True Drinks Holdings, Inc.
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Registration No. 333-193249

PROSPECTUS

Dated February 11, 2014

47,842,104 Shares of Common Stock

TRUE DRINKS HOLDINGS, INC.

We are registering 47,842,104 shares of our common stock, $0.001 per share, of True Drinks Holdings, Inc. ("we," "us," or the "Company"), by selling stockholders listed beginning on page 32 of this prospectus ("Selling Stockholders"). All of the shares being offered, when sold, will be sold by the Selling Stockholders. The shares of common stock registered for resale under this registration statement include:

up to 35,613,120 shares of common stock issuable upon conversion of shares of Series B Convertible Preferred Stock ("Series B Preferred") issued in a series of private placement transactions, first consummated on November 25, 2013 (the "Private Placements"); and

up to 12,228,984 shares of common stock issuable upon exercise of warrants issued in connection with the Private Placements;

We will not receive any proceeds from the sale of the shares by the Selling Stockholders; however, if the warrants are exercised we will receive the exercise price of the warrants, if exercised at all. We will pay the expenses of registering the shares sold by the Selling Stockholders. See "Selling Stockholders" beginning on page 32 of this prospectus for a list of the Selling Stockholders.

The shares of common stock are being registered to permit the Selling Stockholders to sell the shares from time to time, in amounts and at prices and on terms determined at the time of the offering. The Selling Stockholders may sell the shares of our common stock covered by this prospectus in a number of different ways and at prevailing market prices or privately negotiated transactions. We provide more information about how the Selling Stockholders may sell the shares in the section entitled "Plan of Distribution" beginning on page 34 of this prospectus.

Our common stock is quoted on the OTCQB under the symbol "TRUU." The last reported sale price of our common stock on February 6, 2014 was $0.28 per share.

No underwriter or other person has been engaged to facilitate the sale of shares of common stock in this offering.

You should rely only on the information contained in this prospectus. We have not, and the Selling Stockholders have not, authorized anyone to provide you with different information. No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. If anyone provides you with different information, you should not rely on it. We are not, and the Selling Stockholders are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

Investing in our common stock involves a high degree of risk. See “Risk Factors” beginning on page 2 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is February 11, 2014.

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FORWARD-LOOKING STATEMENTS

This prospectus, including the information incorporated by reference, contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. The use of any statements containing the words "intend," "believe," "estimate," "project," "expect," "anticipate," "plan," "should" or similar expressions are intended to identi statement. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, changes in demand for our products and services, changes in the level of operating expenses, our ability to execute our business and operating plan, changes in general economic conditions that impact government spending, regulatory issues, dependence on third party suppliers, and other risks detailed in this prospectus under the heading "Risk Factors" and in our periodic report filings with the Securities and Exchange Commission (the "SEC").

Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made, and we assume no duty to and do not undertake to update forward-looking statements. These forward-looking statements may not meet the safe harbor for forward-looking statements pursuant to Sections 21E or 27A of the Securities Act. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all the information you should consider before buying our common stock. You should read the following summary together with the more detailed information appearing in this prospectus, including our consolidated financial statements and related notes, and our risk factors beginning on page 2, before deciding whether to purchase shares of our common stock.

As used in this Annual Report, "we", "us", "our", "True Drinks", "Company" or "our Company" refers to True Drinks Hold Inc. and all of its subsidiaries, unless the context requires otherwise. We are a holding company and conduct no operating business, except through our subsidiaries. During January 2013, we changed our name from True Drinks, Inc. to True Drinks Holdings, Inc.

Overview

True Drinks Holdings, Inc. (the "Company") is a beverage company that specializes in all-natural, vitamin-enhanced drinks. Our primary business is the development, marketing, sale and distribution of our flagship product, AquaBall™ Naturally Flavored Water, a vitamin-enhanced, naturally flavored water drink packaged in our patented stacking spherical bottles. We distribute the AquaBall™ nationally through select retail channels, such as grocery stores, mass merchandisers, drug stores and online. We also market and distribute Bazi® All Natural Energy, a liquid nutritional supplement drink, which is currently distributed online and through our existing database of customers. Bazi® represented less than 1% of our total sales during the year ended December 31, 2012, and approximately 12% of our total sales during the nine months ended September 30, 2013. Sales of Bazi® are expected to decrease as the Company focuses its resources on sales and marketing of the AquaBall™ .

The Company was originally incorporated in the state of Delaware in January 2012.

Our principal place of business is 18552 MacArthur Boulevard, Suite 325, Irvine, California, 92612. Our telephone number is (949) 203-2500. Our corporate website address is http://www.truedrinks.com. Our common stock, par value

$0.001 ("Common Stock"), is currently listed for quotation on the OTCQB marketplace ("OTCQB") under the symbol TRUU.

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THE OFFERING

Securities Offered by the Selling Stockholders	47,842,104 shares of Common Stock.
Common Stock Outstanding as of February 6, 2014	27,885,587 shares.
Use of Proceeds	We will not receive any of the proceeds of the shares offered by the Selling Stockholders. We may receive proceeds upon exercise of the warrants, if they are exercised. The shares that will be resold under this prospectus were sold by us, or were issued upon the conversion of securities issued by us.
Risk Factors	Prior to making an investment decision, you should carefully consider all of the information in this prospectus and, in particular, you should evaluate the risk factors set forth under the caption "Risk Factors" beginning on page 2.
Trading Symbol	TRUU

RISK FACTORS

Risks Related to the Company

We have a history of operating losses and, despite consummation of recent financings, may continue to experience liquidity problems.

We have not been profitable since inception. We had a net loss of $3,119,343 and $5,164,497 for the year ended December 31, 2012 and the nine months ended September 30, 2013, respectively. Although we have recently consummated equity and debt financings resulting in gross proceeds of $8.0 million, we may require additional capital to execute our business and marketing plan, and continue as a going concern. Our history of losses may impair our ability to obtain necessary financing on favorable terms or at all. It may also impair our ability to attract investors if we attempt to raise additional capital by selling additional debt or equity securities in a private or public offering.

We may need to raise additional funds in order to fund our operations, which cannot be assured and may result in substantial additional dilution to our existing shareholders.

To date, our operating funds have been provided primarily from sales of our Common Stock, preferred stock, promissory notes and, to a lesser degree, cash flow provided by sales of our products. We used $4,052,389 and $3,407,063 of cash for operations in the year ended December 31, 2012 and the nine months ended September 30, 2013, respectively. If our business operations do not result in increased product sales, and we are otherwise unable to secure short-term working capital, our business viability, financial position, results of operations and cash flows will be adversely affected. We cannot predict the terms upon which we could raise such capital or if any capital would be available at all, and what dilution will be caused to the existing shareholders.

We may not be able to satisfy recently incurred debt obligations when due.

We recently received a $2.0 million term loan (the "Term Loan") from Avid Bank that matures on November 29, 2015. Additionally, we are required to maintain, with Avid Bank, a balance of unrestricted cash and cash equivalents of at least $1.0 million, measured on a monthly basis.

