner of the "Fourth Quarter Combat Crunch Time" in-game feature during select home games at Quicken Loans Arena. The partnership also includes in-arena signage and branding, digital promotions and sweepstakes, and product sampling at designated Cavaliers games. The MusclePharm Combat Crunch partnership and its associated branded elements extend to other Cleveland Cavaliers and Quicken Loans Arena properties, including the Cleveland Gladiators (Arena Football League), the Lake Erie Monsters (American Hockey League) and the Canton Charge (Cavalier's NBA D-League affiliate). In addition to digital promotions and in-game activation for each of the franchises, the Gladiators will have an official "Combat Crunch of the Game" presented on the Humongotron, a massive four-sided center-hung scoreboard, during each home game. The total future contractual payments under the agreement at June 30, 2015 are approximately $2.4 million with additional payments for potential playoff games.

In May 2015, the Company entered into a multi-year partnership with City Football Group and its four clubs: Manchester City Football Club (including the Continental Cup-winning Manchester City Women's Football Club), Melbourne City Football Club, New York City Football Club, and Yokohama F. Marinos Football Club. The total contractual payments under the agreement at June 30, 2015 are approximately $8.4 million.

In June 2015, the Company entered into sponsorship and endorsement agreements with bodybuilding pioneer Bill Phillips as Strategic Advisor and Chief Editor of Content. The minimum future contractual payments under the agreements as of June 30, 2015 are approximately $1.0 million, of which $250,000 has been paid and $750,000 is due by December 31, 2015 and serves as advanced royalties.

Note 9: Stockholders' Equity

Common Stock

For the six months ended June 30, 2015, the Company issued common stock including restricted stock awards, as follows (in thousands, except share and per share data):

Transaction Type	Quantity (Shares)	Valuation ($)	Range of Value per Share
Stock issued to employees, executives and directors	244,589	$ 6,211	$3.48–8.60
Stock issued in conjunction with product line expansion	150,000	1,198	7.99
Stock issued in conjunction with MusclePharm apparel rights acquisition	170,000	1,394	8.20
Stock issued in conjunction with financing agreement	50,000	325	6.49
Stock issued in conjunction with consulting/endorsement agreement	50,000	292	5.85
Total	664,589	$ 9,420	$3.48–8.60

For the six months ended June 30, 2014, the Company issued common stock including restricted stock awards, as follows:

Transaction Type	Quantity (#)	Valuation ($)	Range of Value per Share
Stock issued to employees, executives and directors	60,422	$ 265	$3.48–8.70
BioZone acquisition	1,200,000	9,840	8.20
Conversion of series D preferred stock to common stock	263,000	773	2.94
Total	1,523,422	$ 10,878	$2.94–8.70

The fair value of all stock issuances above is based upon either the quoted closing trading price on the date of issuance or the value of derivative instruments at the date of conversion.

Treasury Stock

For the six months ended June 30, 2015, the Company did not repurchase any shares of its common stock and held 875,621 shares in treasury as of June 30, 2015.

Note 10: Stock-Based Compensation

The Company's stock-based compensation for the three and six months ended June 30, 2015 and 2014 consists primarily of restricted stock awards. The activity of restricted stock awards granted to employees, executives, and board members was as follows:

	Number of Shares	Weighted-Average Grant Date Fair Value
Unvested balance – December 31, 2014	2,631,987	$ 11.67
Granted	201,452	4.46
Vested	(524,246)	10.15
Unvested balance – June 30, 2015	2,309,193	$ 11.45

The total fair value of restricted stock awards granted to employees and board members was $825,000 and $1.1 million for the three months ended June 30, 2015 and 2014, respectively, and $900,000 and $1.5 million for the six months ended June 30, 2015 and 2014, respectively. As of June 30, 2015 and December 31, 2014, the total unrecognized expense for unvested restricted stock awards, net of expected forfeitures, was $14.9 million and $20.7 million, respectively, which are expected to be amortized over a weighted-average period of 3.0 and 2.6 years, respectively.

Restricted Stock Awards Related to Energy Drink Agreement

In January 2015, the Company entered into an energy drink agreement with Langer Juice and Creative Flavor Concepts to expand into a new product line. In connection with the agreement, the Company issued a total of 150,000 shares of its restricted common stock with trade restrictions for a period of three years. Langer Juice and Creative Flavor Concepts may receive additional restricted shares of common stock based upon future revenue and gross margin targets. The restricted stock awards issued have a grant date fair value of approximately $1.2 million, which are included as a component of prepaid stock compensation and additional paid-in capital in the consolidated balance sheets. The prepaid stock compensation is being amortized over the performance period of ten years.

Agreements with Worldwide Apparel, LLC – Muscle Pharm Apparel Rights

In February 2015, the Company entered into an agreement with Worldwide Apparel, LLC ("Worldwide") to terminate Worldwide's right to use MusclePharm's brand images in apparel effective March 28, 2015. The brand rights were originally licensed in May 2011, and amended in March 2014 prior to the termination. The consideration related to the acquisition of the MusclePharm Apparel from Worldwide consists of cash consideration of $850,000 and 170,000 shares of MusclePharm common stock with an aggregated fair value of $1.4 million. The total cost of the MusclePharm apparel acquisition of $2.2 million is included in the caption brand within intangible assets, net, in the accompanying consolidated balance sheet, and is subject to amortization over a period of seven years.

Restricted Stock Awards Issued Related to Financing Agreement

In May 2015, the Company negotiated the termination of a financing agreement with a lending institution and issued 50,000 shares of its common stock. The fair value of the common stock was $325,000 based upon the closing price of common stock on the date of issuance, and was recorded in selling, general and administrative expense in the accompanying consolidated statement of operations.

Restricted Stock Awards Issued Related to Consulting/Endorsement Agreement

In May 2015, the Company entered into consulting and endorsement agreements with Bill Phillips, a fitness and bodybuilding pioneer, to serve as strategic advisor and Chief Editor of Content of the Company. In connection with the endorsement agreements, the Company agreed to issue a total of 50,000 shares of its restricted common stock. The grant date fair value of the restricted common stock issued was $292,000, which is included as a component of prepaid stock compensation and additional paid-in capital in the consolidated balance sheets. The prepaid stock compensation is being amortized over the performance period of three years. In connection with the consulting agreement, the Company agreed to issue shares worth $25,000 within 10 days after each subsequent three month period term. The consulting agreement is for a three year period but may be cancelled with 30 days written notice.

Note 11: Net (Loss) Income per Share

The following table sets forth the computation of the Company's basic and diluted net (loss) income per share for the periods presented (in thousands, except share and per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net (loss) income	$ (7,025)	$ (935)	$ (14,504)	$ 1,801
Weighted-average common shares used in computing net (loss) income per share, basic	13,647,267	10,610,022	13,491,433	10,459,522
Effect of dilutive securities	—	—	—	1,404,360
Weighted-average common shares used in computing net (loss) income per share, diluted	13,647,267	10,610,022	13,491,433	11,863,882
Net (loss) income per share, basic	$ (0.51)	$ (0.09)	$ (1.08)	$ 0.17
Net (loss) income per share, diluted	$ (0.51)	$ (0.09)	$ (1.08)	$ 0.15

The following securities were excluded from the computation of diluted net (loss) income per share for the periods presented because including them would have been antidilutive:

	As of June 30,	
	2015	2014
Stock options (exercise price - $425/share)	—	472
Warrants (exercise price - $1,275/share)	—	89
Unvested restricted stock	2,309,193	1,501,573
Total common stock equivalents	2,309,193	1,502,134

Note 12: Income Taxes

The Company recorded an income tax provision of $21,000 and $45,000 for the three months ended June 30, 2015 and 2014, respectively, and $33,000 and $77,000 for the six months ended June 30, 2015 and 2014, respectively, related to foreign income taxes and state minimum taxes.

Income taxes are provided for the tax effects of transactions reported in the consolidated financial statements and consist of taxes currently due. Deferred taxes relate to differences between the basis of assets and liabilities for financial and income tax reporting which will be either taxable or deductible when the assets or liabilities are recovered or settled. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on consideration of these items, management has determined that enough uncertainty exists relative to the realization of the deferred income tax asset balances to warrant the application of a full valuation allowance as of June 30, 2015 and December 31, 2014.

Note 13: Geographical Information

Revenue, net by geography is based on the company addresses of the customers. The following table sets forth revenue, net by geographic area (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Revenue, net:				
United States	$ 36,270	$ 27,041	$ 67,858	$ 60,041
International	14,206	19,700	23,940	36,909
Total revenue, net	$ 50,476	$ 46,741	$ 91,798	$ 96,950

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q, and with our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2014, as filed with the Securities and Exchange Commission on March 16, 2015. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in the section entitled "Risk Factors" included elsewhere in this Form 10-Q.

Overview

We are a scientifically driven, performance lifestyle Company that develops, manufactures, markets and distributes branded nutritional supplements. We offer a broad range of powders, capsules, tablets and gels. Our portfolio of recognized brands, including MusclePharm® Hybrid and Core Series, Arnold Schwarzenegger Series™, and FitMiss®, are marketed and sold in more than 120 countries and available in over 45,000 retail outlets globally. These clinically developed scientifically driven nutritional supplements are developed through a six-stage research process that utilizes the expertise of leading nutritional scientists, doctors and universities. We believe we are an innovator in the sports nutrition industry.

Our primary growth strategy is to:

- drive innovation, serve the needs of all athletes and fuel the engine of sport through new products and brand extension;
- increase our product distribution and sales through increased market penetrations both domestically and internationally;
- increase our margins by focusing on streamlining our operations and seeking operating efficiencies in all areas of our operations;
- continue to conduct additional testing of the safety and efficacy of our products and formulate new products; and
- increase awareness of our products by increasing our marketing and branding opportunities through endorsements, sponsorships and brand extensions.

Our core marketing strategy is to brand MusclePharm as the "must have" fitness brand for workout enthusiasts and elite athletes. We seek to be known as The Athlete's Company®, run by athletes who create their products for other athletes both professional and otherwise. We believe that our marketing mix of endorsers, sponsorships and providing sample products for our retail resellers to use is an optimal strategy to increase sales.

Our annual revenue has consistently increased year-over-year as we continue to grow our brand and develop industry-leading supplemental nutrition and lifestyle products. Revenue for the six months ended June 30, 2015 was $91.8 million, with a two-year 38.2% compound annual growth rate ("CAGR").

Recent Developments

Backlog

As of June 30, 2015 and December 31, 2014, we had product backlog of approximately $8.5 million and $5.1 million, respectively. Backlog represents orders confirmed with a purchase order for products to be shipped generally within 90 days to customers with approved credit status. Orders are subject to cancellation, rescheduling by customers and product specification changes by customers. Although we believe that the backlog orders are firm, purchase orders may be cancelled by the customer prior to shipment without significant penalty. For this reason, we believe that our product backlog at any given date is not a reliable indicator of future revenue.

Components of Results of Operations

Revenue

We derive our revenues through the sales of our various branded nutritional supplements. Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the price is fixed or determinable and collection is reasonably assured which generally occurs upon shipment or delivery of the products. We record sales discounts as a direct reduction of revenue for various discounts provided to our customers consisting primarily of volume incentive rebates and advertising related credits. We accrue for sales discounts over the period they are earned. Sales discounts are a significant part of our marketing plan to our customers as they help drive increased sales and brand awareness with end users through promotions that we support through our distributors and re-sellers.

During the three months ended June 30, 2015, our two largest customers, Costco and GNC each individually accounted for more than 10% of our net revenue, and in total represented 34% of our net revenue. During the six months ended June 30, 2015, our three largest customers, Costco, Bodybuilding.com and GNC, each individually accounted for more than 10% of our net revenue, and in total represented 44% of our net revenue.

During the three months ended June 30, 2014, our two largest customers, Costco and Bodybuilding.com each individually accounted for more than 10% of our net revenue, and in total represented 28% of our net revenue. During the six months ended June 30, 2014, our two largest customers, Costco and Bodybuilding.com each individually accounted for more than 10% of our revenue, and in total represented 26% of our net revenue.

Cost of Revenue and Gross Margin

Cost of net revenue for MusclePharm products is directly related to the production, manufacturing and freight-in of the related products purchased from third party contract manufacturers. We mainly ship customer orders from our distribution centers in Franklin, Tennessee and Pittsburg, California. The distribution centers are operated with our equipment and employees, and we own the inventory. We also use contract manufacturers to drop ship products directly to our customers.

Additionally, BioZone Laboratories, Inc., (“BioZone”) which we acquired via an asset acquisition in 2014, manufactures products and, therefore, derives costs of revenue through the costs of raw materials, direct labor, freight-in and other supply and equipment rental expenses. We mainly ship BioZone customer orders from our distribution center in Pittsburg, California.

Our historical experience has been that over the life cycle of a particular product, the cost of revenues as a percentage of total revenue has typically declined as a result of decreases in our product costs. This decrease generally results from an increase in the volume purchased from our suppliers, as well as yield improvements and product testing enhancements.

Our gross profit fluctuates due to several factors, including new product introductions, changes to existing product lines, changes in customer mix and product mix, product demand mix, shipment volumes, product costs, pricing and inventory write downs. We expect cost of revenues to increase in absolute dollars as our revenue continues to increase, however, cost of revenue is expected to decrease as a percentage of revenue due primarily to our ability to efficiently increase our revenue while realizing respective cost efficiencies from volume purchasing and inventory cost reductions related to our Manufacturing Agreement with Capstone.

Operating Expenses

Advertising and Promotion

Our advertising and promotions consists primarily of product giveaways, trade show events, broker fees, athletic endorsements and sponsorship, strategic partnerships, and digital and print advertising. Advertising and promotions are a large part of both our growth strategy and brand awareness. We build strategic partnerships with sports athletes like Tiger Woods and fitness enthusiasts like Arnold Schwarzenegger through endorsements licensing, co-branding agreements and co-developing product lines. We expect our advertising and promotion expenses to increase in absolute dollars in future periods as this is a key strategy for our growth, however, advertising and promotion expense is expected to remain consistent as a percentage of revenue due primarily to our ability to efficiently increase our revenue while realizing respective cost efficiencies associated with such increase.

Salaries and Benefits

Salaries and benefits consist primarily of salaries, bonuses, commissions, benefits and stock-based compensation. Personnel costs are a significant component of our operating expenses and we expect these expenses to increase in absolute dollars in future periods as we continue to grow our business and add employees, however, salaries and benefits are expected to decrease as a percentage of revenue due primarily to our ability to efficiently increase our revenue leveraging our existing employee base.

Selling, General and Administrative

Our selling, general and administrative expenses consist primarily of office expenses, insurance, depreciation, amortization, sales commissions, travel, freight out, legal settlement costs, director fees, miscellaneous expenses incurred by our board, executive, finance, information technology, legal, human resources, and other administrative functions, and other corporate expenses. We expect our selling, general and administrative expenses to increase in absolute dollars in future periods, however, selling, general and administration expenses are expected to decrease as a percentage of revenue due primarily to our ability to efficiently increase our revenue while realizing respective cost efficiencies associated with such increase.

Research and Development

Research and development expenses primarily consist of salaries, bonuses and benefits, laboratory development of our scientific nutritional supplements, testing and compliance and allocated facilities costs. We expense research and development costs as incurred. Research and development is not the primary driver of our operating expenses but we expect research and development to increase in absolute dollars in future periods, however, research and development expenses are expected to decrease as a percentage of revenue due primarily to our ability to efficiently increase our revenue while realizing respective cost efficiencies associated with such increase.

Professional Fees

Professional fees consist primarily of fees for outside legal, audit, accounting and tax services, investor relations and consulting fees, and we expect these expenses to increase in absolute dollars in future periods as we continue to grow our business and utilize assistance from professional service providers, defend ongoing and new legal matters and expand our global reach. Professional fees are expected to decrease as a percentage of revenue due primarily to the anticipated reduction in activities related to the SEC Investigation.

Other (Expense) Income, net

Other (expense) income, net consists of interest income and expense, gains and losses on foreign currency transactions, settlement of accounts payable, and other miscellaneous expenses.

Provision for Income Taxes

Provision for income taxes consists primarily of federal and state income taxes in the United States and income taxes in foreign jurisdictions in which we conduct business. Due to uncertainty as to the realization of benefits from our deferred tax assets, including net operating loss carry-forwards, research and development and other tax credits, we have a full valuation allowance reserved against such deferred tax assets. We expect to maintain this full valuation allowance at least in the near term.

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Results of Operations

The following tables present our historical operating results in dollars and as a percentage of revenue, net for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
	(In thousands)			
Revenue, net	$ 50,476	$ 46,741	$ 91,798	$ 96,950
Cost of revenue	32,978	31,094	59,916	63,430
Gross profit	17,498	15,647	31,882	33,520
Operating expenses:				
Advertising and promotion	8,285	5,920	15,510	12,248
Salaries and benefits	7,763	5,777	14,824	11,144
Selling, general and administrative	5,121	2,357	10,083	4,229
Research and development	921	1,164	1,886	2,261
Professional fees	2,064	1,292	3,519	2,077
Total operating expenses	24,154	16,510	45,822	31,959
(Loss) income from operations	(6,656)	(863)	(13,940)	1,561
Other (expense) income, net	(348)	(27)	(531)	317
(Loss) income before provision for income taxes	(7,004)	(890)	(14,471)	1,878
Provision for income taxes	21	45	33	77
Net (loss) income	$ (7,025)	$ (935)	$ (14,504)	$ 1,801

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Revenue, net	100%	100%	100%	100%
Cost of revenue	65	67	65	65
Gross profit	35	33	35	35
Operating expenses:				
Advertising and promotion	17	13	17	13
Salaries and benefits	15	12	16	12
Selling, general and administrative	10	5	11	4
Research and development	2	2	2	2
Professional fees	4	3	4	2
Total operating expenses	48	35	50	33
(Loss) income from operations	(13)	(2)	(15)	2
Other (expense) income, net	(1)	—	(1)	—
(Loss) income before provision for income taxes	(14)	(2)	(16)	2
Provision for income taxes	—	—	—	—
Net (loss) income	(14)%	(2)%	(16)%	2%

Comparison of the Three Months Ended June 30, 2015 and 2014

Revenue

	Three Months Ended June 30,		
	2015	2014	% Change
	(In thousands)		
Revenue, net	$ 50,476	$ 46,741	8%

Revenue, net increased $3.7 million or 8% to $50.5 million for the three months ended June 30, 2015, compared to $46.7 million for the three months ended June 30, 2014. Revenue, net for the three months ended June 30, 2015 increased due primarily to an increase in sales to existing and new customers from existing and new product introductions offset by a reduction in international sales related to the strengthening of the US dollar. Discounts and sales allowances increased to $9.0 million, or 15.1%, of gross revenue for the three months ended June 30, 2015 from $5.1 million, or 10.0%, of gross revenue for the same period in 2014. The increase in discounts and allowances is mainly related to promotions on new product introductions.

Cost of Revenue and Gross Profit

	Three Months Ended June 30,		
	2015	2014	% Change
	(In thousands)		
Cost of revenue	$ 32,978	$ 31,094	6%

	Three Months Ended June 30,		
	2015	2014	% Change
	(In thousands)		
Gross profit	$ 17,498	$ 15,647	12%

Costs of revenue increased 6% to $33.0 million for the three months ended June 30, 2015, compared to $31.1 million for the same period in 2014. Accordingly, gross profit for the three months ended June 30, 2015 was $17.5 million, or 35% of revenue, compared to $15.6 million, or 33% of revenue for the same period 2014. Our gross profit margin slightly increased due to our continued focus on optimizing product cost partially offset by an increase in discounts and sales allowances.

Operating Expenses

Operating expenses for the three months ended June 30, 2015 were $24.2 million, compared to $16.5 million for the same period in 2014. These expenses primarily included costs for advertising and promotions, costs of strategic partnerships with star athletes and strategic advertising agreements to promote our brand, and investing in our staffing needs in order to stay competitive in our industry by developing and testing new products, including stock-based compensation.

Advertising and Promotion

	Three Months Ended June 30,		
	2015	2014	% Change
	(In thousands)		
Advertising and promotion	$ 8,285	$ 5,920	40%
Percentage of revenue	17%	13%	

Advertising and promotion expenses increased 40% to $8.3 million for the three months ended June 30, 2015, or 17% of revenue, compared to $5.9 million, or 13% of revenue, for the same period in 2014. Advertising and promotion expenses for the three months ended June 30, 2015 included expenses related to strategic partnerships with the UFC, Tiger Woods and other athletes. These new partnerships, along with our Arnold Schwarzenegger Series™ introduced in 2013, have increased our strategic partnership and endorsements expense by $1.7 million including stock-based compensation which accounted for 13% of the increase. This expense coupled with an increase in promotional giveaways of $419,000 and advertising of $342,000 are the primary drivers for the overall increase.

