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: March 31, 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 May 1, 2015:13,492,191 excludes 875,621 common shares held in treasury.

MusclePharm Corporation
Form 10-Q

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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)

	March 31, 2015 (Unaudited)	December 31, 2014
ASSETS		
Current assets:		
Cash	$ 4,784	$ 1,020
Accounts receivable, net of allowance for doubtful accounts of $187 and $159 as of March 31, 2015 and December 31, 2014	18,959	16,644
Inventory	13,872	21,069
Prepaid giveaways	1,474	1,228
Prepaid stock compensation, current	4,236	4,476
Prepaid sponsorship and endorsement fees	397	238
Prepaid expenses and other current assets	2,044	1,742
Total current assets	45,766	46,417
Property and equipment, net	7,470	7,805
Intangible assets, net	9,195	7,074
Prepaid stock compensation, long-term	5,282	4,952
Other assets	188	108
TOTAL ASSETS	$ 67,901	$ 66,356
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 28,826	$ 27,761
Accrued liabilities	6,050	7,023
Line of credit	8,000	8,000
Term loan, current portion	1,271	—
Other debt obligations	46	46
Total current liabilities	44,193	42,830
Term loan, non-current portion	2,625	—
Other long-term liabilities	114	146
TOTAL LIABILITIES	46,932	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 March 31, 2015 and December 31, 2014; 14,367,812 and 13,996,007 shares issued as of March 31, 2015 and December 31, 2014; 13,492,191 and 13,120,386 shares outstanding as of March 31, 2015 and December 31, 2014	14	14
Additional paid-in capital	134,278	129,130
Treasury stock, at cost; 875,621 shares as of March 31, 2015 and December 31, 2014	(10,039)	(10,039)
Accumulated other comprehensive loss	(146)	(66)
Accumulated deficit	(103,138)	(95,659)
TOTAL STOCKHOLDERS' EQUITY	20,969	23,380
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 67,901	$ 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 March 31,	
	2015	**2014**
Revenue, net	$ 41,322	$ 50,209
Cost of revenue	26,938	32,336
Gross profit	14,384	17,873
Operating expenses:		
Advertising and promotion	7,225	6,328
Salaries and benefits	7,061	5,367
Selling, general and administrative	4,962	1,872
Research and development	965	1,097
Professional fees	1,455	785
Total operating expenses	21,668	15,449
(Loss) income from operations	(7,284)	2,424
Other (expense) income, net	(183)	344
(Loss) income before provision for income taxes	(7,467)	2,768
Provision for income taxes	12	32
Net (loss) income	$ (7,479)	$ 2,736
Net (loss) income per share, basic	$ (0.56)	$ 0.27
Net (loss) income per share, diluted	$ (0.56)	$ 0.23
Weighted average shares used to compute net (loss) income per share, basic	13,333,868	10,307,350
Weighted average shares used to compute net (loss) income per share, diluted	13,333,868	11,951,923

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

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

	Three Months Ended March 31,	
	2015	**2014**
Net (loss) income	$ (7,479)	$ 2,736
Other comprehensive (loss) income:		
Change in foreign currency translation adjustment	(80)	(4)
Comprehensive (loss) income	$ (7,559)	$ 2,732

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

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

	Common Stock		Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive 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	—	—	33	—	—	—	33
Stock-based compensation related to issuance of restricted stock awards to employees, executives and directors	51,805	—	2,523	—	—	—	2,523
Stock issued in conjunction with energy drink agreements	150,000	—	1,198	—	—	—	1,198
Stock issued in conjunction with MusclePharm Apparel acquisition	170,000	—	1,394	—	—	—	1,394
Net loss	—	—	—	—	—	(7,479)	(7,479)
Change in foreign currency translation adjustment	—	—	—	—	(80)	—	(80)
Balance—March 31, 2015	13,492,191	$ 14	$ 134,278	$ (10,039)	$ (146)	$ (103,138)	$ 20,969

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

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

	Three Months Ended March 31,	
	2015	**2014**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	$ (7,479)	$ 2,736
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:		
Depreciation of property and equipment	382	314
Amortization of intangible assets	225	285
Provision for doubtful accounts	30	76
Amortization of prepaid stock compensation	1,109	795
Amortization of prepaid sponsorship and endorsement fees	1,431	1,658
Accretion of discount on marketable securities	—	(15)
Amortization of debt issuance costs	9	—
Stock-based compensation	2,523	2,376
Issuance of common stock warrants to third parties for services	33	—
Gain on settlement of accounts payable	—	(5)
Loss (gain) on disposal of property and equipment	7	(2)
Change in fair value of derivative liabilities	—	(484)
Unrealized loss on derivative assets	—	119
Unrealized loss on marketable securities	—	60
Changes in operating assets and liabilities:		
Accounts receivable	(2,345)	(5,163)
Inventory	7,197	(41)
Prepaid giveaways	(247)	(113)
Prepaid sponsorship and endorsement fees	(1,590)	(968)
Prepaid expenses and other current assets	(272)	85
Other assets	(79)	3
Accounts payable	719	(2,874)
Accrued liabilities	(971)	390
Net cash provided by (used in) operating activities	682	(768)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(257)	(1,304)
Change in restricted cash balance	—	(1)
Proceeds from disposal of property and equipment	447	2
Purchase of MusclePharm Apparel Rights	(850)	—
Net cash used in investing activities	$ (660)	$ (1,303)

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

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

	Three Months Ended March 31,	
	2015	**2014**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from line of credit	$ 4,001	$ —
Payments on line of credit	(4,001)	—
Repayments of term loan	(103)	(3)
Proceeds from issuance of term loan	4,000	—
Issuance costs of term loan	(40)	—
Repayment of capital lease obligations	(35)	(18)
Net cash provided by (used in) financing activities	3,822	(21)
Effect of exchange rate changes on cash	(80)	(4)
NET INCREASE (DECREASE) IN CASH	3,764	(2,096)
CASH — BEGINNING OF PERIOD	1,020	5,412
CASH — END OF PERIOD	$ 4,784	$ 3,316
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$ 124	$ 36
Cash paid for taxes	$ 40	$ 83
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Stock issued in conjunction with energy drink agreement	$ 1,198	$ —
Stock issued in conjunction with MusclePharm Apparel acquisition	$ 1,394	$ —
Issuance of common stock for BioZone acquisition	$ —	$ 9,840
Common stock issued for board member compensation	$ —	$ 115
Purchase of property and equipment included in accounts payable and accrued liabilities	$ 244	$ —
Purchase of trademark registration included in accounts payable and accrued liabilities	$ 102	$ —

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

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 prior period amounts have been reclassified to conform to the current period presentation.

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 consolidated balance sheet as of March 31, 2015, and the consolidated statements of operations, comprehensive (loss) income, stockholder's equity and cash flows for the three months ended March 31, 2014 and 2015 are unaudited. These unaudited interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (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 March 31, 2015, our results of operations for the three months ended March 31, 2014 and 2015, and our cash flows for the three months ended March 31, 2014 and 2015. The results of operations for the three months ended March 31, 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 fiscal 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 sales reserves, valuations of equity securities and intangible assets, fair value of derivatives and fair values of 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 balance sheet 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 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 will explicitly require 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 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 has 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: Acquisition

Capstone Nutrition Agreement

Effective March 2, 2015, the Company and Capstone Nutrition ("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 Company shall purchase and take delivery from Capstone a minimum of $90.0 million of Products per full contract year. The Amendment includes amended pricing for Products and payment terms. The initial term ends January 1, 2022 and will continue thereafter for three successive twenty-four month terms, unless Capstone notifies the Company of nonrenewal at least ninety days prior to the end of the then current term.

Payment and Rebates. The Company and Capstone agreed on certain payment terms and rebate programs.

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. Payment of the $2.5 million is due in three (3) equal installments 30, 60 and 90 days from the effective date.

Capstone and the Company entered into a referral agreement (the "Referral Agreement") whereby the Company will refer customers to Capstone for the purchase of products, and Capstone will pay the Company a referral fee. The term of the Referral Agreement will continue as long as the Manufacturing Agreement between the Company and Capstone is in effect.

The Company and Capstone entered into a Class B Common Stock Warrant Purchase Agreement ("Warrant Agreement") whereby the Company may purchase 19.9% of Capstone's parent company, INI Parent, Inc. ("INI"), on a fully-diluted basis. 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 has the right to exercise the Warrant under certain circumstances: (i) the Warrant Agreement may only be exercised at the earlier of (A) immediately prior to, and in connection with the consummation of a sale of INI or (B) within five business days of the expiration of the initial terms of the Manufacturing Agreement; (ii) the Company has been and continues to be as of the date of the sale of INI in compliance with the terms of the Manufacturing Agreement; and (iii) the Company complies with the provisions of the Warrant Agreement, including its exercise conditions. The Warrant Agreement and Warrant Shares are not transferrable without the prior written consent of INI's Board of Directors.

In lieu of exercising the Warrant Agreement, the Company may elect to sell or terminate the Warrant Agreement provided that the Company makes such election by delivering written notice to INI pursuant to the terms and conditions of the Warrant Agreement.

In connection with the Warrant Agreement, the Company and INI 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 on a fully-diluted basis, based on an aggregate enterprise value, equal to $200 million. Such purchase is intended to be consummated pursuant to a definitive merger agreement whereby INI would merge with a subsidiary of the Company and survive the merger as a wholly-owned subsidiary to the Company. In April 2015, the Company made its first payment to Capstone pursuant to the Manufacturing Agreement and Amendment. The Company is in the process of completing the valuation of the various contract elements which are expected to be included in the results for the six months ended June 30, 2015.

Note 5: Balance Sheet Components

Inventory

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

	March 31, 2015	December 31, 2014
Raw materials	$ 1,884	$ 1,169
Work-in-process	305	101
Finished goods	11,683	19,799
Inventory	$ 13,872	$ 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, we have had minimal returns with established customers, and any damaged packaging is sent back to the manufacturer for replacement. We incurred insignificant inventory write-off during the three months ended March 31, 2015 and 2014.

Property and Equipment

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

	March 31, 2015	December 31, 2014
Furniture and fixtures	$ 3,954	$ 4,041
Leasehold improvements	2,932	2,298
Manufacturing and lab equipment	1,536	1,388
Vehicles	470	470
Displays	486	488
Website	399	241
Office equipment and computers	141	—
Construction in process	561	1,511
Property and equipment, gross	10,479	10,437
Less: accumulated depreciation and amortization	(3,009)	(2,632)
Property and equipment, net	$ 7,470	$ 7,805

Depreciation and amortization expense related to property and equipment was $382,000 and $314,000 for the three months ended March 31, 2015 and 2014, which is included in the selling, general, and administrative in the consolidated statements of operations.

Intangible Assets

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

	As of March 31, 2015			
	Gross Value	Accumulated Amortization	Net Carrying Value	Weighted-Average Useful Lives (years)
Amortized Intangible Assets				
Customer relationships	$ 3,130	$ (261)	$ 2,869	15.0
Non-compete agreements	69	(43)	26	0.8
Patents	2,211	(354)	1,857	7.8
Trademarks	692	(117)	575	6.3
Brand	4,020	(194)	3,826	9.2
Domain name	68	(26)	42	5.0
Total intangible assets	$ 10,190	$ (995)	$ 9,195	

	As of 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	7.8
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 amortization expense for the three months ended March 31, 2015 and 2014 was $225,000 and $285,000, which is recorded in the selling, general, and administrative in the consolidated statements of operations.

As of March 31, 2015, the estimated future amortization expense of intangible assets is as follows (in thousands):

Year Ending December 31,	
The remainder of 2015	$ 816
2016	1,054
2017	1,042
2018	1,031
2019	1,027
2020	983
Thereafter	3,242
Total amortization expense	$ 9,195

Note 6: Other Income (Expense), net

During the three months ended March 31, 2015 and 2014, other income (expense), net consists of the following (in thousands):

	Three Months Ended March 31,	
	2015	2014
Other (expense) income, net:		
Interest income	$ —	$ 223
Interest expense	(125)	(39)
Change in fair value of derivative liabilities	—	484
Gain on settlement of accounts payable	—	5
Loss on marketable securities	—	(386)
Foreign currency transaction loss	(64)	(30)
Other	6	87
Total other (expense) income, net	$ (183)	$ 344

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 March 31, 2015 and December 31, 2014, the Company had drawn down all $8.0 million under the line of credit. The Company would not have been in compliance with certain financial covenants, including requiring the balance to be at or below $3 million for a minimum of 14 non-consecutive days per quarter, under this facility as of March 31, 2015 and December 31, 2014, and received a written waiver from the bank until May 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 cost of $40,000 which was recorded in prepaid expenses in the consolidated balance sheets.

Borrowings on the term loan are secured by the Company's inventory, accounts receivable and other receivables, general intangible properties, 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 would not have been in compliance with certain financial covenants and received a written waiver from the bank until May 31, 2015.

In December 2014, the Company entered into a fleet lease program providing for the Company approximately $1.8 million in credit to lease up to 50 vehicles.

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 for the three months ended March 31, 2015 and 2014 amounted to $383,000 and $297,000, respectively.

The Company also leases manufacturing and warehouse equipment under capital leases which expire at various dates through 2017. As of March 31, 2015 and December 31, 2014, the Company had an outstanding balance on capital leases of $229,000 and $265,000 respectively, which were included as a component of accrued liabilities and other long-term liabilities in the consolidated balance sheets.

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 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 March 31, 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.

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 March 31, 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.

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.

Sponsorship and Endorsement Contract Liabilities

The Company has various non-cancelable endorsement and sponsorship agreements with terms expiring through 2018. The total value of future contractual payments as of March 31, 2015 and December 31, 2014 was $50.0 million and $52.8 million. The total future contractual payments as of March 31, 2015 are as follows (in thousands):

	Year Ending December 31,						
	Remainder of 2015	2016	2017	2018	2019	Thereafter	Total
Outstanding Payments							
Endorsement	$ 5,280	$ 8,203	$ 9,105	$ 6,000	$ 4,167	$ 11,667	$ 44,422
Sponsorship	3,898	1,488	100	100	—	—	5,586
Total future payments	$ 9,178	$ 9,691	$ 9,205	$ 6,100	$ 4,167	$ 11,667	$ 50,008

Note 9: Stockholders' Equity

Common Stock

For the three months ended March 31, 2015, the Company issued common stock including restricted stock awards, as follows:

Transaction Type	Quantity (#)	Valuation ($ in thousands)	Range of Value per Share
Stock issued to employees, executives and directors	51,805	$ 2,523	$ 3.48 – 8.60
Stock issued in conjunction with energy drink agreement	150,000	1,198	7.99
Stock issued in conjunction with MusclePharm apparel rights acquisition	170,000	1,394	8.20
Total	371,805	$ 5,115	$ 3.48 – 8.60

For the three months ended March 31, 2014, the Company issued common stock including restricted stock awards, as follows:

Transaction Type	Quantity (#)	Valuation ($ in thousands)	Range of Value per Share ($)
Stock issued to employees, executives and directors	60,422	$ 2,491	$ 3.48 – 8.70
BioZone acquisition	1,200,000	9,840	8.20
Total	1,260,422	$ 12,331	$ 3.48 – 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 instrument at the date of conversion.

Treasury Stock

For the three months ended March 31, 2015 and 2014, the Company did not repurchase any shares of its common stock and held 875,621 shares in treasury as of March 31, 2015.

Note 10: Stock-Based Compensation

The Company's stock-based compensation for the three months ended March 31, 2015 and 2014 consist primarily of restricted stock awards. The activity of restricted stock awards granted to employees and board members was as follows:

	Unvested Restricted Stock Awards	
	Number of Shares	Weighted-Average Grant Date Fair Value
Unvested balance – December 31, 2014	2,631,987	$ 11.67
Granted	8,668	8.60
Vested	(366,889)	9.87
Unvested balance – March 31, 2015	2,273,766	$ 12.01

The total fair value of restricted stock awards granted to employees and board members for the three months ended March 31, 2015 and 2014 was $75,000 and $320,000. As of March 31, 2015 and December 31, 2014, the total unrecognized expense for unvested restricted stock awards, net of expected forfeitures, was $18.2 million and $20.7 million, which are expected to be amortized over a weighted-average period of 3.1 and 2.6 years.