If we are unable to successfully execute our business and marketing plan, we may not achieve profitability, and may not be able to satisfy our obligations under the Term Loan when due, or otherwise satisfy the debt covenants. We may seek additional financing to satisfy our obligations, which financing may not be available on a timely basis, on terms that are acceptable or at all. Failure to meet our obligations under the Term Loan, including paying off the Term Loan when it becomes due and payable or satisfying the debt covenants, would result in a default of the Term Loan, which default would have a material adverse affect our business, results of operations and financial condition, and therefore threaten our financial viability.

Our operations are now dependent on the business of True Drinks, and our ability to achieve positive cash flow under our new business plan is uncertain.

As a result of the merger between True Drinks, Inc. and a subsidiary of Bazi International, Inc. in October 2012 (the "Merger"), our continued operations are now dependent on the business of True Drinks. True Drinks' ability to achieve positive cash flow resulting from its new business plan is uncertain, as True Drinks' only product line, the AquaBall™, was launched in June 2012. Although True Drinks generated revenues of $1,021,908 from the sale of the AquaBall™ in 2013, there can be no guarantee that the Company will continue to grow revenue or achieve positive cash low in the future.

Our licensing agreements with Disney Consumer Products, Inc. and Marvel Characters, B.V. are critical components of the marketing of the AquaBall™ line, and there is no guarantee the licensing agreements will be renewed at the end of each agreement's term.

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We currently have licensing agreements with Disney Consumer Products, Inc. (the "Disney Agreement") and Marvel Characters, B.V. (the "Marvel Agreement") that allow us to place popular Disney and Marvel characters on labels of AquaBall™ Naturally Flavored Water. As AquaBall™ was recently launched in June 2012, the use of these characters, including Disney Princesses and Spider-Man, is critical to making the AquaBall™ stand out among our competitors. Although these licensing agreements have varying terms, both the Disney Agreement and Marvel Agreement expire in 2015. There is no guarantee we will be able to renew these agreements upon expiration, nor are we able to guarantee that we will have licensing agreements with other companies when the Disney Agreement and Marvel Agreement expire.

Our limited operating history and recent change in marketing strategy make it difficult to evaluate our prospects.

We have a limited operating history on which to evaluate our business and prospects. Our current flagship product, the AquaBall™, was formulated and introduced to the public for sale in 2012. Our other product, Bazi®, has had limited market success. There can be no assurance that we will achieve significant sales as a result of us focusing our sales efforts on the AquaBall™ product, or that our new sales model with be successful.

We also may not be successful in addressing our other operating challenges, such as developing brand awareness and expanding our market presence through retail sales and our direct-to-consumer and online sales strategy. Our prospects for profitability must be considered in light of our evolving business model. These factors make it difficult to assess our prospects.

We are affected by extensive laws, governmental regulations, administrative determinations, court decisions and similar constraints, which can make compliance costly and subject us to enforcement actions by governmental agencies.

The formulation, manufacturing, packaging, labeling, holding, storage, distribution, advertising and sale of our products are affected by extensive laws, governmental regulations and policies, administrative determinations, court decisions and similar constraints at the federal, state and local levels, both within the United States and in any country where we conduct business. There can be no assurance that we or our independent distributors will be in compliance with all of these regulations. A failure by us or our distributors to comply with these laws and regulations could lead to governmental investigations, civil and criminal prosecutions, administrative hearings and court proceedings, civil and criminal penalties, injunctions against product sales or advertising, civil and criminal liability for the Company and/or its principals, bad publicity, and tort claims arising out of governmental or judicial findings of fact or conclusions of law adverse to the Company or its principals. In addition, the adoption of new regulations and policies or changes in the interpretations of existing regulations and policies may result in significant new compliance costs or discontinuation of product sales, and may adversely affect the marketing of our products, resulting in decreases in revenues.

Our ability to increase sales is dependent on growing in our existing markets as well as expanding into new markets in other countries. As we expand into foreign markets, we will become subject to different political, cultural, exchange rate, economic, legal and operational risks. We may invest significant amounts in these expansions with little success.

We currently are focusing our marketing efforts in the United States and, to a lesser extent, Canada. We believe that our future growth will come from both the markets that we are currently operating in and other international markets. We do not have any history of international expansion, and therefore have no assurance that any efforts will result in increased revenue. Additionally, we may need to overcome significant regulatory and legal barriers in order to sell our products, and we cannot give assurance as to whether our distribution method will be accepted. These markets may require that we reformulate our product to comply with local customs and laws. However, there is no guarantee that the reformulated product will be approved for sale by these regulatory agencies or attract local distributors.

We face substantial uncertainties in executing our business plan.

Successfully executing our business plan will require us to attain certain objectives to which no assurance can be given that we will be successful in our efforts. We believe that, in order to execute our business plan and achieve the sales growth, we are anticipating we must, among other things, successfully recruit additional personnel in key positions, develop a larger distribution network and establish a broader customer base and increase awareness of our brand name. In order to implement any of these initiatives, we will be required to materially increase our operating expenses, which may require additional working capital. If we are unable to secure additional working capital, we will be unable to accomplish our objectives, and if we are unable to accomplish one or more of these objectives, our business may fail.

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We are currently dependent on a limited number of independent suppliers and manufacturers of our products, which may affect our ability to deliver our products in a timely manner. If we are not able to ensure timely product deliveries, potential distributors and customers may not order our products, and our revenues may decrease.

We rely entirely on a limited number of third parties to supply and manufacture our product. These third party manufacturers may be unable to satisfy our supply requirements, manufacture our products on a timely basis, fill and ship our orders promptly, provide services at competitive costs or offer reliable products and services. The failure to meet any of these critical needs would delay or reduce product shipment and adversely affect our revenues, as well as jeopardize our relationships with our independent distributors and customers. In the event any of our third party manufacturers were to become unable or unwilling to continue to provide us with products in required volumes and at suitable quality levels, we would be required to identify and obtain acceptable replacement manufacturing sources. There is no assurance that we would be able to obtain alternative manufacturing sources on a timely basis. Additionally, all our third party manufacturers source the raw materials for our products, and if we were to use alternative manufacturers we may not be able to duplicate the exact taste and consistency profile of the product from the original manufacturer. An extended interruption in the supply of our products would result in decreased product sales and our revenues would likely decline.

We are dependent on our third party manufacturers to supply our products in the compositions we require, and we do not independently analyze our products. Any errors in our product manufacturing could result in product recalls, significant legal exposure, and reduced revenues and the loss of distributors.

Although we require our manufacturers to verify the accuracy of the contents of our products, we do not have the expertise or personnel to monitor the production of products by these third parties. We rely exclusively, without independent verification, on certificates of analysis regarding product content provided by our third party suppliers and limited safety testing by them. We cannot be assured that these outside manufacturers will continue to supply products to us reliably in the compositions we require. Errors in the manufacture of our products could result in product recalls, significant legal exposure, adverse publicity, decreased revenues, and loss of distributors and endorsers.

We face significant competition from existing suppliers of products similar to ours. If we are not able to compete with these companies effectively, we may not be able to achieve profitability.