Salaries and Benefits

	Three Months Ended June 30,		
	2015	2014	% Change
	(In thousands)		
Salaries and benefits	$ 7,763	$ 5,777	34%
Percentage of revenue	15%	12%	

Salaries and benefits increased 34% to $7.8 million, or 15% of revenue, for the three months ended June 30, 2015 compared to $5.8 million, or 12% of revenue, for the same period in 2014. The increase was due primarily to additional resources added to both our domestic and foreign operations as we continue to expand the global reach of our business, and an increase in stock-based compensation charges.

Selling, General and Administrative

	Three Months Ended June 30,		
	2015	2014	% Change
	(In thousands)		
Selling, general and administrative	$ 5,121	$ 2,357	117%
Percentage of revenue	10%	5%	

Selling, general and administrative expenses increased 117% to $5.1 million, or 10% of revenue, for the three months ended June 30, 2015 compared to $2.4 million, or 5% of revenue, for the same period in 2014. The increase was primarily due to costs related to continued development of our existing sales channels and new product distribution channels and related selling expenses of $1.5 million, increase in stock-based compensation related to a one-time restricted share grant to a financial institution of $325,000, additional corporate insurance premiums of $114,000, additional depreciation and amortization on new assets of $253,000, increased facilities cost as we expand our operations of $279,000, and a net increase in other expense of $347,000.

Research and Development

	Three Months Ended June 30,		
	2015	2014	% Change
	(In thousands)		
Research and development	$ 921	$ 1,164	(21)%
Percentage of revenue	2%	2%	

Research and development expenses decreased 21% to $0.9 million, or 2% of revenue, for the three months ended June 30, 2015 compared to $1.2 million, or 2% of revenue, for the same period in 2014. The decrease was due to a $250,000 decrease in depreciation expense of fixed assets used for research and development, an increase of $154,000 in customer funded research and development, accounted for as contra research and development, offset by a $135,000 increase in personal costs including stock-based compensation.

Professional Fees

	Three Months Ended June 30,		%
	2015	2014	Change
	(In thousands)		
Professional fees	$ 2,064	$ 1,292	60%
Percentage of revenue	4%	3%	

Professional fees increased 60% to $2.1 million for the three months ended June 30, 2015, compared to $1.3 million for the same period in 2014. The primary reason for the increase in professional fees is due to additional accounting and audit fees of $504,000, related to SOX, audit and international tax planning, additional consulting expenses of $561,000 offset by a decrease in legal fees of $368,000 related to the status of the SEC investigation.

Other (Expense) Income, net

	Three Months Ended June 30,	
	2015	2014
	(In thousands)	
Interest expense	$ (133)	$ (17)
Change in fair value of derivative liabilities	—	(110)
Gain on settlement of accounts payable	—	26
Foreign currency loss	(197)	(4)
Other	(18)	78
Total other (expense) income, net	$ (348)	$ (27)

Other expense, net for the three months ended June 30, 2015 was $0.3 million, compared to $27,000 for the same period in 2014. The significant fluctuations in other (expense) income, net were primarily related to foreign currency transaction gains and losses, and interest expense.

Comparison of the Six Months Ended June 30, 2015 and 2014

Revenue

	Six Months Ended June 30,		
	2015	2014	% Change
	(In thousands)		
Revenue, net	$ 91,798	$ 96,950	(5)%

Revenue, net decreased $5.2 million or 5% to $91.8 million for the six months ended June 30, 2015, compared to $97.0 million for the six months ended June 30, 2014. Revenue, net for the six months ended June 30, 2015 decreased due primarily to the strengthening of the US dollar resulting in a decrease in sales to international customers and the launch of the Arnold Schwarzenegger Series™ introduced late in 2013 resulting in significant initial sales during the first half of 2014. Discounts and sales allowances increased to $14.1 million, or 13.3% of gross revenue, for the six months ended June 30, 2015 from $11.6 million, or 11.0% of gross revenue, for the same period in 2014. The increase in discounts and allowances in mainly related to the promotions on new product introductions.

Cost of Revenue and Gross Profit

	Six Months Ended June 30,		
	2015	2014	% Change
	(In thousands)		
Cost of revenue	$ 59,916	$ 63,430	(6)%

	Six Months Ended June 30,		
	2015	2014	% Change
	(In thousands)		
Gross profit	$ 31,882	$ 33,520	(5)%

Costs of revenue decreased 6% to $59.9 million for the six months ended June 30, 2015, compared to $63.4 million for the same period in 2014. Accordingly, gross profit for the six months ended June 30, 2015 was $31.9 million, or 35% of revenue, compared to $33.5 million, or 35% of revenue for the same period 2014. Our cost of revenue and gross profit margin were consistent.

Operating Expenses

Operating expenses for the six months ended June 30, 2015 were $45.8 million, compared to $32.0 million for the same period in 2014. These expenses primarily included costs for advertising and promotions, specifically tradeshow costs to generate visibility and connect with our customers and end-users, costs of strategic partnerships with star athletes and strategic advertising agreements to promote our brand, and investing in our staffing needs in order to stay competitive in our industry by developing and testing new products, including stock-based compensation.

Advertising and Promotion

	Six Months Ended June 30,		
	2015	2014	% Change
	(In thousands)		
Advertising and promotion	$ 15,510	$ 12,248	27%
Percentage of revenue	17%	13%	

Advertising and promotion expenses increased 27% to $15.5 million for the six months ended June 30, 2015, or 17% of revenue, compared to $12.2 million, or 13% of revenue, for the same period in 2014. Advertising and promotion expenses for the six months ended June 30, 2015 included expenses related to strategic partnerships with the UFC, Tiger Woods and other athletes. These new partnerships, along with our Arnold Schwarzenegger Series™ introduced in 2013, have increased our strategic partnership and endorsements expense including stock-based compensation by $2.5 million. This expense coupled with an increase in trade show costs and promotional giveaways of $1.0 million, offset by a decrease in general advertising of $364,000, are the primary drivers for the overall increase.

Salaries and Benefits

	Six Months Ended June 30,		
	2015	2014	% Change
	(In thousands)		
Salaries and benefits	$ 14,824	$ 11,144	33%
Percentage of revenue	16%	12%	

Salaries and benefits increased 33% to $14.8 million, or 16% of revenue, for the six months ended June 30, 2015 compared to $11.1 million, or 12% of revenue, for the same period in 2014. The increase was due to additional resources added to both our domestic operations and our foreign subsidiaries and an increase in stock-based compensation charges which represented 41% of the increase.

Selling, General and Administrative

	Six Months Ended June 30,		
	2015	2014	% Change
	(In thousands)		
Selling, general and administrative	$ 10,083	$ 4,229	138%
Percentage of revenue	11%	4%	

Selling, general and administrative expenses increased 138% to $10.1 million, or 11% of revenue, for the six months ended June 30, 2015 compared to $4.2 million, or 4% of revenue, for the same period in 2014. The increase was primarily due to costs related to continued development of our existing sales channels and new product distribution channels and related selling expenses of $3.2 million, increased travel related expenses of $118,000, additional corporate insurance premiums of $351,000, additional depreciation and amortization on new assets of $507,000, increased facilities cost as we expand our operations of $647,000, and increases in general supplies, outside services and communications of $901,000.

Research and Development

	Six Months Ended June 30,		
	2015	2014	% Change
	(In thousands)		
Research and development	$ 1,886	$ 2,261	(17)%
Percentage of revenue	2%	2%	

Research and development expenses decreased 17% to $1.9 million, or 2% of revenue, for the six months ended June 30, 2015 compared to $2.3 million, or 2% of revenue, for the same period in 2014. The decrease was due to a $491,000 decrease in depreciation expense of fixed assets used for research and development, a $140,000 decrease in customer funded research and development, accounted for as contra research and development expense, offset by a $154,000 increase in personal cost including stock-based compensation and a $98,000 increase in research and development fees.

Professional Fees

	Six Months Ended June 30,		
	2015	2014	% Change
	(In thousands)		
Professional fees	$ 3,519	$ 2,077	69%
Percentage of revenue	4%	2%	

Professional fees increased 69% to $3.5 million for the six months ended June 30, 2015, compared to $2.1 million for the same period in 2014. The primary reason for the increase in professional fees is due to additional accounting and audit fees of $683,000 related to SOX, audit, and international tax planning, additional consulting expenses of $695,000, and an increase of $87,000 in other expenses.

Other (Expense) Income, net

	Six Months Ended June 30,	
	2015	2014
	(In thousands)	
Interest income	$ —	$ 223
Interest expense	(258)	(56)
Change in fair value of derivative liabilities	—	374
Gain on settlement of accounts payable	—	31
Loss on marketable securities	—	(386)
Foreign currency loss	(261)	(34)
Other	(12)	165
Total other (expense) income, net	$ (531)	$ 317

Other expense, net for the six months ended June 30, 2015 was an expense of $531,000 compared to income of $317,000 for the same period in 2014. The significant fluctuations in other (expense) income, net were primarily related to foreign currency transaction gains and losses and interest expense and interest income related to 2014.

Non-GAAP Financial Measures

In addition to disclosing financial results calculated in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), our quarterly report on Form 10-Q discloses Non-GAAP financial measures adjusted for: provision for income taxes, depreciation and amortization of property and equipment, amortization of intangible assets, provision for doubtful accounts, amortization of prepaid stock compensation, amortization of prepaid sponsorship fees, stock-based compensation, issuance of common stock warrants and other income and expense. We believe that the non-GAAP measures provide investors with important perspectives into our ongoing business performance. The non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and the financial results calculated in accordance with GAAP and reconciliations to those financial statements should be carefully evaluated. The non-GAAP financial measures we used may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies.

The U.S GAAP measure most directly comparable to EBITDA is income (loss) from operations. The non – GAAP financial measure of Adjusted EBITDA should not be considered as an alternative to net income (loss). Adjusted EBITDA is not a presentation made in accordance with U.S. GAAP and has important limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. Because Adjusted EBITDA excludes some, but not all, items that affect net earnings and is defined differently by different companies, our definition of Adjusted EBITDA may not be comparable to similarly titled measures of other companies.

Set forth below are reconciliations of non-GAAP net income (loss) to our reported GAAP net (loss) income:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
	(in thousands)			
Adjusted EBITDA:				
Net (loss) income	$ (7,025)	$ (935)	$ (14,504)	$ 1,801
Non-GAAP adjustments:				
Provision for income taxes	21	45	33	77
Depreciation and amortization of property and equipment	456	333	838	647
Amortization of intangible assets	273	293	498	578
Provision for doubtful accounts	68	64	98	140
Amortization of prepaid stock compensation	1,127	783	2,236	1,578
Amortization of prepaid sponsorship fees	1,821	1,810	3,252	3,468
Stock-based compensation	4,013	2,091	6,536	4,467
Issuance of common stock warrants to third-parties for services	17	—	50	—
Other expense (income), net	348	27	531	(317)
Adjusted EBITDA	$ 1,119	$ 4,511	$ (432)	$ 12,439

	Six Months Ended	Three Months Ended		Year Ended	Three Months Ended				Year Ended	Three Months Ended			
	Jun 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec. 31, 2014	Dec 31, 2014	Sep 30, 2014	Jun 30, 2014	Mar 31, 2014	Dec 31, 2013	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013
	(in thousands)												
Adjusted EBITDA:													
Net (loss) income	$(14,504)	$(7,025)	$ (7,479)	$(13,832)	$(16,236)	$ 603	$ (935)	$ 2,736	$(17,718)	$(3,988)	$(3,946)	$(2,422)	$ (7,362)
Non-GAAP adjustments:													
(Benefit) provision for income taxes	33	21	12	33	(138)	94	45	32	115	115	—	—	—
Depreciation and amortization of property and equipment	838	456	382	1,285	335	303	333	314	709	198	178	172	161
Amortization of intangible assets	498	273	225	698	276	(156)	293	285	—	—	—	—	—
Provision for doubtful accounts	98	68	30	201	37	24	64	76	242	83	54	76	29
Amortization of prepaid stock compensation	2,236	1,127	1,109	3,716	1,028	1,110	783	795	6,562	1,177	2,040	3,224	121
Amortization of prepaid sponsorship fees	3,252	1,821	1,431	5,802	786	1,548	1,810	1,658	4,011	1,155	1,021	1,157	678
Stock-based compensation	6,536	4,013	2,523	10,928	4,055	2,406	2,091	2,376	3,075	1,487	1,514	37	37
Issuance of common stock warrants to third parties for services	50	17	33	130	61	69	—	—	—	—	—	—	—
Other expense, (income)net	531	348	183	(5,577)	(26)	(5,234)	27	(344)	3,306	(2,089)	(927)	(319)	6,641
Adjusted EBITDA	$ (432)	$ 1,119	$ (1,551)	$ 3,384	$ (9,822)	$ 767	$ 4,511	$ 7,928	$ 302	$(1,862)	$ (66)	$ 1,925	$ 305

Liquidity and Capital Resources

Since the inception of MusclePharm, other than revenue from product sales, our primary source of operating cash has been from the sale of equity, the issuance of convertible secured promissory notes and other short-term debt as discussed below. As of June 30, 2015, our cash balance was $4.2 million which consists primarily of cash on deposit with banks.

Our principal use of cash is to purchase inventory, pay for operating expenses and acquire capital assets. As of June 30, 2015, we had a deficit in working capital of $1.1 million, an accumulated deficit of $110.2 million and total stockholders' equity of $18.2 million. As of June 30, 2015, we had outstanding borrowings of $6.0 million under our line of credit facility. In addition, we entered into a $4.0 million commercial loan agreement in February 2015 which was fully drawn during the first quarter 2015.

We believe that with increased sales expansion, international sales expansion, along with the additional debt financing obtained in February 2015, and additional debt financing anticipated in the third quarter 2015, there will be opportunities to increase revenue such that our capital resources will be sufficient through at least June 30, 2016; to execute the business plan, which includes more inventory purchases, new product releases and additional advertising, promotions, sponsorships and endorsements. There can be no assurance that such capital will be available on acceptable terms or at all.

Our net consolidated cash flows are as follows:

	Six Months Ended June 30,	
	2015	2014
	(In thousands)	
Consolidated Statements of Cash Flows Data:		
Net cash provided by operating activities	$ 4,189	$ 271
Net cash (used in) provided by investing activities	(2,318)	621
Net cash provided by (used in) financing activities	1,456	(2,554)
Effect of exchange rate changes on cash	(177)	19
Net increase (decrease) in cash	$ 3,150	$ (1,643)

Operating Activities

Our cash provided by operating activities is driven primarily by sales of our products. Our primary uses of cash from operating activities have been for advertising and promotion expenses, personnel-related expenditures, manufacturing costs, professional fees, and costs related to our facilities. Our cash flows from operating activities will continue to be affected principally by the results of operations and the extent to which we increase spending on personnel expenditures, sales and marketing activities, and our working capital requirements.

During the six months ended June 30, 2015, cash provided by operating activities was $4.2 million, which differs from our net loss of $14.5 million primarily because of non-cash charges of $13.5 million, and a net change in our net operating assets and liabilities of $5.2 million. The non-cash charges primarily consisted of $6.5 million for stock-based compensation, $3.3 million for amortization of prepaid sponsorship and endorsement fees, $2.2 million for amortization of prepaid stock compensation, and $1.3 million for depreciation of our property and equipment and amortization of our intangible assets. The primary drivers of the changes in operating assets and liabilities were a $6.2 million decrease in inventory due to improvement in our supply chain management and promotional sales, decrease in inventory purchase cost and increased sales, a $10.1 million increase in accounts payable primarily attributable to the timing of payments to vendors, partially offset by a $8.1 million increase in accounts receivable due to an increase in sales and timing of collections compared to December 31, 2014, and a $3.5 million increase in prepaid sponsorship and endorsement fees due to an increase in advertising efforts through sponsorships and endorsements.

During the six months ended June 30, 2014, cash provided by operating activities was $0.3 million, primarily as a result of our net income of $1.8 million and non-cash charges of $10.4 million, partially offset by an $11.9 million net change in our operating assets and liabilities. The non-cash charges primarily consisted of stock-based compensation of $4.5 million, amortization of prepaid sponsorship and endorsement fees of $3.5 million and amortization of prepaid stock compensation of $1.6 million. The net change in our operating assets and liabilities was primarily the result of a $4.8 million increase in accounts receivable due to increased sales and timing of collections, a $3.2 million decrease in accounts payable due to the timing of payments to vendors, and a $2.5 million increase in prepaid sponsorship and endorsement fees due to an increase in advertising efforts through sponsorships and endorsements.

Investing Activities

Cash used in investing activities of $2.3 million for the six months ended June 30, 2015, was primarily due to cash payment of $0.9 million related to MusclePharm apparel rights acquisition, investment in contract manufacturer of $1.0 million related to our opportunity to acquire Capstone and purchase of property and equipment of $0.9 million, partially offset by proceeds from disposal of property and equipment of $0.4 million.

Cash provided by investing activities of $0.6 million for the six months ended June 30, 2014, was primarily due a change in restricted cash of $2.5 million and $0.5 million from the proceeds from settlement of marketable securities which was partially offset by $2.4 million for purchase of property and equipment.

Financing Activities

Cash flows provided by financing activities of $1.5 million for the six months ended June 30, 2015, was primarily due to proceeds from issuance of our term loan of $4.0 million and draw down of our line of credit of $4.0 million, partially offset by repayment of term loan of $0.4 million and repayment on our line of credit of $6.0 million.

Cash used in financing activities of $2.6 million for the six months ended June 30, 2014 was primarily due to repayment on our line of credit of $2.5 million.

Line of Credit

In September 2014, we entered into a line of credit facility with a banking institution for up to $8.0 million of borrowings. The line of credit matures in September 2017 and accrues interest at the prime rate plus 2%, currently 5.25%. The line of credit is secured by our inventory, accounts receivable, intangible assets and equipment. As of December 31, 2014, we had drawn down all $8.0 million under the line of credit and as of June 30, 2015, the outstanding borrowings under the line of credit was $6.0 million. We were not in compliance with certain financial covenants under this facility as of June 30, 2015 and received a written waiver from the bank until August 31, 2015.

Term Loan

In February 2015, we entered into a term loan agreement with a banking institution for a principal amount of $4.0 million. The term loan carries a fixed interest rate of 5.25% per annum, is repayable in 36 equal monthly installments of principal and interest, and matures in February 2018. Borrowings on the term loan are secured by our assets, and 860,900 shares of our common stock held in treasury. We are also required to comply with certain negative covenants under the term loan, including restrictions on indebtedness, investments, asset dispositions, mergers or consolidations and other corporate activities. We were not in compliance with certain financial covenants and received a written waiver from the bank until August 31, 2015.

Contractual Obligations

Our principal commitments consist of obligations under operating leases for office and warehouse facilities, capital leases for manufacturing and warehouse equipment, car fleet, and non-cancelable endorsement and sponsorship agreements.

We presented our contractual obligations in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014. During the six months ended June 30, 2015, we entered into:

Various agreements with Capstone, requiring us to pay $2.5 million to fund the expansion of manufacturing capabilities of its facility,

In April 2015, the Company entered a partnership with the Cleveland Cavaliers of the National Basketball Association. The total future contractual payments under the agreement at June 30, 2015 are approximately $2.4 million with additional payments for potential playoff games.

In May 2015, the Company entered into a multi-year partnership with City Football Group and its four clubs: Manchester City Football Club (including the Continental Cup-winning Manchester City Women's Football Club), Melbourne City Football Club, New York City Football Club, and Yokohama F. Marinos football club. The total contractual payments under the agreement at June 30, 2015 are approximately $8.4 million.

In June 2015, the Company entered into sponsorship and endorsement agreements with bodybuilding pioneer Bill Phillips as Strategic Advisor and Chief Editor of Content. The minimum contractual payments under the agreements as of June 30, 2015 are approximately $1.0 million of which $250,000 has been paid as of June 30, 2015.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of June 30, 2015.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks, including changes to foreign currency exchange rates and interest rates.

Foreign Currency Exchange Risk

We have foreign currency risks related to our revenue and operating expenses denominated in currencies other than the U.S. dollar, primarily the Canadian Dollar and more recently the Euro. In general, we are a net receiver of currencies other than the U.S. dollar. Accordingly, changes in exchange rates, and in particular a strengthening of the U.S. dollar, will negatively affect our revenue and other operating results as expressed in U.S. dollars.