Restricted Stock Awards Related to Energy Drink Agreement

In January 2015, the Company entered into an energy drink agreement with Langer Juice and Creative Labs. 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. The restricted stock awards 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 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. For the total 170,000 shares issued, 42,500 shares are held in escrow and will be released to Worldwide on May 22, 2015 if no claim is made. The total cost of the MusclePharm apparel acquisition of $2.2 million was included as brand in intangible assets, net in the accompanying balance sheet, and is subject to amortization over a period of seven years.

Note 11: Net Income (Loss) 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 March 31,	
	2015	2014
Net (loss) income	$ (7,479)	$ 2,736
Weighted-average common shares used in computing net (loss) income per share, basic	13,333,868	10,307,350
Effect of dilutive securities	—	1,644,573
Weighted-average common shares used in computing net (loss) income per share, diluted	13,333,868	11,951,923
Net (loss) income per share, basic	$ (0.56)	$ 0.27
Net (loss) income per share, diluted	$ (0.56)	$ 0.23

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

	Three Months Ended March 31,	
	2015	2014
Stock options (exercise price - $425/share)	472	472
Warrants (exercise price - $4 - $1,275/share)	—	263,089
Unvested restricted stock	2,273,766	1,381,573
Total common stock equivalents	2,274,238	1,645,134

Note 12: Income Taxes

The Company recorded an income tax provision of $12,000 and $32,000 for the three months ended March 31, 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 March 31, 2015.

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 March 31,	
	2015	2014
Revenue, net:		
United States	$ 31,588	$ 33,000
International	9,734	17,209
Total revenue, net	$ 41,322	$ 50,209

Note 14: Subsequent Events

Amendment to Bylaws

On May 8, 2015, the Company's Board of Directors approved an amendment (the "Amendment") to the Company's Amended and Restated Bylaws. A copy of such Amendment is attached hereto as Exhibit 3.1. Pursuant to the Amendment, the Company Bylaws were amended, effective immediately, as follows:

- Art. II, Sec. 3, which relates to Special Meetings, was amended and restated to require that stockholders of the Company requesting a special meeting provide, in their request to the Company, certain specified information and set forth other requirements regarding delivery of such request.
- Art. II, Sec. 6, which relates to stockholder consents in lieu of stockholder meetings, was amended and restated to require that stockholders intending to act by written consent request a record date from the Company for such action, which request must include certain specified information and set forth other requirements regarding the delivery of written consents.
- Art. II, Sec. 9, which relates to advance notice of stockholder proposals and stockholder nominations, was revised to require certain stockholder disclosure requirements.
- Art. III, Sec. 2, which relates to Board vacancies, was amended and restated to clarify that only the Board can fill vacancies of the Board.

- Art. III, Sec. 11, which relates to the removal of directors, was amended and restated to clarify that directors may be removed by a two-thirds (as opposed to majority) vote of the shareholders, as contemplated by NRS 78.335.
- Article VII, Sec. 5, which relates to Forum Selection, was added to the bylaws to provide that that any person acquiring equity in the Company shall be deemed to have notice of and consented to such Article VII. Section 5.

Corporate Governance Guidelines

On May 8, 2015, the Company's Board of Directors adopted updated Corporate Governance Guidelines ("Corporate Guidelines") effective immediately including reiterating its commitment to review the separation of the responsibilities of the Chairman and Chief Executive Officer. Such updated Corporate Governance Guidelines are attached hereto as Exhibit 99.2.

In addition, the Corporate Guidelines identify the position of Lead Independent Director. The Lead Independent Director's responsibilities shall include, but are not limited to: (i) serve as a liaison between the Chairman of the Board and the independent directors; (ii) chair such Board meetings at meetings at which the Chairman is not present; (iii) chairing executive sessions of the independent directors; and (iv) performing such other duties as are assigned from time to time by the Board.

Communications Policy

On May 5, 2015 the Company adopted and on May 6, 2015, the Company disseminated to all employees a Corporate Communications Policy (the "Communications Policy") effective immediately and covering its officers, directors, employees and consultants, in order to better ensure compliance with Corporate Guidelines, ensure the confidentiality of proprietary and/or non-public Company information, and to provide guidance on how to address any issues that may arise from communications whether internally or from outside of the Company. The Communications Policy is attached hereto as Exhibit 99.3.

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 Athletes 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 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 three months ended March 31, 2015 was $41.3 million, with a 2-year 28.8% compound annual growth rate ("CAGR"). Our net losses were $7.5 million for the same period.

Recent Developments

Backlog

As of March 31, 2015 and December 31, 2014, we had product backlog of approximately $17.1 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 revenues.

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 March 31, 2015, our two largest customers, Costco and Bodybuilding.com, accounted for 37% 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 facilities are operated with our equipment and employees, and we own the related inventory. We also use contract manufacturers to drop ship products directly to our customers.

In addition, BioZone Laboratories, Inc., ("BioZone") which we acquired 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 test enhancements.

Our gross profit fluctuates due to several factors, including new product introductions, upgrades to existing product lines, changes in customer and product mixes, the mix of product demand, shipment volumes, our 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 digital and print advertising, trade show events, athletic endorsements and sponsorships and promotion giveaways. 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, 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 is 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.

Selling, General and Administrative

Our selling, general and administrative expenses consist primarily of depreciation, amortization, sales commissions, travel and miscellaneous expenses incurred by our executive, finance, legal, human resources, and other administrative functions, freight out, legal settlement costs, director fees, 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 expense is 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 personnel costs, 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 expense is 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, accounting and tax services 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. 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 Income (Expense), net

Other income (expense), 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 assets. We expect to maintain this full valuation allowance at least in the near term.

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 March 31,	
	2015	2014
	(In thousands)	
Revenue, net	$ 41,322	$ 50,209
Cost of revenue	26,938	32,336
Gross profit	14,384	17,873
Operating expenses:		
Advertising and promotion	7,225	6,328
Salaries and benefits	7,061	5,367
Selling, general and administrative	4,962	1,872
Research and development	965	1,097
Professional fees	1,455	785
Total operating expenses	21,668	15,449
(Loss) income from operations	(7,284)	2,424
Other (expense) income, net	(183)	344
(Loss) income before provision for income taxes	(7,467)	2,768
Provision for income taxes	12	32
Net (loss) income	$ (7,479)	$ 2,736

	Three Months Ended March 31,	
	2015	2014
Revenue, net	100%	100%
Cost of revenue	65	64
Gross profit	35	36
Operating expenses:		
Advertising and promotion	17	13
Salaries and benefits	17	11
Selling, general and administrative	12	4
Research and development	2	2
Professional fees	4	2
Total operating expenses	52	32
(Loss) income from operations	(18)	4
Other (expense) income, net	—	1
(Loss) income before provision for income taxes	(18)	5
Provision for income taxes	—	—
Net (loss) income	(18)%	5%

Comparison of the Three Months Ended March 31, 2015 and 2014

Revenue

	Three Months Ended March 31,		
	2015	2014	% Change
	(In thousands)		
Revenue, net	$ 41,322	$ 50,209	(18)%

Revenue, net decreased $8.9 million or 18% to $41.3 million for the three months ended March 31, 2015, compared to $50.2 million for the three months ended March 31, 2014. Revenue, net for the three months ended March 31, 2015 decreased due primarily to the strengthening of the US dollar resulting in a decrease in sales to international customers and the timing of "the Arnold" a significant trade show. The Arnold was held two weeks later in 2015 than 2014 resulting in orders being received later in March 2015. We entered the second quarter of 2015 with $17.1 million of backlog orders compared to $4.0 million and $5.1 million at December 31, 2013 and 2014 respectively. Discounts and sales allowances decreased to $5.1 million, or 11%, of gross revenue for the three months ended March 31, 2015 from $6.5 million, or 11%, of gross revenue for the same period in 2014. The decrease in discounts and allowances is a result of continued focus to define customer terms and allowances.

Cost of Revenue and Gross Profit

	Three Months Ended March 31,		
	2015	2014	% Change
	(In thousands)		
Cost of revenue	$ 26,938	$ 32,336	(17)%

	Three Months Ended March 31,		
	2015	2014	% Change
	(In thousands)		
Gross profit	$ 14,384	$ 17,873	(20)%

Costs of revenue decreased 17% to $26.9 million for the three months ended March 31, 2015, compared to $32.3 million for the same period in 2014. Accordingly, gross profit for the three months ended March 31, 2015 was $14.4 million, or 35% of revenue, compared to $17.9 million, or 36% of revenue for the same period 2014. Our cost of revenue and gross profit margin were consistent.

Operating Expenses

Operating expenses for the three months ended March 31, 2015 were $21.7 million, compared to $15.4 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

	Three Months Ended March 31,		
	2015	2014	% Change
	(In thousands)		
Advertising and promotion	$ 7,225	$ 6,328	14%
Percentage of revenue	17%	13%	

Advertising and promotion expenses increased 14% to $7.2 million for the three months ended March 31, 2015, or 17% of revenue, compared to $6.3 million, or 13% of revenue, in 2014. Advertising and promotion expenses for the three months ended March 31, 2015 included expenses related to strategic partnerships entered into with the UFC, Tiger Woods and others. These new partnerships, along with our Arnold Schwarzenegger Series™ introduced in 2013, have increased our strategic partnership expense by $950,000. This expense coupled with an increase in trade show cost of $300,000 and decrease in general advertising of $400,000 are the primary drivers for the overall increase.

Salaries and Benefits

	Three Months Ended March 31,		
	2015	2014	% Change
	(In thousands)		
Salaries and benefits	$ 7,061	$ 5,367	32%
Percentage of revenue	17%	11%	

Salaries and benefits increased 32% to $7.1 million, or 17% of revenue, for the three months ended March 31, 2015 compared to $5.4 million, or 11% 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.

Selling, General and Administrative

	Three Months Ended March 31,		
	2015	2014	% Change
	(In thousands)		
Selling, general and administrative	$ 4,962	$ 1,872	165 %
Percentage of revenue	12 %	4 %	

Selling, general and administrative expenses increased 165% to $5.0 million, or 12% of revenue, for the three months ended March 31, 2015 compared to $1.9 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 $1.4 million, increased travel related expenses of $350,000, selling related expenses of $300,000, additional insurance premiums of $250,000, additional depreciation and amortization on new assets of $250,000, increased facilities cost as we expand our operations of $200,000, and increases in general supplies, outside services and communications of $350,000.

Research and Development

	Three Months Ended March 31,		
	2015	2014	% Change
	(In thousands)		
Research and development	$ 965	$ 1,097	(12)%
Percentage of revenue	2 %	2 %	

Research and development expenses decreased 12% to $1.0 million, or 2% of revenue, for the three months ended March 31, 2015 compared to $1.1 million, or 2% of revenue, for the same period in 2014. The decrease was due to a $240,000 decrease in depreciation expense of research and development assets offset by an increase of $120,000 related to researching fees as we continue to develop and test new products.

Professional Fees

	Three Months Ended March 31,		
	2015	2014	% Change
	(In thousands)		
Professional fees	$ 1,455	$ 785	85 %
Percentage of revenue	4 %	2 %	

Professional fees increased 85% to $1.5 million for the three months ended March 31, 2015, compared to $0.8 million for the same period in 2014. The primary reason for the increase in professional fees is due to increased legal fees of $250,000, additional accounting support fees $175,000 and additional outside services of $275,000.

Other Income (Expense), net

The components of our other income (expense), net consists of the following:

	Three Months Ended March 31,		
	2015	2014	% Change
	(In thousands)		
Interest income	$ —	$ 223	(100)%
Interest expense	(125)	(39)	221
Change in fair value of derivative liabilities	—	484	(100)
Gain on settlement of accounts payable	—	5	(100)
Loss on marketable securities	—	(386)	(100)
Foreign currency transaction loss	(64)	(30)	113
Other	6	87	(93)
Total other (expense) income, net	$ (183)	$ 344	(153)

Other income (expense), net for the three months ended March 31, 2015 was an expense of $0.2 million, compared to an income of $0.3 million for the same period in 2014. The significant fluctuations in other income (expense), net were primarily related to foreign currency transaction gains and losses, and interest expense.

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 income (loss):

	Three Months Ended March 31,	
	2015	2014
	(In thousands)	
Adjusted EBITDA:		
Net (loss) income	$ (7,479)	$ 2,736
Non-GAAP adjustments:		
Provision for income taxes	12	32
Depreciation and amortization of property and equipment	382	314
Amortization of intangible assets	225	285
Provision for doubtful accounts	30	76
Amortization of prepaid stock compensation	1,109	795
Amortization of prepaid sponsorship fees	1,431	1,658
Stock-based compensation	2,522	2,376
Issuance of common stock warrants to third-parties for services	33	—
Other expense (income), net	183	(344)
Adjusted EBITDA	$ (1,552)	$ 7,928

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 March 31, 2015, our cash balance was $4.8 million which consists primarily of cash on deposit with banks.

Our principal use of cash is to purchase inventory, pay for operating expenses, acquire capital assets and repurchase outstanding shares of our capital stock. As of March 31, 2015, we had working capital of $1.6 million, an accumulated deficit of $103.1 million and total stockholders' equity of $21.0 million. As of March 31, 2015, we had outstanding borrowings of $8.0 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, there will be opportunities to increase revenue such that our capital resources will be sufficient through at least March 31, 2016; however, we may seek to raise capital in order to execute the business plan, which includes more inventory purchases, new product releases and additional 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:

	Three Months Ended March 31,	
	2015	2014
Consolidated Statements of Cash Flows Data:		
Net cash provided by (used in) operating activities	$ 682	$ (768)
Net cash used in investing activities	(660)	(1,303)
Net cash provided by (used in) financing activities	3,822	(21)
Effect of exchange rate changes on cash	(80)	(4)
Net increase (decrease) in cash	$ 3,764	$ (2,096)

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, and costs related to our facilities. Our cash flows from operating activities will continue to be affected principally by the extent to which we increase spending on personnel expenditures, sales and marketing activities, and our working capital requirements.

During the three months ended March 31, 2015, cash provided by operating activities was $0.7 million, which differs from our net loss of $7.5 million primarily because of non-cash charges of $5.7 million, and a net change in our net operating assets and liabilities of $2.4 million. The non-cash charges primarily consisted of $2.5 million for stock-based compensation, $1.4 million for amortization of prepaid sponsorship and endorsement fees, $1.1 million for amortization of prepaid stock compensation, and $0.6 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 $7.2 million decrease in inventory due to improvement in our supply chain management and decrease in inventory purchase cost as a result of the amended manufacturing agreement with Capstone, a $0.7 million increase in accounts payable primarily attributable to the timing of payments, partially offset by a $2.3 million increase in accounts receivable due to an increase in sales and billings compared to the fourth quarter ended December 31, 2014, a $1.6 million increase in prepaid sponsorship and endorsement fees due to an increase in advertising efforts through sponsorships and endorsements, and a $1.0 million decrease in accrued liabilities primarily due to payment of certain royalty fees in connection with our endorsement agreements with Arnold Schwarzenegger.

During the three months ended March 31, 2014, cash used in operating activities was $0.8 million, primarily as a result of an $8.7 million net change in our operating assets and liabilities, which was partially offset by our net income of $2.7 million and non-cash charges of $5.2 million. The net change in our operating assets and liabilities was primarily the result of a $5.2 million increase in accounts receivable due to increased sales and billings, a $2.9 million decrease in accounts payable due to the timing of payments, and a $1.0 million increase in prepaid sponsorship and endorsement fees due to an increase in advertising efforts through sponsorships and endorsements. The non-cash charges primarily consisted of stock-based compensation of $2.4 million, amortization of prepaid sponsorship and endorsement fees of $1.7 million, and amortization of prepaid stock compensation of $0.8 million.

Investing Activities

Cash used in investing activities of $0.7 million for the three months ended March 31, 2015, was primarily due to cash payment of $0.9 million related to MusclePharm Apparel rights acquisition.

Cash used in investing activities of $1.3 million for the three months ended March 31, 2014 was primarily due to purchase of property and equipment.

Financing Activities

Cash flows provided by financing activities of $3.8 million for the three months ended March 31, 2015, was primarily due to proceeds from issuance of our term loan, net of issuance cost, of $4.0 million.