We face intense competition from numerous resellers, manufacturers and wholesalers of liquid nutrition drinks similar to ours, including retail, online and mail order providers. We consider the significant competing products in the U.S. market for the AquaBall™ to be Tum-E Yummies, Capri-Sun, Bug Juice, and other alternatives marketed towards children, and for Bazi® to be Red Bull®, Monster®, RockStar®, 5 Hour Energy® and Steaz®. Most of our competitors have longer operating histories, established brands in the marketplace, revenues significantly greater than ours and better access to capital than us. We expect that these competitors may use their resources to engage in various business activities that could result in reduced sales of our products. Companies with greater capital and research capabilities could re-formulate existing products or formulate new products that could gain wide marketplace acceptance, which could have a depressive effect on our future sales. In addition, aggressive advertising and promotion by our competitors may require us to compete by lowering prices because we do not have the resources to engage in marketing campaigns against these competitors, and the economic viability of our operations likely would be diminished.

Adverse publicity associated with our products or ingredients, or those of similar companies, could adversely affect our sales and revenues.

Adverse publicity concerning any actual or purported failure of our Company to comply with applicable laws and regulations regarding any aspect of our business could have an adverse effect on the public perception of our Company. This, in turn, could negatively affect our ability to obtain financing, endorsers and attract distributors or retailers for the AquaBall™ and/or Bazi®, which would have a material adverse effect on our ability to generate sales and revenues.

Our distributors' and customers' perception of the safety and quality of our products or even similar products distributed by others can be significantly influenced by national media attention, publicized scientific research or findings, product liability claims and other publicity concerning our products or similar products distributed by others. Adverse publicity, whether or not accurate, that associates consumption of our products or any similar products with illness or other adverse effects, will likely diminish the public's perception of our products. Claims that any products are ineffective, inappropriately labeled or have inaccurate instructions as to their use, could have a material adverse effect on the market demand for our products, including reducing our sales and revenues.

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The efficiency of nutritional supplement products is supported by limited conclusive clinical studies, which could result in less market acceptance of these products and lower revenues or lower growth rates in revenues.

Our nutritional supplement products are made from vitamins, minerals, amino acids, herbs, botanicals, fruits, berries and other substances for which there is a long history of human consumption. However, there is little long-term experience with human consumption of certain product ingredients or combinations of ingredients in concentrated form. Although we believe all of our products fall within the generally known safe limits for daily doses of each ingredient contained within them, nutrition science is imperfect. Moreover, some people have peculiar sensitivities or reactions to nutrients commonly found in foods, and may have similar sensitivities or reactions to nutrients contained in our products. Furthermore, nutrition science is subject to change based on new research. New scientific evidence may disprove the efficacy of our products or prove our products to have effects not previously known. We could be adversely affected by studies that may assert that our products are ineffective or harmful to consumers, or if adverse effects are associated with a competitor's similar products.

Our products may not meet health and safety standards or could become contaminated.

We have adopted various quality, environmental, health and safety standards. We do not have control over all of the third parties involved in the manufacturing of our products and their compliance with government health and safety standards. Even if our products meet these standards they could otherwise become contaminated. A failure to meet these standards or contamination could occur in our operations or those of our bottlers, distributors or suppliers. This could result in expensive production interruptions, recalls and liability claims. Moreover, negative publicity could be generated from false, unfounded or nominal liability claims or limited recalls. Any of these failures or occurrences could negatively affect our business and financial performance.

The sale of our products involves product liability and related risks that could expose us to significant insurance and loss expenses.

We face an inherent risk of exposure to product liability claims if the use of our products results in, or is believed to have resulted in, illness or injury. Most of our products contain combinations of ingredients, and there is little long-term experience with the effect of these combinations. In addition, interactions of these products with other products, prescription medicines and over-the-counter drugs have not been fully explored or understood and may have unintended consequences. While our third party manufacturers perform tests in connection with the formulations of our products, these tests are not designed to evaluate the inherent safety of our products.

Although we maintain product liability insurance, it may not be sufficient to cover all product liability claims and such claims that may arise, could have a material adverse effect on our business. The successful assertion or settlement of an uninsured claim, a significant number of insured claims or a claim exceeding the limits of our insurance coverage would harm us by adding further costs to our business and by diverting the attention of our senior management from the operation of our business. Even if we successfully defend a liability claim, the uninsured litigation costs and adverse publicity may be harmful to our business.

Any product liability claim may increase our costs and adversely affect our revenues and operating income. Moreover, liability claims arising from a serious adverse event may increase our costs through higher insurance premiums and deductibles, and may make it more difficult to secure adequate insurance coverage in the future. In addition, our product liability insurance may fail to cover future product liability claims, which, if adversely determined, could subject us to substantial monetary damages.

The success of our business will depend upon our ability to create brand awareness.

The market for functional beverages and nutraceuticals is already highly competitive, with many well-known brands leading the industry. Our ability to compete effectively and generate revenue will be based upon our ability to create awareness of our products distinct from those of our competitors. It is imperative that we are able to convey to consumers the fact that our products are not just functional beverages but are also nutraceuticals. However, advertising and packaging and labeling of such products will be limited by various regulations. Our success will be dependent upon our ability to convey to consumers that our products are superior to those of our competitors.

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We must continue to develop and introduce new products to succeed.

The functional beverage and nutritional supplement industry is subject to rapid change. New products are constantly introduced to the market. Our ability to remain competitive depends on our ability to enhance existing products, continue to develop and manufacture new products in a timely and cost effective manner, to accurately predict market transitions, and to effectively market our products. Our future financial results will depend to a great extent on the successful introduction of several new products. We cannot be certain that we will be successful in selecting, developing, manufacturing and marketing new products or in enhancing existing products.

The success of new product introductions depends on various factors, including the following:

- proper new product selection;
- successful sales and marketing efforts;
- timely delivery of new products;
- availability of raw materials;
- pricing of raw materials;
- regulatory allowance of the products; and
- customer acceptance of new products.

We may from time to time write off obsolete inventories resulting in higher expenses and consequently greater net losses.

As we sometimes produce product adorned with characters on a promotional schedule, over production of a certain character set could result in write-downs of our inventories. A change in ingredients or labeling requirements could also result in the obsolescence of certain inventory. Write-downs of this type could make it more difficult for us to achieve profitability. We did not incur a write-down against inventory for the year ended December 31, 2012 or during the nine months ended September 30, 2013.

Product returns could require us to incur significant additional expenses, which would make it difficult for us to achieve profitability.

We have not established a reserve in our financial statements for product returns. However, we may experience product returns as we shift our focus to the AquaBall™ line of products and expand our market presence nationwide. We will continue to analyze our returns to determine if a reserve is necessary. If our reserves prove to be inadequate, we may incur significant expenses for product returns. As we gain more operating experience, we may need to establish a reserve for product returns.

If we are not able to adequately protect our intellectual property, then we may not be able to compete effectively and we may not be profitable.