We have experienced and will continue to experience fluctuations in our net income (loss) as a result of transaction gains or losses related to revaluing certain current asset and current liability balances that are denominated in currencies other than the functional currency of the entities in which they are recorded. At this time we have not entered into, but in the future we may enter into, derivatives or other financial instruments in an attempt to hedge our foreign currency exchange risk. It is difficult to predict the effect hedging activities would have on our results of operations. We recognized a loss of $197,000 and $261,000 related to fluctuations in foreign currency for the three and six months ended June 30, 2015, respectively.

Interest Rate Sensitivity

Our exposure to market risk for changes in interest rates relates primarily to our indebtedness.

Our total outstanding borrowings under the line of credit agreement and the term loan agreement were $9.6 million as of June 30, 2015. Our exposure to interest rates relates to the change in the amounts of interest we must pay on our borrowings. Our borrowing rate is 5.25% as of June 30, 2015. We would not expect a hypothetical 10% impact to our interest rate to have a significant impact on our interest expense.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer (CEO) and chief financial officer (CFO), has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act)), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our CEO and CFO have concluded that as of June 30, 2015, our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission (SEC), and that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control

There were no changes in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the first quarter of 2015 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

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. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

In the normal course of business, we may become involved in legal proceedings. We will accrue a liability for such matters when it is probable that a liability has been incurred and the amount can be reasonably estimated. When only a range of possible loss can be established, the most probable amount in the range is accrued. If no amount within this range is a better estimate than any other amount within the range, the minimum amount in the range is accrued. The accrual for a litigation loss contingency might include, for example, estimates of potential damages, outside legal fees and other directly related costs expected to be incurred. As of June 30, 2015 and December 31, 2014, we were not involved in any material legal proceedings, except for the SEC investigation discussed below.

SEC Investigation

In July 2013, we received a formal order of investigation (the "Investigation") from the Denver Regional Office of the SEC which is actively investigating various areas of potential violation of the federal securities laws involving us and our management. The SEC has issued subpoenas for documents and testimony and has deposed numerous witnesses in connection with the Investigation. As a result of a review undertaken by our personnel in conjunction with the Audit Committee of the Board of Directors during 2014, we amended certain prior reports to revise various disclosures concerning executive compensation and disclosure of perquisites, among other things, and filed amendments to the annual reports on Form 10-K for the fiscal years ended December 31, 2013, 2012 and 2011. The Investigation remains ongoing. The Investigation could lead to the SEC seeking fines, penalties, injunctive relief and the adoption of corrective plans to establish reporting and other practices affecting us. We have reached an agreement in principle with the staff of the Enforcement Division of the SEC Denver Regional Office to resolve the investigation by the SEC, however, such agreement must be approved by the SEC Commissioners. Neither the nature of the relief, the amount of any monetary relief, nor the nature of the corrective actions, whether voluntary or imposed as a result of court proceedings that could be sought by the SEC, can be predicted. The result of any of the foregoing could have a material adverse effect on the Company or our management.

Item 1A. Risk Factors

Except as set forth below, there have been no material changes to the Risk Factors as disclosed in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 16, 2015.

Our articles of incorporation, our amended and restated by-laws and Nevada law could deter a change of our management which could discourage or delay offers to acquire us.

Certain provisions of Nevada law and of our articles of incorporation, and by-laws, as amended, could discourage or make it more difficult to accomplish a proxy contest or other change in our management or the acquisition of control by a holder of a substantial amount of our voting stock. It is possible that these provisions could make it more difficult to accomplish, or could deter transactions that stockholders may otherwise consider to be in their best interests or in our best interests. These provisions include:

- requiring stockholders who wish to request a special meeting of the stockholders to disclose certain specified information in such request and to deliver such request in a specific way within a certain timeframe, which may inhibit or deter stockholders from requesting special meetings of the stockholders;
- requiring that stockholders who wish to act by written consent request a record date from us for such action and such request must include disclosure of certain specified information, which may inhibit or deter stockholders from acting by written consent;
- establishing the Board of Directors as the sole entity to fill vacancies of the Board of Directors, which lengthens the time needed to elect a new majority of the board;
- establishing a two-thirds majority vote of the stockholders to remove a director from the Board of Directors, as opposed to a simple majority, which lengthens the time needed to elect a new majority of the board;
- establishing that any person who acquires equity in us shall be deemed to have notice and consented to the forum selection provision of our Bylaws requiring actions to be brought only in New York, which may inhibit or deter stockholders actions (i) on behalf of us, (ii) asserting claims of breach of fiduciary duty by officers or directors of us, or (iii) arising out of the Nevada Revised Statutes.
- establishing more detailed disclosure and in any stockholder's advance notice to nominate a new member of the Board of Directors including specified information regarding such nominee, which may inhibit or deter such nomination and lengthens the time needed to elect a new majority of the board;

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

Grants to Employee and Directors

In April 2015, the Company issued 192,784 shares of common stock including restricted stock awards, to its employees, executive officer and directors.

Restricted Stock Awards Related to Energy Drink Agreement

In January 2015, the Company entered into an energy drink agreement with Langer Juice and Creative Flavors. In connection with the agreement, the Company issued a total of 150,000 shares of its restricted common stock which vest monthly over a period of three years.

Agreements with Worldwide Apparel, LLC – Muscle Pharm Apparel Rights

In February 2015, the Company entered into an agreement with Worldwide Apparel, LLC ("Worldwide") to terminate Worldwide's right to use MusclePharm's brand images in apparel effective March 28, 2014. The brand rights were originally licensed in May 2011, and amended in March 2014 prior to the termination. The consideration related to the acquisition of the MusclePharm Apparel from Worldwide consists of a cash consideration of $850,000 and 170,000 shares of MusclePharm common stock with an aggregated fair value of $1.4 million on issuance date.

Restricted Stock Awards Issued Related to Financing Agreement

In May 2015, the Company terminated a financing agreement with a lending institution and issued 50,000 shares of its common stock.

Restricted Stock Awards Issued Related to Consulting/Endorsement Agreement

In May 2015, the Company entered into consulting and endorsement agreements with Bill Phillips, a fitness and bodybuilding pioneer, to serve as strategic advisor and Chief Editor of Content of the Company. In connection with the endorsement agreements, the Company issued 50,000 shares of its restricted common stock. In connection with the consulting agreement, the Company agreed to issue shares worth $25,000 within 10 days after each subsequent three month period term. The consulting agreement is for a 3 year period but may be cancelled with 30 days written notice.

The above issuances of these securities were deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(a)(2) thereof, as a transaction by an issuer not involving a public offering.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information.

None.

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Item 6. Exhibits.

Exhibit No.	Description
10.1*	Separation Agreement by and between MusclePharm Corporation and Andrew Lupo dated May 21, 2015
10.2*	Separation Agreement by and between MusclePharm Corporation and Gregory Macosko dated May 21, 2015
10.3*	Separation Agreement by and between MusclePharm Corporation and Daniel McClory dated May 21, 2015
10.4*	Executive Employment Agreement by and between MusclePharm Corporation and Brad Pyatt dated June 24, 2015
10.5*	Executive Employment Agreement by and between MusclePharm Corporation and Richard Estalella dated June 24, 2015
10.6*	Confidentiality and Non-Disclosure Agreement by and between MusclePharm Corporation and Consac, LLC dated June 23, 2015
31.1*	Rule 13 (A) – 14(A) Certification of Principal Executive Officer
31.2*	Rule 13 (A) – 14(A) Certification of Principal Financial Officer
32.1*	Section 1350 Certification of Principal Executive Officer
32.2*	Section 1350 Certification of Principal Financial Officer
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	PRE XBRL Presentation Linkbase Document

* Filed herewith

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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.

MUSCLEPHARM CORPORATION

Date: August 10, 2015

By: /s/ Brad J. Pyatt
Name: Brad J. Pyatt
Title: Chief Executive Officer and President
(Principal Executive Officer)

Date: August 10, 2015

By: /s/ John Price
Name: John Price
Title: Chief Financial Officer
(Principal Financial Officer)
(Principal Accounting Officer)

Exhibit 10.1

SEPARATION AGREEMENT

This Separation Agreement (the "Agreement") is made as of the 19th day of May, 2015 (the "Effective Date"), by and between MusclePharm Corporation ("MusclePharm" or the "Company"), a Nevada corporation, and Mr. Andrew J. Lupo ("Resigning Director") (Company and Resigning Director hereinafter referred to from time to time together as the "Parties").

RECITALS

WHEREAS, Resigning Director is a member of the board of directors (the "Board"), and certain committees thereof, of the Company;

WHEREAS, Resigning Director has determined to resign as a member of the Board and all committees thereof on which he currently sits as of the Effective Date, pursuant to the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, and the mutual covenants contained herein, and for other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, it is hereby stipulated, consented to and agreed to, by and between the Parties as follows:

1. Resignation. Simultaneously with the execution and delivery of this Agreement by the Parties, Resigning Director hereby resigns from the Board and each committee thereof on which he currently sits, effective as of the Effective Date (the "Resignation"). The Resigning Director confirms that his Resignation is not the result of any dispute or disagreement.

2. Compensation. The Parties hereby mutually agree that Resigning Director will be entitled to be paid and receive all compensation, at such time as would normally be paid to such Resigning Director in accordance with the ordinary practices of the Company, in the form of all cash and other standard benefits that would have been paid to him (including reimbursement of verified expenses in accordance with the Company's policies in effect as of the date hereof) through and including June 30, 2015, as if the Resignation were effective June 30, 2015.

3. Equity. The Company hereby acknowledges that all of the equity granted to Resigning Director shall remain the property of the Resigning Director, including the equity granted to Resigning Director in 2014 1,467 shares of restricted stock, all of which have fully vested) and the equity to be granted to Resigning Director in 2015 6,613 shares of restricted stock, which shall continue to vest, and shall be fully vested, as if Resigning Director had remained a member of the Board through and including June 30, 2015 (the "2015 Equity"). The 2015 Equity will be issued to Resigning Director on or prior to the third business day following the Effective Date.

4. Mutual Non-Disparagement. The Company, on behalf of itself and each of its directors, officers, agents, executives and employees, hereby agrees not to make any derogatory or disparaging statement about Resigning Director, his performance on the Board or any committee thereof or otherwise. Resigning Director hereby agrees not to make any derogatory or disparaging statement about the Company, any of its directors, officers, agents, executives, or employees or any of its products. Nothing herein shall prohibit any Party hereto from making any truthful statements: (a) as required by subpoena or as otherwise required by law; or (b) as required to enforce this Agreement.

5. Covenant Not to Sue. Except as otherwise provided below, the Company hereby covenants and agrees not to sue, initiate, or pursue any causes of action, claims, defenses, requests for relief, contributions, indemnities, lawsuits, controversies or the like against Resigning Director in connection with Resigning Director's service as a member of the Board, a member of any committees thereof. Notwithstanding the forgoing, upon notification of the initiation of any action or lawsuit against the Company (or any of its affiliates) by a third party or any enforcement action brought against the Company by the SEC, FINRA, NASDAQ or other regulatory body (each, a "Third Party Claim"), the Company may take the following actions: (i) through the requisite legal process, subpoena information from Resigning Director; and (ii) if upon receipt and review of the underlying facts of the Third Party Claim, including information received from Resigning Director, the Company has concluded, upon the written advice of independent litigation counsel, that Resigning Director's actions could reasonably be the cause of the claims alleged in such Third Party Claim, the Company may then initiate such claims, defenses, request for reliefs, contributions, indemnities, causes of actions, lawsuits and controversies against the Resigning Director that the Company believes to have caused such Third Party Claim. Similarly, Resigning Director hereby covenants and agrees not to sue, initiate, or pursue any causes of action, claims, defenses, requests for relief contributions, indemnities, lawsuits, controversies or the like against the Company in connection with his service a member of the Board or any committees thereof; provided that the covenant not to sue as provided by this sentence in favor of the Company shall not be effective in the event that the Company brings an action against Resigning Director.

6. Confidentiality. The Parties hereby acknowledge and agree to the confidentiality provisions annexed hereto as **Exhibit A. In addition, the Resigning Director agrees that he has no intention of, and will not be, making any filings or disclosures to any third parties, in full compliance with this Section 6**. Such measures are reasonable and necessary to protect the legitimate interests of the Parties, and the Parties received adequate consideration in exchange for agreeing to those restrictions, and as such will abide by those restrictions.

7. Public Disclosure. The Parties hereby agree that the existence, terms and provisions of this Agreement are confidential. As such, any public disclosure related in any way to this Agreement and the terms hereof may only be disclosed 1) as required by law, rule or regulation or 2) for purposes of a Form 8-K/press release or other public disclosure or reporting filing, the language of which will be subject to mutual approval by the Parties in the form attached hereto.

8 Director & Officer Indemnification. The Company hereby agrees 1) to maintain Director & Officer Insurance for Resigning Director, but only to the extent such insurance is provided for other directors of the Company and 2) to provide Resigning Director with the benefit of indemnification and exculpation to the maximum extent permitted under Nevada law, provided, however, such benefits are not prohibited under the terms of the Director & Officer insurance policy, state or federal law, and otherwise considered against public policy under applicable Securities and Exchange Commission or securities exchange rules and regulations.

9. Covenent Not To Assist or Communicate with Wynnefield. Resigning Director hereby agrees that he will not assist or communicate with Wynnefield Partners Small Cap Value, L.P. I, Wynnefield Partners Small Cap Value, L.P., Wynnefield Small Cap Value Offshore Fund, Ltd., and Wynnefield Capital Inc., Profit Sharing Plan, Inc. (or any of their respective affiliates, managers, successors or assigns, collectively, "Wynnefield"), in any claim, cause of action, lawsuit, or controversy concerning or related to the Company or any of its officers or directors, except as may be required by law.

10. Document Retention. The Company hereby acknowledges that it has not, and agrees not to submit in the future, any document preservation notice and/or letter relating to Resigning Director to any third party, unless a suit or action is otherwise authorized hereunder, and otherwise relates to the Agreement or the Resigning Director.

11. Attorneys' Fees. The Company agrees to promptly pay the costs and expenses of the Resigning Director, including legal fees incurred in connection with this Agreement, not exceeding $8,333.33.

12. No Modification. No amendment or modification to this Agreement shall be valid unless it is contained in writing and signed by both Parties hereto.

13. Acknowledgements. Each of the Parties hereby acknowledges that:

a) It/he has read the Agreement, and has full knowledge of the terms and conditions set forth in this Agreement; and

b) It/he fully and unconditionally consents to the terms of this Agreement; and

c) It/he has relied wholly on its/his own judgment, and has had the benefit and advice of its/his attorneys, who are the attorneys of the Party's own choice, as to the execution of the Agreement; and

d) It/he has been afforded the opportunity to negotiate as to any and all terms thereof; and it is executing this Agreement voluntarily, free from any undue influence, coercions, duress, or menace of any kind; and

e) The consideration received by it/him has been actual and adequate; and

f) Nothing in this Agreement shall be construed as an admission of any wrongdoing on the part of either Party.

14. Execution in Counterparts. This Agreement may be executed in multiple counterparts, with the same effect as if the signatures hereto and thereto were upon the same instrument, and shall be effective when completely executed by all Parties. Each counterpart will be deemed an original which taken together shall constitute a single document. A facsimiled or scanned and e-mailed signature will have the same binding effect as the original signature.

15. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof, and supersedes all prior discussions, negotiations, representations, statements, proposed agreements, agreements, undertakings and understandings, both written and verbal, express or implied, between the Parties with respect hereto. Except as explicitly set forth in this Agreement, there are no representations, warranties, or inducements, whether oral, written, expressed or implied, that in any way affect or condition the validity of this Agreement or any of its conditions or terms. All prior negotiations, oral or written, are merged in this Agreement.

16. Survival. The Parties hereby agree that the provisions of this Agreement, including, without limitation, the representations, warranties, covenants and releases made herein, shall survive the execution of this Agreement and the performance by the Parties of their respective obligations under this Agreement.

17. Severability. If any provision in this Agreement shall be adjudged void or unenforceable, the same shall not affect the validity of this Agreement as a whole.

18. No Assignment. No Party shall assign this Agreement without first obtaining the written consent of the other Party; provided, however, that this Paragraph shall not prohibit any assignment by a Party by merger, consolidation, sale of assets, or operation of law. Subject to the foregoing, this Agreement shall extend to and be binding upon the Parties, their successors and permitted assigns.

19. Representation of Authority. Any individual signing this Agreement on behalf of an entity represents and warrants that he or she has full authority to do so. The signatories to this Agreement respectively warrant that they are fully authorized to enter into this Agreement on behalf of their respective entity or individual; that entities which are corporations, partnerships or limited liability companies are duly organized, validly existing and in good standing; and that the making, execution and performance of this Agreement have been duly approved by the entities' governing bodies and do not violate any provision of the entity's respective articles of incorporation, charters, by-laws, or partnership agreements.

20. Cooperation. The Parties agree to cooperate fully with one another in effecting and carrying out the terms and conditions of this Agreement. The Parties and their associated entities shall execute and deliver such other instruments and take such other action as they may require to more effectively complete any matter provided for herein.

21. Governing Law and Choice of Venue. This Agreement is subject to and shall be interpreted under and pursuant to the laws of the State of New York, irrespective of the conflicts of law principles of that state. Any action filed pursuant to this agreement shall be adjudicated in the State of New York, County of New York.

22. Injunctive Relief. Due to the confidential, unique and valuable nature of the Agreement, the Parties acknowledge and agree that in the event the either Party fails to comply with its obligations hereunder, monetary damages may be inadequate to compensate the other Party. Accordingly, the Parties agree that in addition to any other remedies available to it at law or in equity, each Party be entitled to seek injunctive relief to enforce the terms of this Agreement. Such remedies shall be available to the Parties in addition to all other remedies available at law or equity.

23. Notices. Any notice required or permitted to be given hereunder shall be sufficient if given in writing, and sent by express delivery service, e.g. Federal Express or UPS, or by registered or certified mail, postage prepaid, addressed as follows:

If to MusclePharm:

MusclePharm
Attn: Brad Pyatt; CEO
4721 Ironton Street; Bldg A
Denver, CO 80239

With a copy to:

Sichenzia Ross Friedman Ference LLP
61 Broadway, 32nd Floor
New York, NY 10006
Attention : Harvey J. Kesner, Esq.
Edward H. Schauder, Esq.

If to the Resigning Director:

Andrew J. Lupo
47 San Marco Street
Princeton Junction, NJ 08550

With a copy to:

Lombardo Dufresne, LLP
denis@lombardodufresne.com
louis@lombardodufresne.com

or to such other address as the parties hereto may specify, in writing, from time to time. Written notice given as provided in this paragraph shall be deemed received by the other party two business days after the date the mail is stamped registered or certified and deposited in the mail, or deposited with an express delivery service.

[SIGNATURES ON FOLLOWING PAGE]

WHEREFORE, the Parties hereto have caused this Separation Agreement to be executed as of the date last set forth below.

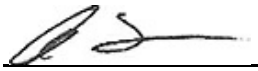
Dated:

MUSCLEPHARM CORPORATION

By: _____
Name:
Title:

Dated: 5/19/15

Andrew Lupo

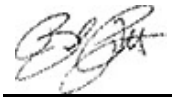
By: 

Name: Andrew Lupo

WHEREFORE, the Parties hereto have caused this Separation Agreement to be executed as of the date last set forth below.

Dated:

MUSCLEPHARM CORPORATION

By: 

Name: Brad Pyatt
Title: CEO/Chairman of the Board

Dated:

ANDREW J. LUPO

By: _____
Name:

EXHIBIT A

Confidentiality. Resigning Director acknowledges that he had obtained access to certain confidential information concerning the Company and its plans and affairs, including, but not limited to, business methods, systems, scheduling, financial data, trade secrets, intellectual property, and strategic plans which are unique assets *("Confidential Information").* Resigning Director agrees to maintain in strict confidentiality all Confidential Information, and at no time to disclose any Confidential Information to any person, firm, or entity, for any purpose. Resigning Director further undertakes that he shall not use such Confidential Information for personal gain. Notwithstanding the foregoing, Resigning Director may disclose Confidential Information when he is either legally compelled to, or such information is publically available.

Exhibit 10.2

SEPARATION AGREEMENT

This Separation Agreement (the "Agreement") is made as of the 21st day of May, 2015 (the "Effective Date"), by and between MusclePharm Corporation ("MusclePharm" or the "Company"), a Nevada corporation, and Mr. Gregory M. Macosko ("Resigning Director") (Company and Resigning Director hereinafter referred to from time to time together as the "Parties").