Cash used in financing activities of $21,000 for the three months ended March 31, 2014 was primarily due to repayment of capital leases of $18,000.

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 March 31, 2015 and December 31, 2014, we had drawn down all $8.0 million under the line of credit. The company would not have been in compliance with certain financial covenants including requiring the balance to be at or below $3 million for a minimum of 14 non-consecutive days per quarter, under this facility as of March 31, 2015 and received a written waiver from the bank until May 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 inventory, accounts receivable and other receivables, general intangible properties, 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. The company would not have been in compliance with certain financial covenants and received a written waiver from the bank until May 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 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. With the exception of the Manufacturing Agreement and Amendment with Capstone, requiring us to pay $2.5 million to fund the expansion of its facility, there have been no other material changes outside of the ordinary course of business in those obligations during the current quarter.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of March 31, 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 $64,000 related to fluctuations in foreign currency for the three months ended March 31, 2015.

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 commercial loan agreement were $12.0 million as of March 31, 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 prime rate plus 2%, which is 5.25% as of March 31, 2015. We would not expect a hypothetical 10% change in 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 March 31, 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, 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 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 March 31, 2015 and December 31, 2014, the Company was not involved in any material legal proceedings, except for the SEC investigation discussed below.

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.

Item 1A. Risk Factors

Except as set forth below, there have been no material changes to the Risk Factors as disclosed in the Company's 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 the Company 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 the Company shall be deemed to have notice and consented to the forum selection provision of the Company's Bylaws requiring actions to be brought only in New York, which may inhibit or deter stockholders actions (i) on behalf of the Company, (ii) asserting claims of breach of fiduciary duty by officers or directors of the Company, 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

Not applicable.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit No.	Description
3.1*	Amendment to the Company's Amended and Restated Bylaws
10.1*	First Amendment to Manufacturing Agreement by and between MusclePharm Corporation and F.H.G Corporation, effective March 2, 2015(1)
10.2*	Referral Agreement by and between MusclePharm Corporation and F.H.G Corporation, effective March 2, 2015(1)
10.3*	Warrant Purchase Agreement by and between MusclePharm Corporation and F.H.G Corporation, effective March 2, 2015(1)
10.4*	Option Agreement by and between MusclePharm Corporation and F.H.G Corporation, effective March 2, 2015(1)
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
99.1*	Form of Corporate Governance Guidelines, as adopted
99.2*	MusclePharm Corporation Corporate Communications Policy
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

(1) An application for confidential treatment was submitted to the Securities and Exchange Commission in May 2015 with regards to the (i) First Amendment to Manufacturing Agreement, (ii) Referral Agreement, (iii) Warrant Purchase Agreement, and (iv) Option agreement entered into by and between the Company and F.H.G. Corporation. The attached forms represent such confidential treatment.

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: May 11, 2015

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

Date: May 11, 2015

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

Exhibit 3.1

AMENDMENT TO THE AMENDED AND RESTATED BY-LAWS
OF
MUSCLEPHARM CORPORATION

The Amended and Restated By-Laws (the "Bylaws") of MUSCLEPHARM CORPORATION, a Nevada corporation (the "Corporation"), as certified by the secretary of the Corporation on May 8, 2015, are hereby amended as follows:

Section 3 to Article II of the Bylaws is amended and restated as follows:

"Section 3. Special Meetings.

Unless otherwise prescribed by law or by the Articles of Incorporation, Special Meetings of Stockholders, for any purpose or purposes, may be called by either (i) the Chairman, if there be one, or (ii) the President, (iii) any Vice President, if there be one, (iv) the Secretary, or (v) any Assistant Secretary, if there be one, and shall be called by any such officer at the request in writing of a majority of the Board of Directors or at the request in writing of stockholders owning a majority of the capital stock of the Corporation issued and outstanding and entitled to vote (the "Requisite Percentage"). Written notice of a Special Meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting.

A stockholder request for a Special Meeting (a "Special Meeting Request") shall be directed to the Secretary of the Corporation and shall be signed by each stockholder, or a duly authorized agent of such stockholder, requesting the Special Meeting (each, a "Requesting Stockholder") and shall be accompanied by a notice setting forth (1) the information required by Section 9 of this Article II as to any nominations proposed to be made or any other business proposed to be conducted at such Special Meeting and as to such Requesting Stockholders (including the completed written questionnaires and written representations and agreements required by Section 9 of this Article II from any nominee for election as a director of the Corporation, as applicable); (2) a statement of the specific purpose or purposes of the Special Meeting; (3) an acknowledgement by the Requesting Stockholders and the beneficial owner (as defined in Rule l3d-3 under the Securities Exchange Act of 1934, as amended (or any successor thereto) (the "Act")) (the "Beneficial Owner"), if any, on whose behalf the Special Meeting Request(s) are being made that a disposition of shares of the Corporation's capital stock owned of record or beneficially as of the date on which the Special Meeting Request(s) in respect of such shares is delivered to the Secretary that is made at any time prior to the Special Meeting shall constitute a revocation of such Special Meeting Request(s) with respect to such disposed shares; and (4) documentary evidence that the Requesting Stockholder(s) own the Requisite Percentage of as of the date of such Special Meeting Request.

In determining whether a Special Meeting of Stockholders has been requested by the record holders of shares representing in the aggregate at least the Requisite Percentage, multiple Special Meeting Requests will be considered together only if (i) each Special Meeting Request identifies substantially the same purpose or purposes of the Special Meeting and substantially the same matters proposed to be acted on at the Special Meeting (in each case as determined in good faith by the Board of Directors) and (ii) such Special Meeting Requests have been dated and delivered to the Secretary within thirty (30) days of the earliest dated Special Meeting Request. A stockholder may revoke a Special Meeting Request at any time by written revocation delivered to the Secretary, and if, following any revocation (including any deemed revocation pursuant to clause (3) of the foregoing paragraph), the un-revoked Special Meeting Requests are from stockholders holding in the aggregate less than the Requisite Percentage, the Board of Directors, in its sole discretion, may cancel the Special Meeting."

Section 6 to Article II of the Bylaws is amended and restated as follows:

"Section 6. Consent of Stockholders in Lieu of Meeting.

Unless otherwise provided in the Articles of Incorporation, any action required or permitted to be taken at any Annual or Special Meeting of Stockholders of the Corporation, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Every written consent purporting to take or authorize the taking of corporate action must bear the date of signature of each stockholder who signs the written consent, and no written consent shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest dated written consent delivered in the manner required by this Section 6, written consent signed by a sufficient number of stockholders to take such action are so delivered to the Corporation. The written consents shall be delivered to the Corporation by delivery to its registered office in Nevada, its principal place of business, or an officer or agent of the Corporation having custody of the book in which the proceedings are recorded. Delivery to the registered officer shall be by hand or

certified or registered mail, return receipt requested. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

The record date for the determination of stockholders entitled to express consent to corporate action in writing without a meeting shall be as fixed by the Board of Directors or as otherwise established under this Section 6. Any person seeking to have the stockholders authorize or take corporate action by written consent without a meeting shall, by written notice addressed to the Secretary of the Corporation and delivered to the Corporation and signed by a stockholder of record, request that a record date be fixed for such purpose. The written notice must contain the following information with respect to each action that the stockholder proposes to take by consent: (a) the information required by Section 9 of Article II of these Bylaws as though such stockholder was intending to make a nomination or to bring any other matter before a meeting of stockholders, and (b) to the extent not otherwise required by Section 9 of Article II of these Bylaws, such notice must also state, (i) the text of the proposal (including the text of any resolutions to be effected by consent and the language of any proposed amendment to the Bylaws of the Corporation), (ii) the reasons for soliciting consents for the proposal, (iii) any material interest in the proposal held by the stockholder and the Beneficial Owner(s), if any, on whose behalf the action is to be taken, and (iv) any other information relating to the stockholder, the Beneficial Owner(s), any person whom the stockholder proposes to nominate for election or appointment as a director of the Corporation pursuant to such solicitation of written consents or the proposal of other business by the stockholder, as applicable, that would be required to be disclosed in filings in connection with the solicitation of proxies or consents pursuant to Section 14 of the Act and the rules and regulations promulgated thereunder (or any successor provision of the Act or the rules or regulations promulgated thereunder). Following receipt of the notice, the Board of Directors shall have ten (10) calendar days to determine the validity of the request, and if appropriate, adopt a resolution fixing the record date for such purpose. The record date for such purpose shall be no more than ten (10) calendar days after the date upon which the resolution fixing the record date is adopted by the Board of Directors and shall not precede the date such resolution is adopted. If the Board of Directors fails within ten (10) calendar days after the Corporation receives such notice to fix a record date for such purpose, provided that the request is valid and fixing a record date is appropriate, the record date shall be the day on which the first written consent is delivered to the Corporation in the manner described in the first paragraph of this Section 6; except that, if prior action by the Board of Directors is required by applicable law, the record date shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

Nothing contained in this Section 6 shall in any way be construed to suggest or imply that the Board of Directors or any stockholder shall not be entitled to contest the validity of any consent or related revocations, whether before or after such certification by the inspectors or to take any other action (including, without limitation, the commencement, prosecution, or defense of any litigation with respect thereto, and the seeking of injunctive relief in such litigation)."

A new Section 9 to Article II is added to the Bylaws as follows:

"Section 9. Advance Notice of Stockholder Proposals and Stockholder Nominations.

Nominations of persons for election to the Board of Directors of the Corporation and the proposal of business to be considered by the stockholders may be made at any meeting of stockholders only (a) pursuant to the Corporation's notice of meeting, (b) by or at the direction of the Board of Directors, or (c) by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in these Bylaws and continues to be a stockholder of record at the time of such meeting, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 9.

To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than 30 days or delayed by more than 70 days from such anniversary date or if the Corporation has not previously held an annual meeting, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made by the Corporation. In no event shall the public announcement of a postponement or adjournment of an annual meeting to a later date or time commence a new time period for the giving of a stockholder's notice as described above. For purposes of these Bylaws, "public announcement" shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Act and the rules and regulations promulgated thereunder.

Such stockholder's notice shall set forth (I) as to the stockholder giving the notice and the Beneficial Owner, if any, on whose behalf the nomination or proposal is made (each, a "Stockholder Associated Person") (a) the name and address of such stockholder, as they appear on the Corporation's books, and of each other Stockholder Associated Person; (b) (1) the class and number of shares of the Corporation which are owned beneficially and of record by such Stockholder Associated Person; (2) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class

or series of shares of the Corporation, or any derivative or synthetic arrangement having the characteristics of a long position in any class or series of shares of the Corporation, or any contract, derivative, swap or other transaction or series of transactions designed to produce economic benefits and risks that correspond substantially to the ownership of any class or series of shares of the Corporation, including due to the fact that the value of such contract, derivative, swap or other transaction or series of transactions is determined by reference to the price, value or volatility of any class or series of shares of the Corporation, whether or not such instrument, contract or right shall be subject to settlement in the underlying class or series of shares of the Corporation, through the delivery of cash or other property, or otherwise, and without regard of whether any Stockholder Associated Person may have entered into transactions that hedge or mitigate the economic effect of such instrument, contract or right or any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation (any of the foregoing, a "Derivative Instrument") directly or indirectly owned beneficially by such Stockholder Associated Person, (3) any proxy, contract, arrangement, understanding, or relationship pursuant to which any Stockholder Associated Person has a right to vote any class or series of shares of the Corporation, (4) any agreement, arrangement, understanding, relationship or otherwise, including any repurchase or similar so-called "stock borrowing" agreement or arrangement, engaged in, directly or indirectly, by any Stockholder Associated Person, the purpose or effect of which is to mitigate loss to, reduce the economic risk (of ownership or otherwise) of any class or series of the shares of the Corporation by, manage the risk of share price changes for, or increase or decrease the voting power of, such stockholder with respect to any class or series of the shares of the Corporation, or which provides, directly or indirectly, the opportunity to profit or share in any profit derived from any decrease in the price or value of any class or series of the shares of the Corporation (any of the foregoing, "Short Interests"), (5) any rights to dividends on the shares of the Corporation owned beneficially by any Stockholder Associated Person that are separated or separable from the underlying shares of the Corporation, (6) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which any Stockholder Associated Person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership, (7) any performance-related fees (other than an asset-based fee) that any Stockholder Associated Person is entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, including without limitation any such interests held by members of such Stockholder Associated Person's immediate family sharing the same household, (8) any significant equity interests or any Derivative Instruments or Short Interests in any principal competitor of the Corporation held by any Stockholder Associated Person, and (9) any direct or indirect interest of any Stockholder Associated Person in any contract with the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement); (d) any other information relating to any Stockholder Associated Person that would be required to be disclosed in a proxy statement and form of proxy or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in a contested election pursuant to Section 14 of the Act and the rules and regulations promulgated thereunder; and (e) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting and nominate the person or persons specified in the notice; (II) as to each person whom the stockholder proposes to nominate for election or reelection as a director (a) all information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14 of the Act and the rules and regulations promulgated thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected), (b) the name and address of the person or persons to be nominated, (c) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder; (e) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among any Stockholder Associated Person, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if such Stockholder Associated Person were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant; and (f) a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request), and a written representation and agreement (in the form provided by the Secretary upon written request) that such person (1) is not and will not become a party to (A) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (B) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law, (C) agrees to comply with all policies of the Corporation as in effect from time to time and (D) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein; and (III) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of any Stockholder Associated Person. In addition, the stockholder making such proposal shall promptly provide any other information reasonably requested by the Corporation. Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at any meeting of the stockholders except in accordance with the procedures set forth in this Section 9. The Chairman of any such meeting shall direct that any nomination or business not properly brought before the meeting shall not be considered."

Section 2 to Article III of the Bylaws is amended and restated as follows:

"Section 2. Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of directors shall be filled solely by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and qualified, or until their earlier resignation or removal."

Section 11 to Article III of the Bylaws is amended and restated as follows:

"Section 11. Removal of Directors. Except as may otherwise be provided by Nevada Law, any director or the entire Board of Directors may be removed, with or without cause, by the vote of stockholders representing not less than two-thirds of the voting power of the issued and outstanding stock entitled to vote."

A new Section 5 to Article VII is added to the Bylaws as follows:

"Section 5. Forum Selection. Unless the Corporation consents in writing to the selection of an alternative forum, a state or federal court located within the State of New York shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim for breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any actions asserting a claim arising pursuant to any provision of the Nevada Revised Statutes, the Articles of Incorporation or these Bylaws, in each case as amended, or (iv) any action asserting a claim governed by the internal affairs doctrine, in each such case subject to such court having personal jurisdiction over the indispensable parties named as defendants therein. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Section 5."

CERTIFICATION

I hereby certify that I am the duly appointed and acting Secretary of MUSCLEPHARM CORPORATION and that the foregoing amendment to the Amended and Restated By-Laws of MUSCLEPHARM CORPORATION was duly adopted and approved by unanimous written consent of the Board of Directors held on the date set forth above.

Dated this 8th day of May 2015.

/s/*Kalina Pagano*

Kalina Pagano, Secretary

Exhibit 10.1

FIRST AMENDMENT TO MANUFACTURING AGREEMENT

This First Amendment (this "Amendment"), effective this second day of March 2015 ("Amendment Effective Date"), is made to the Manufacturing Agreement ("the Agreement") originally effective November 27, 2013 and is entered into by and between F.H.G. Corporation a Florida corporation having a principle place of business in Spring Hill, Tennessee, formerly doing business as "Integrity" but now doing business as "Capstone Nutrition" ("Capstone Nutrition") and MusclePharm Corporation ("MUSCLEPHARM"), a Nevada corporation having a principle place of business in Denver, Colorado.

WHEREAS, the parties desire to amend the Agreement in the manner described herein;

NOW THEREFORE, in return for good and valuable consideration, the receipt and sufficiency of which is acknowledged, and also in consideration of the mutual promises and covenants herein, the parties agree as follows:

1. Change and Addition to Defined Terms

(a) "First Amendment" means the First Amendment to this Agreement effective as of January 1, 2015.

(b) All references in the agreement to "Integrity" are changed to "Capstone Nutrition."

(c) "Option Agreement" means that certain Option Agreement dated the date hereof between the Parties.

(d) "Parties" means MUSCLEPHARM and Capstone.