Our existing proprietary rights may not afford remedies and protections necessary to prevent infringement, reformulation, theft, misappropriation and other improper use of our products by competitors. We own the formulations contained in our products and the patent for the AquaBall™ bottle. We consider this patent and these product formulations our critical proprietary property, which must be protected from competitors. We do not have any patents for our product formulations because we do not believe they are necessary to protect our proprietary rights. Although trade secret, trademark, copyright and patent laws generally provide such protection and we attempt to protect ourselves through contracts with manufacturers of our products, we may not be successful in enforcing our rights. In addition, enforcement of our proprietary rights may require lengthy and expensive litigation. We have attempted to protect some of the trade names and trademarks used for our products by registering them with the U.S. Patent and Trademark Office, but we must rely on common law trademark rights to protect our unregistered trademarks. Common law trademark rights do not provide the same remedies as are granted to federally registered trademarks, and the rights of a common law trademark are limited to the geographic area in which the trademark is actually used. Our inability to protect our intellectual property could have a material adverse impact on our ability to compete and could make it difficult for us to achieve a profit.

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Compliance with changing corporate governance regulations and public disclosures may result in additional risks and exposures.

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002 and new regulations from the SEC, have created uncertainty for public companies such as ours. These laws, regulations, and standards are subject to varying interpretations in many cases and as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. As a result, our efforts to comply with evolving laws, regulations, and standards have resulted in, and are likely to continue to result in, increased expenses and significant management time and attention.

Loss of key personnel could impair our ability to operate.

Our success depends on hiring, retaining and integrating senior management and skilled employees. We are currently dependent on certain current key employees, specifically Lance Leonard, our Chief Executive Officer, and Kevin Sherman, our Chief Marketing Officer, who are vital to our ability to grow our business and achieve profitability. As with all personal service providers, our officers can terminate their relationship with us at will. Our inability to retain these individuals may result in our reduced ability to operate our business.

Conversion of the preferred stock and the exercise of warrants by the Selling Stockholders will substantially dilute existing stockholders and the Company's earnings per share. Additionally, any sale of Common Stock by the Selling Stockholders following the conversion of the preferred stock and/or exercise of the warrants may have a materially adverse effect on the price of the Company's Common Stock, as reported on the OTCQB.

During the year ended December 31, 2013, the Company issued approximately: (i) 2.4 million shares of Series B Convertible Preferred Stock ("Series B Preferred"), convertible into approximately 39.7 million shares of Common Stock; and (ii) warrants to purchase approximately 13.6 million shares of Common Stock. Conversion of all or a portion of the shares of Series B Preferred and/or exercise of all or a portion of the recently issued warrants would have a substantial and material dilutive effect on the Company's existing stockholders and on the Company's earnings per share. In addition, the sale of Common Stock issuable upon conversion of shares of Series B Preferred and/or exercise warrants by the Selling Stockholders could have a materially adverse impact on the price of the Company's Common Stock, as reported on the OTCQB.

A limited trading market currently exists for our securities and we cannot assure you that an active market will ever develop, or if developed, will be sustained.

There is currently a limited trading market for our securities on the OTCQB marketplace. An active trading market for our Common Stock may not develop. Consequently, we cannot assure you when and if an active-trading market in our shares will be established, or whether any such market will be sustained or sufficiently liquid to enable holders of shares of our Common Stock to liquidate their investment in our company. If an active public market should develop in the future, the sale of unregistered and restricted securities by current shareholders may have a substantial impact on any such market.

The price of our securities could be subject to wide fluctuations and your investment could decline in value.

The market price of the securities of a company such as ours with little name recognition in the financial community and without significant revenues can be subject to wide price swings. The market price of our securities may be subject to wide changes in response to quarterly variations in operating results, announcements of new products by us or our competitors, reports by securities analysts, volume trading, or other events or factors. In addition, the financial markets have experienced significant price and volume fluctuations for a number of reasons, including the failure of certain companies to meet market expectations. These broad market price swings, or any industry-specific market fluctuations, may adversely affect the market price of our securities.

Companies that have experienced volatility in the market price of their stock have been the subject of securities class action litigation. If we were to become the subject of securities class action litigation, it could result in substantial costs and a significant diversion of our management's attention and resources.

Because our Common Stock may be classified as "penny stock," trading may be limited, and the share price could decline. Moreover, trading of our Common Stock, if any, may be limited because broker-dealers would be required to provide their customers with disclosure documents prior to allowing them to participate in transactions involving our Common Stock. These disclosure requirements are burdensome to broker-dealers and may discourage them from allowing their customers to participate in transactions involving our Common Stock.

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We have issued preferred stock with rights senior to our Common Stock, and may issue additional preferred stock in the future, in order to consummate a merger or other transaction necessary to continue as a going concern.

Our Articles of Incorporation authorizes the issuance of up to 5,000,000 shares of preferred stock, par value $0.001 per share (the “Preferred Stock”), without shareholder approval and on terms established by our directors, of which 2,750,000 shares have been designated as Series B Preferred. We may issue additional shares of Preferred Stock in order to consummate a financing or other transaction, in lieu of the issuance of Common Stock. The rights and preferences of any such class or series of Preferred Stock would be established by our board of directors in its sole discretion and may have dividend, voting, liquidation and other rights and preferences that are senior to the rights of the Common Stock.

You should not rely on an investment in our Common Stock for the payment of cash dividends.

Because of our significant operating losses and because we intend to retain future profits, if any, to expand our business, we have never paid cash dividends on our Common Stock and do not anticipate paying any cash dividends in the foreseeable future. You should not make an investment in our Common Stock if you require dividend income. Any return on investment in our Common Stock would only come from an increase in the market price of our stock, which is uncertain and unpredictable.

Additional risks may exist since we became public through a “reverse merger.”

Because we became public by means of a “reverse merger,” we may not be able to attract the attention of major brokerage firms. Securities analysts of major brokerage firms may not provide coverage of us since there is little incentive to brokerage firms to recommend the purchase of our Common Stock. We cannot assure you that brokerage firms will want to conduct any secondary offerings on behalf of the Company in the future.

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USE OF PROCEEDS

We will not receive any of the proceeds of the shares offered by the Selling Stockholders. We may receive proceeds upon exercise of the Warrants (defined below), if they are exercised. The shares that will be resold under this prospectus are issuable upon the conversion of certain securities issued by us during the Private Placements. The funds that may be received by us upon exercise of the Warrants, estimated to be approximately $3.6 million if all Warrants are exercised, will be used for general working capital purposes.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements that relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Words such as, but not limited to, “believe,” “expect,” “anticipate,” “estimate,” “intend,” “plan,” “targets,” “likely,” “will,” “would,” “could,” and similar expressions or ph forward-looking statements. Forward-looking statements include, but are not limited to, statements about:

- our ability to implement our business strategy, including the transition from a hardware storage company to a software solutions and services provider;
- anticipated trends and challenges in our business and the markets in which we operate;
- our expected future financial performance;
- our expectations regarding our operating expenses;
- our ability to anticipate market needs or develop new or enhanced products to meet those needs;
- our ability to expand into other sectors of the storage market, beyond protection storage;
- our expectations regarding market acceptance of our products;
- our ability to compete in our industry and innovation by our competitors;
- our ability to protect our confidential information and intellectual property rights;
- our ability to successfully identify and manage any potential acquisitions;
- our ability to manage expansion into international markets;
- our ability to remediate the material weakness in our internal controls identified by our independent registered public accounting firm;
- our ability to maintain or broaden our business relationships and develop new relationships with strategic alliances, suppliers, customers, distributors or otherwise;

our ability to recruit and retain qualified sales, technical and other key personnel;

our ability to obtain additional financing; and

our ability to manage growth.