RECITALS

WHEREAS, Resigning Director is a member of the board of directors (the "Board"), and certain committees thereof, of the Company;

WHEREAS, Resigning Director has determined to resign as a member of the Board and all committees thereof on which he currently sits as of the Effective Date, pursuant to the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, and the mutual covenants contained herein, and for other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, it is hereby stipulated, consented to and agreed to, by and between the Parties as follows:

1. Resignation. Simultaneously with the execution and delivery of this Agreement by the Parties, Resigning Director hereby resigns from the Board and each committee thereof on which he currently sits, effective as of the Effective Date (the "Resignation"). The Resigning Director confirms that his Resignation is not the result of any dispute or disagreement.

2. Compensation. The Parties hereby mutually agree that Resigning Director will be entitled to be paid and receive all compensation, at such time as would normally be paid to such Resigning Director in accordance with the ordinary practices of the Company, in the form of all cash and other standard benefits that would have been paid to him (including reimbursement of verified expenses in accordance with the Company's policies in effect as of the date hereof) through and including June 30, 2015, as if the Resignation were effective June 30, 2015.

3. Equity. The Company hereby acknowledges that all of the equity granted to Resigning Director shall remain the property of the Resigning Director, including the equity granted to Resigning Director in 2014 3,281 shares of restricted stock, all of which have fully vested) and the equity to be granted to Resigning Director in 2015 6,613 shares of restricted stock, which shall continue to vest, and shall be fully vested, as if Resigning Director had remained a member of the Board through and including June 30, 2015 (the "2015 Equity"). The 2015 Equity will be issued to Resigning Director on or prior to the third business day following the Effective Date.

4. Mutual Non-Disparagement. The Company, on behalf of itself and each of its directors, officers, agents, executives and employees, hereby agrees not to make any derogatory or disparaging statement about Resigning Director, his performance on the Board or any committee thereof or otherwise. Resigning Director hereby agrees not to make any derogatory or disparaging statement about the Company, any of its directors, officers, agents, executives, or employees or any of its products. Nothing herein shall prohibit any Party hereto from making any truthful statements: (a) as required by subpoena or as otherwise required by law; or (b) as required to enforce this Agreement.

5. Covenant Not to Sue. Except as otherwise provided below, the Company hereby covenants and agrees not to sue, initiate, or pursue any causes of action, claims, defenses, requests for relief, contributions, indemnities, lawsuits, controversies or the like against Resigning Director in connection with Resigning Director's service as a member of the Board, a member of any committees thereof. Notwithstanding the forgoing, upon notification of the initiation of any action or lawsuit against the Company (or any of its affiliates) by a third party or any enforcement action brought against the Company by the SEC, FINRA, NASDAQ or other regulatory body (each, a "Third Party Claim"), the Company may take the following actions: (i) through the requisite legal process, subpoena information from Resigning Director; and (ii) if upon receipt and review of the underlying facts of the Third Party Claim, including information received from Resigning Director, the Company has concluded, upon the written advice of independent litigation counsel, that Resigning Director's actions could reasonably be the cause of the claims alleged in such Third Party Claim, the Company may then initiate such claims, defenses, request for reliefs, contributions, indemnities, causes of actions, lawsuits and controversies against the Resigning Director that the Company believes to have caused such Third Party Claim. Similarly, Resigning Director hereby covenants and agrees not to sue, initiate, or pursue any causes of action, claims, defenses, requests for relief, contributions, indemnities, lawsuits, controversies or the like against the Company in connection with his service a member of the Board or any committees thereof; provided that the covenant not to sue as provided by this sentence in favor of the Company shall not be effective in the event that the Company brings an action against Resigning Director.

6. Confidentiality. The Parties hereby acknowledge and agree to the confidentiality provisions annexed hereto as **Exhibit A. In addition, the Resigning Director agrees that he has no intention of, and will not be, making any filings or disclosures to any third parties, in full compliance with this Section 6.** Such measures are reasonable and necessary to protect the legitimate interests of the Parties, and the Parties received adequate consideration in exchange for agreeing to those restrictions, and as such will abide by those restrictions.

7. Public Disclosure. The Parties hereby agree that the existence, terms and provisions of this Agreement are confidential. As such, any public disclosure related in any way to this Agreement and the terms hereof may only be disclosed 1) as required by law, rule or regulation or 2) for purposes of a Form 8-K/press release or other public disclosure or reporting filing, the language of which will be subject to mutual approval by the Parties in the form attached hereto.

8 Director & Officer Indemnification. The Company hereby agrees 1) to maintain Director & Officer Insurance for Resigning Director, but only to the extent such insurance is provided for other directors of the Company and 2) to provide Resigning Director with the benefit of indemnification and exculpation to the maximum extent permitted under Nevada law, provided, however, such benefits are not prohibited under the terms of the Director & Officer insurance policy, state or federal law, and otherwise considered against public policy under applicable Securities and Exchange Commission or securities exchange rules and regulations.

9. Covenent Not To Assist or Communicate with Wynnefield. Resigning Director hereby agrees that he will not assist or communicate with Wynnefield Partners Small Cap Value, L.P. I, Wynnefield Partners Small Cap Value, L.P., Wynnefield Small Cap Value Offshore Fund, Ltd., and Wynnefield Capital Inc., Profit Sharing Plan, Inc. (or any of their respective affiliates, managers, successors or assigns, collectively, "Wynnefield"), in any claim, cause of action, lawsuit, or controversy concerning or related to the Company or any of its officers or directors, except as may be required by law.

10. Document Retention. The Company hereby acknowledges that it has not, and agrees not to submit in the future, any document preservation notice and/or letter relating to Resigning Director to any third party, unless a suit or action is otherwise authorized hereunder, and otherwise relates to the Agreement or the Resigning Director.

11. Attorneys' Fees. The Company agrees to promptly pay the costs and expenses of the Resigning Director, including legal fees incurred in connection with this Agreement, not exceeding $8,333.33.

12. No Modification. No amendment or modification to this Agreement shall be valid unless it is contained in writing and signed by both Parties hereto.

13. Acknowledgements. Each of the Parties hereby acknowledges that:

a) It/he has read the Agreement, and has full knowledge of the terms and conditions set forth in this Agreement; and

b) It/he fully and unconditionally consents to the terms of this Agreement; and

c) It/he has relied wholly on its/his own judgment, and has had the benefit and advice of its/his attorneys, who are the attorneys of the Party's own choice, as to the execution of the Agreement; and

d) It/he has been afforded the opportunity to negotiate as to any and all terms thereof; and it is executing this Agreement voluntarily, free from any undue influence, coercions, duress, or menace of any kind; and

e) The consideration received by it/him has been actual and adequate; and

f) Nothing in this Agreement shall be construed as an admission of any wrongdoing on the part of either Party.

14. Execution in Counterparts. This Agreement may be executed in multiple counterparts, with the same effect as if the signatures hereto and thereto were upon the same instrument, and shall be effective when completely executed by all Parties. Each counterpart will be deemed an original which taken together shall constitute a single document. A facsimiled or scanned and e-mailed signature will have the same binding effect as the original signature.

15. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof, and supersedes all prior discussions, negotiations, representations, statements, proposed agreements, agreements, undertakings and understandings, both written and verbal, express or implied, between the Parties with respect hereto. Except as explicitly set forth in this Agreement, there are no representations, warranties, or inducements, whether oral, written, expressed or implied, that in any way affect or condition the validity of this Agreement or any of its conditions or terms. All prior negotiations, oral or written, are merged in this Agreement.

16. Survival. The Parties hereby agree that the provisions of this Agreement, including, without limitation, the representations, warranties, covenants and releases made herein, shall survive the execution of this Agreement and the performance by the Parties of their respective obligations under this Agreement.

17. Severability. If any provision in this Agreement shall be adjudged void or unenforceable, the same shall not affect the validity of this Agreement as a whole.

18. No Assignment. No Party shall assign this Agreement without first obtaining the written consent of the other Party; provided, however, that this Paragraph shall not prohibit any assignment by a Party by merger, consolidation, sale of assets, or operation of law. Subject to the foregoing, this Agreement shall extend to and be binding upon the Parties, their successors and permitted assigns.

19. Representation of Authority. Any individual signing this Agreement on behalf of an entity represents and warrants that he or she has full authority to do so. The signatories to this Agreement respectively warrant that they are fully authorized to enter into this Agreement on behalf of their respective entity or individual; that entities which are corporations, partnerships or limited liability companies are duly organized, validly existing and in good standing; and that the making, execution and performance of this Agreement have been duly approved by the entities' governing bodies and do not violate any provision of the entity's respective articles of incorporation, charters, by-laws, or partnership agreements.

20. Cooperation. The Parties agree to cooperate fully with one another in effecting and carrying out the terms and conditions of this Agreement. The Parties and their associated entities shall execute and deliver such other instruments and take such other action as they may require to more effectively complete any matter provided for herein.

21. Governing Law and Choice of Venue. This Agreement is subject to and shall be interpreted under and pursuant to the laws of the State of New York, irrespective of the conflicts of law principles of that state. Any action filed pursuant to this agreement shall be adjudicated in the State of New York, County of New York.

22. Injunctive Relief. Due to the confidential, unique and valuable nature of the Agreement, the Parties acknowledge and agree that in the event the either Party fails to comply with its obligations hereunder, monetary damages may be inadequate to compensate the other Party. Accordingly, the Parties agree that in addition to any other remedies available to it at law or in equity, each Party be entitled to seek injunctive relief to enforce the terms of this Agreement. Such remedies shall be available to the Parties in addition to all other remedies available at law or equity.

23. Notices. Any notice required or permitted to be given hereunder shall be sufficient if given in writing, and sent by express delivery service, e.g. Federal Express or UPS, or by registered or certified mail, postage prepaid, addressed as follows:

If to MusclePharm:

MusclePharm
Attn: Brad Pyatt; CEO
4721 Ironton Street; Bldg A
Denver, CO 80239

With a copy to:

Sichenzia Ross Friedman Ference LLP
61 Broadway, 32nd Floor
New York, NY 10006
Attention : Harvey J. Kesner, Esq.
Edward H. Schauder, Esq.

If to the Resigning Director:

Gregory M. Macosko
484 W. 43rd Street, Apt. 25D
New York, NY 10036

With a copy to:

Lombardo Dufresne, LLP
denis@lombardodufresne.com
louis@lombardodufresne.com

or to such other address as the parties hereto may specify, in writing, from time to time. Written notice given as provided in this paragraph shall be deemed received by the other party two business days after the date the mail is stamped registered or certified and deposited in the mail, or deposited with an express delivery service.

[SIGNATURES ON FOLLOWING PAGE]

WHEREFORE, the Parties hereto have caused this Separation Agreement to be executed as of the date last set forth below.

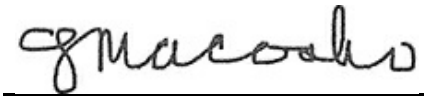
Dated:

MUSCLEPHARM CORPORATION

By: _____
Name:
Title:

Dated: 19/05/15

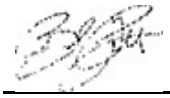
GREGORY M. MACOSKO

By: 
Name:

WHEREFORE, the Parties hereto have caused this Separation Agreement to be executed as of the date last set forth below.

Dated:

MUSCLEPHARM CORPORATI0N

By: 

Name: Brad Pyatt
Title: CEO/Chairman of the Board

Dated:

GREGORY M. MACOSKO

By: _____
Name:

EXHIBIT A

Confidentiality. Resigning Director acknowledges that he had obtained access to certain confidential information concerning the Company and its plans and affairs, including, but not limited to, business methods, systems, scheduling, financial data, trade secrets, intellectual property, and strategic plans which are unique assets *("Confidential Information").* Resigning Director agrees to maintain in strict confidentiality all Confidential Information, and at no time to disclose any Confidential Information to any person, firm, or entity, for any purpose. Resigning Director further undertakes that he shall not use such Confidential Information for personal gain. Notwithstanding the foregoing, Resigning Director may disclose Confidential Information when he is either legally compelled to, or such information is publically available.

Exhibit 10.3

SEPARATION AGREEMENT

This Separation Agreement (the "Agreement") is made as of the 21st day of May, 2015 (the "Effective Date"), by and between MusclePharm Corporation ("MusclePharm" or the "Company"), a Nevada corporation, and Mr. Daniel Joseph McClory ("Resigning Director") (Company and Resigning Director hereinafter referred to from time to time together as the "Parties").

RECITALS

WHEREAS, Resigning Director is a member of the board of directors (the "Board"), and certain committees thereof, of the Company;

WHEREAS, Resigning Director has determined to resign as a member of the Board and all committees thereof on which he currently sits as of the Effective Date, pursuant to the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, and the mutual covenants contained herein, and for other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, it is hereby stipulated, consented to and agreed to, by and between the Parties as follows:

1. **Resignation.** Simultaneously with the execution and delivery of this Agreement by the Parties, Resigning Director hereby resigns from the Board and each committee thereof on which he currently sits, effective as of the Effective Date (the "Resignation"). The Resigning Director confirms that his Resignation is not the result of any dispute or disagreement.

2. Compensation. The Parties hereby mutually agree that Resigning Director will be entitled to be paid and receive all compensation, at such time as would normally be paid to such Resigning Director in accordance with the ordinary practices of the Company, in the form of all cash and other standard benefits that would have been paid to him (including reimbursement of verified expenses in accordance with the Company's policies in effect as of the date hereof) through and including June 30, 2015, as if the Resignation were effective June 30, 2015.

3. Equity. The Company hereby acknowledges that all of the equity granted to Resigning Director shall remain the property of the Resigning Director, including the equity granted to Resigning Director in 2014 12,214 shares of restricted stock, all of which have fully vested) and the equity to be granted to Resigning Director in 2015 6,613 shares of restricted stock, which shall continue to vest, and shall be fully vested, as if Resigning Director had remained a member of the Board through and including June 30, 2015 (the "2015 Equity"). The 2015 Equity will be issued to Resigning Director on or prior to the third business day following the Effective Date.

4. Mutual Non-Disparagement. The Company, on behalf of itself and each of its directors, officers, agents, executives and employees, hereby agrees not to make any derogatory or disparaging statement about Resigning Director, his performance on the Board or any committee thereof or otherwise. Resigning Director hereby agrees not to make any derogatory or disparaging statement about the Company, any of its directors, officers, agents, executives, or employees or any of its products. Nothing herein shall prohibit any Party hereto from making any truthful statements: (a) as required by subpoena or as otherwise required by law; or (b) as required to enforce this Agreement.

5. Covenant Not to Sue. Except as otherwise provided below, the Company hereby covenants and agrees not to sue, initiate, or pursue any causes of action, claims, defenses, requests for relief, contributions, indemnities, lawsuits, controversies or the like against Resigning Director in connection with Resigning Director's service as a member of the Board, a member of any committees thereof. Notwithstanding the forgoing, upon notification of the initiation of any action or lawsuit against the Company (or any of its affiliates) by a third party or any enforcement action brought against the Company by the SEC, FINRA, NASDAQ or other regulatory body (each, a "Third Party Claim"), the Company may take the following actions: (i) through the requisite legal process, subpoena information from Resigning Director; and (ii) if upon receipt and review of the underlying facts of the Third Party Claim, including information received from Resigning Director, the Company has concluded, upon the written advice of independent litigation counsel, that Resigning Director's actions could reasonably be the cause of the claims alleged in such Third Party Claim, the Company may then initiate such claims, defenses, request for reliefs, contributions, indemnities, causes of actions, lawsuits and controversies against the Resigning Director that the Company believes to have caused such Third Party Claim. Similarly, Resigning Director hereby covenants and agrees not to sue, initiate, or pursue any causes of action, claims, defenses, requests for relief, contributions, indemnities, lawsuits, controversies or the like against the Company in connection with his service a member of the Board or any committees thereof; provided that the covenant not to sue as provided by this sentence in favor of the Company shall not be effective in the event that the Company brings an action against Resigning Director.

6. Confidentiality. The Parties hereby acknowledge and agree to the confidentiality provisions annexed hereto as **Exhibit A. In addition, the Resigning Director agrees that he has no intention of, and will not be, making any filings or disclosures to any third parties, in full compliance with this Section 6.** Such measures are reasonable and necessary to protect the legitimate interests of the Parties, and the Parties received adequate consideration in exchange for agreeing to those restrictions, and as such will abide by those restrictions.

7. Public Disclosure. The Parties hereby agree that the existence, terms and provisions of this Agreement are confidential. As such, any public disclosure related in any way to this Agreement and the terms hereof may only be disclosed 1) as required by law, rule or regulation or 2) for purposes of a Form 8-K/press release or other public disclosure or reporting filing, the language of which will be subject to mutual approval by the Parties in the form attached hereto.

8. Director & Officer Indemnification. The Company hereby agrees 1) to maintain Director & Officer Insurance for Resigning Director, but only to the extent such insurance is provided for other directors of the Company and 2) to provide Resigning Director with the benefit of indemnification and exculpation to the maximum extent permitted under Nevada law, provided, however, such benefits are not prohibited under the terms of the Director & Officer insurance policy, state or federal law, and otherwise considered against public policy under applicable Securities and Exchange Commission or securities exchange rules and regulations.

9. **Covenent Not To Assist or Communicate with Wynnefield.** Resigning Director hereby agrees that he will not assist or communicate with Wynnefield Partners Small Cap Value, L.P. I, Wynnefield Partners Small Cap Value, L.P., Wynnefield Small Cap Value Offshore Fund, Ltd., and Wynnefield Capital Inc., Profit Sharing Plan, Inc. (or any of their respective affiliates, managers, successors or assigns, collectively, "Wynnefield"), in any claim, cause of action, lawsuit, or controversy concerning or related to the Company or any of its officers or directors, except as may be required by law.

10. Document Retention. The Company hereby acknowledges that it has not, and agrees not to submit in the future, any document preservation notice and/or letter relating to Resigning Director to any third party, unless a suit or action is otherwise authorized hereunder, and otherwise relates to the Agreement or the Resigning Director.

11. Attorneys' Fees. The Company agrees to promptly pay the costs and expenses of the Resigning Director, including legal fees incurred in connection with this Agreement, not exceeding $8,333.33.

12. No Modification. No amendment or modification to this Agreement shall be valid unless it is contained in writing and signed by both Parties hereto.

13. Acknowledgements. Each of the Parties hereby acknowledges that:

a) It/he has read the Agreement, and has full knowledge of the terms and conditions set forth in this Agreement; and

b) It/he fully and unconditionally consents to the terms of this Agreement; and

c) It/he has relied wholly on its/his own judgment, and has had the benefit and advice of its/his attorneys, who are the attorneys of the Party's own choice, as to the execution of the Agreement; and

d) It/he has been afforded the opportunity to negotiate as to any and all terms thereof; and it is executing this Agreement voluntarily, free from any undue influence, coercions, duress, or menace of any kind; and

e) The consideration received by it/him has been actual and adequate; and

f) Nothing in this Agreement shall be construed as an admission of any wrongdoing on the part of either Party,

14. Execution in Counterparts. This Agreement may be executed in multiple counterparts, with the same effect as if the signatures hereto and thereto were upon the same instrument, and shall be effective when completely executed by all Parties. Each counterpart will be deemed an original which taken together shall constitute a single document. A facsimiled or scanned and e-mailed signature will have the same binding effect as the original signature.

15. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof, and supersedes all prior discussions, negotiations, representations, statements, proposed agreements, agreements, undertakings and understandings, both written and verbal, express or implied, between the Parties with respect hereto. Except as explicitly set forth in this Agreement, there are no representations, warranties, or inducements, whether oral, written, expressed or implied, that in any way affect or condition the validity of this Agreement or any of its conditions or terms. All prior negotiations, oral or written, are merged in this Agreement.

16. Survival. The Parties hereby agree that the provisions of this Agreement, including, without limitation, the representations, warranties, covenants and releases made herein, shall survive the execution of this Agreement and the performance by the Parties of their respective obligations under this Agreement.

17. Severability. If any provision in this Agreement shall be adjudged void or unenforceable, the same shall not affect the validity of this Agreement as a whole.

18. No Assignment. No Party shall assign this Agreement without first obtaining the written consent of the other Party; provided, however, that this Paragraph shall not prohibit any assignment by a Party by merger, consolidation, sale of assets, or operation of law. Subject to the foregoing, this Agreement shall extend to and be binding upon the Parties, their successors and permitted assigns.