(e) "Products" shall mean dietary supplements (as defined in Section 1.2 of the Agreement) and food products that are sold or intended to be sold by MUSCLEPHARM or its customers or distributors in powder, pill, tablet or capsule form, and including both finished (packaged) goods and bulk or semi-finished form for export by MUSCLEPHARM.

(g) "Transaction Documents" means, collectively, the Agreement, as amended by this First Amendment, the Referral Agreement, the Option Agreement and the Warrant.

(h) "Warrant" means that certain Warrant dated the date hereof issued by Capstone to MUSCLEPHARM.

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portion.

2. Amendment to Section 2.1 (ENGAGEMENT)

Section 2.1 of the Agreement is amended to read as follows:

2.1 MUSCLEPHARM agrees that Capstone Nutrition shall be MUSCLEPHARM's nonexclusive manufacturer of the Products and Capstone Nutrition agrees and undertakes to manufacture the Products strictly in accordance with the know-how, standards and specifications disclosed in Product Specifications provided by Capstone Nutrition and agreed to by MUSCLEPHARM. MUSCLEPHARM shall purchase and take delivery from Capstone Nutrition: (i) not less than $[*] of Products in calendar year 2015 (priced in accordance with Section 5), provided that of that volume, not less than $[*] shall be purchased in the third calendar quarter and not less than $[*] shall be purchased in the fourth calendar quarter; (ii) not less than $[*] of Products in the first quarter of calendar year 2016 (priced in accordance with Section 5), (iii) not less than $[*] of Products in the second calendar quarter of 2016 (priced in accordance with Section 5); (iv) for each subsequent calendar quarter during the Term, the greater of $[*] of Products in aggregate over that quarter and the past three calendar quarters or [*]% of MUSCLEPHARM's requirements for its Products in that quarter and the past three calendar quarters (by aggregate purchase price). MUSCLEPHARM shall annually certify in writing to Capstone Nutrition not later than January 30 of each year as to its compliance with its obligation to have purchased from Capstone Nutrition [*]% of its Product requirements (quarter by quarter) during the prior year. Capstone Nutrition shall be entitled to inspect MUSCLEPHARM's pertinent books and records to verify compliance (subject to the confidentiality obligations of Section 13), the cost of which shall be borne by Capstone Nutrition unless it is determined that MUSCLEPHARM's certification was in error, in which event MUSCLEPHARM shall pay the cost of Capstone Nutrition's review.

3. Amendment to Section 3 (TERM)

Section 3 of the Agreement is amended to read as follow:

"3. TERM. This Agreement shall commence on the Effective Date, shall continue for an initial term ending seven years after the Amendment Effective Date, and shall continue thereafter for three successive twenty four month terms, unless Capstone Nutrition shall notify MUSCLEPHARM of nonrenewal at least 90 days prior to the end of the then current term. The initial term and all renewal terms are collectively referred to as the Term. All orders pending at time of expiration shall remain in effect until filled, and the parties' respective obligations under this Agreement with regard to Products sold under those orders or previously delivered under this Agreement shall survive termination and remain in effect."

4. Amendment to Section 4 (PURCHASE ORDERS; INVENTORY)

The First sentence of Section 4 of the Agreement is amended to read as follows:

"As of the first day of each month during the term of this Agreement, MUSCLEPHARM shall always have issued binding purchase orders ("Orders") for Products to be shipped for that month and the subsequent two months, and all requested delivery dates shall be subject to reasonable lead times."

5. Amendment to Section 5 (PRICING; PAYMENT TERMS).

Section 5 of the Agreement is amended to read as follow:

"5.1 Commencing with orders shipped January 1, 2015 regardless of when Orders were placed, prices for Products sold to MUSCLEPHARM shall be determined as follows:

(a) Prices for the first $[*] million Order volume in any calendar year shall be those prices that yield Capstone Nutrition its historical percentage mark-up (with respect to sales to MUSCLEPHARM) on Cost of Goods Sold ("Markup") on each SKU included in the order.

(b) Subject to Section 5.1 (c), prices for the portion of Orders shipped by Capstone Nutrition to MUSCLEPHARM in any calendar year in excess of $[*] million aggregate order volume, will be those that yield Capstone Nutrition a Markup equal to one-half the Markup provided for in Section 5.1(a) on each SKU included in the order once that threshold is exceeded.

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(c) Entitlement to the lower prices provided in Section 5.1(b) and rebates under Section 5.3 are contingent on MUSCLEPHARM's strict compliance with the net [*] payment terms of Section 5.2. Failure by MUSCLEPHARM to comply with those terms on three or more separate occasions in any twenty four (24) month period, whether or not the amounts due are ultimately paid with all accrued interest, shall result in Section 5.1(a) pricing thereafter being applicable to all Orders, for the remainder of the Term, regardless of volume, and without any further entitlement to any Section 5.3 rebates.

(d) For the purpose of this Section 5, "order volume" does not include transportation or insurance from Capstone Nutrition's dock, which shall be billed separately without markup.

(e) "Cost of Goods Sold" means, for each calendar quarter during the Term, Capstone Nutrition's fully loaded standard cost of the normal manufacturing process for the Products made for MUSCLEPHARM, adjusted quarterly and determined in accordance with Capstone Nutrition's regular method of cost accounting. Capstone Nutrition shall report to MUSCLEPHARM its fully loaded standard cost for each calendar quarter not later than the 30th day of that calendar quarter. For the elimination of doubt, for the purpose of this Agreement, Capstone Nutrition's fully loaded standard cost includes direct materials, direct labor, manufacturing overhead, and an allocation of corporate SG&A costs assigned proportionally to the dollar volume of revenue business represented by MUSCLEPHARM as a percentage of total Capstone Nutrition revenue (currently approximately [*]%). This calculation should be consistent with the way Capstone Nutrition has calculated Cost of Goods Sold prior to this agreement. MUSCLEPHARM shall be entitled once annually to inspect Capstone Nutrition's pertinent books and records to verify Cost of Goods Sold (subject to the confidentiality obligations of Section 13), the cost of which shall be borne by MUSCLEPHARM unless it is determined that Capstone Nutrition's certification was in error, in which event Capstone Nutrition shall pay the cost of MUSCLEPHARM's review including any reasonable attorney's fees incurred in connection therewith and also promptly pay MUSCLEPHARM any shortfall.

(f) MUSCLEPHARM and Capstone Nutrition shall use reasonable commercial good faith efforts to jointly execute and implement a product optimization program for further product cost reduction across the entire MUSCLEPHARM line, including: (i) combined buying power to secure better prices and a more reliable supply for key raw materials, (ii) jointly creating new products and innovation programs, using their combined resources and Capstone Nutrition's flavor and product development facilities, and (iii) jointly planning product demand and forecasts, to increase customer satisfaction and delivery.

5.2 Payment. MUSCLEPHARM shall issue purchase orders to Capstone Nutrition on a monthly basis. Payment shall be due in full net [*] days. Any payments in arrears shall bear interest from due date until paid at the rate of [*]% per month. Notwithstanding the foregoing, Capstone Nutrition reserves the right to establish credit limits from time to time in its reasonable discretion. All payments shall be made without deduction for any taxes at any time levied or assessed by any governmental authority. MUSCLEPHARM shall pay all costs associated with the collection of any past due invoice including reasonable attorney fees and court costs. Capstone Nutrition shall be under no obligation to accept orders from MUSCLEPHARM or to ship on accepted orders if any payment is in arrears.

5.3 Volume Rebates Based on Quarterly Sales. In each calendar quarter of this Agreement commencing with the calendar quarter beginning January 1, 2015, and subject to Section 5.1(c), MUSCLEPHARM shall be entitled to a rebate equal to a percentage of incremental purchases of Products from Capstone Nutrition in excess of certain thresholds as described below, provided that no rebates shall be payable with respect to purchases in excess of $[*] in any calendar year. The percentage rebates shall apply solely as to amounts in excess of the thresholds, not on total quarterly purchases of Product, and are contingent on all invoices for Products shipped in a calendar quarter being paid on a timely basis. The basis of rebate (including purchase thresholds) is invoiced price, not including any transportation charges or insurance charged separately. Purchases shall be based on time of shipment, provided that shipments delayed by Capstone Nutrition beyond normal lead time shall count for the prior calendar quarter. Rebates shall be paid by issuance of a credit memo against outstanding invoices in the following quarter (except that the rebate for the final calendar quarter of the term of this Agreement shall be paid in cash). MUSCLEPHARM may not deduct any rebates from invoices due unless and to the extent of a credit memo issued.

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Incremental Quarterly Purchases	Percentage Rebate Applied to the Incremental Purchase
First [*] dollars of purchases per calendar quarter in excess of $[*] (subject to the annual cap)	[*]%
All purchases per calendar quarter in excess of $[*] (subject to the annual cap)	[*]%

"

6. Correction of Section References in Section 13 (Confidentiality)

The references in Sections 13.3 and 13.5 to "section 14" are corrected to read Section 13."

7. Amendment to Section 14

Section 14 (TERMINATION) is amended to read as follows:

"14. TERMINATION.

14.1 If either party fails to meet any one or more of the terms and conditions as stated in either this Agreement, Capstone Nutrition and MUSCLEPHARM agree to negotiate in good faith to resolve such default. If the defaulting party fails to cure such default within ninety (90) days following the notice of default ("Cure Period"), the Agreement shall automatically terminate upon expiration of the Cure Period. If the defaulting party submits a reasonably acceptable written plan to resolve such default during the Cure Period, the Cure Period shall be extended for another ninety (90) days ("Extended Cure Period"). Should the defaulting party fail to cure the default during the Extended Cure Period, the nondefaulting party may terminate this Agreement upon notice with immediate effect on or after the expiration of the Extended Cure Period, whether or not subsequently cured. Notwithstanding the foregoing, no termination shall be effective until conclusion of mediation provided for in Section 15 and, if suit is brought thereafter, until determination by the court, not subject to further appeal that the party was in breach.

14.2 This Agreement shall automatically terminate should either party; (i) enter into or file a petition, or proceeding seeking an order for relief under the bankruptcy laws of its respective jurisdiction; (ii) enter into a receivership of any of its assets or; (iii) dissolve (except following a permitted assignment of this Agreement) or enter into an assignment for the benefit of its creditors."

14.3 Termination of this Agreement by a party on account of the other party's default shall not be the terminating party's exclusive remedy, and such party shall have all rights available at law or equity, including the right to obtain specific performance in lieu of termination, and whether or not such party exercises its termination rights, to be reimbursed for damages both for default prior to termination and lost benefit of this Agreement through the remainder of the then current Term.

8. Amendment to Section 15 (DISPUTE RESOLUTION)

Section 15 is amended to read as follows:

"15. DISPUTE RESOLUTION.

It is the intent of the parties that any dispute be resolved promptly through good faith negotiation between Capstone Nutrition and MUSCLEPHARM. Either party may initiate negotiation proceedings by written notice to the other party describing the particulars of the dispute. The parties agree to meet in good faith to jointly define the scope and a method to remedy the dispute. Should any disputes remain existent between the parties after any good faith negotiation process set forth above, then the parties shall, except for disputes regarding calculation of Capstone Nutrition's Cost Of Goods Sold, promptly submit any dispute to mediation in accordance with the mediation rules of the American Arbitration Association (AAA) prior to either party bringing suit. Any disputes regarding calculation of Capstone Nutrition's Cost of Goods Sold shall be submitted to one of CohnReznick LLP, McGladrey LLP or Grant Thornton LLP (at MUSCLEPHARM's option) for final resolution binding on both parties, the accounting firm's charges to be split by the parties.

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portion.

9. Amendment to Section 19.6(Entire Agreement).

Section 19.6 is amended to read as follows:

" 19.6 Entire Agreement. This Agreement, as amended by the First Amendment, and the other Transaction Documents represents the entire understanding and agreement of the parties concerning the subject matter hereof. All Product purchase and sale shall be governed solely by the terms of this Agreement, and no terms contained in either party's purchase orders, acknowledgement or invoices (except quantities) shall apply."

10. Amendment to Section 19.7 (ASSIGNMENT)

Section 19.7 is amended to read as follows:

"19.7 Assignment and Change in Ownership. Capstone Nutrition and MUSCLEPHARM may assign or transfer their rights under this Agreement to a third party including an affiliate of the transferor, that is acquiring substantially all of its business and assets (an "Acquirer"). Such a transaction as well as any transaction in which a majority of the voting stock of a party hereto is being acquired in one or more related transactions is referred to as a "Change of Control Transaction". A party subject to a Change of Control Transaction shall give the other party to this Agreement thirty (30) days prior written notice (unless prohibited by confidentiality, in which event not later than three business days after consummation), and each party agrees that it must assign this Agreement to any Acquirer that is acquiring substantially all of its business and assets and thatsuch an Acquirer shall expressly and fully assume this Agreement in a written instrument delivered to the other party not later than three business days after consummation of the Change of Control Transaction. In addition, in the event of a Change of Control Transaction in which an Acquirer is acquiring substantially all of the business and assets of Capstone Nutrition, it shall also assume all of Capstone Nutrition's obligations under the Referral Agreement. Except as provided above, neither party may assign or transfer its rights under this Agreement without the other party's written consent.

11. New Section 19.8

A new Section 19.8 is hereby added to read as follows:

"19.8 Contribution toward Tennessee Facility Build-Out.

MUSCLEPHARM shall pay to Capstone Nutrition the nonrefundable sum of [*] Dollars ($[*]) to be used by Capstone Nutrition solely in connection with the expansion of its Tennessee facility necessary to fulfill anticipated MUSCLEPHARM requirements under this Agreement and for no other purposes whatsoever unless expressly agreed to by MUSCLEPHARM in writing in its sole discretion. Payment shall be due in three equal installments on the 30th, 60th and 90th day from the Amendment Effective Date Such payment shall not give MUSCLEPHARM any ownership or other rights in any property or assets acquired by Capstone Nutrition. Capstone Nutrition shall make all capital investments reasonably necessary in a reasonable time period to service MUSCLEPHARM's business growth in Products (that is, powders, pills, capsules and tablets) and shall dedicate manufacturing equipment, line time and priority to fulfill MUSCLEPHARM's purchase orders for Products in preference to other customer orders. "

12. New Section 19.9

A new Section 19.9 is hereby added to read as follows:

"19.9 Conditions Precedent to MUSCLEPHARM's Obligations Hereunder; Additional Termination Rights.

(a) All of MUSCLEPHARM'S obligations pursuant to the Agreement, as amended by this First Amendment are expressly conditioned upon the execution and delivery by Capstone to MUSCLEPHARM on the date hereof of the Transaction Documents.

(b) In the event of a breach by Capstone of any of its obligations to MUSCLEPHARM under any Transaction Document that remains uncured for a period of thirty (30) days after written notice of such breach by MUSCLEPHARM to Capstone or a breach by Capstone of any representation and warranty set forth in Section 19.10 of this Agreement,

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MUSCLEPHARM shall have the right to terminate this Agreement upon written notice to Capstone. Notwithstanding any such termination, MUSCLEPHARM shall be entitled to receive from Capstone, and Capstone shall be obligated to pay to MUSCLEPHARM any compensation owed to MUSCLEPHARM that has accrued prior to the date of such termination pursuant to any Transaction Document."

13. New Section 19.10

A new Section 19.10 is hereby added to read as follows:

"19.10 Additional Representations and Warranties.

Each party represents, warrants and covenants to the other party that:

(a) It has the full right, power and authority to enter into the Transaction Documents and to perform its obligations hereunder and thereunder; and (ii) it has acquired all rights necessary to perform under the Transaction Documents as contemplated herein and therein. No third party consents are required to perform its obligations under the transaction documents.

(b) It has duly executed and delivered this Agreement and the other applicable Transaction Documents and, assuming due authorization, execution and delivery by the other party, this Agreement and the applicable Transaction Documents constitutes its legal, valid and binding agreement, enforceable against it in accordance with its terms.

(c) It is duly organized, validly existing and in good standing under the laws of the State of its formation. It has all requisite power to own its properties and to carry on the business as it is now being conducted and is intended to be conducted and is duly licensed or qualified to do business in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such license or qualification necessary.