All forward-looking statements involve risks, assumptions and uncertainties. The occurrence of the events described, and the achievement of the expected results, depend on many events, some or all of which are not predictable or within our control. Actual results may differ materially from expected results. See the section titled "Risk Factors" and elsewhere in this prospectus for a more complete discussion of these risks, assumptions and uncertainties and for other risks and uncertainties. These risks, assumptions and uncertainties are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could harm our results. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus might not occur.

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Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other things contemplated by the forward-looking statements will not occur. Forward-looking statements in this prospectus are based on management's beliefs and opinions at the time the statements are made. The forward-looking statements contained in this prospectus are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this prospectus are made as of the date of this prospectus and we undertake no obligation to publicly update or revise any forward-looking statements to reflect new information, future events or otherwise, except as required by applicable securities laws.

BUSINESS

Overview

True Drinks Holdings, Inc. (the "Company") is a beverage company that specializes in all-natural, vitamin-enhanced drinks. Our primary business is the development, marketing, sale and distribution of our flagship product, AquaBall™ Naturally Flavored Water, a vitamin-enhanced, naturally flavored water drink packaged in our patented stacking spherical bottles. We distribute the AquaBall™ nationally through select retail channels, such as grocery stores, mass merchandisers, drug stores and online. We also market and distribute Bazi® All Natural Energy, a liquid nutritional supplement drink, which is currently distributed online and through our existing database of customers. Bazi® represented less than 1% of our total sales during the year ended December 31, 2012, and approximately 12% of our total sales during the nine months ended September 30, 2013. Sales of Bazi® are expected to decrease as the Company focuses its resources on sales and marketing of the AquaBall™.

The Company was originally incorporated in the state of Delaware in January 2012.

Our principal place of business is 18552 MacArthur Boulevard, Suite 325, Irvine, California, 92612. Our telephone number is (949) 203-2500. Our corporate website address is http://www.truedrinks.com. Our common stock, par value $0.001 ("Common Stock"), is currently listed for quotation on the OTCQB marketplace ("OTCQB") under the symbol TRUU.

Our History

Bazi International, Inc. Prior to Merger with True Drinks, Inc.

Bazi International, Inc. ("Bazi Intl.") was formed in 2001, under the name "Instanet, Inc." In August 2010, we changed our name to Bazi International, Inc. Until January 18, 2010, our principal channel of distribution was through a multilevel distributor network, which we terminated in January 2010 in favor of a retail and direct-to-consumer, online sales model. Bazi Intl. continued to distribute Bazi® online and through our existing database of customers, but as a result of the termination of our multilevel distributor model, most of our top distributors ended their relationship with the Company during the first quarter of 2010, causing sales of Bazi® to decrease throughout 2011 and into 2012. As a result, Bazi Intl. began suffering from a lack of sufficient capital necessary to adequately market Bazi® and support Bazi Intl.'s existing retail and distribution partners.

True Drinks, Inc. Prior to Merger with the Bazi Intl.

True Drinks, Inc. (formerly GT Beverage Company, Inc.) was formed on January 19, 2012 to develop, market and sell AquaBall™ Naturally Flavored Water. In February and March of 2012, True Drinks, Inc. acquired GT Beverage

Company, LLC, the predecessor entity to True Drinks, Inc. GT Beverage Company, LLC was formed in May 2008 to create and commercialize its Sportastic® brand sports drink, sold in round plastic bottles with registered trade dresses such as baseball and soccer designs. However, in January 2012, GT Beverage Company, LLC ceased its sports drink operations. True Drinks began packaging and selling AquaBall™ Naturally Flavored Water in its patented interlocking round plastic bottles, with depictions of characters from major entertainment companies, as permitted by licensing agreements with these companies.

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Market Overview

Our products are characterized as functional beverages, or drink products with specific health benefits in the formulation of ingredients. Our flagship product, AquaBall™ Naturally Flavored Water, is a healthy hydration alternative to current beverages positioned towards children, and competes in the kids' food market segment. Functional beverages are growing at an aggressive rate, largely due to consumer demand for healthier alternatives to typical carbonated soft drinks. The shift away from carbonated soft drinks to healthier, functional drinks is reflected in the fact that sales of carbonated soft drinks have been flat since 2004, yet functional beverage sales have grown almost $20.0 billion over the same period to $30.6 billion in annual sales. Market research firm Zenith International estimates that global per capita consumption of functional beverages increased 25% from 2010 to 2013.

The kids foods market segment is projected to grow 40% from $10.0 billion in 2010 to $14.0 billion by 2015 according to Packaged Facts, a leading publisher of market research in the food, beverage and consumer packaged good sectors. Beverages are the second highest performing product within the kids foods market segment. In 2010, 40% of the kids food market contained some "better-for-you" element. Packaged Foods forecasts that the next several years will bring tremendous growth in the sales and development of food and beverage products marketed and designed for children. As a result, we are currently positioning AquaBall™ as a healthy, safe, naturally flavored water drink for kids.

Our Products

We market and distribute products that move away from high sugar, high calorie and nutritionally deficient beverages to healthful, natural alternatives. Our mission is to bring integrity back to the beverage industry and that honesty applies to every drop in every bottle. Our goal is to create and deliver beverages for families that encourage improved health, while being clear about what our products contain (and what they don't).

AquaBall™ Naturally Flavored Water

Our flagship product, AquaBall™ Naturally Flavored Water, is a naturally flavored water beverage, enhanced with vitamins B3, B5, B6, B12 and C. AquaBall™ does not contain high fructose corn syrup, artificial flavors, or artificial colors. Unlike high sugar and high calorie beverages marketed toward children, AquaBall™ is sweetened with stevia, an all-natural sweetener, allowing the AquaBall™ to provide a zero-sugar, zero-calorie alternative to juice and soda for kids. The main component of the marketing vision behind the AquaBall™ brand is our licensing agreements with Disney Consumer Products, Inc. ("Disney") and Marvel Entertainment ("Marvel"), allowing each AquaBall™ to prominently feature various Disney and Marvel characters. Both Disney and Marvel characters have an established reputation of high retail sales of licensed products, giving each AquaBall™ the presence associated with these brands.

Each AquaBall™ is packaged in our patented 12 ounce stackable, spherical PET bottle, and wrapped with colorful, eye-catching labels featuring popular Disney characters and various Marvel superheroes. AquaBall™ currently comes in grape, orange and fruit punch flavors, and is sold in mass-market retailers throughout the United States. AquaBall™ is also available for purchase online at http://www.theaquaball.com. During the year ended December 31, 2012 and the nine months ended September 30, 2013, AquaBall™ sales accounted for approximately 99% and 88% of the Company's total revenues, respectively.

Bazi®

Bazi® All Natural Energy, is a liquid nutritional drink packed with eight different super fruits, including the Chinese jujube and seven other superfruits, plus 12 vitamins. The proprietary formula contains the following fruits: jujube fruit, blueberry, pomegranate, goji berry, chokeberry, raspberry, acai and sea buckthorn. Additionally, Bazi® contains 12 vitamins including vitamins A, C, E and B-complex. In August, 2011, BioEnergy Ribose was added to Bazi® enhancing the products energy delivery system. During the year ended December 31, 2012 and the nine months ended September 30, 2013, Bazi® sales accounted for approximately 1% and 12% of the Company's total revenues, respectively.