19. Representation of Authority. Any individual signing this Agreement on behalf of an entity represents and warrants that he or she has full authority to do so. The signatories to this Agreement respectively warrant that they are fully authorized to enter into this Agreement on behalf of their respective entity or individual; that entities which are corporations, partnerships or limited liability companies are duly organized, validly existing and in good standing; and that the making, execution and performance of this Agreement have been duly approved by the entities' governing bodies and do not violate any provision of the entity's respective articles of incorporation, charters, by-laws, or partnership agreements.

20. Cooperation. The Parties agree to cooperate fully with one another in effecting and carrying out the terms and conditions of this Agreement. The Parties and their associated entities shall execute and deliver such other instruments and take such other action as they may require to more effectively complete any matter provided for herein.

21. Governing Law and Choice of Venue. This Agreement is subject to and shall be interpreted under and pursuant to the laws of the State of New York, irrespective of the conflicts of law principles of that state. Any action filed pursuant to this agreement shall be adjudicated in the State of New York, County of New York.

22. Injunctive Relief. Due to the confidential, unique and valuable nature of the Agreement, the Parties acknowledge and agree that in the event the either Party fails to comply with its obligations hereunder, monetary damages may be inadequate to compensate the other Party. Accordingly, the Parties agree that in addition to any other remedies available to it at law or in equity, each Party be entitled to seek injunctive relief to enforce the terms of this Agreement. Such remedies shall be available to the Parties in addition to all other remedies available at law or equity.

23. Notices. Any notice required or permitted to be given hereunder shall be sufficient if given in writing, and sent by express delivery service, e.g. Federal Express or UPS, or by registered or certified mail, postage prepaid, addressed as follows:

If to MusclePharm:

MusclePharm
Attn: Brad Pyatt; CEO
4721 Ironton Street; Bldg A
Denver, CO 80239

With a copy to:

Sichenzia Ross Friedman Ference LLP
61 Broadway, 32nd Floor
New York, NY 10006
Attention : Harvey J. Kesner, Esq.
Edward H. Schauder, Esq.

If to the Resigning Director:

Daniel Joseph McClory
37 Cardiff
Laguna Niguel, CA 92677

With a copy to:

Lombardo Dufresne, LLP
denis@lombardodufresne.com
louis@lombardodufresne.com

or to such other address as the parties hereto may specify, in writing, from time to time. Written notice given as provided in this paragraph shall be deemed received by the other party two business days after the date the mail is stamped registered or certified and deposited in the mail, or deposited with an express delivery service.

[SIGNATURES ON FOLLOWING PAGE]

WHEREFORE, the Parties hereto have caused this Separation Agreement to be executed as of the date last set forth below.

Dated:

MUSCLEPHARM CORPORATION

By: _____
Name:
Title:

Dated: 5-19-15

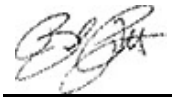
DANIEL J. MCCLORY

By: _____
Name:

WHEREFORE, the Parties hereto have caused this Separation Agreement to be executed as of the date last set forth below.

Dated:

MUSCLEPHARM CORPORATION

By: 

Name: Brad Pyatt
Title: CEO/Chairman of the Board

Dated:

DANIEL JOSEPH McCLORY

By: _____
Name:

EXHIBIT A

Confidentiality. Resigning Director acknowledges that he had obtained access to certain confidential information concerning the Company and its plans and affairs, including, but not limited to, business methods, systems, scheduling, financial data, trade secrets, intellectual property, and strategic plans which are unique assets *("Confidential Information").* Resigning Director agrees to maintain in strict confidentiality all Confidential Information, and at no time to disclose any Confidential Information to any person, firm, or entity, for any purpose. Resigning Director further undertakes that he shall not use such Confidential Information for personal gain. Notwithstanding the foregoing, Resigning Director may disclose Confidential Information when he is either legally compelled to, or such information is publically available.

Exhibit 10.4

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT ("Agreement") is made and entered into as of the 24th day of June 2015, by and between MusclePharm Corporation, a Nevada corporation headquartered at 4721 Ironton Street, Building A, Denver, Colorado 80239 ("Company") and Brad Pyatt, an individual residing at 11345 W. 38th AVE. Wheatridge, Co 80033 ("Executive"). As used herein, the "Effective Date" of this Agreement shall mean January 1, 2015.

W I T N E S S E T H:

WHEREAS, the Executive desires to be employed by the Company as its Chief Executive Officer and the Company wishes to employ the Executive in such capacity.

NOW, THEREFORE, in consideration of the foregoing and their respective covenants and agreements contained in this document, the Company and the Executive hereby agree as follows:

1. Employment and Duties. The Company agrees to employ and the Executive agrees to serve as the Company's Chief Executive Officer. The duties and responsibilities of the Executive shall include the duties and responsibilities as the Company's Board of Directors ("Board") may from time to time assign to the Executive.

The Executive shall devote substantially all of his working time and efforts during the Company's normal business hours to the business and affairs of the Company and its subsidiaries and to the diligent and faithful performance of the duties and responsibilities duly assigned to him pursuant to this Agreement. Provided that none of his additional activities interferes with the performance of the duties and responsibilities of the Executive, is determined by the Board to be inconsistent with the position, standing, stature, reputation or best interests of the Company or violates the terms of Section 14, nothing in this Section 1 shall prohibit the Executive from: (A) serving as a director or member of a committee of up to two (2) entities that do not, in the good faith determination of the Board, compete or present the appearance of competition with the Company or otherwise create, or could create, in the good faith determination of the Board, a conflict of interest or appearance of a conflict of interest with the business of the Company; (B) delivering lectures, fulfilling speaking engagements, and any writing or publication relating to his area of expertise; (C) serving as a director or trustee of any governmental, charitable or educational organization (D) engaging in additional activities in connection with personal investments and community affairs, including, without limitation, professional or charitable sports and/or coaching, nutrition or similar organization committees, boards, memberships or similar associations or affiliations or (E) performing coaching or advisory activities,

2. Term. The term of this Agreement shall commence on the Effective Date and shall continue for a period of five (5) years following the Effective Date and shall be automatically renewed for successive one (1) year periods thereafter unless either party provides the other party with written notice of his or its intention not to renew this Agreement at least three (3) months prior to the expiration of the initial term or any renewal term of this Agreement. "Employment Period" shall mean the initial five (5) year term plus renewals, if any.

3. Place of Employment. The Executive's services shall be performed at the Company's offices located in Denver, Colorado. The parties acknowledge, however, that the Executive may be required to travel in connection with the performance of his duties hereunder,

4. Base Salary. Consistent with the Executive Compensation Plan approved by the Board and attached as Exhibit A to this Agreement, the Company agrees to pay the Executive a base salary (''Base Salary") for 2015 at an annual rate of $425,000.00. Executive's Base Salary for 2016 shall be $570,000. For 2017, Executive's base salary shall be $592,000. Annual adjustments after the first three years of the Employment Period shall be determined by the Board (but in no event less than the 50th percentile of comparable peer companies based on independent consultant report retained by the Company). The Base Salary shall be paid in periodic installments in accordance with the Company's regular payroll practices.

5. Target Incentive Bonuses. During the Employment Period, Executive shall be entitled to receive short term and long term target incentive bonuses as follows.

(a) Each year during the Employment Period, the Executive shall be entitled to an annual incentive bonus ("Annual Bonus") in an amount up to 125% of Base Salary. Entitlement to this Annual Bonus shall be based in part upon the Executive's substantial performance in achieving certain corporate financial measures adopted by the Compensation Committee of the Board ("Compensation Committee"), and in part upon specific non-financial goals and objectives established by the Compensation Committee for the Executive. The annual incentive percentage allocation for the years 2015-2017 of the Employment Period, and the targeted company financial goals, are set forth in Exhibit A, and incorporated herein by reference. The Compensation Committee shall establish similar target financial and personal goals for the Executive's Annual Bonus for subsequent years. The portion of the Annual Bonus that is tied to annual corporate financial measures shall be paid within thirty (30) days following the Company's annual audit and announcement of earnings, but no later than April 1 of the calendar year immediately following the year with respect to which the Annual Bonus was earned. The portion of the Annual Bonus tied to the specific goals and objectives established for the Executive by the Compensation Committee shall be paid on the Company's regular payroll date coinciding with or immediately following the end of the quarter with respect to which such goals and objectives were attained by the Executive. The Compensation Committee may provide for lesser or greater percentage Annual Bonus payments for the Executive upon attainment of partial or additional criteria established or determined by the Compensation Committee from time to time.

Upon his termination from employment, the Executive shall be entitled to receive a pro-rata portion of the Annual Bonus calculated based upon his final day of employment, regardless of whether he is employed by the Company through the conclusion of the fiscal quarter or year, as the case may be, on which the Annual Bonus is based.

(b) Each year during the Employment Period, the Executive shall receive restricted shares, incentive stock options and/or performance shares or combination thereof to be determined by the Company's Compensation Committee ("Long Term Incentive") in the fixed value amount approved by the Compensation Committee as set forth in Attachment A. The fixed value of the Long Term Incentive granted to Executive shall be $817,000 for 2015 and $840,000 for 2016. For 2017, the fixed value of the Long Term Incentive granted to the Executive shall be $873,600. The Compensation Committee shall establish comparable Long

Term Incentive awards for the Executive in subsequent years of the Employment Period. Any Long Term Incentive awarded to the Executive under this Section 5(b) shall be subject to the terms and conditions of the Company's 2015 Long Term Incentive Plan and the related Award Agreement all as determined in the sole discretion of the Compensation Committee; provided that, every such Award Agreement shall specify that upon termination of the Executive's employment for any reason by the Company or by the Executive any unvested portion of the Long Term Incentive shall immediately vest.

6. Severance Compensation. Upon termination of employment for any reason, the Executive shall be entitled to: (A) all Base Salary earned through the date of termination to be paid according to Section 4; (B) any and all reasonable expenses paid or incurred by the Executive in connection with and related to the performance of his duties and responsibilities for the Company during the period ending on the termination date to be paid according to Section 8; (C) any accrued but unused vacation time through the termination date in accordance with Company policy; and (D) any Annual Bonuses earned through the date of termination to be paid according to Section 5(a); and (E) all Long Term Incentives earned prior to termination.

Additionally, if the Executive's employment is terminated prior to expiration of the Employment Period (including due to his death or Disability, as defined in Section 12(b)) unless the Executive's employment is terminated for Cause (as defined in Section 12(c)) or the Executive terminates his employment without Good Reason (as defined in Section 12(d) and other than for a Change in Control as provided in Section 12(d) and Section 12(f)), the Executive shall be entitled to receive a cash amount equal to three hundred percent (300%) of the sum of the Executive's Base Salary, Annual Bonus and Long Term Incentive earned during the year immediately preceding the date of termination (herein the "Separation Payment"); provided, that the Executive executes an agreement releasing Company and its affiliates from any liability associated with this Agreement and such release is irrevocable at the time the Separation Payment is first payable under this Section 6 and the Executive complies with his other obligations under Sections 13 and 14 of this Agreement. Subject to the terms hereof, one-half (1/2) of the Separation Payment shall be paid within thirty (30) days of the Executive's termination of employment ("Initial Payment"), provided that the Executive has executed a release; and the balance of the Separation Payment shall be paid in substantially equal installments on the Company's regular payroll dates beginning with the first payroll date coincident with or immediately following the Initial Payment and ending with the last payroll date that occurs in the third calendar year beginning after the Executive's termination of employment.

The Executive may continue coverage with respect to the Company's group health plans as permitted by the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for himself and each of his "Qualified Beneficiaries" as defined by COBRA ("COBRA Coverage"). The Company shall reimburse the amount of any COBRA premium paid for COBRA Coverage timely elected by and for the Executive and any Qualified Beneficiary of the Executive, and not otherwise reimbursed, during the period that ends on the earliest of (x) the date the Executive or the Qualified Beneficiary, as the case may be, ceases to be eligible for COBRA Coverage, (y) the last day of the consecutive eighteen (18) month period following the date of the Executive's termination of employment and (z) the date the Executive or the Qualified Beneficiary, as the case may be, is covered by another group health plan. To reimburse any COBRA premium payment under this paragraph, the Company must receive documentation of the COBRA premium payment within ninety (90) days of its payment.

7. Clawback Rights. The Annual Bonus, and any and all stock based compensation (such as options and equity awards) (collectively, the "Clawback Benefits") shall be subject to "Clawback Rights" as follows: during the period that the Executive is employed by the Company and upon the termination of the Executive's employment and for a period of three (3) years thereafter, if there is a restatement of any financial results from which any Clawback Benefits to the Executive shall have been determined, the Executive agrees to repay any amounts which were determined by reference to any Company financial results which were later restated (as defined below), to the extent the Clawback Benefits amounts paid exceed the Clawback Benefits amounts that would have been paid, based on the restatement of the Company's financial information. All Clawback Benefits amounts resulting from such restated financial results shall be retroactively adjusted by the Compensation Committee to take into account the restated results, and any excess portion of the Clawback Benefits resulting from such restated results shall be immediately surrendered to the Company and if not so surrendered within ninety (90) days of the revised calculation being provided to the Executive by the Compensation Committee following a publicly announced restatement, the Company shall have the right to take any and all action to effectuate such adjustment. The calculation of the revised Clawback Benefits amount shall be determined by the Compensation Committee in good faith and in accordance with applicable law, rules and regulations. All determinations by the Compensation Committee with respect to the Clawback Rights shall be final and binding on the Company and the Executive. The Clawback Rights shall terminate following a Change of Control as defined in Section 12(f), subject to applicable law, rules and regulations. For purposes of this Section 7, a restatement of financial results that requires a repayment of a portion of the Clawback Benefits amounts shall mean a restatement resulting from material non-compliance of the Company with any financial reporting requirement under the federal securities laws and shall not include a restatement of financial results resulting from subsequent changes in accounting pronouncements or requirements which were not in effect on the date the financial statements were originally prepared ("Restatements"). The parties acknowledge it is their intention that the foregoing Clawback Rights as relates to Restatements conform in all respects to the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act") and require recovery of all "incentive-based" compensation, pursuant to the provisions of the Dodd-Frank Act and any and all rules and regulations promulgated thereunder from time to time in effect. Accordingly, the terms and provisions of this Agreement shall be deemed automatically amended from time to time to assure compliance with the Dodd-Frank Act and such rules and regulations as hereafter may be adopted and in effect.

8. Expenses. The Executive shall be entitled to prompt reimbursement by the Company for all reasonable ordinary and necessary travel, entertainment, and other expenses incurred by the Executive while employed (in accordance with the policies and procedures established by the Company for its senior executive officers) in the performance of his duties and responsibilities under this Agreement; provided, that the Executive shall properly account for such expenses in accordance with Company policies and procedures.

9. Other Benefits. During the term of this Agreement, the Executive shall be eligible to participate in incentive, stock purchase, savings, retirement (401(k)), and welfare benefit plans, including, without limitation, health, medical, dental, vision, life (including accidental death and dismemberment) and disability insurance plans (collectively, "Benefit Plans"), in substantially the same manner and at substantially the same levels as the Company makes such opportunities available to the Company's managerial or salaried executive employees and/or its senior executive officers.

The Company shall pay one hundred percent (100%) of the cost for any group medical, vision and/or dental coverage elected by and for the Executive and fifty percent (50%) of the additional incremental cost for any group medical, vision and/or dental coverage elected by the Executive for the Executive's family.

The Executive shall be entitled to air travel, including travel by first class or by private plane, as is reasonable and necessary for the performance of his duties and responsibilities, in accordance with the Company's policies as approved by the Board.

10. Vacation. During the term of this Agreement, the Executive shall be entitled to accrue, on a pro rata basis, thirty (30) paid vacation days per year. Vacation shall be taken at such times as are mutually convenient to the Executive and the Company and no more than fifteen (15) consecutive days shall be taken at any one time without Company approval in advance.

11. Stock Options and Restricted Stock. In addition to any Long Term Incentive awarded to him, the Executive shall be eligible for grants of awards available to senior executive officers of the Company under the Equity Incentive Plans as the Compensation Committee or the Board may from time to time determine.

12. Termination of Employment.

(a) Death. If the Executive dies during the Employment Period, this Agreement and the Executive's employment with the Company shall automatically terminate and the Company's obligations to the Executive's estate and to the Executive's Qualified Beneficiaries shall be those set forth in Section 6 regarding severance compensation.

(b) Disability. In the event that, during the term of this Agreement the Executive shall be prevented from performing his essential functions hereunder to the full extent required by the Company by reason of Disability (as defined below), this Agreement and the Executive's employment with the Company shall automatically terminate. The Company's obligation to the Executive under such circumstances shall be those set forth in Section 6 regarding severance compensation. For purposes of this Agreement, "Disability" shall mean a physical or mental disability that prevents the performance by the Executive, with or without reasonable accommodation, of his essential functions hereunder for an aggregate of ninety (90) days or longer during any twelve (12) consecutive months. The determination of the Executive's Disability shall be made by an independent physician who is reasonably acceptable to the Company and the Executive (or his representative), be final and binding on the parties hereto and be made taking into account such competent medical evidence as shall be presented to such independent physician by the Executive and/or the Company or by any physician or group of physicians or other competent medical experts employed by the Executive and/or the Company to advise such independent physician.

(c) Cause.

(1) At any time during the Employment Period, the Company may terminate this Agreement and the Executive's employment hereunder for Cause. For purposes of this Agreement, "Cause" shall mean: (a) the willful and continued failure of the Executive to perform substantially his duties and responsibilities for the Company (other than any such failure resulting from the Executive's death or Disability) after a written demand by the Board for

substantial performance is delivered to the Executive by the Company, which specifically identifies the manner in which the Board believes that the Executive has not substantially performed his duties and responsibilities, which willful and continued failure is not cured by the Executive within thirty (30) days following his receipt of such written demand; (b) the conviction of, or plea of guilty or *nolo contendere* to, a felony, or (c) fraud, dishonesty or gross misconduct which is materially and demonstratively injurious to the Company. Termination under clauses (b) or (c) of this Section 12(c)(l) shall not be subject to cure.

(2) For purposes of this Section 12(c), no act, or failure to act, on the part of the Executive shall be considered "willful" unless done, or omitted to be done, by him in bad faith and without reasonable belief that his action or omission was in, or not opposed to, the best interest of the Company. Between the time the Executive receives written demand regarding substantial performance, as set forth in subparagraph (1) above, and prior to an actual termination for Cause, the Executive will be entitled to appear (with counsel) before the full Board to present information regarding his views on the Cause event. After such hearing, termination for Cause must be approved by a majority vote of the full Board (other than the Executive). After providing the written demand regarding substantial performance, the Board may suspend the Executive with full pay and benefits until a final determination by the full Board has been made.

(3) Upon termination of this Agreement for Cause, the Company shall have no further obligations or liability to the Executive or his heirs, administrators or executors with respect to compensation and benefits thereafter, except for the obligation to pay the Executive any Base Salary earned through the date of termination to be paid according to Section 4; any unpaid Annual Bonus to be paid according to Section 5; reimbursement of any and all reasonable expenses paid or incurred by the Executive in connection with and related to the performance of his duties and responsibilities for the Company during the period ending on the termination date to be paid according to Section 8; and any accrued but unused vacation time through the termination date in accordance with Company policy. The Company shall deduct, from all payments made hereunder, all applicable taxes, including income tax, FICA and FUTA, and other appropriate deductions.

(d) For Good Reason or a Change of Control or Without Cause.

(1) At any time during the term of this Agreement and subject to the conditions set forth in Section 12(d)(2) below the Executive may terminate this Agreement and the Executive's employment with the Company for "Good Reason" or for a "Change of Control" (as defined in Section 12(f)). For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following events without Executive's consent: (A) the assignment to the Executive of duties that are significantly different from, and/or that result in a substantial diminution of, the duties that he assumed on the Effective Date (including reporting to anyone other than solely and directly to the Board); (B) the assignment to the Executive of a title that is different from and subordinate to the title Chief Executive Officer of the Company, provided, however, for the absence of doubt following a Change of Control, should the Executive be required to serve in a diminished capacity in a division or unit of another entity (including the acquiring entity), such event shall constitute Good Reason regardless of the title of the Executive in such acquiring company, division or unit; (C) material breach by the Company of this Agreement; or (D) the reassignment of the Executive to an office outside of Denver, Colorado.

(2) The Executive shall not be entitled to terminate this Agreement for Good Reason unless and until he shall have delivered written notice to the Company within ninety (90) days of the date upon which the facts giving rise to Good Reason occurred of his intention to terminate this Agreement and his employment with the Company for Good Reason, which notice specifies in reasonable detail the circumstances claimed to provide the basis for such termination for Good Reason, and the Company shall not have eliminated the circumstances constituting Good Reason within thirty (30) days of its receipt from the Executive of such written notice. In the event the Executive elects to terminate this Agreement for Good Reason in accordance with Section 12(d)(l), such election must be made within the twenty-four (24) months following the initial existence of one or more of the conditions constituting Good Reason as provided in Section 12(d)(l). In the event the Executive elects to terminate this Agreement for a Change in Control in accordance with Section 12(d)(l), such election must be made within one hundred eighty (180) days of the occurrence of the Change of Control.