(d) Neither the execution, delivery nor performance by it of this Agreement or any of the applicable Transaction Documents does or will (a) violate, conflict with or result in the breach of any provision of its organizational documents, (b) conflict with or violate any law or governmental authorization applicable to it or any of its assets or its business, or (c) conflict with, result in any breach of, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, require any consent under, or give to others any rights of termination, amendment or acceleration of, or result in the creation of any encumbrance on any of its assets pursuant to, any note, bond, mortgage or indenture, contract, agreement, lease, license, permit or franchise to which it is a party or by which any of its assets is bound or affected."

(SIGNATURES ON NEXT PAGE)

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IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the date first written above.

For F.H.G. Corporation D/B/A Capstone Nutrition		For MUSCLEPHARM CORPORATION	
By:		By:	
Name:		Name:	
Title:		Title:	
Date of signature:		Date of signature:	

Exhibit 10.2

REFERRAL AGREEMENT

REFERRAL AGREEMENT, dated as of the Second day of March, 2015 between F.H.G. Corporation, a Florida corporation having a principle place of business in Spring Hill, Tennessee and doing business as "Capstone Nutrition" ("Capstone"), and MusclePharm Corporation ("MUSCLEPHARM"), a Nevada corporation having a principle place of business in Denver, Colorado with reference to the following facts:

A. Capstone is engaged in the business of manufacturing and distributing dietary supplements and food products in powder, pill, tablet or capsule form, and including both finished (packaged) goods and bulk or semi-finished form for export ("Products"); and

B. MUSCLEPHARM desires to refer customers to Capstone not already served by Capstone and not obtained by Capstone primarily from other means or sources ("Referred Customers") for purchase of Products, and Capstone is willing to pay a referral fee, conditional upon receipt of payment from the Referred Customers.

NOW, THEREFORE, in consideration of the foregoing and the promises and obligations set forth herein, it is hereby agreed as follows:

1. Definitions. As used herein, the following terms shall be construed to have the meanings set forth or referenced below:

(a) "Net Collected Sales to Referred Customer" means the total revenue actually collected by Capstone from a Referred Customer on an invoice, adjusted for any returns, deductions, fees or allowances imposed by the Referred Customer. Any invoices short-paid shall not be included in the calculation of Net Collected Sales to Referred Customer.

(b) "Manufacturing Agreement" means that certain Manufacturing Agreement between the Parties originally effective November 27, 2013, as amended by First Amendment effective January 1, 2015 and as it may hereafter be further amended by the Parties in writing in accordance with the terms thereof.

(c) "Option Agreement" means that certain Option Agreement dated the date hereof between the Parties.

(d) "Parties" means MUSCLEPHARM and Capstone.

(e) "Transaction Documents" means, collectively, this Agreement, the Manufacturing Agreement, the Option Agreement and the Warrant.

(f) "Warrant" means that certain Warrant dated the date hereof issued by Capstone to MUSCLEPHARM.

2. Term. The term of this Agreement shall commence on the date hereof and continue for so long as the Manufacturing Agreement between the Parties remains in effect.

3. Nature of Services. During the term of this Agreement, MUSCLEPHARM agrees to use reasonable commercial efforts to refer new customers to Capstone that Capstone does not already directly sell to. Upon MUSCLEPHARM's referral, Capstone must inform MUSCLEPHARM if it is already a current Capstone customer and thus not eligible for a Fee. MUSCLEPHARM has no authority to, and shall not, negotiate on behalf of Capstone or make any representations or commitments on behalf of Capstone, and Capstone reserves the right to accept or refuse in its sole discretion any or all referred business, without obligation to MUSCLEPHARM.

4. Compensation, Reporting and Audit Rights.

(a) In full consideration for all services to be provided by MUSCLEPHARM to Capstone under this Agreement, Capstone shall pay to MUSCLEPHARM, and MUSCLEPHARM agrees to accept as its sole compensation therefor, a referral fee (the "Fees") equal to [*] ([*]%) of Net Collected Sales to Referred Customers received during the term of this Agreement.

(b) Payment of the Fee shall be due within 30 days following the end of each calendar quarter, together with an itemized report that sets forth in reasonable detail the calculation of the Net Collected Sales to Referred Customers during the prior quarter, except that payment for the final calendar quarter of this Agreement (and the calendar quarter prior thereto, if

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there are less than 90 days in the final calendar quarter of the term of this Agreement) shall be due 30 days following the expiration of the term of this Agreement.

(c) Subject to the last sentence of this Section 4(c), MUSCLEPHARM shall have the right, upon at least five (5) days written notice and no more than once each contract year of the Term to cause its independent public accountants to inspect Capstone's books and records and all other documents and material in the possession of or under the control of Capstone with respect to the calculation of the Fees for the prior contract year at the place or places where such records are normally retained by Capstone. Subject to the last sentence of this Section 4(c), MUSCLEPHARM's independent public accountants shall have reasonable access thereto for such purposes and shall be permitted to be able to make copies thereof and extracts therefrom solely for the purpose of confirming its review. MUSCLEPHARM's independent public accountants shall agree that they shall keep confidential and not disclose to MUSCLEPHARM or any other person the identity of any Capstone customers that are not Referred Customers learned in their review and that communication with MUSCLEPHARM shall be limited to whether Capstone is in compliance, or if not, their calculation of the Fees due.

(d) Capstone shall keep complete and accurate books of account for the preceding three years, and, as to the final year of this Agreement, for three years after the date of termination or expiration. In the event that any shortfalls, inconsistencies or mistakes are discovered, they shall immediately be rectified by Capstone at its sole cost and expense.

(e) In the event a shortfall in the amount of [*] ([*]%) or more is discovered, Capstone shall reimburse MUSCLEPHARM for the cost of the audit including any reasonable attorney's fees incurred in connection therewith.

5. Confidentiality. MUSCLEPHARM agrees that sales reports received and this Agreement shall be deemed to be confidential information of Capstone (hereinafter collectively referred to as "Confidential Information") and shall be maintained by MUSCLEPHARM in confidence and not disclosed to any other person. This confidentiality requirement shall not apply to the extent that (i) the information in question is in the public domain as of the date of this Agreement or thereafter becomes part of the public domain through no breach of this Agreement by MUSCLEPHARM, (ii) such requirement is waived in writing by Capstone, (iii) disclosure of the information in question is required by court order or applicable law (provided that MUSCLEPHARM shall inform Capstone in advance of any such disclosure so that Capstone may seek a protective order), (iv) disclosure of the information in question is required for the purpose of enforcing this Agreement, (v) upon advice of MUSCLEPHARM's counsel, this Agreement or the information in question is required to be disclosed by any governmental or regulatory authority, or (vi) the information in question becomes known to MUSCLEPHARM via a third party that, to the knowledge of MUSCLEPHARM, is not prohibited from disclosing the same to MUSCLEPHARM.

6. Dispute Resolution. It is the intent of the Parties that any dispute be resolved promptly through good faith negotiation between Capstone and MUSCLEPHARM. Either Party may initiate negotiation proceedings by written notice to the other party describing the particulars of the dispute. The Parties agree to meet in good faith to jointly define the scope and a method to remedy the dispute. Should any disputes remain existent between the Parties after any good faith negotiation process set forth above, then the Parties shall promptly submit any dispute to mediation in accordance with the mediation rules of the American Arbitration Association (AAA) prior to either Party bringing suit. Any disputes regarding calculation of Net Collected Sales to Referred Customer shall be submitted to one of CohnReznick LLP, McGladrey LLP or Grant Thornton LLP (at MUSCLEPHARM's option) for final resolution binding on both parties and such accounting firm's charges to be split by the Parties.

7. Independent Contractor. The Parties acknowledge and agree that the relationship intended by this Agreement is that of independent contractor.

8. Assignment and Change in Ownership. Capstone and MUSCLEPHARM may assign or transfer their rights under this Agreement to a third party, including an affiliate of the transferor, that is acquiring substantially all of its business and assets (an "Acquirer"). Such a transaction as well as any transaction in which a majority of the voting stock of a party hereto is being acquired in one or more related transactions is referred to as a "Change of Control Transaction. A party subject to a Change of Control Transaction shall give the other party to this Agreement thirty (30) days prior written notice (unless prohibited by confidentiality, in which event not later than three business days after consummation), and each party agrees that it must assign this Agreement to any Acquirer that is acquiring substantially all of its business and assets and that such an Acquirer shall expressly and fully assume this Agreement in a written instrument delivered to the other party not later than three business days after consummation of the Change of Control Transaction. In addition, in the event of a Change of Control Transaction in which an Acquirer is acquiring substantially all of the business and assets of Capstone Nutrition, it shall also assume all of

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Capstone Nutrition's obligations under the Manufacturing Agreement. Except as provided above, neither party may assign or transfer its rights under this Agreement without the other party's written consent.

9. Entire Agreement. This Agreement constitutes the full and entire understanding and agreement between and among the Parties with respect to the subject matter hereof, and supersedes any other written or oral agreement or understanding between and among the parties relating to the subject matter hereof.

10. Governing Law. The provisions of this Agreement shall be governed by the laws of the state of Florida, regardless of conflict of laws. The parties agree that the exclusive venue to hear any dispute arising out of this Agreement shall be the state or federal courts located in Miami Florida. Each party also submits to the personal jurisdiction of said courts.

11. Amendment; Waiver. No modification of or amendment to this Agreement shall be valid unless in a document in writing signed by all the Parties hereto and referring specifically to this Agreement and stating the Parties' intention to modify or amend the same. Any waiver of any term or condition of this Agreement must be in a document in writing signed by the Party sought to be charged with such waiver referring specifically to the term or condition to be waived, and no such waiver shall be deemed to constitute the waiver of any other breach of the same or of any other term or condition of this Agreement. No delay or omission to exercise any right, power or remedy accruing to any Party, upon any breach or default of any other Party, shall impair any such right, power or remedy of such non-breaching or non-defaulting Party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring.

12. Representations and Warranties. Each party represents, warrants and covenants to the other party that:

(a) It has the full right, power and authority to enter into the Transaction Documents and to perform its obligations hereunder and thereunder; and (ii) it has acquired all rights necessary to perform under the Transaction Documents as contemplated herein and therein. No third party consents are required to perform its obligations under the transaction documents.

(b) It has duly executed and delivered this Agreement and the other applicable Transaction Documents and, assuming due authorization, execution and delivery by the other party, this Agreement and the applicable Transaction Documents constitutes its legal, valid and binding agreement, enforceable against it in accordance with its terms.

(c) It is duly organized, validly existing and in good standing under the laws of the State of its formation. It has all requisite power to own its properties and to carry on the business as it is now being conducted and is intended to be conducted and is duly licensed or qualified to do business in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such license or qualification necessary.

(d) Neither the execution, delivery nor performance by it of this Agreement or any of the applicable Transaction Documents does or will (a) violate, conflict with or result in the breach of any provision of its organizational documents, (b) conflict with or violate any law or governmental authorization applicable to it or any of its assets or its business, or (c) conflict with, result in any breach of, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, require any consent under, or give to others any rights of termination, amendment or acceleration of, or result in the creation of any encumbrance on any of its assets pursuant to, any note, bond, mortgage or indenture, contract, agreement, lease, license, permit or franchise to which it is a party or by which any of its assets is bound or affected.

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portion.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the day and year first written above.

For F.H.G. Corporation D/B/A Capstone		For MUSCLEPHARM CORPORATION	
By:		By:	
Name:		Name:	
Title:		Title:	
Date of signature:		Date of signature:	

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Exhibit 10.3

EXECUTION VERSION

THIS CLASS B COMMON STOCK PURCHASE WARRANT AGREEMENT AND THE SHARES THAT MAY BE PURCHASED HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE. THIS CLASS B COMMON STOCK PURCHASE WARRANT AGREEMENT HAS BEEN ACQUIRED FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO DISTRIBUTION, AND THIS CLASS B COMMON STOCK PURCHASE WARRANT AGREEMENT AND THE SHARES THAT MAY BE PURCHASED HEREUNDER MAY NOT BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AND REGISTRATION OR QUALIFICATION UNDER APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL THAT THE PROPOSED TRANSACTION DOES NOT VIOLATE THE SECURITIES ACT OF 1933, AND APPLICABLE STATE SECURITIES LAWS.

INI PARENT, INC.

CLASS B COMMON STOCK PURCHASE WARRANT AGREEMENT

Date of Issuance: March 2, 2015 Certificate No. **1**

THIS IS TO CERTIFY that **MUSCLEPHARM CORPORATION**, a Nevada corporation, and its permitted transferees, successors and assigns (the "Holder"), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, is entitled to purchase from **INI PARENT, INC.**, a Delaware corporation (the "Company"), at the price of $0.01 per share (the "Exercise Price"), on the date of, and in connection with the consummation of, the Sale of the Company, [*] shares of the fully paid and nonassessable Class B common stock, with a par value of $.001 per share, of the Company ("Class B Common Stock"). Capitalized terms used herein shall have the meanings ascribed to such terms in Section 9 unless otherwise defined herein.

SECTION 1

THE WARRANT AGREEMENT

This Warrant Agreement and the rights and privileges of the Holder hereunder may be exercised by the Holder as provided herein. Transfer of this Warrant is subject to the provisions set forth in Section 6 below.

SECTION 2

EXERCISE

(a) Right to Exercise. The Holder has the right to exercise this Warrant Agreement in its entirety (without the right to partially exercise) only as follows: (i) this Warrant Agreement may only be exercised only at the earlier of (A) immediately prior to, and in connection with the consummation of a Sale of the Company (including as set forth in Section 8) or (B) within five (5) Business Days of the expiration of the initial term of the Supply Agreement; (ii) the Holder has been, and continues to be as of the date of the Sale of the Company (or through the initial term of the Supply Agreement if such date occurs prior to the date of the Sale of the Company), in compliance with the terms of the Supply Agreement; and (iii) the Holder complies with the provisions of this Warrant Agreement, including Section 8 (collectively, the "Exercise Conditions"). The Holder shall exercise this Warrant Agreement in whole by delivering (A) the Notice of Exercise, in the form attached hereto as Exhibit A and made a part hereof (the "Notice of Exercise"), duly executed, and (B) the Exercise Price per share for each share of Class B Common Stock purchased, as specified in the Notice of Exercise. The aggregate Exercise Price (the "Aggregate Exercise Price") to be paid for the shares of Class B Common Stock to be purchased (the "Exercise Amount") shall be equal to $[*].

(b) Payment of the Aggregate Exercise Price. Payment of the Aggregate Exercise Price shall be made to the Company in cash or other immediately available funds.

(c) Issuance of Shares of Class B Common Stock. Upon receipt by the Company of the Notice of Exercise and payment of the Aggregate Exercise Price, the Holder shall be deemed to be the holder of record of the shares of Class B Common Stock issuable

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upon such exercise, notwithstanding that certificates representing such shares of Class B Common Stock may not then be actually delivered.

SECTION 3

PAYMENT OF TAXES

The Company shall pay all stamp taxes attributable to the initial issuance of shares of Class B Common Stock issuable upon the exercise of this Warrant Agreement.

SECTION 4

REPLACEMENT WARRANT AGREEMENT

In case this Warrant Agreement is mutilated, lost, stolen or destroyed, the Company shall issue and deliver in exchange and substitution for and upon cancellation of the mutilated Warrant Agreement, or in lieu of and in substitution for the Warrant Agreement lost, stolen or destroyed, a new Warrant Agreement of like tenor and representing an equivalent right or interest, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction of such Warrant Agreement AND THE HOLDER SHALL EXECUTE AN INDEMNITY AGREEMENT IF REASONABLY REQUESTED BY THE COMPANY.

SECTION 5

COVENANTS

(a) Validly Issued Shares. The Company covenants that all shares of Class B Common Stock that may be issued pursuant to this Warrant Agreement, assuming full payment of the Aggregate Exercise Price shall, upon delivery by the Company, be duly authorized and validly issued, fully paid and nonassessable, free from all stamp taxes, liens and charges with respect to the issue or delivery thereof and otherwise free of all other security interests, encumbrances and claims of any nature whatsoever (other than restrictions under applicable federal and/or state securities laws).

(b) Reservation of Shares. The Company shall at all times reserve and keep available out of the aggregate of its authorized but unissued shares of Class B Common Stock, free of preemptive rights, such number of its duly authorized shares of Class B Common Stock as shall be sufficient to enable the Company to issue Class B Common Stock to the Holder or its designee upon exercise of the Warrant Agreement.