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Manufacturing and Distribution

Manufacturing

We use a limited number of third parties to supply and manufacture our products. We have co-packing agreements with 7-Up Bottling in Modesto, California, Precision Formulations in Dallas, Texas, and Adirondack Beverages in Scotia, New York to package up to 4.0 million AquaBall™ cases per year. Bazi® is manufactured by Arizona Packaging and Production under the terms of a five year exclusive manufacturing agreement, which stipulates certain prices, quantities and delivery timelines.

Retail Distribution

We utilize a direct-to-retailer distribution strategy to key national accounts for sales of AquaBall™ Naturally Flavored Water, including distribution to RiteAid, Toys R Us, Inc., Harris Teeter Supermarkets, Polar Beverages, Value Merchandisers, and stores under the Safeway, Inc. and The Kroger Company brands nationwide. We also distribute AquaBall™ through regional distributors throughout the United States. We are actively seeking additional retail and convenience accounts, and we plan to explore alternative markets for AquaBall™ in the upcoming year such as schools, sports venues, fast food restaurants, dollar store and club store channels. Additionally, our licensing agreement with Disney Consumer Products, Inc. and Marvel Entertainment allows us to work with Disney and Marvel's dedicated sales teams who, in turn, work with top retailers to assist us with securing shelf-space for AquaBall™ and accomplishing our long-term sales objectives.

Online Sales

The Company's ecommerce platform allows current and future consumers to purchase AquaBall™ Naturally Flavored Water and Bazi® Energy Shot by visiting our newly redesigned webpages, http://www.theaquaball.com and http://www.drinkbazi.com. We drive traffic to relevant landing pages and micro sites through digital marketing campaigns and promotions, and a variety of social media marketing efforts.

Sales and Marketing

The Company's sales and marketing efforts are directed from our corporate offices in Irvine, California, utilizing our own staff, as well as outside resources retained to build market awareness and shelf placement of our products. The Company manages key national accounts through our in-house national sales team. Most notably, the Company will begin distributing AquaBall™ Naturally Flavored Water to all RiteAid locations in June 2014.

Our sales teams work to secure national distribution with our customers through multiple avenues including joint sales meetings with Disney and Marvel sales personnel dedicated to these national accounts. The Company has hired outside personnel to manage our national broker networks. The networks focus on areas such as regional grocery chains, the convenience store channel, and the food service segment.

As of December 31, 2013, the Company was not dependent upon any major customers.

Source and Availability of Raw Materials

We utilize a variety of suppliers to purchase raw materials for the AquaBall™ Naturally Flavored Water during the year ended December 31, 2012.

During 2012, we relied significantly on one supplier for 100% of our purchases of raw materials for Bazi®. Bazi, Inc. entered into an exclusive manufacturing agreement with this supplier in 2007 to produce the Bazi® product.

We own the formulas for both AquaBall™ Naturally Flavored Water and Bazi® Energy Shot, and we believe that our purchasing requirements can be readily met from alternative sources, if necessary.

Competition

The industries in which we operate are highly competitive. Not only do we compete with other manufacturers of functional beverages but we also compete with manufacturers of more traditional beverages, such as juice and soda marketed to children.

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Our competition in the beverage industry includes products owned by multinational corporations with significant financial resources, including Vitamin Water and Tum-E Yummies, owned by Coca-Cola, and Sobe and Propel, owned by Pepsi Co. Bazi® competitors include Steaz®, Guayaki Yerba Mate, POM Wonderful®, as well as sports and energy drinks including Gatorade®, Red Bull®, 5-Hour Energy®, RockStar®, Monster®, Powerade®, Accelerade® and All Sport®. Indirect competition for the AquaBall™ and Bazi® includes soft drinks and juice products, such as Sunny Delight®, CapriSun® and other fruit drinks. These competitors can use their resources and scale to rapidly respond to competitive pressures and changes in consumer preferences by introducing new products, reducing prices or increasing promotional activities. Many of our competitors have longer operating histories and have substantially greater financial and other resources than we do. They therefore have the advantage of established reputations, brand names, track records, back office and managerial support systems and other advantages that we cannot duplicate in the near future. Moreover, many competitors, by virtue of their longevity and capital resources, have established lines of distribution to which we do not have access, and are not likely to duplicate in the near term, if ever.

Intellectual Property

We rely on the AquaBall™ patent, AquaBall™ and Bazi® trademarks and licensing agreements to market our products and make them standout among out competitors.

Patents and Trademarks

We were granted the patent for AquaBall™'s stackable, spherical drink container in 2009, via our predecessor entity GT Beverage Company, LLC, who we purchased on March 31, 2012. We maintain trademark protection for AquaBall™. We maintain trademark protection for AquaBall™ and have federal trademark registration for Bazi®. This trademark registration is protected for a period of ten years and then is renewable thereafter if still in use.

Licensing Agreements

We entered into a three-year licensing agreement with Disney Consumer Products, Inc. ("Disney") and an 18-month licensing agreement with Marvel Characters, B.V. ("Marvel") (the "Licensing Agreements") in 2012. Each Licensing Agreement allows us to feature popular Disney and Marvel characters on AquaBall™ Naturally Flavored Water, allowing AquaBall™ to stand out among other beverages marketed towards children. Under the terms and conditions of the Licensing Agreements, we work with the Disney and Marvel teams to create colorful, eye-catching labels that surround the entire spherical shape of each AquaBall™ . Once the label designs are approved, we work with Disney and Marvel to set retail calendars, rotating the placement of different AquaBall™ designs over the course of the year. The terms of the Disney Licensing Agreement stipulates a royalty rate of 4% on the sales of AquaBall™ Naturally Flavored Water adorned with Disney characters, paid quarterly, with a total royalty guarantee of $231,600 over the term of the agreement which has a term ending date of March 31, 2015. In addition, the Company is required to spend 1% of sales on advertising and promotional opportunities. The Company is required to make common marketing fund contributions totaling $96,188 over the life of the agreement.

The terms of the Marvel Licensing Agreement stipulate a royalty rate of 5% on the sales of AquaBall™ Naturally Flavored Water adorned with Marvel characters, paid quarterly, with a total royalty guarantee of $150,000 over the term of the agreement which has a term ending date of December 31, 2015.

Government Regulations

General

Our operations are affected by extensive laws, governmental regulations, administrative determinations, court decisions and enforcement policies. These requirements exist at the federal, state and local levels in the United States, including laws and regulations pertaining to:

- the formulation, manufacturing, packaging, labeling, holding, storage, distribution, advertising and sale of our products; and

- product claims and advertising, including direct claims and advertising by us, as well as claims and advertising by independent distributors, for which we may be held responsible.