(3) In the event that the Executive terminates this Agreement and his employment with the Company for Good Reason or for a Change of Control or the Company terminates this Agreement and the Executive's employment with the Company without Cause, the Company shall pay or provide to the Executive (or, following his death, to the Executive's heirs, administrators or executors) the severance compensation set forth in Section 6 above. The Company shall deduct, from all payments made hereunder, all applicable taxes, including income tax, FICA and FUTA, and other appropriate deductions.

(4) The Executive shall not be required to mitigate the amount of any payment provided for in this Section 12(d) by seeking other employment or otherwise, nor shall the amount of any payment provided for in this Section 12(d) be reduced by any compensation earned by the Executive as the result of employment by another employer or business or by profits earned by the Executive from any other source at any time before and after the termination date. The Company's obligation to make any payment pursuant to, and otherwise to perform its obligations under, this Agreement shall not be affected by any offset, counterclaim or other right that the Company may have against the Executive for any reason.

(e) Without "Good Reason" by the Executive. At any time during the term of this Agreement, the Executive shall be entitled to terminate this Agreement and the Executive's employment with the Company without Good Reason and other than for a Change of Control by providing prior written notice of at least thirty (30) days to the Company. Upon termination by the Executive of this Agreement or the Executive's employment with the Company without Good Reason and other than for a Change of Control, the Company shall have no further obligations or liability to the Executive or his heirs, administrators or executors with respect to compensation and benefits thereafter, except for the obligation to pay the Executive any Base Salary earned through the date of termination to be paid according to Section 4; any unpaid Annual Bonus to be paid according to Section 5; reimbursement of any and all reasonable expenses paid or incurred by the Executive in connection with and related to the performance of his duties and responsibilities for the Company during the period ending on the termination date to be paid according to Section 8; and any accrued but unused vacation time through the termination date in accordance with Company policy. The Company shall deduct, from all payments made hereunder, all applicable taxes, including income tax, FICA and FUTA, and other appropriate deductions.

(f) Change of Control. For purposes of this Agreement, "Change of Control" shall mean the occurrence of any one or more of the following: (i) the accumulation (if over time, in any consecutive twelve (12) month period), whether directly, indirectly, beneficially or of record, by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended) of more than fifty percent (50%) or more of the shares of the outstanding Common Stock of the Company, whether by merger, consolidation, sale or other transfer of shares of Common Stock (other than a merger or consolidation where the stockholders of the Company prior to the merger or consolidation are the holders of a majority of the voting securities of the entity that survives such merger or consolidation), (ii) a sale of all or substantially all of the assets of the Company or (iii) during any period of twelve (12) consecutive months, the individuals who, at the beginning of such period, constitute the Board, and any new director whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the twelve (12) month period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board; provided that the following acquisitions shall not constitute a Change of Control for the purposes of this Agreement: any acquisition of Common Stock or securities convertible into Common Stock by any employee benefit plan (or related trust) sponsored by or maintained by the Company.

(g) Any termination of the Executive's employment by the Company or by the Executive (other than termination by reason of the Executive's death) shall be communicated by written Notice of Termination to the other party of this Agreement. For purposes of this Agreement, a "Notice of Termination" shall mean a written notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated, provided, however, failure to provide timely notification shall not affect the employment status of the Executive.

13. Confidential Information.

(a) Disclosure of Confidential Information. The Executive recognizes, acknowledges and agrees that he has had and will continue to have access to secret and confidential information regarding the Company, its subsidiaries and their respective businesses ("Confidential Information"), including but not limited to, its products, methods, formulas, software code, patents, sources of supply, customer dealings, data, know-how, trade secrets and business plans, provided such information is not in or does not hereafter become part of the public domain, or become known to others through no fault of the Executive. The Executive acknowledges that such information is of great value to the Company, is the sole property of the Company, and has been and will be acquired by him in confidence. In consideration of the obligations undertaken by the Company herein, the Executive will not, at any time, during or after his employment hereunder, reveal, divulge or make known to any person, any information acquired by the Executive during the course of his employment, which is treated as confidential by the Company, and not otherwise in the public domain. The provisions of this Section 14 shall survive the termination of the Executive's employment hereunder.

(b) The Executive affirms that he does not possess and will not rely upon the protected trade secrets or confidential or proprietary information of any prior employer(s) in providing services to the Company or its subsidiaries.

(c) In the event that the Executive's employment with the Company terminates for any reason, the Executive shall deliver forthwith to the Company any and all originals and copies, including those in electronic or digital formats, of Confidential Information; provided, however, the Executive shall be entitled to retain (i) papers and other materials of a personal nature, including, but not limited to, photographs, correspondence, personal diaries, calendars and rolodexes, personal files and phone books, (ii) information showing his compensation or relating to reimbursement of expenses, (iii) information that he reasonably believes may be needed for tax purposes and (iv) copies of plans, programs and agreements relating to his employment, or termination thereof, with the Company.

14. Non-Competition and Non-Solicitation.

(a) The Executive agrees and acknowledges that the Confidential Information that the Executive has already received and will receive is valuable to the Company and that its protection and maintenance constitutes a legitimate business interest of the Company, to be protected by the non-competition restrictions set forth herein. The Executive agrees and acknowledges that the non-competition restrictions set forth herein are reasonable and necessary and do not impose undue hardship or burdens on the Executive. The Executive also acknowledges that the products and services developed or provided by the Company, its affiliates and/or its clients or customers are or are intended to be sold, provided, licensed and/or distributed to customers and clients primarily in and throughout the United States ("Territory") (to the extent the Company comes to operate, either directly or through the engagement of a distributor or joint or co-venturer, or sell a significant amount of its products and services to customers located, in areas other than the United States during the term of the Employment Period, the definition of Territory shall be automatically expanded to cover such other areas), and that the Territory, scope of prohibited competition, and time duration set forth in the non-competition restrictions set forth below are reasonable and necessary to maintain the value of the Confidential Information, and to protect the goodwill and other legitimate business interests of, the Company, its affiliates and/or its clients or customers.

(b) The Executive hereby agrees and covenants that he shall not, without the prior written consent of the Company, directly or indirectly, in any capacity whatsoever, including, without limitation, as an employee, employer, consultant, principal, partner, shareholder, officer, director or any other individual or representative capacity (other than (i) as a holder of less than two percent (2%) of the outstanding securities of a Company whose shares are traded on any securities exchange or (ii) as a limited partner, passive minority interest holder in a venture capital fund, private equity fund or similar investment entity which holds or may hold an equity or debt position in portfolio companies that are competitive with the Company; provided however, that the Executive shall be precluded from serving as an operating partner, general partner, manager or governing board designee with respect to such portfolio companies), whether on the Executive's own behalf or on behalf of any other person or entity or otherwise howsoever, within the Territory:

(1) Engage, own, manage, operate, control, be employed by, consult for, participate in, or be connected in any manner with the ownership, management, operation or control of any business in direct competition with the business of the Company;

(2) Recruit, solicit or hire, or attempt to recruit, solicit or hire, any employee, or independent contractor of the Company to leave the employment (or independent contractor relationship) thereof, whether or not any such employee or independent contractor is party to an employment agreement, for the purpose of competing with the business of the Company;

(3) Attempt in any manner to solicit from any customer of the Company, with whom the Executive had significant contact during the last twelve (12) months of the Executive's employment by the Company (whether under this Agreement or otherwise), business of the kind or competitive with the business done by the Company with such customer or to persuade or attempt to persuade any such customer to cease to do business or to reduce the amount of business which such customer has customarily done or might do with the Company; or

(4) Interfere with any relationship, contractual or otherwise, between the Company and any other party, including, without limitation, any supplier, distributor, co-venturer or joint venturer of the Company, for the purpose of soliciting such other party to discontinue or reduce its business with the Company.

Executive agrees that these non-competition restrictions shall be enforceable during the Employment Period and, in the event Executive's employment with the Company is terminated pursuant to Sections 12(b) or 12(d), for a period of twelve (12) months following Executive's termination from employment in the Territory as defined in Section 14(a).

15. Section 409A.

The provisions of this Agreement are intended to comply with or are exempt from Section 409A of the Code ("Section 409A") and the related Treasury Regulations and shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. The Company and the Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions necessary, appropriate or desirable to avoid imposition of any additional tax under Section 409A or income recognition prior to actual payment to the Executive under this Agreement.

It is intended that any expense reimbursement made under this Agreement shall be exempt from Section 409A. Notwithstanding the foregoing, if any expense reimbursement made under this Agreement shall be determined to be "deferred compensation" subject to Section 409A ("Deferred Compensation"), then (a) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit, (b) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year (provided that this clause (b) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect) and (c) such payments shall be made on or before the last day of the taxable year following the taxable year in which the expense was incurred.

With respect to the time of payments of any amount under this Agreement that is Deferred Compensation, references in the Agreement to "termination of employment" and substantially similar phrases, including a termination of employment due to the Executive's Disability, shall mean "Separation from Service" from the Company within the meaning of Section 409A (determined after applying the presumptions set forth in Treasury Regulation Section 1.409A-l(h)(l)). Each installment payable hereunder shall constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b), including Treasury Regulation Section 1.409A-2(b)(2)(iii). Each payment that is made within the terms of the "short-term deferral" rule set forth in Treasury Regulation Section 1.409A-l(b)(4) is intended to meet the "short-term deferral" rule. Each other payment is intended to be a payment upon an involuntary termination from service and payable pursuant to Treasury Regulation Section l.409A-l(b)(9)(iii), et. seq., to the maximum extent permitted by that regulation, with any amount that is not exempt from Code Section 409A being subject to Code Section 409A.

Notwithstanding anything to the contrary in this Agreement, if the Executive is a "specified employee" within the meaning of Section 409A at the time of the Executive's termination, then only that portion of the severance and benefits payable to the Executive pursuant to this Agreement, if any, and any other severance payments or separation benefits which may be considered Deferred Compensation (together, the "Deferred Separation Benefits"), which (when considered together) do not exceed the Section 409A Limit (as defined herein) may be made within the first six (6) months following the Executive's termination of employment in accordance with the payment schedule applicable to each payment or benefit. Any portion of the Deferred Separation Benefits in excess of the Section 409A Limit otherwise due to the Executive on or within the six (6) month period following the Executive's termination will accrue during such six (6) month period and will become payable in one lump sum cash payment on the date six (6) months and one (1) day following the date of the Executive's termination of employment. All subsequent Deferred Separation Benefits, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if the Executive dies following termination but prior to the six (6) month anniversary of the Executive's termination date, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of the Executive's death and all other Deferred Separation Benefits will be payable in accordance with the payment schedule applicable to each payment or benefit.

For purposes of this Agreement, "Section 409A Limit" shall mean a sum equal to (x) the amounts payable within the terms of the "short-term deferral" rule under Treasury Regulation Section 1.409A-l(b)(4) plus (y) the amount payable as "separation pay due to involuntary separation from service" under Treasury Regulation Section 1.409A-l(b)(9)(iii) equal to the lesser of two (2) times: (i) the Executive's annualized compensation from the Company based upon his annual rate of pay during the Executive's taxable year preceding his taxable year when his employment terminated, as determined under Treasury Regulation 1.409A-l(b)(9)(iii)(A)(l); and (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which the Executive's employment is terminated.

16. Miscellaneous.

(a) The Executive acknowledges that the services to be rendered by him under the provisions of this Agreement are of a special, unique and extraordinary character and that it would be difficult or impossible to replace such services. Furthermore, the parties acknowledge that monetary damages alone would not be an adequate remedy for any breach by the Executive of Section 13 or Section 14 of this Agreement. Accordingly, the Executive agrees that any breach or threatened breach by him of Section 13 or Section 14 of this Agreement shall entitle the Company, in addition to all other legal remedies available to it. to apply to any court of competent jurisdiction to seek to enjoin such breach or threatened breach. The parties understand and intend that each restriction agreed to by the Executive hereinabove shall be construed as separable and divisible from every other restriction, that the unenforceability of any restriction shall not limit the enforceability, in whole or in part, of any other restriction, and that one or more or all of such restrictions may be enforced in whole or in part as the circumstances warrant. In the event that any restriction in this Agreement is more restrictive than permitted by law in the jurisdiction in which the Company seeks enforcement thereof, such restriction shall be limited to the extent permitted by law. The remedy of injunctive relief herein set forth shall be in addition to, and not in lieu of, any other rights or remedies that the Company may have at law or in equity.

(b) Neither the Executive nor the Company may assign or delegate any of their rights or duties under this Agreement without the express written consent of the other; provided, however, that the Company shall have the right to delegate its obligation of payment of all sums due to the Executive hereunder, provided that such delegation shall not relieve the Company of any of its obligations hereunder.

(c) During the term of this Agreement, the Company (i) shall indemnify and hold harmless the Executive and his heirs and representatives to the maximum extent provided by the laws of the State of Delaware and by Company's bylaws and (ii) shall cover the Executive under the Company's directors' and officers' liability insurance on the same basis as it covers other senior executive officers and directors of the Company.

(d) This Agreement constitutes and embodies the full and complete understanding and agreement of the parties with respect to the Executive's employment by the Company, supersedes all prior understandings and agreements, whether oral or written, between the Executive and the Company, and shall not be amended, modified or changed except by an instrument in writing executed by the party to be charged. The invalidity or partial invalidity of one or more provisions of this Agreement shall not invalidate any other provision of this Agreement. No waiver by either party of any provision or condition to be performed shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or any prior or subsequent time.

(e) This Agreement shall inure to the benefit of, be binding upon and enforceable against, the parties hereto and their respective successors, heirs, beneficiaries and permitted assigns.

(f) The headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

(g) All notices, requests, demands and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when personally delivered, sent by registered or certified mail, return receipt requested, postage prepaid, or by reputable national overnight delivery service (e.g., Federal Express) for overnight delivery to the party at the address set forth in the preamble to this Agreement, or to such other address as either party may hereafter give the other party notice of in accordance with the provisions hereof. Notices shall be deemed given on the sooner of the date actually received or the third business day after deposited in the mail or one business day after deposited with an overnight delivery service for overnight delivery.

(h) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Colorado, and each of the parties hereto irrevocably consents to the jurisdiction and venue of the federal and state courts located in the State of Colorado for any disputes arising out of this Agreement, or the Executive's employment with the Company. The prevailing party in any dispute arising out of this Agreement shall be entitled to his or its reasonable attorney's fees and costs.

(i) This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one of the same instrument. The parties hereto have executed this Agreement as of the date set forth above.

(j) The Executive represents and warrants to the Company, that he has the full power and authority to enter into this Agreement and to perform his obligations hereunder and that the execution and delivery of this Agreement and the performance of his obligations hereunder will not conflict with any agreement to which the Executive is a party.

(k) The Company represents and warrants to the Executive that it has the full power and authority to enter into this Agreement and to perform its obligations hereunder and that the execution and delivery of this Agreement and the performance of its obligations hereunder will not conflict with any agreement to which the Company is a party.

[Signature page follows immediately]

IN WITNESS WHEREOF, the Executive and the Company have caused this Executive Employment Agreement to be executed as of the date first above written.

MUSCLEPHARM CORPORATION

By: 

Name: RICHARD ESTAELLA
Title: PRESIDENT
Date Signed: 6.24.15

Executive
Date Signed: 6/24/15

Exhibit 10.5

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT ("Agreement") is made and entered into as of the 24th day of June 2015, by and between MusclePharm Corporation, a Nevada corporation headquartered at 4721 Ironton Street, Building A, Denver, Colorado 80239 ("Company") and Richard Estalella, an individual residing at 5659 SElk Covet AVRDRA, Co 80016 ("Executive"). As used herein, the "Effective Date" of this Agreement shall mean January 1, 2015.

WITNESSETH:

WHEREAS, the Executive desires to be employed by the Company as its President and the Company wishes to employ the Executive in such capacity.

NOW, THEREFORE, in consideration of the foregoing and their respective covenants and agreements contained in this document, the Company and the Executive hereby agree as follows:

1. Employment and Duties. The Company agrees to employ and the Executive agrees to serve as the Company's President. The duties and responsibilities of the Executive shall include the duties and responsibilities as the Company's Chief Executive Officer may from time to time assign to the Executive.

The Executive shall devote substantially all of his working time and efforts during the Company's normal business hours to the business and affairs of the Company and its subsidiaries and to the diligent and faithful performance of the duties and responsibilities duly assigned to him pursuant to this Agreement. Provided that none of his additional activities interferes with the performance of the duties and responsibilities of the Executive, is determined by the Board of Directors ("Board") to be inconsistent with the position, standing, stature, reputation or best interests of the Company or violates the terms of Section 14, nothing in this Section 1 shall prohibit the Executive from: (A) serving as a director or member of a committee of up to two (2) entities that do not, in the good faith determination of the Board, compete or present the appearance of competition with the Company or otherwise create, or could create, in the good faith determination of the Board, a conflict of interest or appearance of a conflict of interest with the business of the Company; (B) delivering lectures, fulfilling speaking engagements, and any writing or publication relating to his area of expertise; (C) serving as a director or trustee of any governmental, charitable or educational organization (D) engaging in additional activities in connection with personal investments and community affairs, including, without limitation, professional or charitable sports and/or coaching, nutrition or similar organization committees, boards, memberships or similar associations or affiliations or (E) performing coaching or advisory activities.

2. Term. The term of this Agreement shall commence on the Effective Date and shall continue for a period of five (5) years following the Effective Date and shall be automatically renewed for successive one (1) year periods thereafter unless either party provides the other party with written notice of his or its intention not to renew this Agreement at least three (3) months prior to the expiration of the initial term or any renewal term of this Agreement. "Employment Period" shall mean the initial five (5) year term plus renewals, if any.

3. Place of Employment. The Executive's services shall be performed at the Company's offices located in Denver, Colorado. The parties acknowledge, however, that the Executive may be required to travel in connection with the performance of his duties hereunder.

4. Base Salary. Consistent with the Executive Compensation Plan approved by the Board and attached as Exhibit A to this Agreement, the Company agrees to pay the Executive a base salary ("Base Salary") for 2015 at an annual rate of $375,000. Executive's Base Salary for 2016 shall be $484,500. For 2017, Executive's base salary shall be $503,880. Annual adjustments after the first three years of the Employment Period shall be determined by the Board (but in no event less than the prior year's Base Salary or 50th percentile of comparable peer companies based on independent consultant report retained by the Company). The Executive's compensation shall be aligned at 85% of the compensation of the Company's Chief executive Officer. The Base Salary shall be paid in periodic installments in accordance with the Company's regular payroll practices.

5. Target Incentive Bonuses. During the Employment Period, Executive shall be entitled to receive short term and long term target incentive bonuses as follows.

(a) Each year during the Employment Period, the Executive shall be entitled to an annual incentive bonus ("Annual Bonus") in an amount up to 125% of Base Salary. Entitlement to this Annual Bonus shall be based in part upon the Executive's substantial performance in achieving certain corporate financial measures adopted by the Compensation Committee of the Board ("Compensation Committee"), and in part upon specific non-financial goals and objectives established by the Compensation Committee for the Executive. The annual incentive percentage allocation for the years 2015-2017 of the Employment Period, and the targeted company financial goals, are set forth in Exhibit A, and incorporated herein by reference. The Compensation Committee shall establish similar target financial and personal goals for the Executive's Annual Bonus for subsequent years. The portion of the Annual Bonus that is tied to annual corporate financial measures shall be paid within thirty (30) days following the Company's annual audit and announcement of earnings, but no later than April 1 of the calendar year immediately following the year with respect to which the Annual Bonus was earned. The portion of the Annual Bonus tied to the specific goals and objectives established for the Executive by the Compensation Committee shall be paid on the Company's regular payroll date coinciding with or immediately following the end of the quarter with respect to which such goals and objectives were attained by the Executive. The Compensation Committee may provide for lesser or greater percentage Annual Bonus payments for the Executive upon attainment of partial or additional criteria established or determined by the Compensation Committee from time to time.

Upon his termination from employment, the Executive shall be entitled to receive a pro-rata portion of the Annual Bonus calculated based upon his final day of employment, regardless of whether he is employed by the Company through the conclusion of the fiscal quarter or year, as the case may be, on which the Annual Bonus is based.