(c) Capital Stock Issuances. For the period beginning on the date hereof and ending on the earlier of the date of expiration or the date of exercise of the Warrant, the Company shall not issue any Capital Stock of the Company below the fair market value (as is reasonably determined by the Board) of such Capital Stock. Any issuances of Capital Stock at or above fair market value shall be subject to drag-along obligations similar to those set forth in Section 8 of this Warrant Agreement, as reasonably determined by the Board.

SECTION 6

TRANSFERS OF THE WARRANT AGREEMENT OR WARRANT SHARES

(a) General Restriction on Transfer. Except as expressly permitted pursuant to Section 8, Holder may not Transfer this Warrant Agreement or the Warrant Shares issued pursuant hereto (or any rights, interests, or obligations hereunder) without the prior written consent of the Board.

(b) Acknowledgment of the Holder. This Warrant Agreement has not been, and the Warrant Shares at the time of their issuance may not be, registered under the Securities Act and except as provided in this Warrant Agreement, the Company shall not be required to so register this Warrant Agreement and the Warrant Shares. This Warrant Agreement and the Warrant Shares are issued or issuable subject to the provisions and conditions contained herein and the Holder by accepting the same (i) agrees with the Company to such provisions and conditions, and (ii) represents to the Company that this Warrant Agreement has been acquired and the Warrant

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Shares will be acquired for the account of the Holder for investment and not with a view to or for sale in connection with any distribution thereof.

(c) Compliance with Securities Laws. The Holder agrees that this Warrant Agreement and the Warrant Shares may not be sold or otherwise disposed of except pursuant to an effective registration statement under the Securities Act and applicable state securities laws or pursuant to an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws. In the event that the Holder transfers this Warrant Agreement or the Warrant Shares pursuant to an applicable exemption from registration, the Company may request, at its expense, that the Holder deliver an opinion of counsel reasonably acceptable to the Company that the proposed transfer does not violate the Securities Act and applicable state securities laws.

(d) Restrictive Securities Legend. The certificate representing the Warrant Shares shall bear the restrictive legends set forth below:

"THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO DISTRIBUTION, AND THESE SHARES MAY NOT BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND REGISTRATION OR QUALIFICATION UNDER APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL THAT THE PROPOSED TRANSACTION DOES NOT VIOLATE THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS. THESE SECURITIES ARE SUBJECT TO SIGNIFICANT TRANSFER RESTRICTIONS, AS SET FORTH IN THE WARRANT PURCHASE AGREEMENT, DATED AS OF MARCH 4, 2015.

SECTION 7

TERMINATION

The Company shall have the right to terminate this Warrant Agreement automatically if at any time the Exercise Conditions are incapable of being satisfied.

SECTION 8

TAG ALONG, DRAG ALONG AND RIGHT OF FIRST REFUSAL

If at any time H.I.G. or the Board approve a Sale of the Company (an "Approved Sale"), then the Company shall, at least two (2) calendar days after the approval of such Sale of the Company, give notice to the Holder of the Approved Sale, which notice shall include the material terms of the Approved Sale (the "Sale Request"). The Holder agrees not to directly or indirectly, without the prior written consent of the Company, disclose to any other Person any information related to the Sale Request or the Approved Sale, other than disclosures to legal counsel in confidence or as otherwise required by law. In connection with the Approved Sale and within twenty (20) calendar days of delivery of the Sale Request (the "Right of First Refusal Period"), so long as the Exercise Conditions are capable of being satisfied, the Holder shall elect to, or the Company shall obligate the Holder to (in each case by providing written notice to the other party) (i) exercise this Warrant Agreement (if not previously exercised) and in its capacity as a stockholder of the Company, vote, or grant proxies relating to such shares to vote, all of its Securities, including the Warrant Shares, in favor of, consent to, raise no objections to, and waive any dissenters, appraisal or similar rights with respect to, the Approved Sale and will not exercise any right to dissent or seek appraisal rights in respect of the Approved Sale; (ii) take, at the expense of the Company, all reasonable actions which the Board or H.I.G. deems necessary or advisable in the sole judgment of H.I.G. or the Board in connection with the consummation of the Approved Sale, including executing, delivering and agreeing to be bound by the terms of any agreement related to the Approved Sale and any other agreement, instrument or certificates necessary to effectuate the Approved Sale, including the appointment of a stockholders' representative to administer the transaction on behalf of all of the Stockholders; (iii) if the Approved Sale is structured as a Transfer of Securities, agree to Transfer its Securities and shall deliver at the closing of the Approved Sale its Securities, including certificates relating thereto, free and clear of all claims, liens and encumbrances, on the terms and conditions as approved by the Board or H.I.G.; (iv) join on a several and not joint basis (based pro rata upon the proceeds received in the Approved Sale) in any purchase price adjustments or indemnification in connection with such Approved Sale (other than any such obligations that relate specifically to a particular Stockholder's Securities ("Individual Indemnities") as agreed to by H.I.G. or the Board; (v) agree to indemnify the proposed purchasers for Individual Indemnities related to it and (vi) pay costs in connection with an Approved Sale that are incurred by it on its own behalf. In lieu of its obligations to exercise this Warrant Agreement pursuant to

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clause (i) of the prior sentence, the Holder may elect to either sell or terminate this Warrant Agreement provided that the Holder makes such election by delivering written notice to the Company within fifteen (15) calendar days after its receipt of the Sale Request. Notwithstanding the foregoing, upon receipt of the Sale Request, and within the Right of First Refusal Period, the Holder may elect to offer to purchase the Company on equal or better terms as those terms set forth in the Sale Request (the "ROFR Offer"), and the Company shall be required to accept such ROFR Offer if it is reasonably determined by the Board to be an offer of equal or better quality to that of the offer set forth in the Sale Request. In all events, notwithstanding anything to the contrary contained in this Warrant Agreement, the Right of First Refusal Period and the rights of the Holder to make a ROFR Offer or purchase to the Company shall terminate on June 30, 2016.

Without limiting the foregoing, the Holder agrees that, in connection with the Approved Sale, the Holder will make such representations, warranties and covenants, and agree to provide such indemnification, as H.I.G. agrees to make or provide in connection with such Approved Sale. The Holder grants an irrevocable limited power of attorney to the Company, coupled with an interest, granting the Company the power to effectuate the provisions of this Section 8. Notwithstanding anything to the contrary in the foregoing, in the event the Sale of the Company is not ultimately consummated, the Company and the Holder shall each have the right to unilaterally revoke the Notice of Exercise made in connection with such Sale of the Company.

SECTION 9

DEFINITIONS

As used herein, the following terms shall have the following meanings.

An "Affiliate" of a specified Person shall mean a Person which, directly or indirectly, through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, the Person specified and, when used with respect to the Company or any Subsidiary of the Company, shall include any holder of capital stock, such Person's parent entity or any officer or director of the Company or any Subsidiary of the Company.

"Aggregate Exercise Price" has the meaning set forth in Section 2(a).

"Approved Sale" has the meaning set forth in Section 8.

"Board" means the board of directors of the Company or a duly authorized committee thereof.

"Business Day" shall mean any day, other than a Saturday, Sunday or legal holiday, on which banks in New York, New York are open for business.

"Capital Stock" means, with respect to any Person, all of the shares of capital stock, including, but not limited to, common and preferred shares, of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"Class B Common Stock" has the meaning set forth in the Preamble.

"Commission" means the Securities and Exchange Commission or any similar agency then having jurisdiction to enforce the Securities Act.

"Common Stock" means collectively, the common stock of the Company, par value $0.001 per share, and the Class B Common Stock.

"Company" has the meaning set forth in the Preamble.

"Control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

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"Convertible Securities" means evidences of indebtedness, shares of stock or other securities (including, but not limited to options and warrants) which are by their terms directly or indirectly convertible, exercisable or exchangeable, with or without payment of additional consideration in cash or property, for shares of Common Stock, either immediately or upon the onset of a specified date or the happening of a specified event.

"Exercise Amount" has the meaning set forth in Section 2(a).

"Exercise Conditions" has the meaning set forth in Section 2(a).

"Exercise Price" has the meaning set forth in the Preamble.

"Fully-Diluted Basis" shall mean the number of shares of Common Stock which would be outstanding, as of the date of computation, if all vested and outstanding Stock Equivalents had been converted, exercised or exchanged; provided, however, that any Stock Equivalents which are subject to vesting but have not vested as of the date of computation will be disregarded for purposes of determining Fully-Diluted Basis.

"Governmental Authority" means any federal, state, local or foreign governmental or regulatory entity (or department, agency, authority or political subdivision thereof) or any other judicial, public or statutory instrumentality, commission, tribunal, board, court or bureau.

"H.I.G." means H.I.G. Growth Partners - Integrity Nutraceuticals, LLC a Delaware limited liability company.

"Holder" has the meaning set forth in the Preamble.

"Independent Third Party" shall mean any Person who, immediately before the contemplated Sale of the Company, (a) does not own in excess of ten percent (10%) of the Common Stock on a Fully-Diluted Basis (a "10% Holder"); (b) is not an Affiliate of a 10% Holder; (c) is not the spouse or descendent (by birth or adoption) of a 10% Holder or a trust for the benefit of such 10% Holder and/or such Persons, and (d) is neither a portfolio company of any such 10% Holder nor a subsidiary of any portfolio company of any such 10% Holder.

"Notice of Exercise" has the meaning set forth in Section 2(a).

"Person" means any individual, partnership, corporation, limited liability company, association, joint stock company, trust, estate, joint venture, unincorporated organization, the United States of America or any other nation, state or other political subdivision thereof, or any entity exercising executive, legislative, judicial, regulatory or administrative functions of government.

"Preferred Stock" means the shares of the Company's Preferred Stock that the Company may be authorized to issue from time to time and any stock or other securities issued or issuable with respect to such shares, including pursuant to a stock dividend, stock split, or like action, or pursuant to a plan of recapitalization, reorganization, reclassification, exchange, merger, sale of assets or otherwise.

"Sale of the Company" shall mean the sale (in a single transaction or a series of related transactions) of the Company to any Independent Third Party or group of Independent Third Parties pursuant to which such Independent Third Party or group of Independent Third Parties acquires (a) a majority of the Common Stock on a Fully-Diluted Basis (whether by merger, consolidation, sale or Transfer of Common Stock, reorganization, recapitalization or otherwise), or (b) all or substantially all of the assets of the Company and its Subsidiaries, determined on a consolidated basis, each of which is pursuant to an offer from an Independent Third Party or group of Independent Third Parties. For purposes of this definition, all Common Stock that is issuable upon exercise or conversion of any Stock Equivalents acquired by an Independent Third Party shall be deemed to be issued and held by such Independent Third Party.

"Sale Request" has the meaning set forth in Section 8.

"Securities" means all (a) shares of Common Stock; (b) Stock Equivalents; (c) shares of Preferred Stock; (d) other shares of Capital Stock of the Company; and (e) securities of the Company issued or issuable with respect to the securities referred to in clauses (a), (b), (c), (d) and (e) above including pursuant to a stock dividend, stock split, or like action, or pursuant to a plan of recapitalization, reorganization, merger, sale of assets or otherwise.

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"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder.

"Stock Equivalent" means any (a) warrants, options or other right to subscribe for, purchase or otherwise acquire any shares of Common Stock or (b) any securities convertible into or exchangeable for shares of Common Stock.

"Stockholder" means any Person that holds securities of the Company.

"Subsidiary" means any corporation, limited liability company, partnership, association, joint stock company, trust, joint venture or unincorporated organization of which the Company, at the time in respect of which such term is used, (a) owns directly or indirectly more than fifty percent (50%) of the equity or beneficial interests, on a consolidated basis, or (b) owns directly or controls with power to vote, indirectly through one or more subsidiaries, shares of capital stock or beneficial interests having the power to cast a majority of the votes entitled to be cast for the election of directors, trustees, managers or other officials having powers analogous to those of directors of a corporation. Unless otherwise specifically indicated, when used in this Agreement, the term Subsidiary shall refer to a direct or indirect Subsidiary of the Company.

"Supply Agreement" means the Manufacturing Agreement, effective as of the date hereof, by and between F.H.G. Corporation (d/b/a Capstone Nutrition) and the Holder (as the same may be amended from time to time).

"Transfer" means any direct or indirect transfer, donation, sale, assignment, pledge, encumbrance, hypothecation, gift, creation of a security interest in or lien on, or other disposition, irrespective of whether any of the foregoing are effected with or without consideration, voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, inter vivos or upon death.

"Warrant" or "Warrant Agreement" means this Class B Common Stock Purchase Warrant Agreement.

"Warrant Securities" means the Warrant Agreement and the Warrant Shares, collectively.

"Warrant Shares" means the shares of Common Stock issued or issuable upon exercise of this Warrant Agreement in accordance with its terms.

SECTION 10

SURVIVAL OF PROVISIONS

All of the provisions of this Warrant Agreement shall expressly survive until the date on which the Holder no longer holds any Warrant Securities.

SECTION 11

DELAYS, OMISSIONS AND INDULGENCES

No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Warrant Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

SECTION 12

RIGHTS OF TRANSFEREES

Subject to the transfer restrictions contained herein, the rights granted to the Holder hereunder of this Warrant Agreement shall pass to and inure to the benefit of all subsequent permitted transferees of all or any portion of the Warrant Agreement (provided that the Holder and any transferee shall hold such rights in proportion to their respective ownership of the Warrant Agreement and Warrant Shares) until extinguished pursuant to the terms hereof.

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SECTION 13

CAPTIONS

The titles and captions of the Sections and other provisions of this Warrant Agreement are for convenience of reference only and are not to be considered in construing this Warrant Agreement.

SECTION 14

NOTICES

All notices, demands- and other communications provided for or permitted hereunder shall be made in writing and shall be by registered or certified first-class mail, return receipt requested, telecopy, overnight courier service or personal delivery:

If to the Company:

INI Parent, Inc.
c/o H.I.G. Growth Partners, LLC
500 Boylston Street, Suite 1350
Boston, Massachusetts 02116
Attn:Nicholas Scola
Fax:(617) 425-5660

with a copy to:
McDermott Will & Emery LLP
333 Avenue of the Americas
Suite 4500
Miami, Florida 33131
Attn:Harris C. Siskind, P.A.
Fax:(305) 347-6500

If to Holder:

MusclePharm Corporation
4721 Ironton Street
Building A
Denver, CO 80239
Attn:Richard Estalella
Fax:800-490-7185

with a copy to:

Sichenzia Ross Friedman Ference LLP
61 Broadway | 32nd Floor |
New York, NY 10006
Attn:Edward Schauder
Fax:212-930-9725

All such notices and communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; when delivered by courier, if delivered by commercial overnight courier service; five (5) Business Days after being deposited in the mail, postage prepaid, if mailed; and when receipt is acknowledged, if telecopied.

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SECTION 15

SUCCESSORS AND ASSIGNS

This Warrant Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided that neither party shall have the right to assign its rights, or to delegate its obligations, hereunder without the prior written consent of the other party.

SECTION 16

AMENDMENTS

Neither this Warrant Agreement nor any term hereof may be amended, changed, waived, discharged or terminated without the prior written consent of the Holder and the Company to such action.

SECTION 17

SEVERABILITY

If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired, unless the provisions held invalid, illegal or unenforceable shall substantially impair the benefits of the remaining provisions hereof.