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The formulation, manufacturing, packaging, labeling, holding, storage, distribution, advertising, and sale of our products is subject to regulation by one or more federal agencies, including the Food and Drug Administration (“FDA”), the Federal Trade Commission (“FTC”), the Consumer Product Safety Commission (“CPSC”), the Occupational Safety and Health Administration (“OSHA”), the Department of Agriculture (“USDA”) and the Environmental Protection Agency (“EPA”). These activities are also regulated by various agencies of the states and localities in which our products are sold. Pursuant to the Federal Food, Drug, and Cosmetic Act (“FDCA”), the FDA regulates the processing, formulation, safety, manufacture, packaging, labeling, holding, sale, and distribution of foods and nutritional supplements (including vitamins, minerals, amino acids, herbs, and botanicals). The FTC has jurisdiction to regulate the advertising of these products. The CPSC is charged with protecting the public from risks of serious injury or death associated with the use of consumer products. Nutritional supplements are among the over 15,000 types of consumer products under CPSC’s jurisdiction. When consumers complain to the CPSC about alleged harm stemming from ingestion of vitamins and other nutritional supplement, CPSC may contact the entity concerned, inform it of the nature of the complaint, and invite a response. CPSC has conducted several recalls of iron-containing dietary supplements that do not comply with the child-resistant packaging requirement. The OSHA is charged with protecting workplace safety. Nutritional supplement companies must maintain a safe workplace and may from time to time be subject to queries from OSHA if manufacturing methods or procedures raise a question of worker safety. The USDA has jurisdiction over animal food and animal feed, including regulatory control over the harvesting of animal-based source materials, including animal-derived proteins, and animal-derived gelatin capsules, used in the making of dietary supplements. The EPA regulates dietary supplement compliance with standards established under the Clean Air Act, the Clean Water Act, the Occupational Safety and Health Act, and the Pollution Prevention Act as they affect the use, maintenance, and disposal of substances used in and facilities used for the manufacture of nutritional supplements.

The FDCA has been amended several times with respect to nutritional supplements, in particular by the Dietary Supplement Health and Education Act of 1994 (“DSHEA”), which established a new framework governing the composition, safety, labeling and marketing of nutritional supplements. Nutritional supplements are defined as vitamins, minerals, herbs, other botanicals, amino acids and other dietary substances for human use to supplement the diet, as well as concentrates, metabolites, constituents, extracts or combinations of such dietary ingredients. Generally, under DSHEA, dietary ingredients that were on the market prior to October 15, 1994, may be used in nutritional supplements without notifying the FDA. New dietary ingredients, consisting of dietary ingredients that were not marketed in the United States before October 15, 1994, are subject to a FDA pre-market new dietary ingredient notification requirement unless the ingredient has been present in the food supply as an article used for food without being chemically altered. A new dietary ingredient notification must provide the FDA with evidence of a history of use or other evidence of safety establishing that use of the dietary ingredient will reasonably be expected to be safe. A new dietary ingredient notification must be submitted to the FDA at least 75 days before the initial marketing of the new dietary ingredient. There is no certainty that the FDA will accept any particular evidence of safety for any new dietary ingredient. The FDA’s refusal to accept such evidence could prevent the marketing of such dietary ingredients.

The FDA issued a consumer warning in 1996, followed by proposed regulations in 1997, covering nutritional supplements that contain ephedra or its active substance, ephedrine alkaloids. We have never produced or sold products containing ephedra. In February 2004, the FDA issued a final regulation declaring nutritional supplements containing ephedra under the FDCA because they present an unreasonable risk of illness or injury under the conditions of use recommended or suggested in labeling, or if no conditions of use are suggested or recommended in labeling, under ordinary conditions of use. The rule took effect on April 12, 2004, and bans the sale of nutritional supplement products containing ephedra. Similarly, the FDA issued a consumer advisory in 2002 with respect to nutritional supplements that contain the ingredient Kava, and the FDA is currently investigating adverse effects associated with ingestion of this ingredient. We have never produced or sold any products containing Kava.

DSHEA permits statements of nutritional support to be included in labeling for nutritional supplements without FDA premarket approval. These statements must be submitted to the FDA within 30 days of marketing and must bear a label disclosure that "This statement has not been evaluated by the Food and Drug Administration. This product is not intended to diagnose, treat, cure, or prevent any disease." These statements may describe a benefit related to a nutrient deficiency disease, the role of a nutrient or nutritional ingredient intended to affect the structure or function in humans, the documented mechanism by which a nutrient or dietary ingredient acts to maintain such structure or function, the general well-being from consumption of a nutrient or dietary ingredient, but may not expressly or implicitly represent that a nutritional supplement will diagnose, cure, mitigate, treat or prevent a disease. An entity that uses a statement of nutritional support in labeling must possess scientific evidence substantiating that the statement is truthful and not misleading. If the FDA determines that a particular statement of nutritional support is an unacceptable drug claim or an unauthorized version of a disease claim for a food product, or if the FDA determines that a particular claim is not adequately supported by existing scientific data or is false or misleading, we would be prevented from using the claim.

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In addition, DSHEA provides that so-called “third-party literature,” e.g., a reprint of a peer-reviewed scientific publication linking a particular nutritional ingredient with health benefits, may be used in connection with the sale of a nutritional supplement to consumers without the literature being subject to regulation as labeling. Such literature must not be false or misleading; the literature may not promote a particular manufacturer or brand of nutritional supplement; the literature must present a balanced view of the available scientific information on the nutritional supplement; if displayed in an establishment, the literature must be physically separate from the nutritional supplement; and the literature may not have appended to it any information by sticker or any other method. If the literature fails to satisfy each of these requirements, we may be prevented from disseminating it with our products, and any dissemination could subject our products to regulatory action as an illegal drug. Moreover, any written or verbal representation by us that would associate a nutrient in a product that we sell with an effect on a disease will be deemed evidence of an intent to sell the product as an unapproved new drug, a violation of the FDCA.

On August 25, 2007 the FDA adopted the final regulations for large manufactures of a standard originally proposed in March 2003 of the current Good Manufacturing Practices guidelines (“cGMPs”) for the manufacturing, packing, holding and distributing dietary ingredients and nutritional supplements. The new regulations require nutritional supplements to be prepared, packaged, and held in compliance with strict rules, and require quality control provisions that may mandate redundant testing of product ingredients at each separate stage of manufacture and are intended to ensure that products are accurately labeled and do not contain adulterants and contaminants. While the rule allowed for medium and small manufacturers to have until 2009 and 2010, respectively, to comply with the cGMPs, most of our contract manufacturers did not qualify as small or medium. As a result, many of our contract manufacturers began following the proposed cGMPs or even pharmaceutical cGMPs well before the final rule was published.

The FDA has broad authority to enforce the provisions of the FDCA applicable to nutritional supplements, including powers to issue a public warning letter to an entity, to publicize information about illegal products, to request a recall of illegal products from the market, and to request the Department of Justice to initiate a seizure action, an injunction action, or a criminal prosecution in the United States courts. The regulation of nutritional supplements may increase or become more restrictive in the future.

In 2004, legislation was introduced in both houses of Congress that imposed substantial new regulatory requirements for dietary supplements. These bills did not pass and are no longer pending, but we believe the 2004 proposed legislation evidences a continuing effort to further regulate dietary supplements.