(b) Each year during the Employment Period, the Executive shall receive restricted shares, incentive stock options and/or performance shares or combination thereof to be determined by the Company's Compensation Committee ("Long Term Incentive") in the fixed value amount approved by the Compensation Committee as set forth in Attachment A. The fixed value of the Long Term Incentive granted to Executive shall be $695,000 for 2015 and

$714,000 for 2016. For 2017, the fixed value of the Long Term Incentive granted to the Executive shall be $742,500. The Compensation Committee shall establish comparable Long Term Incentive awards for the Executive in subsequent years of the Employment Period. Any Long Term Incentive awarded to the Executive under this Section 5(b) shall be subject to the terms and conditions of the Company's 2015 Long Term Incentive Plan and the related Award Agreement all as determined in the sole discretion of the Compensation Committee; provided that, every such Award Agreement shall specify that upon termination of the Executive's employment for any reason by the Company or by the Executive any unvested portion of the Long Term Incentive shall immediately vest.

6. Severance Compensation. Upon termination of employment for any reason, the Executive shall be entitled to: (A) all Base Salary earned through the date of termination to be paid according to Section 4; (B) any and all reasonable expenses paid or incurred by the Executive in connection with and related to the performance of his duties and responsibilities for the Company during the period ending on the termination date to be paid according to Section 8; (C) any accrued but unused vacation time through the termination date in accordance with Company policy; and (D) any Annual Bonuses earned through the date of termination to be paid according to Section 5(a); and (E) all Long Term Incentives earned prior to termination.

Additionally, if the Executive's employment is terminated prior to expiration of the Employment Period (including due to his death or Disability, as defined in Section 12(b)) unless the Executive's employment is terminated for Cause (as defined in Section 12(c)) or the Executive terminates his employment without Good Reason (as defined in Section 12(d) and other than for a Change in Control as provided in Section 12(d) and Section 12(f)), the Executive shall be entitled to receive a cash amount equal to two hundred percent (200%) of the sum of the Executive's Base Salary, Annual Bonus and Long Term Incentive earned during the year immediately preceding the date of termination (herein the "Separation Payment"); provided, that the Executive executes an agreement releasing Company and its affiliates from any liability associated with this Agreement and such release is irrevocable at the time the Separation Payment is first payable under this Section 6 and the Executive complies with his other obligations under Sections 13 and 14 of this Agreement. Subject to the terms hereof, one-half (1/2) of the Separation Payment shall be paid within thirty (30) days of the Executive's termination of employment ("Initial Payment"), provided that the Executive has executed a release; and the balance of the Separation Payment shall be paid in substantially equal installments on the Company's regular payroll dates beginning with the first payroll date coincident with or immediately following the Initial Payment and ending with the last payroll date that occurs in the third calendar year beginning after the Executive's termination of employment.

The Executive may continue coverage with respect to the Company's group health plans as permitted by the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for himself and each of his "Qualified Beneficiaries" as defined by COBRA ("COBRA Coverage"). The Company shall reimburse the amount of any COBRA premium paid for COBRA Coverage timely elected by and for the Executive and any Qualified Beneficiary of the Executive, and not otherwise reimbursed, during the period that ends on the earliest of (x) the date the Executive or the Qualified Beneficiary, as the case may be, ceases to be eligible for COBRA Coverage, (y) the last day of the consecutive eighteen (18) month period following the date of the Executive's termination of employment and (z) the date the Executive or the Qualified Beneficiary, as the case may be, is covered by another group health plan. To reimburse any COBRA premium payment under this paragraph, the Company must receive documentation of the COBRA premium payment within ninety (90) days of its payment.

7. Clawback Rights. The Annual Bonus, and any and all stock based compensation (such as options and equity awards) (collectively, the "Clawback Benefits") shall be subject to "Clawback Rights" as follows: during the period that the Executive is employed by the Company and upon the termination of the Executive's employment and for a period of three (3) years thereafter, if there is a restatement of any financial results from which any Clawback Benefits to the Executive shall have been determined, the Executive agrees to repay any amounts which were determined by reference to any Company financial results which were later restated (as defined below), to the extent the Clawback Benefits amounts paid exceed the Clawback Benefits amounts that would have been paid, based on the restatement of the Company's financial information. All Clawback Benefits amounts resulting from such restated financial results shall be retroactively adjusted by the Compensation Committee to take into account the restated results, and any excess portion of the Clawback Benefits resulting from such restated results shall be immediately surrendered to the Company and if not so surrendered within ninety (90) days of the revised calculation being provided to the Executive by the Compensation Committee following a publicly announced restatement, the Company shall have the right to take any and all action to effectuate such adjustment. The calculation of the revised Clawback Benefits amount shall be determined by the Compensation Committee in good faith and in accordance with applicable law, rules and regulations. All determinations by the Compensation Committee with respect to the Clawback Rights shall be final and binding on the Company and the Executive. The Clawback Rights shall terminate following a Change of Control as defined in Section 12(f), subject to applicable law, rules and regulations. For purposes of this Section 7, a restatement of financial results that requires a repayment of a portion of the Clawback Benefits amounts shall mean a restatement resulting from material non-compliance of the Company with any financial reporting requirement under the federal securities laws and shall not include a restatement of financial results resulting from subsequent changes in accounting pronouncements or requirements which were not in effect on the date the financial statements were originally prepared ("Restatements"). The parties acknowledge it is their intention that the foregoing Clawback Rights as relates to Restatements conform in all respects to the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act") and require recovery of all "incentive-based" compensation, pursuant to the provisions of the Dodd-Frank Act and any and all rules and regulations promulgated thereunder from time to time in effect. Accordingly, the terms and provisions of this Agreement shall be deemed automatically amended from time to time to assure compliance with the Dodd-Frank Act and such rules and regulations as hereafter may be adopted and in effect.

8. Expenses. The Executive shall be entitled to prompt reimbursement by the Company for all reasonable ordinary and necessary travel, entertainment, and other expenses incurred by the Executive while employed (in accordance with the policies and procedures established by the Company for its senior executive officers) in the performance of his duties and responsibilities under this Agreement; provided, that the Executive shall properly account for such expenses in accordance with Company policies and procedures.

9. Other Benefits. During the term of this Agreement, the Executive shall be eligible to participate in incentive, stock purchase, savings, retirement (401(k)), and welfare benefit plans, including, without limitation, health, medical, dental, vision, life (including accidental death and dismemberment) and disability insurance plans (collectively, "Benefit Plans"), in substantially the same manner and at substantially the same levels as the Company makes such opportunities available to the Company's managerial or salaried executive employees and/or its senior executive officers.

The Company shall pay one hundred percent (100%) of the cost for any group medical, vision and/or dental coverage elected by and for the Executive and fifty percent (50%) of the additional incremental cost for any group medical, vision and/or dental coverage elected by the Executive for the Executive's family.

The Executive shall be entitled to air travel, including travel by first class or by private plane, as is reasonable and necessary for the performance of his duties and responsibilities, in accordance with the Company's policies as approved by the Board.

10. Vacation. During the term of this Agreement, the Executive shall be entitled to accrue, on a pro rata basis, thirty (30) paid vacation days per year. Vacation shall be taken at such times as are mutually convenient to the Executive and the Company and no more than fifteen (15) consecutive days shall be taken at any one time without Company approval in advance.

11. Stock Options and Restricted Stock. In addition to any Long Term Incentive awarded to him, the Executive shall be eligible for grants of awards available to senior executive officers of the Company under the Equity Incentive Plans as the Compensation Committee or the Board may from time to time determine.

12. Termination of Employment.

(a) Death. If the Executive dies during the Employment Period, this Agreement and the Executive's employment with the Company shall automatically terminate and the Company's obligations to the Executive's estate and to the Executive's Qualified Beneficiaries shall be those set forth in Section 6 regarding severance compensation.

(b) Disability. In the event that, during the term of this Agreement the Executive shall be prevented from performing his essential functions hereunder to the full extent required by the Company by reason of Disability (as defined below), this Agreement and the Executive's employment with the Company shall automatically terminate. The Company's obligation to the Executive under such circumstances shall be those set forth in Section 6 regarding severance compensation. For purposes of this Agreement, "Disability" shall mean a physical or mental disability that prevents the performance by the Executive, with or without reasonable accommodation, of his essential functions hereunder for an aggregate of ninety (90) days or longer during any twelve (12) consecutive months. The determination of the Executive's Disability shall be made by an independent physician who is reasonably acceptable to the Company and the Executive (or his representative), be final and binding on the parties hereto and be made taking into account such competent medical evidence as shall be presented to such independent physician by the Executive and/or the Company or by any physician or group of physicians or other competent medical experts employed by the Executive and/or the Company to advise such independent physician.

(c) Cause.

(1) At any time during the Employment Period, the Company may terminate this Agreement and the Executive's employment hereunder for Cause. For purposes of this

Agreement, "Cause" shall mean: (a) the willful and continued failure of the Executive to perform substantially his duties and responsibilities for the Company (other than any such failure resulting from the Executive's death or Disability) after a written demand by the Board for substantial performance is delivered to the Executive by the Company, which specifically identifies the manner in which the Board believes that the Executive has not substantially performed his duties and responsibilities, which willful and continued failure is not cured by the Executive within thirty (30) days following his receipt of such written demand; (b) the conviction of, or plea of guilty or *nolo contendere* to, a felony, or (c) fraud, dishonesty or gross misconduct which is materially and demonstratively injurious to the Company. Termination under clauses (b) or (c) of this Section 12(c)(l) shall not be subject to cure.

(2) For purposes of this Section 12(c), no act, or failure to act, on the part of the Executive shall be considered ''willful" unless done, or omitted to be done, by him in bad faith and without reasonable belief that his action or omission was in, or not opposed to, the best interest of the Company. Between the time the Executive receives written demand regarding substantial performance, as set forth in subparagraph (1) above, and prior to an actual termination for Cause, the Executive will be entitled to appear (with counsel) before the full Board to present information regarding his views on the Cause event. After such hearing, termination for Cause must be approved by a majority vote of the full Board (other than the Executive). After providing the written demand regarding substantial performance, the Board may suspend the Executive with full pay and benefits until a final determination by the full Board has been made.

(3) Upon termination of this Agreement for Cause, the Company shall have no further obligations or liability to the Executive or his heirs, administrators or executors with respect to compensation and benefits thereafter, except for the obligation to pay the Executive any Base Salary earned through the date of termination to be paid according to Section 4; any unpaid Annual Bonus to be paid according to Section 5; reimbursement of any and all reasonable expenses paid or incurred by the Executive in connection with and related to the performance of his duties and responsibilities for the Company during the period ending on the termination date to be paid according to Section 8; and any accrued but unused vacation time through the termination date in accordance with Company policy. The Company shall deduct, from all payments made hereunder, all applicable taxes, including income tax, FICA and FUTA, and other appropriate deductions.

(d) For Good Reason or a Change of Control or Without Cause.

(1) At any time during the term of this Agreement and subject to the conditions set forth in Section 12(d)(2) below the Executive may terminate this Agreement and the Executive's employment with the Company for "Good Reason" or for a "Change of Control" (as defined in Section 12(f)). For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following events without Executive's consent: (A) the assignment to the Executive of duties that are significantly different from, and/or that result in a substantial diminution of, the duties that he assumed on the Effective Date (including reporting to anyone other than solely and directly to the Board); (B) the assignment to the Executive of a title that is different from and subordinate to the title President of the Company, provided, however, for the absence of doubt following a Change of Control, should the Executive be required to serve in a diminished capacity in a division or unit of another entity (including the acquiring entity), such event shall

constitute Good Reason regardless of the title of the Executive in such acquiring company, division or unit; (C) material breach by the Company of this Agreement; or (D) the reassignment of the Executive to an office outside of Denver, Colorado.

(2) The Executive shall not be entitled to terminate this Agreement for Good Reason unless and until he shall have delivered written notice to the Company within ninety (90) days of the date upon which the facts giving rise to Good Reason occurred of his intention to terminate this Agreement and his employment with the Company for Good Reason, which notice specifies in reasonable detail the circumstances claimed to provide the basis for such termination for Good Reason, and the Company shall not have eliminated the circumstances constituting Good Reason within thirty (30) days of its receipt from the Executive of such written notice. In the event the Executive elects to terminate this Agreement for Good Reason in accordance with Section 12(d)(l), such election must be made within the twenty-four (24) months following the initial existence of one or more of the conditions constituting Good Reason as provided in Section 12(d)(l). In the event the Executive elects to terminate this Agreement for a Change in Control in accordance with Section 12(d)(l), such election must be made within one hundred eighty (180) days of the occurrence of the Change of Control.

(3) In the event that the Executive terminates this Agreement and his employment with the Company for Good Reason or for a Change of Control or the Company terminates this Agreement and the Executive's employment with the Company without Cause, the Company shall pay or provide to the Executive (or, following his death, to the Executive's heirs, administrators or executors) the severance compensation set forth in Section 6 above. The Company shall deduct, from all payments made hereunder, all applicable taxes, including income tax, FICA and FUTA, and other appropriate deductions.

(4) The Executive shall not be required to mitigate the amount of any payment provided for in this Section 12(d) by seeking other employment or otherwise, nor shall the amount of any payment provided for in this Section 12(d) be reduced by any compensation earned by the Executive as the result of employment by another employer or business or by profits earned by the Executive from any other source at any time before and after the termination date. The Company's obligation to make any payment pursuant to, and otherwise to perform its obligations under, this Agreement shall not be affected by any offset, counterclaim or other right that the Company may have against the Executive for any reason.

(e) Without ''Good Reason'' by the Executive. At any time during the term of this Agreement, the Executive shall be entitled to terminate this Agreement and the Executive's employment with the Company without Good Reason and other than for a Change of Control by providing prior written notice of at least thirty (30) days to the Company. Upon termination by the Executive of this Agreement or the Executive's employment with the Company without Good Reason and other than for a Change of Control, the Company shall have no further obligations or liability to the Executive or his heirs, administrators or executors with respect to compensation and benefits thereafter, except for the obligation to pay the Executive any Base Salary earned through the date of termination to be paid according to Section 4; any unpaid Annual Bonus to be paid according to Section 5; reimbursement of any and all reasonable expenses paid or incurred by the Executive in connection with and related to the performance of his duties and responsibilities for the Company during the period ending on the termination date to be paid according to Section 8; and any accrued but unused vacation time through the

termination date in accordance with Company policy. The Company shall deduct, from all payments made hereunder, all applicable taxes, including income tax, FICA and FUTA, and other appropriate deductions.

(f) Change of Control. For purposes of this Agreement, "Change of Control" shall mean the occurrence of any one or more of the following: (i) the accumulation (if over time, in any consecutive twelve (12) month period), whether directly, indirectly, beneficially or of record, by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended) of more than fifty percent (50%) or more of the shares of the outstanding Common Stock of the Company, whether by merger, consolidation, sale or other transfer of shares of Common Stock (other than a merger or consolidation where the stockholders of the Company prior to the merger or consolidation are the holders of a majority of the voting securities of the entity that survives such merger or consolidation), (ii) a sale of all or substantially all of the assets of the Company or (iii) during any period of twelve (12) consecutive months, the individuals who, at the beginning of such period, constitute the Board, and any new director whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the twelve (12) month period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board; provided that the following acquisitions shall not constitute a Change of Control for the purposes of this Agreement: any acquisition of Common Stock or securities convertible into Common Stock by any employee benefit plan (or related trust) sponsored by or maintained by the Company.

(g) Any termination of the Executive's employment by the Company or by the Executive (other than termination by reason of the Executive's death) shall be communicated by written Notice of Termination to the other party of this Agreement. For purposes of this Agreement, a "Notice of Termination" shall mean a written notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated, provided, however, failure to provide timely notification shall not affect the employment status of the Executive.

13. Confidential Information.

(a) Disclosure of Confidential Information. The Executive recognizes, acknowledges and agrees that he has had and will continue to have access to secret and confidential information regarding the Company, its subsidiaries and their respective businesses ("Confidential Information"), including but not limited to, its products, methods, formulas, software code, patents, sources of supply, customer dealings, data, know-how, trade secrets and business plans, provided such information is not in or does not hereafter become part of the public domain, or become known to others through no fault of the Executive. The Executive acknowledges that such information is of great value to the Company, is the sole property of the Company, and has been and will be acquired by him in confidence. In consideration of the obligations undertaken by the Company herein, the Executive will not, at any time, during or after his employment hereunder, reveal, divulge or make known to any person, any information acquired by the Executive during the course of his employment, which is treated as confidential by the Company, and not otherwise in the public domain. The provisions of this Section 14 shall survive the termination of the Executive's employment hereunder.

(b) The Executive affirms that he does not possess and will not rely upon the protected trade secrets or confidential or proprietary information of any prior employer(s) in providing services to the Company or its subsidiaries.

(c) In the event that the Executive's employment with the Company terminates for any reason, the Executive shall deliver forthwith to the Company any and all originals and copies, including those in electronic or digital formats, of Confidential Information; provided, however, the Executive shall be entitled to retain (i) papers and other materials of a personal nature, including, but not limited to, photographs, correspondence, personal diaries, calendars and rolodexes, personal files and phone books, (ii) information showing his compensation or relating to reimbursement of expenses, (iii) information that he reasonably believes may be needed for tax purposes and (iv) copies of plans, programs and agreements relating to his employment, or termination thereof, with the Company.

14. Non-Competition and Non-Solicitation.

(a) The Executive agrees and acknowledges that the Confidential Information that the Executive has already received and will receive is valuable to the Company and that its protection and maintenance constitutes a legitimate business interest of the Company, to be protected by the non-competition restrictions set forth herein. The Executive agrees and acknowledges that the non-competition restrictions set forth herein are reasonable and necessary and do not impose undue hardship or burdens on the Executive. The Executive also acknowledges that the products and services developed or provided by the Company, its affiliates and/or its clients or customers are or are intended to be sold, provided, licensed and/or distributed to customers and clients primarily in and throughout the United States ("Territory") (to the extent the Company comes to operate, either directly or through the engagement of a distributor or joint or co-venturer, or sell a significant amount of its products and services to customers located, in areas other than the United States during the term of the Employment Period, the definition of Territory shall be automatically expanded to cover such other areas), and that the Territory, scope of prohibited competition, and time duration set forth in the non-competition restrictions set forth below are reasonable and necessary to maintain the value of the Confidential Information, and to protect the goodwill and other legitimate business interests of, the Company, its affiliates and/or its clients or customers.

(b) The Executive hereby agrees and covenants that he shall not, without the prior written consent of the Company, directly or indirectly, in any capacity whatsoever, including, without limitation, as an employee, employer, consultant, principal, partner, shareholder, officer, director or any other individual or representative capacity (other than (i) as a holder of less than two percent (2%) of the outstanding securities of a Company whose shares are traded on any securities exchange or (ii) as a limited partner, passive minority interest holder in a venture capital fund, private equity fund or similar investment entity which holds or may hold an equity or debt position in portfolio companies that are competitive with the Company; provided however, that the Executive shall be precluded from serving as an operating partner, general partner, manager or governing board designee with respect to such portfolio companies), whether on the Executive's own behalf or on behalf of any other person or entity or otherwise howsoever, within the Territory:

(1) Engage, own, manage, operate, control, be employed by, consult for, participate in, or be connected in any manner with the ownership, management, operation or control of any business in direct competition with the business of the Company;

(2) Recruit, solicit or hire, or attempt to recruit, solicit or hire, any employee, or independent contractor of the Company to leave the employment (or independent contractor relationship) thereof, whether or not any such employee or independent contractor is party to an employment agreement, for the purpose of competing with the business of the Company;

(3) Attempt in any manner to solicit from any customer of the Company, with whom the Executive had significant contact during the last twelve (12) months of the Executive's employment by the Company (whether under this Agreement or otherwise), business of the kind or competitive with the business done by the Company with such customer or to persuade or attempt to persuade any such customer to cease to do business or to reduce the amount of business which such customer has customarily done or might do with the Company; or

(4) Interfere with any relationship, contractual or otherwise, between the Company and any other party, including, without limitation, any supplier, distributor, co-venturer or joint venturer of the Company, for the purpose of soliciting such other party to discontinue or reduce its business with the Company.

Executive agrees that these non-competition restrictions shall be enforceable during the Employment Period and, in the event Executive's employment with the Company is terminated pursuant to Sections 12(b) or 12(d), for a period of twelve (12) months following Executive's termination from employment in the Territory as defined in Section 14(a).

15. Section 409A.

The provisions of this Agreement are intended to comply with or are exempt from Section 409A of the Code ("Section 409A") and the related Treasury Regulations and shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. The Company and the Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions necessary, appropriate or desirable to avoid imposition of any additional tax under Section 409A or income recognition prior to actual payment to the Executive under this Agreement.