SECTION 18

GOVERNING LAW; EXCLUSIVE VENUE; MUTUAL WAIVER OF JURY TRIAL

(a) Governing Law; Exclusive Venue. This Warrant Agreement is to be construed and enforced in accordance with and governed by the laws of the State of Delaware and without regard to the principles of conflicts of law of such state. THIS AGREEMENT, AND ALL ISSUES AND QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS AGREEMENT, WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW RULES OR PROVISIONS (WHETHER OF THE STATE OF DELAWARE OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE. THE PARTIES AGREE THAT ALL DISPUTES, LEGAL ACTIONS, SUITS AND PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT MUST BE BROUGHT EXCLUSIVELY IN A FEDERAL DISTRICT COURT LOCATED IN THE DISTRICT OF DELAWARE OR THE DELAWARE COURT OF CHANCERY IN NEW CASTLE COUNTY, DELAWARE (COLLECTIVELY THE "DESIGNATED COURTS"). EACH PARTY HEREBY CONSENTS AND SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE DESIGNATED COURTS. NO LEGAL ACTION, SUIT OR PROCEEDING WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN ANY OTHER FORUM. EACH PARTY HEREBY IRREVOCABLY WAIVES ALL CLAIMS OF IMMUNITY FROM JURISDICTION AND ANY OBJECTION WHICH SUCH PARTY MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING IN ANY DESIGNATED COURT, INCLUDING ANY RIGHT TO OBJECT ON THE BASIS THAT ANY DISPUTE, ACTION, SUIT OR PROCEEDING BROUGHT IN THE DESIGNATED COURTS HAS BEEN BROUGHT IN AN IMPROPER OR INCONVENIENT FORUM OR VENUE.

(b) Mutual Waiver of Jury Trial. THE COMPANY AND THE HOLDER EACH WAIVE THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY AFFILIATE OF ANY OTHER SUCH PARTY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS OR OTHERWISE. THE COMPANY AND THE HOLDER EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION WILL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS

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AGREEMENT OR ANY PROVISION HEREOF. THIS WAIVER WILL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

SECTION 19

ENTIRE AGREEMENT

This Warrant Agreement is intended by the parties as a final expression of their agreement and is intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein.

SECTION 20

RULES OF CONSTRUCTION

Unless the context otherwise requires, "or" is not exclusive, and references to sections or subsections refer to sections or subsections of this Warrant Agreement. All pronouns and any variations thereof refer to the masculine, feminine or neuter, singular or plural, as the context may require.

SECTION 21

FEES AND EXPENSES

All reasonable fees and expenses (including, without limitation, legal, auditing and accounting fees, costs and expenses) incurred by the Holder in connection with considering, pursuing, negotiating, documenting and consummating this Warrant Agreement and the transaction contemplated hereby shall be borne and paid by the Holder.

[Remainder of Page Intentionally omitted]

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IN WITNESS WHEREOF, the Company has caused this Warrant Agreement to be issued and executed in its corporate name by its duly authorized officer as of the date of issuance set forth above.

INI PARENT, INC.,
a Delaware corporation

By: _____
Name:
Title:

ACKNOWLEDGED AND ACCEPTED this 4th day of March, 2015.

MUSCLEPHARM CORPORATION
a Nevada corporation

By: _____
Name:
Title:

[*Signature Page to Warrant*]

EXHIBIT A

NOTICE OF EXERCISE

To: _____

_____

_____

_____

1. Capitalized terms used but not otherwise defined herein have the meanings ascribed thereto in the Warrant Agreement. The undersigned, pursuant to the provisions of the Warrant Agreement, hereby elects to exercise the Warrant Agreement with respect to shares of Common Stock representing all of the shares of Class B Common Stock.

2. The undersigned herewith tenders payment for such shares, together with any applicable transfer taxes in cash.

3. Please issue a certificate or certificates representing the shares issuable in respect hereof under the terms of the attached Warrant Agreement, as follows:

_____

(Name of Record Holder/Transferee)

and deliver such certificate or certificates to the following address:

_____

(Address of Record Holder/Transferee)

4. The undersigned represents that the aforesaid shares are being acquired for the account of the undersigned for investment and not with a view to, or for resale in connection with, the distribution thereof and that the undersigned has no present intention of distributing or reselling such shares.

_____

(Signature)

_____

(Date)

Exhibit 10.4

EXECUTION VERSION

OPTION AGREEMENT

THIS OPTION AGREEMENT (this "Agreement") is made and entered into this 2nd day of March, 2015 (the "Effective Date"), by and among, Musclepharm Corporation, a Nevada Corporation ("MP"), and INI Parent, Inc., a Delaware corporation (the "Company"). This Agreement shall become effective on the Effective Date (as defined below).

RECITALS

A. On the date hereof, MP and the Company are entering into a Warrant Purchase Agreement (the "Warrant Agreement"), pursuant to which the Company is issuing to MP a warrant (the "Warrant") to purchase shares of the Company's Class B common stock, par value $0.001 per share (the "Class B Common Stock"), as more fully described in the Warrant Agreement.

B. All capitalized terms used herein and not otherwise defined shall have the same meanings as set forth in the Warrant Agreement.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and agreements hereinafter set forth, MP and the Company hereby covenant and agree as follows:

1. MP Purchase Option. At any time on or prior to [*] (the "Option Period"), subject to the provisions in this Agreement and assuming the Exercise Conditions remain capable of being satisfied, MP shall have the right (the "Option") to purchase all of the remaining outstanding shares of the Company's Common Stock MP does not own after giving effect to the exercise of the Warrant (and not less than all) on a Fully-Diluted Basis, based on an enterprise value, representing the aggregate value of 100% of the Company, equal to [*] Dollars ($[*]) in cash (the "Purchase Price"); provided that a condition to the exercise of the Option shall be the execution, delivery and consummation of the transaction contemplated by the Warrant Agreement. Such purchase shall be consummated pursuant to a definitive merger agreement that shall be typical for transactions of this nature and which shall be reasonably negotiated by MP and the Company, pursuant to which, among other things, the Company would merge with a subsidiary of MP and survive the merger as a wholly-owned subsidiary of MP (the "Merger"). To exercise the Option, the Company must deliver written notice of its exercise of the Option (the "Notice") at least three (3) months prior to the date of the consummation of the Merger. For purposes of clarification, MP must deliver a Notice to the Company no later than the date that is fifteen ([*]) months after the Effective Date.

2. Closing. The closing of the Merger (the "Option Closing") shall occur, if at all, at the offices of McDermott, Will & Emery as soon as practicable but in no event later than three (3) months after the Notice has been delivered to the Company, provided, that, the other conditions to the Closing have been satisfied.

3. Deliveries by MP. At the Option Closing, MP shall deliver the following to the Company:

(a) an executed copy of the Notice of Exercise;

(b) the Aggregate Exercise Price;

(c) the Purchase Price; and

(d) such other instruments or documents as may be necessary or appropriate to carry out the transactions contemplated hereby.

4. Deliveries by the Company. At an Option Closing, the Company shall deliver the following to MP:

(a) a certificate of an officer of the Company certifying, as of the date of an Option Closing, attached copies of resolutions of the board of directors and shareholders of the Company, approving and authorizing the Merger at the Option Closing; and

(b) such other endorsements, instruments or documents as may be necessary or appropriate to carry out the transactions contemplated hereby.

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portion.

5. Representations and Warranties of the Company. The Company represents and warrants to MP as of the Effective Date and as of the Option Closing, as follows:

(a) Organization, Standing and Authority. The Company is an entity which is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation. The Company has all requisite power and authority, without the consent of any other person, to execute and deliver this Agreement and the documents to be delivered at the Option Closing, and to carry out the transactions contemplated hereby and thereby.

(b) Approvals. No approval, authorization, registration, consent, order or other action of or filing with any third-party or person, including any court, administrative agency or other government authority, is required for the execution and delivery by the Company of this Agreement and the agreements and documents referred to herein or the performance by the Company of its obligations hereunder or thereunder.

(c) Capitalization. Set forth on Schedule 1 attached hereto is a true, complete, and accurate capitalization table of the Company as of the date hereof on a fully diluted basis, taking into account all equity interests of the Company issued or outstanding, or issuable upon conversion or exchange of any security, and any rights, options, or warrants or other agreements to acquire any such equity interests.

6. Representations and Warranties of MP. MP represents and warrants to the Company as of the Effective Date and as of the Option Closing, as follows:

(a) Organization, Standing and Authority. MP is an entity which is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation. MP has all requisite power and authority, without the consent of any other person, to execute and deliver this Agreement and the documents to be delivered by such party at the Option Closing, if any, and to carry out the transactions contemplated hereby and thereby.

(b) Approvals. No approval, authorization, registration, consent, order or other action of any third-party or person or filing with any third-party or person, including any court, administrative agency or other government authority, is required for the execution and delivery by MP of this Agreement and the agreements and documents referred to herein or the performance by MP of its obligations hereunder or thereunder.

7. Covenants.

(a) From April 1, 2015, through the earlier of (i) the expiration of Option Period or (ii) the Option Closing, the Company shall make all books, records, and documents of the Company relating to it and its business available for inspection by MP or MP's business, legal, and financial advisors upon reasonable advance notice, subject to reasonable limitations required by the Company for competition purposes or as required by confidentiality obligations imposed on the Company by third parties.

(b) During the period from the date hereof until the until the earlier of (i) the expiration or termination of this Agreement, and (ii) the Option Closing (assuming MP exercises the Option), except with the prior consent of MP (such consent not to be unreasonably withheld, conditioned or delayed), the Company shall not, directly or indirectly declare or pay any cash dividend.

8. General Provisions.

(a) Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be delivered in accordance with the terms of Section 14 of the Warrant Agreement.

(b) Counterparts. This Agreement may be executed simultaneously in two or more counterparts each of which shall be deemed an original, but all of which together constitute one and the same instrument.

(c) Entire Transaction. This Agreement, the Warrant Agreement and the agreements and documents referred to herein and therein is intended by the parties as a final expression of their agreement and is intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein.

(d) Captions. The titles and captions of the Sections and other provisions of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portion.

(e) Amendments and Waiver. Neither this Agreement nor any term hereof may be amended, changed, waived, discharged or terminated without the prior written consent of the Company and MP to such action. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

(f) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns, provided that neither party shall have the right to assign its rights, or to delegate its obligations, hereunder without the prior written consent of the other party.

(g) Announcements. The Parties to this Agreement shall not disclose to others the fact that this Agreement has been entered into or any of the terms of this Agreement, without the written approval of the other Parties hereto.

(h) No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any person or entity other than the parties hereto.

(i) Severability. If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired, unless the provisions held invalid, illegal or unenforceable shall substantially impair the benefits of the remaining provisions hereof.

(j) Governing Law. This Agreement is to be construed and enforced in accordance with and governed by the laws of the State of Delaware and without regard to the principles of conflicts of law of such state.

(k) Exclusive Venue. THIS AGREEMENT, AND ALL ISSUES AND QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS AGREEMENT, WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW RULES OR PROVISIONS (WHETHER OF THE STATE OF DELAWARE OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE. THE PARTIES AGREE THAT ALL DISPUTES, LEGAL ACTIONS, SUITS AND PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT MUST BE BROUGHT EXCLUSIVELY IN A FEDERAL DISTRICT COURT LOCATED IN THE DISTRICT OF DELAWARE OR THE DELAWARE COURT OF CHANCERY IN NEW CASTLE COUNTY, DELAWARE (COLLECTIVELY THE "DESIGNATED COURTS"). EACH PARTY HEREBY CONSENTS AND SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE DESIGNATED COURTS. NO LEGAL ACTION, SUIT OR PROCEEDING WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN ANY OTHER FORUM. EACH PARTY HEREBY IRREVOCABLY WAIVES ALL CLAIMS OF IMMUNITY FROM JURISDICTION AND ANY OBJECTION WHICH SUCH PARTY MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING IN ANY DESIGNATED COURT, INCLUDING ANY RIGHT TO OBJECT ON THE BASIS THAT ANY DISPUTE, ACTION, SUIT OR PROCEEDING BROUGHT IN THE DESIGNATED COURTS HAS BEEN BROUGHT IN AN IMPROPER OR INCONVENIENT FORUM OR VENUE.

(l) Mutual Waiver of Jury Trial. THE PARTIES EACH WAIVE THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY AFFILIATE OF ANY OTHER SUCH PARTY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS OR OTHERWISE. THE COMPANY AND MP EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION WILL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY PROVISION HEREOF. THIS WAIVER WILL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portion.

(m) Construction. Unless the context otherwise requires, "or" is not exclusive, and references to sections or subsections refer to sections or subsections of this Agreement. All pronouns and any variations thereof refer to the masculine, feminine or neuter, singular or plural, as the context may require.

(n) Fees and Expenses. All reasonable fees and expenses (including, without limitation, legal, auditing and accounting fees, costs and expenses) incurred by MP in connection with considering, pursuing, negotiating, documenting and consummating this Agreement and the transaction contemplated hereby shall be borne and paid by MP.

(o) Termination. If the Warrant Agreement is terminated, this Agreement shall automatically terminate and be of no force or effect.

[**REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK**]

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portion.

IN WITNESS WHEREOF, each of the parties hereto has executed or caused this Agreement to be executed all as of the date first written above.

MP:		Company:	
MUSCLEPHARM CORPORATION		INI PARENT, INC.	
By:	_____	By:	_____
Name:	_____	Name:	_____
Title:	_____	Title:	_____

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portion.

Schedule 1

Capitalization

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: May 11, 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: May 11, 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 March 31, 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: May 11, 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 March 31, 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: May 11, 2015

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

Exhibit 99.1

Form of Corporate Governance Guidelines
MusclePharm Corporation
Adopted as of May 8, 2015

MusclePharm Corporation's (the "Company's") Board of Directors has adopted these Corporate Governance Guidelines to reflect the Board's strong commitment to sound corporate governance practices and to encourage effective policy and decision making at both the Board and management level, with a view to enhancing long-term value for the Company's shareholders. These guidelines are intended to assist the Board in the exercise of its governance responsibilities and serve as a flexible framework within which the Board may conduct its business, not as a set of binding legal obligations.

These Corporate Governance Guidelines are not intended to change or interpret any federal or state law or regulation, including the Nevada Revised Statutes, or the Articles of Incorporation or Bylaws of The Company Corporation. These Corporate Governance Guidelines are subject to modification from time to time by the Board.

I. RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board acts as the management team's adviser and monitors management's performance. The Board also reviews and, if appropriate, approves significant transactions and develops standards to be utilized by management in determining the types of transactions that should be submitted to the Board for review and approval or notification.

The Board is responsible for selecting and appointing the Chief Executive Officer and Chairman of the Board, as well as the Lead Independent Director of the Board, if any. The Chief Executive Officer shall select and appoint all other officers of the Company, subject to the Board's approval of such appointments if required under the company's Bylaws.

Each member of the Board (each, a "*director*" and collectively, the "*directors*") is expected to spend the time and effort necessary to properly discharge such director's responsibilities. Accordingly, a director is expected to regularly attend meetings of the Board and Board committees on which such director sits, and review prior to each meeting the material distributed in advance for such meeting. A director who is unable to attend a meeting (which it is understood will occur on occasion) is expected to notify the Chairman or the chairperson of the appropriate committee in advance of such meeting.

The Board may represent the shareholder interest by pursuit of the long-term interest of the shareholders. Directors will also, as appropriate, take into consideration the interests of other stakeholders, including employees and the members of communities in which the Company operates.

The Board is also responsible for reviewing and establishing procedures designed to ensure that the Company's management and employees operate in a legal and ethically responsible manner.

II. BOARD COMPOSITON AND STRUCTURE

A. Director Qualifications

The composition of the Company's Board and Committees of the Board will satisfy all independence requirements of the national securities exchange on which the Company is listed, if any, and all requirements of the SEC ("Independent Directors").

The Nominating and Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of Board members as well as the composition of the Board as a whole.

This assessment will include (but will not be limited to):

- An evaluation of each members' qualifications as independent (directors shall inform the Chairman of the Nominating and Corporate Governance Committee of any matter bearing on the director's independence);
- Consideration of diversity, skills and experience in the context of the Board's needs and in order to refresh the board to account for changes to those needs attributable to factors such as the Company's growth and new initiatives, new products, and new markets;
- Past attendance and contributions to Company initiatives, activities and meetings;
- Sufficiency of time available for devotion to the affairs of the Company;

- Ability to represent the long-term interest of the Company's shareholders;
- Other general criteria for nomination to the Board that has been utilized in the past or is deemed desirable by the Nominating and Corporate Governance Committee; and
- General criteria set forth for the above traits, including availability, independence, respect for Company policies, procedures, and confidences, cooperativeness, support for regulatory and legal compliance measures, teamwork, abilities and specialized experience that the Board seeks for determining candidates for election to the Board.

Additionally:

- at least one member of the Board must be an "audit committee financial expert" (as defined by the Securities and Exchange Commission); and
- there must be a sufficient number of Independent Directors to ensure a majority of Independent Directors on each of the Audit, Compensation, and Nominating and Corporate Governance Committees, unless a greater number are specified by the national exchange on which the Company's securities are then listed of the SEC.

Nominees for directorship will be recommended to the Board by the Nominating and Corporate Governance Committee with the Board preserving to itself the authority for appointments, vacancies, size and nominations.

B. Composition of the Board

At least a majority of the Board shall consist of Independent Directors, other than when vacancies reduce the size of the Board, in which case, the Board shall expeditiously undertake a search in order to fill any such vacancy.

C. Size of the Board

The Certificate of Incorporation and Bylaws of the Company provide that the size of the Board shall be fixed by resolution of the Board. The Board shall periodically review the size of the Board, which may be increased or decreased if determined to be appropriate by the Board.

D. Selection of the Chairman of the Board CEO/Lead Director

The positions of the Chairman and Chief Executive Officer ("CEO") are currently held by the same person. While the Company does not presently require the separation of the Chairman and CEO, the Board maintains flexibility with respect to the offices of Chairman and the CEO. The Board's intention is to explore a plan and separate the role of Chairman and CEO at the appropriate time, determined by the Board, but anticipated to be prior to December 31, 2015.

In exploring changes to the Board as well as appointments, vacancies and nominations, following the Company's 2015 Annual Meeting, including separation of Chairman and CEO roles, the Committee may engage experts on corporate governance to advise it and shall take into consideration the advice of such specialists as deemed appropriate in making recommendations to the entire Board, including regarding the timing and identification of candidates, but shall be governed by the Board's determination in each instance.

When the positions of Chairman and Chief Executive Officer are held by the same person, the Independent Directors shall designate a Lead Independent Director. The Chairman shall schedule, set the agenda for, and chair the meetings of the Board. If the Chairman is not present, the Lead Independent Director shall chair such meetings. In addition, the Lead Independent Director shall preside over executive sessions of Independent Directors, serve as a liaison between the Chairman and the Independent Directors, and perform such other functions and responsibilities as requested by the Board from time to time. The initial Lead Independent Director appointed upon the adoption of these Guidelines shall be [ ] who shall serve until the Board shall elect by majority approval of the Board, a new Lead Independent Director at such time as the Board determines.

E. Conflicts

Directors shall advise the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on another public corporation board or any other board that could: (i) take a material amount of the director's time; and/or (ii) or negatively impact the Company, its business, reputation or prospects or involve a current or potential lender, shareholder, vendor, supplier or competitor. The Board does not believe that directors who retire or change the position they held when they became a member of the Board should necessarily leave the Board. Promptly following such an event, the director must notify the Board, which, along with the Chairman, shall review the continued appropriateness of the affected director

remaining on the Board. The affected director is expected to act in accordance with the Board's recommendation following such review.

F. Board Service and Term Limits

The Board does not believe that it is in the best interest of the Company or its shareholders to establish term limits for directors.

While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they have the significant disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and, therefore, provide an increasing contribution to the Board as a whole.

The Nominating and Corporate Governance Committee will review the appropriateness of each director's continuation on the Board, if eligible for re-election, prior to its recommendation to the Board of the slate of nominees for election to the Board of Directors.

G. Directors Responsibilities

The director's basic responsibility is to exercise his or her good faith business judgment of the best interests of the Company and its shareholders. In discharging these obligations, each director should be entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors absent evidence that makes such reliance unwarranted.

Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to discharge properly their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors before the meeting. Directors should review these materials in advance of the meeting and maintain the confidentiality of such information.

Members of the Board shall be responsible for:

- overseeing the conduct of the Company's business;
- reviewing, and where appropriate, approving the Company's major financial objectives, plans, and actions;
- ensuring the Company's business is conducted with the highest standards of ethical conduct and in conformity with applicable laws and regulations.

The Board and each of its committees have the authority, at the company's expense, to retain and terminate independent advisers as the Board and any such committee deems necessary for the purpose of effectuating the duties and responsibilities of such Board or committee.

H. Executive Session

The Independent Directors will meet in executive session following each regularly scheduled Board meeting and at such other times as they may determine in order to satisfy the listing requirements of the national stock exchange upon which the Company's securities are then listed for trading, if any.

The Independent Directors shall meet in executive session at least semi-annually to discuss, among other matters, the performance of the CEO. The Independent Directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent not inappropriate, copy the Chairman and CEO on any written communications between a director and an officer or employee of the Company, or advise the Chairman and CEO of any such oral communications.

I. Director Compensation

Non-employee directors receive compensation that consists of a combination of cash and equity. Employee directors are not paid additional compensation for their services as directors.

The form (cash and/or equity) and amount of director compensation will be determined by the Board based on a recommendation of the Compensation Committee based on the Compensation Committee's consideration of the responsibilities and time commitment of company directors and information regarding the compensation paid at peer companies. The Compensation Committee will periodically review the level and form of, and, if it deems appropriate, recommend to the Board changes in, director compensation. The Compensation Committee will consider that directors' independence may be jeopardized if director compensation

and perquisites exceed customary levels, and that non-conventional items such as charitable contributions, could represent compensation to a Director.

The directors shall also be entitled (1) to have the Company purchase reasonable levels of directors' and officers' liability insurance on their behalf; (2) to the benefits of indemnification to the fullest extent permitted by law and the Company's Articles of Incorporation, Bylaws and any indemnification agreements; and (3) to exculpation as provided by Nevada law and the Company's Articles of Incorporation, subject to customary agreement regarding repayment in the event that such payments are unlawful or not permitted.

J. Stock Ownership

The Company encourages directors to own equity in the company, whether in the form of stock, options, restricted stock units or otherwise. However, the amount and nature of a director's equity ownership is a personal decision, and the Board has not adopted a policy requiring equity ownership by directors. Review of Independent Director compensation will be performed by the Compensation Committee and recommendations periodically made for consideration by the entire Board.

K. Director Orientation and Continuing Education

The Company will provide new directors with access to information and meetings with management in order to familiarize directors with the Company's business. The Board believes that ongoing education is important for maintaining a current and effective Board. Accordingly, the Board encourages directors to participate in ongoing education, as well as participation in accredited director education programs. The Company will reimburse directors for expenses incurred in connection with these education programs.

L. CEO Evaluation and Management Succession

The Compensation Committee shall meet with the CEO on an annual basis to evaluate the performance of the CEO during the preceding year and to also review and approve the performance goals of the CEO for the succeeding year. The formal evaluation of the performance of the Chief Executive Officer should be made in the context of the Chief Executive Officer's annual compensation review by the Compensation Committee, with appropriate input from other Independent Directors, and should be communicated to the Chief Executive Officer by the chairperson of the Compensation Committee. The Compensation Committee will provide a report to the Board on the evaluation of the Chief Executive Officer's performance and compensation. In consultation with the Chief Executive Officer, the Compensation Committee will also review the performance of each other executive officer in connection with the determination of the salary and bonus for those officers.

The Board is responsible for succession plans for the CEO, and only the Board may appoint a CEO. The Nominating and Corporate Governance Committee shall make an annual report to the Board on succession planning. The CEO should at all times make available his or her recommendations and evaluations of potential CEO successors, along with a review of any development plans recommended for such individuals. The Board shall also monitor management's succession plans for other key executives.

M. Annual Performance Evaluation

The Board of Directors will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Nominating and Corporate Governance Committee will receive comments from all directors and report annually to the Board with an assessment of the Board's performance. The assessment will focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board can improve.

N. Assessing the Board Performance

The Board and each of its Committees shall conduct an annual self-assessment of each individual director's performance, the Board's performance, and the performance of each committee of the Board. The Nominating and Governance Committee will oversee the self-assessment process and report evaluation results to the Board.

O. Board Relationship to Senior Management

Board Access to Senior Management

Directors are encouraged to speak directly to any member of management regarding any questions or concerns the directors may have.

Attendance of Non-Directors at Board Meetings

The Board, subject to the approval of the Chairman or Lead Director, welcomes, from time to time, the attendance at Board meetings of non-Board members who are in senior management positions with the Company. The Board expects that management will use this process to provide additional insight into the items being discussed at meetings and give exposure to managers with senior management potential.

Board Interaction with Institutional Investors, the Press, Public

The Board believes that management speaks for the Company. Because management appoints persons to interact with institutional investors, the press, and members of the public, individual Directors ordinarily should not communicate directly with these constituencies about Company matters, unless requested to do so by the Board or management. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairman of the Board or the Lead Director, as appropriate.

Stockholders may contact the Board about bona fide issues or questions about the Company by sending a letter to:

____
[ ]
4721 Ironton Street, Building A
Denver, Colorado 80239

Or by email to:
[ ]

Each communication should specify the applicable addressee or addressees to be contacted, the general topic of the communication and the class and number of shares of the Company's stock that are owned of record (if a record holder) and/or beneficially. If a stockholder wishes to contact the Independent Directors, he or she should address such communication to the attention of the Lead Director at the address above. The Company's Secretary or legal department will initially receive and process communications before forwarding them to the addressee, and generally will not forward a communication that it determines to be primarily commercial in nature, is related to an improper or irrelevant topic, or is a request for general information about the Company, its products or services.

III. BOARD MEETINGS

A. Frequency of Meetings

There are five in-person scheduled meetings of the Board each year. Meetings may be held in locations that present opportunities to expose the Board to various facets of the Company's business, are related to other Company business, or connected with a shareholder meeting. Efforts will be made to provide notice for regularly scheduled Board meetings not less than 30 days prior to the scheduled date in order to facilitate personal attendance for Directors that desire to participate in person.

B. Agenda

The Chairman and Lead Director will establish the agenda for each Board meeting. At the beginning of the year, the Chairman and Lead Director will establish a schedule of significant agenda subjects to be discussed during the year (to the degree this can be foreseen). Each Board member is encouraged to suggest the inclusion of items on the agenda. Each Board member is free to raise, at any Board meeting, subjects that are not on the agenda for that meeting. The Board will review The Company's long-term strategic plans and the principal issues that The Company will face in the future during at least one Board meeting each year.

C. Board Materials Distributed in Advance

Management shall attempt to make available, one week in advance, any information that is important to the Board's or a committee's understanding of the business to be conducted of each meeting. Management should attempt to make this material concise, while still providing the necessary information. This permits more meeting time to be spent on discussion and questions from Directors. If the Chairman and Lead Director determine the subject is too sensitive to be distributed in writing, a presentation should be made at the meeting or in a conference call.

On an ongoing basis, the Independent Board members expect management to keep them informed regarding the initiation and progress of decisions that may require Board approval. This should be done through formal and informal conversations between management and the Board, either in person or in conference calls. Once a decision regarding such an event reaches a conclusion that requires Board approval, a resolution shall be passed or Unanimous Written Consent ("UWC") will be drafted. It will be sent to all

Board members, with appropriate supporting documentation and adequate time for members to raise questions which, in general, should not be less than 72 hours prior to the desired execution date of the UWC. If issues are complex or not previously discussed, management is strongly encouraged to address questions in a conference call.

D. Director Attendance at Annual Shareholder Meetings

It is the Board's policy that, absent unusual or unforeseen circumstances, all of the directors of the Company are expected to attend each Annual Meeting of shareholders.

Board meeting dates shall be established in advance by the Chairman. Directors are expected to attend Board meetings and meetings of committees on which they serve, to spend the time needed and meet as frequently as necessary to discharge properly their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the Directors before the meeting. Directors should review these materials in advance of the meeting. Directors shall ensure that other existing or future commitments do not materially interfere with their ability to fulfill their responsibilities as Directors.

The Company's employees with a title of Senior Vice President and above shall obtain the approval of the Chairman of the Board before accepting an invitation to serve on the board of another for-profit company.

IV. COMMITTEE MATTERS

A. Names and Independence of Board Committees

The Board has three standing committees: Audit Committee, Compensation Committee, and the Nominating and Corporate Governance Committee. The purpose and responsibilities of each committee are described in charters adopted by the Board. The Board may, from time to time, form a new committee or disband a current committee, or re-allocate responsibilities of one committee to another committee. In addition, the Board may form ad hoc committees from time to time, and determine the composition of the committees.

B. Committee Assignments

The Nominating and Corporate Governance Committee, after consultation with the Chairman of the Board, makes recommendations for approval by the Board with respect to assignment of Directors to committees, and the Chairs of committees, although each committee generally elects its own chairperson.

C. Committee Meetings

The Chair of each committee, in consultation with the committee members, determines the frequency, agenda, and length of committee meetings consistent with any requirements of the committee's charter. The schedule of all committee meetings is furnished to all Directors.

D. Committee Agenda

The Committee Chairman develops the agenda and involves the Company as appropriate. Agendas are distributed to all committee members in advance of a meeting. Although the final agenda will be determined by the chairman of the committee, other Directors may suggest additional agenda items and may raise subjects that are not on the agenda at any meeting.

V. OMNIBUS

A. Consistence with Articles of Incorporation

To the extent that any provision or section of the Corporate Governance Guidelines may be inconsistent with any article, provision or section of the Articles of Incorporation or the Bylaws of the Company, the Articles of Incorporation or the Bylaws, as appropriate, shall fully control.

B. Amendment/Waiver

The Nominating and Corporate Governance Committee will annually review these Corporate Governance Guidelines and propose any changes it deems appropriate to the Board for consideration. The Board may amend these Corporate Governance Guidelines, or grant

waivers in exceptional circumstances, provided that any such modification or waiver may not be a violation of any applicable law, rule or regulation, and, provided further, that any such modification or waiver is appropriately disclosed.

C. Certification

These Corporate Governance Guidelines were duly approved and adopted by the Board of Directors of the Company on the 8th day of May 2015.

Exhibit 99.2

4721 IRONTON ST. BUILDING-A DENVER, CO 80239
FAX: 800.490.7195

From Concept to Shelf
580 Garcia Avenue. Pittsburg, CA 94565
Phone: 925.473.1000, *Fax:* 925.473.1001

To All Managers, Directors & Vice Presidents:

It is imporant for all employees of MusclePharm to communicate properly but always be mindful to follow protocol intended to assure compliance with corporate guidelines, company policies and maintain the confidentiality (internally and externally) of non-publically disclosed company information. Appropriate guidance is not always available on such topics and we are providing this overview to assure that proper channels are used to discuss internal matters, including within our organization. To this end, I have attached an updated ***Corporate Communications Policy*** to assist you in understanding your duties and responsibilities.

The easiest way to assure our standards are met and to address any gaps quickly and avoid potential law violations is to follow good communications practices:

- Document all communication outside of your typical chain of comand and always inform your immediate supervisor if you receive any unusual internal or external requests for information;
- Never communicate through blogs, message boards, or facebook like posts;
- When speaking or responding to inquiries which may be sensitive or confidential (examples include operations, financial results, credit and collections matters, financial matters, contracts, A/R, A/P) always promptly inform your C-Level (CFO, COO, etc.) supervisor of the request or of any communication, along with the President and CEO.
- Examples of external inquires about confidential or sensitive information that should be referred are:
    - Customers
    - Vendors
    - Suppliers
    - Lendgers
    - Fellow Employees
    - Anlysts and Investors
    - Directors
    - Press and Media

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- When in doubt, it's better to seek guidance frin your C-Level Officer, President or CEO ***prior to*** responding.
- If you suspect or inadvertantly cause a potential breach of policy or guidelines (or feel you cannot communicate to C-Level, President or CEO), you must notify Michael Doron (Chairman of the Governance Committee). If you are aware of any potential improper or illegal activities you may also refer to our Designated Legal Counsel and our Whistleblower Policy for further action.

  michael.doron@musclepharm.com (Chairman)
  hkesner@srff.com (Designated Legal Counsel/Whistleblower Contact)

There exists the possiblity that the Company's efforts can be damaged by premature, partial, or improper disclosures and therefore we urge all employees to follow the above principles in their dealings with constituencies and to maintain accurate records of all contacts and communications.

Your Superviosr has either held a meeting with you or will shortly be holding a meeting with you to discuss this topic and answer any questions you may have to insure this is extremely clear.

Failute to adhere to the above principles could result in disciplinary or other action.

In advance, we appreciate your support.

Sincerely,

The MusclePharm Management Team

Cc: MP President
MP CEO
MP Governance Committee Chairman
SRFF
MP Board of Directors