It is intended that any expense reimbursement made under this Agreement shall be exempt from Section 409A. Notwithstanding the foregoing, if any expense reimbursement made under this Agreement shall be determined to be "deferred compensation" subject to Section 409A ("Deferred Compensation"), then (a) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit, (b) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year (provided that this clause (b) shall not be violated with regard to expenses

reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect) and (c) such payments shall be made on or before the last day of the taxable year following the taxable year in which the expense was incurred.

With respect to the time of payments of any amount under this Agreement that is Deferred Compensation, references in the Agreement to "termination of employment" and substantially similar phrases, including a termination of employment due to the Executive's Disability, shall mean "Separation from Service'' from the Company within the meaning of Section 409A (determined after applying the presumptions set forth in Treasury Regulation Section 1.409A-l(h)(l)). Each installment payable hereunder shall constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b), including Treasury Regulation Section 1.409A-2(b)(2)(iii). Each payment that is made within the terms of the "short-term deferral" rule set forth in Treasury Regulation Section 1.409A-l(b)(4) is intended to meet the "short-term deferral" rule. Each other payment is intended to be a payment upon an involuntary termination from service and payable pursuant to Treasury Regulation Section 1.409A-l(b)(9)(iii), et. seq., to the maximum extent permitted by that regulation, with any amount that is not exempt from Code Section 409A being subject to Code Section 409A.

Notwithstanding anything to the contrary in this Agreement, if the Executive is a "specified employee" within the meaning of Section 409A at the time of the Executive's termination, then only that portion of the severance and benefits payable to the Executive pursuant to this Agreement, if any, and any other severance payments or separation benefits which may be considered Deferred Compensation (together, the "Deferred Separation Benefits"), which (when considered together) do not exceed the Section 409A Limit (as defined herein) may be made within the first six (6) months following the Executive's termination of employment in accordance with the payment schedule applicable to each payment or benefit. Any portion of the Deferred Separation Benefits in excess of the Section 409A Limit otherwise due to the Executive on or within the six (6) month period following the Executive's termination will accrue during such six (6) month period and will become payable in one lump sum cash payment on the date six (6) months and one (1) day following the date of the Executive's termination of employment. All subsequent Deferred Separation Benefits, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if the Executive dies following termination but prior to the six (6) month anniversary of the Executive's termination date, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of the Executive's death and all other Deferred Separation Benefits will be payable in accordance with the payment schedule applicable to each payment or benefit.

For purposes of this Agreement, "Section 409A Limit" shall mean a sum equal to (x) the amounts payable within the terms of the "short-term deferral" rule under Treasury Regulation Section 1.409A-l(b)(4) plus (y) the amount payable as "separation pay due to involuntary separation from service" under Treasury Regulation Section 1.409A-l(b)(9)(iii) equal to the lesser of two (2) times: (i) the Executive's annualized compensation from the Company based upon his annual rate of pay during the Executive's taxable year preceding his taxable year when his employment terminated, as determined under Treasury Regulation 1.409A-l(b)(9)(iii)(A)(l); and (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which the Executive's employment is terminated.

16. Miscellaneous.

(a) The Executive acknowledges that the services to be rendered by him under the provisions of this Agreement are of a special, unique and extraordinary character and that it would be difficult or impossible to replace such services. Furthermore, the parties acknowledge that monetary damages alone would not be an adequate remedy for any breach by the Executive of Section 13 or Section 14 of this Agreement. Accordingly, the Executive agrees that any breach or threatened breach by him of Section 13 or Section 14 of this Agreement shall entitle the Company, in addition to all other legal remedies available to it, to apply to any court of competent jurisdiction to seek to enjoin such breach or threatened breach. The parties understand and intend that each restriction agreed to by the Executive hereinabove shall be construed as separable and divisible from every other restriction, that the unenforceability of any restriction shall not limit the enforceability, in whole or in part, of any other restriction, and that one or more or all of such restrictions may be enforced in whole or in part as the circumstances warrant. In the event that any restriction in this Agreement is more restrictive than permitted by law in the jurisdiction in which the Company seeks enforcement thereof, such restriction shall be limited to the extent permitted by law. The remedy of injunctive relief herein set forth shall be in addition to, and not in lieu of, any other rights or remedies that the Company may have at law or in equity.

(b) Neither the Executive nor the Company may assign or delegate any of their rights or duties under this Agreement without the express written consent of the other; provided, however, that the Company shall have the right to delegate its obligation of payment of all sums due to the Executive hereunder, provided that such delegation shall not relieve the Company of any of its obligations hereunder.

(c) During the term of this Agreement, the Company (i) shall indemnify and hold harmless the Executive and his heirs and representatives to the maximum extent provided by the laws of the State of Delaware and by Company's bylaws and (ii) shall cover the Executive under the Company's directors' and officers' liability insurance on the same basis as it covers other senior executive officers and directors of the Company.

(d) This Agreement constitutes and embodies the full and complete understanding and agreement of the parties with respect to the Executive's employment by the Company, supersedes all prior understandings and agreements, whether oral or written, between the Executive and the Company, and shall not be amended, modified or changed except by an instrument in writing executed by the party to be charged. The invalidity or partial invalidity of one or more provisions of this Agreement shall not invalidate any other provision of this Agreement. No waiver by either party of any provision or condition to be performed shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or any prior or subsequent time.

(e) This Agreement shall inure to the benefit of, be binding upon and enforceable against, the parties hereto and their respective successors, heirs, beneficiaries and permitted assigns.

(f) The headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

(g) All notices, requests, demands and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when personally delivered, sent by registered or certified mail, return receipt requested, postage prepaid, or by reputable national overnight delivery service (e.g., Federal Express) for overnight delivery to the party at the address set forth in the preamble to this Agreement, or to such other address as either party may hereafter give the other party notice of in accordance with the provisions hereof. Notices shall be deemed given on the sooner of the date actually received or the third business day after deposited in the mail or one business day after deposited with an overnight delivery service for overnight delivery.

(h) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Colorado, and each of the parties hereto irrevocably consents to the jurisdiction and venue of the federal and state courts located in the State of Colorado for any disputes arising out of this Agreement, or the Executive's employment with the Company. The prevailing party in any dispute arising out of this Agreement shall be entitled to his or its reasonable attorney's fees and costs.

(i) This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one of the same instrument. The parties hereto have executed this Agreement as of the date set forth above.

(j) The Executive represents and warrants to the Company, that he has the full power and authority to enter into this Agreement and to perform his obligations hereunder and that the execution and delivery of this Agreement and the performance of his obligations hereunder will not conflict with any agreement to which the Executive is a party.

(k) The Company represents and warrants to the Executive that it has the full power and authority to enter into this Agreement and to perform its obligations hereunder and that the execution and delivery of this Agreement and the performance of its obligations hereunder will not conflict with any agreement to which the Company is a party.

[Signature page follows immediately]

IN WITNESS WHEREOF, the Executive and the Company have caused this Executive Employment Agreement to be executed as of the date first above written.

MUSCLEPHARM CORPORATION

By: 

Name: Brad Pyatt
Title: CEO
Date Signed: 6/24/15

Executive
Date Signed: 6.24.15

Exhibit 10.6

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

This confidentiality and non-disclosure agreement (the **"Agreement")** is made and entered into as of June 23, 2015, by and between Consac, LLC (the **"Recipient"),** and MusclePharm Corporation, a Nevada corporation (the **"Company").** Each of the Recipient and the Company is sometimes referred to herein as a **"Party"** and collectively as **"Parties."**

WHEREAS, the Recipient is desirous of obtaining certain Confidential Information from the Company in connection with a potential transaction between the Company and the Recipient (a "Possible Transaction");

WHEREAS, in connection with Recipient's evaluation of a Possible Transaction the Company may disclose certain confidential information concerning the Company and/or its affiliates to the Recipient; and

WHEREAS, the Recipient agrees that it shall use such Confidential Information and refrain from disclosing or making use of such Confidential Information, all in accordance with the terms of this Agreement.

NOW THEREFORE, the parties mutually agree to the following:

1. Recipient shall be responsible for the conduct of its Representatives and Affiliate Entities (as such terms are hereinafter defined) regarding the confidentiality and use of the Confidential Information. The Recipient shall only disclose the Confidential Information to its directors, officers or employees or parties consented to by the Company pursuant to Section 5 who are bound by confidentiality obligations that are at least as restrictive as the terms of this Agreement and who have a reasonable need to review the Confidential Information in connection with the consideration, evaluation and negotiation of a Possible Transaction (collectively, the **"Representatives").** Any disclosure of Confidential Information shall not be deemed to grant a license or right to the Recipient or any Representative or Affiliated Entities to use Confidential Information for any purpose other than as set forth herein.

2. For the purpose of this Agreement, **"Confidential Information"** shall mean any and all commercial, business, financial, technical and/or other information relating to the Company and/or its affiliates, including, but not limited to, financial data, statistical information, marketing, and/or product development plans or procedures, trade secrets, real estate information, personnel information and/or other data disclosed to the Recipient pursuant hereto in connection with a Possible Transaction or otherwise, without regard to whether such information was communicated in writing, orally, visually or by other means, together with all analyses, compilations, studies, or other documents prepared by Recipient or its Representatives which reflect or are generated from such information.

3. Subject to the terms and provisions of this Agreement, Recipient agrees to hold in confidence and not to reveal, report, publish, disclose or transfer, directly or indirectly, any of the Confidential Information of the Company to any third party or use any of the Company's Confidential Information for any purpose at any time except as

necessary to evaluate a Possible Transaction. The Recipient, its Representatives and Affiliated Entities shall use the Confidential Information in accordance with the terms of this Agreement. All Confidential Information shall remain the sole property of the Company. At any time upon the request of the Company, Recipient will promptly return to the Company or destroy all Confidential Information (in any media), including any copies as well as all materials (in any media) which contain or embody Confidential Information, and, with respect to abstracts or summaries of Confidential Information that Recipient may have made, Recipient will destroy such abstracts or summaries and will provide a written declaration from an authorized officer certifying that it has done so. Notwithstanding the preceding sentence, Recipient (i) may retain one copy of any portion of the Confidential Information that Recipient has been advised by their counsel is required to retain by applicable law, rule or regulation or their internal compliance policies and (ii) shall not be obligated to erase Confidential Information contained in an electronic archiving or backup system operating in the ordinary course of business. In the case of each of (i) and (ii) in the preceding sentence, Recipient, its Representatives and Affiliate Entitles will continue to keep the Confidential Information confidential in accordance with the terms of this Agreement. Notwithstanding the foregoing, the destruction of any Confidential Information does not affect any of the Recipient's obligations hereunder and the Confidential Information, whether or not destroyed, will remain subject to the restrictions herein. In connection with the obligations under this Agreement, Recipient shall maintain the confidentiality of the Confidential Information with at least the same degree of care that it uses to protect its own confidential information, but no less than a reasonable degree of care under the circumstances.

4. Except as may be required by law, including securities laws, without the prior written consent of the other Party, neither Party shall, and each Party shall direct its Representatives not to, disclose to any person or entity (other than its Representatives) (a) that any investigations, discussions or negotiations are taking place (including, without limitation, concerning a Possible Transaction involving the Company and the Recipient), (b) that Recipient has requested or received any Confidential Information, (c) the terms of this Agreement, or (d) any of the terms, conditions, negotiations, discussions or other facts (including, without limitation, with respect to a Possible Transaction, including the status thereof).

5. Without the prior written consent of the Company, Recipient shall not, and shall direct its Representatives and Affiliate Entitles (as defined in Section 9 below) not to disclose any Confidential Information to any third parties (including, without limitation, in connection with a Possible Transaction, or otherwise discuss a Possible Transaction with, or disclose a Possible Transaction to, any third parties. Recipient represents and covenants that Recipient does not have (and will not enter into) (a) any agreement or understanding with any other person that such person will refrain from bidding on or participating in a Possible Transaction with the Company, (b) any agreement pursuant to which any other person will have a right to participate in a Possible Transaction with the Company involving the Recipient if the Recipient is successful in consummating a Possible Transaction with the Company or (c) any agreement or arrangement with any potential debt or equity financing sources which may reasonably be expected to limit such financing source from acting as a financing source for any other potential acquirer or participant in a Possible Transaction with the Company.

6. Due to the unique confidential, proprietary, unique and valuable nature of the Confidential Information, Recipient acknowledges and agrees that in the event Recipient fails to comply with its obligations hereunder, that monetary damages may be inadequate to compensate the Company. Accordingly, Recipient agrees that the Company shall, in addition to any other remedies available to it at law or in equity, be entitled to seek injunctive relief to enforce the terms of Sections 2, 3, 4 and 5 of this Agreement.

7. Notwithstanding anything herein to the contrary, Confidential Information shall not include any information which (a) at the time of its disclosure or thereafter is generally available to or known to the public other than as a result of a disclosure by the Recipient or its representatives in breach of this Agreement, (b) was or becomes available to the Recipient, on a non-confidential basis from a source other than the Company, (c) is shown by written dated records (or any other evidence or documentary media) to have been independently acquired or developed by Recipient without breaching this Agreement, (d) is shown by written dated records (or any other evidence or documentary media) to have been lawfully in the possession of or known to the Recipient prior to disclosure by the Company, or (e) Recipient is compelled by court or government action pursuant to applicable law to disclose, provided, however, that Recipient gives the Company prompt notice thereof so that the Company may seek a protective order or other appropriate remedy.

8. The Recipient acknowledges that the Company is a publicly traded company. As such, the Recipient agrees not to use any material non-public Confidential Information in connection with the purchase or sale of the securities of the Company. The Recipient further acknowledges that such use may constitute a violation of securities laws.

9. The Recipient acknowledges that, in its examination of the Confidential Information, it will be given access to material non-public information concerning the Company. In consideration of receipt of that information, for a period of the later of (A) twelve months from the date of this Agreement and (B) the date on which the 2016 annual meeting of the Company's shareholders is held (which shall be held no later than December 31, 2016) (the **"Standstill Period")** the Recipient on behalf of itself, its parent and subsidiary entities and entities under common control therewith (the **"Affiliate Entities"),** hereby agrees that each of the Recipient and the Affiliated Entities shall not, other than as authorized in writing by the Company: (i) in any manner acquire, whether from the Company or a third party, directly or indirectly (including, but not limited to, beneficial ownership as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended **("Exchange Act"))** of any additional voting securities or other equity interests in the Company or all or substantially all of the assets of the Company; (ii) enter into, directly or indirectly, any merger or business combination involving the Company; (iii) solicit proxies or consents, directly or indirectly, or become a "participant" in any "solicitation" (as such terms are defined in Regulation 14A under the Exchange Act) of proxies or consents to vote, or seek to advise or influence any person with respect to the voting of, any voting securities of the Company; (iv) with respect to any voting securities of the Company, (a) form or join any "group" (within the meaning of Section 13(d)(3) of the Exchange Act) after the date of this agreement that would be required under the Exchange Act to file a statement on Schedule 13D or Schedule 13G if such group had not previously filed such statement or otherwise require an amendment to such statement if such a

statement has been filed prior to the date hereof or (b) in the event that the Recipient or any of the Recipient's Affiliated Entities have formed or joined any such group prior to the date hereof, participate in or benefit from any additional action by such group or any member thereof after the date of this agreement that (1) would constitute a violation of this paragraph if undertaken by the Recipient alone or (2) would require such group to file a statement on Schedule 13D or Schedule 13G if such group had not previously filed such a statement or otherwise require an amendment to such statement if such a statement has been filed prior to the date hereof; (v) otherwise act, alone or in concert with others, to seek to control the management, Board of Directors or policies of the Company; (vi) initiate any communications concerning the Confidential Information or a Possible Transaction with any employee of the Company (other than Brad Pyatt, Chief Executive Officer of the Company) except as contemplated by this Agreement; (vii) publicly disclose any intention, plan or arrangement inconsistent with any of the foregoing; (viii) advise, assist or encourage any other person in connection with any of the foregoing or (ix) other than as authorized be this letter agreement or any definitive agreement relating to a Possible Transaction executed by the Parties or their affiliates, take any action that would legally require the Company to make a public announcement regarding a business combination, merger, sale of all or substantially all of its assets, liquidation or other extraordinary corporate transaction involving the Company.

Notwithstanding any of the foregoing, Recipient shall be permitted to purchase securities currently held by Wynnefield Capital, Inc. and its affiliates.

10. This Agreement shall be binding upon and inure to the benefit of the parties, their subsidiaries, and their respective successors. No assignment or modification of this Agreement may be made by any party without the prior written consent of the other party, which consent may be granted or denied in such other party's sole discretion. This Agreement shall not create any obligation on any party hereof to enter into any agreement between the Company and the Recipient or any other agreement or to negotiate or discuss any of the foregoing. In addition, the furnishing of Confidential Information hereunder shall not obligate either Party to (i) enter into any further agreement or negotiation with the other or (ii) to continue any negotiations, in good faith or provide any information or (iii) to refrain from entering into an agreement or negotiation with any other person, including without limitation any other person engaged in the same or a similar line of business as the other party hereto. Neither party shall have any liability to the other resulting from the use of or reliance upon the Confidential Information.

11. This Agreement contains the full and complete understanding of the parties with respect to the subject matter hereof and supersedes all prior representations and understandings regarding the subject matter hereof, whether oral or written. Failure to exercise or delay in exercising any remedy hereunder shall not be deemed a waiver thereof. Each party represents that this Agreement is being signed by a duly authorized officer.

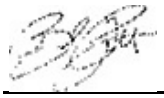
12. This Agreement may be signed in counterparts, each of which shall for all purposes be deemed an original, and together shall constitute one and the same instrument. This Agreement shall expire twelve months from the effective date hereof. Notwithstanding the foregoing, and without altering the rights and obligations of the parties with respect to any Confidential Information provided prior thereto, each Party reserves the right at any time to notify the other Party in writing that it no longer desires to provide or receive additional Confidential Information under this Agreement, and no Confidential Information provided after such notice is received shall be considered Confidential Information hereunder. Any claim for breach of this Agreement must be made and filed within twelve months of actual notice of the alleged breach.

13. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of a Possible Transactions contemplated by this Agreement (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of this Agreement), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it (as shown on the signature page hereto and as may be changed from time to time by notice to the other Party) under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. The Parties waive any right to a jury trial and any right to consolidation with a cause of action involving a jury trial. A Party shall use reasonable commercial efforts to mitigate or reduce any damages or claims relating to a breach of this Agreement by the other Party.

14. If Recipient or its Representatives disclose any information concerning Recipient's or its Representatives' business or operations to the Company or its Representatives, the Parties agree that (i) any information so disclosed shall constitute "Confidential Information" hereunder, and (ii) Recipient and its Representatives shall have mutual mirror reciprocal rights and benefits to the rights and benefits of the Company provided by the foregoing provisions of this letter agreement.

In witness whereof the undersigned have executed this Agreement as of the date first written above.

Musclepharm



By: _____
Name: Brad Pyatt
Title: Chairman and CEO
Date: June 23, 2015

With an address of:

4721 Ironton Street, Building A
Denver, CO 80239

Consac, LLC

By: _____
Name: Ryan Drexler
Title: President
Date: June 23, 2015

With an address of:

525 Chalette Drive
Beverly Hills, California 90211

Exhibit 31.1

CERTIFICATION

I, Brad J. Pyatt, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MusclePharm Corporation;

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 present in this report;

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

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

d) Disclosed in this report any change in the registrant's internal control over financing 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 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 10, 2015

By: */s/* Brad J. Pyatt
Brad J. Pyatt
Principal Executive Officer

Exhibit 31.2

CERTIFICATION

I, John Price, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MusclePharm Corporation;

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 present in this report;

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

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

d) Disclosed in this report any change in the registrant's internal control over financing 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 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 10, 2015

By: */s/* John Price
John Price
Principal Financial Officer

Exhibit 32.1

Section 1350 CERTIFICATION

In connection with this Quarterly Report of MusclePharm Corporation (the "Company"), on Form 10-Q for the quarter ended June 30, 2015, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, Brad J. Pyatt, Principal Executive 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, as amended; and

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

Date: August 10, 2015

By: */s/* Brad J. Pyatt
Brad J. Pyatt
Principal Executive Officer

Exhibit 32.2

Section 1350 CERTIFICATION

In connection with this Quarterly Report of MusclePharm Corporation (the "Company"), on Form 10-Q for the quarter ended June 30, 2015, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, John Price, Principal 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, as amended; and

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

Date: August 10, 2015

By: */s/* John Price
John Price
Principal Financial Officer