On April 12, 2004, the FDA adopted a new test for determining when a nutritional supplement is adulterated. Under this test, the FDA may declare a nutritional supplement adulterated (i.e., to present an unreasonable risk of illness or injury) if it finds any benefit provided by the supplement outweighed by a risk of illness of injury. The new risk/benefit test is ill-defined and can be interpreted to permit FDA to hold a wide range of nutritional supplements adulterated. It is possible that FDA might hold more nutritional supplements adulterated in the future, reducing the nutritional ingredients available for use in our products.

The FTC exercises jurisdiction over the advertising of nutritional supplements. In recent years, the FTC has instituted numerous enforcement actions against nutritional supplement companies for deceptive advertising based on those companies’ alleged failure to possess competent and reliable scientific evidence in support of claims made in advertising.

The FTC may monitor our advertising and could request all evidence in support of our advertising claims, which evidence is required to be kept by us in advance of advertising. Discerning what constitutes “competent and reliable scientific evidence” involves, to a degree, a subjective assessment of the relative level, degree, quality, and quantity of scientific evidence and its acceptance in the scientific community as proof of the advertising statement. It is therefore possible that we may think evidence we have as sufficient but the FTC may deem the evidence inadequate. We believe we are in material compliance with applicable federal, state and local rules.

On December 9, 2006, President Bush signed the Dietary Supplement & Nonprescription Drug Consumer Protection Act into law. The legislation requires manufacturers of dietary supplement and over-the-counter products to notify the FDA when they receive reports of serious adverse events. We already have an internal adverse event reporting system that has been in place for several years. In December 2008 the FDA submitted Guidance for implementing the regulations for comment, this guidance, when finalized, will represent the current thinking of the Food and Drug Administration on this topic, which we would intend to fully comply with.

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We believe that current and reasonably foreseeable governmental regulation will have minimal impact on our business.

Research and Development

During 2012, we developed our AquaBall™ proprietary formula along with Wild Flavors, Inc., an independent third party contracted by the Company. We launched AquaBall™ in June 2012. The AquaBall™ did not require FDA or other regulatory approval. Following the initial launch of the AquaBall™ , we continued research and development efforts to add more flavors to the AquaBall™ line, and modify the AquaBall™ into a zero sugar, zero calorie product. We launched the zero sugar, zero calorie line in early 2013, as well as new flavors, such as strawberry lemonade and berry.

During 2006, Bazi® was developed and was launched in January 2007. This product did not require FDA or other regulatory approval. During 2009, new ingredients and productions methods were researched to integrate into existing products or new products. During 2010, Bazi® was repackaged into 2oz shots, and marketed in two, six and twelve packs to ensure greater retail distribution.

Employees

We had eight full-time employees and one part-time employee as of February 6, 2014.

Compliance with Environmental Laws

Our business does not require us to comply with any particular environmental regulations.

Description of Property

We are headquartered in Irvine, California and lease our office on a one-year lease. Total rent expense for the year ended December 31, 2012 and the nine months ended September 30, 2013 was approximately $33,000 and $35,000, respectively. Total remaining payments on the lease through July 31, 2014 are approximately $18,460.

Legal Proceedings

From time to time, claims are made against the Company in the ordinary course of business, which could result in litigation. Claims and associated litigation are subject to inherent uncertainties and unfavorable outcomes could occur. In the opinion of management, the resolution of these matters, if any, will not have a material adverse impact on the Company's financial position or results of operations.

On July 1, 2011, a lawsuit was filed in the United States District Court, the Southern District of Ohio, Cincinnati Division, against GT Beverage Company, LLC ("GT LLC") by Dominion Liquid Technologies, LLC. The lawsuit alleges that GT LLC breached terms of a 2010 co-packing agreement, which governed the relationship between the parties. As of February 2013, Dominion amended its complaint to add the Company as a defendant in the case. Dominion is seeking monetary damages in an amount exceeding $800,000. GT LLC has filed its answer denying all of Dominion's claims and intends to vigorously defend the suit. Summary motions are currently under review by the Court's magistrate, and a trial will likely be set in early 2014.

Reports to Security Holders

The Company is required to comply with the reporting requirements of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), pursuant to Section 15(d) of the Exchange Act. The Company is required to file annual, quarterly and other reports with the SEC and, accordingly, must furnish an annual report with audited financial statements to its stockholders. Copies of this registration statement and all subsequent filings the Company makes with the SEC may be inspected, without charge, at the SEC's Public Reference Room at 100 F Street N.E., Washington, D.C. 20549, on official business days during the hours of 10 a.m. and 3 p.m. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Copies of this material also should be available through the Internet by using the SEC's EDGAR Archive, which is located at http://www.sec.gov. We will also make such material available on our own website, which is located at http://www.truedrinks.com.

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MARKET PRICE OF COMMON STOCK AND OTHER STOCKHOLDER MATTERS

Market Information

Our Common Stock is traded on the OTCQB marketplace under the name True Drinks Holdings, Inc., and quoted on the OTCQB marketplace under the symbol TRUU.

The following table sets forth high and low bid prices for our Common Stock for the calendar quarters indicated as reported by the OTCQB. These prices represent quotations between dealers without adjustment for retail markup, markdown, or commission and may not represent actual transactions.

	High	Low
2013		
First Quarter	$ 3.50*	$ 0.02
Second Quarter	$ 2.25*	$ 0.85*
Third Quarter	$ 1.04*	$ 0.55*
Fourth Quarter	$0.64 *	$0.20 *
2012		
First Quarter	$ 0.06	$ 0.01
Second Quarter	$ 0.09	$ 0.03
Third Quarter	$ 0.09	$ 0.05
Fourth Quarter	$ 0.07	$ 0.02
2011		
First Quarter	$ 0.33	$ 0.17
Second Quarter	$ 0.32	$ 0.08
Third Quarter	$ 0.17	$ 0.07
Fourth Quarter	$ 0.11	$ 0.02

* Bid price reflects the 1-for-100 reverse split of our Common Stock, which reverse split took effect on January 22, 2013.

Holders

At February 6, 2014, there were 27,885,587 shares of our Common Stock outstanding, and approximately 221 shareholders of record of our Common Stock. At February 6, 2014, there were no shares of our Series A Convertible Preferred Stock outstanding, and 2,485,100 shares of our Series B Preferred outstanding, held by approximately 46 shareholders of record.

Dividends

We did not declare any dividends for the year ended December 31, 2012 or the nine months ended September 30, 2013. Our Board of Directors does not intend to distribute dividends in the near future. Instead, we plan to retain any earnings to finance the development and expansion of our business. The declaration, payment and amount of any future dividends will be made at the discretion of the Board of Directors, and will depend upon, among other things, the results of our operations, cash flows and financial condition, operating and capital requirements, and other factors as the Board of Directors considers relevant. There is no assurance that future dividends will be paid, and if dividends are paid, there is no assurance with respect to the amount of any such dividend.

Transfer Agent

Our Transfer Agent and Registrar for our Common Stock is Corporate Stock Transfer located in Denver, Colorado.

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SELECTED CONSOLIDATED FINANCIAL DATA

A smaller reporting company is not required to provide the information required by this item.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our consolidated financial statements and the related notes and other financial information appearing elsewhere in this Registration Statement. Readers are also urged to carefully review and consider the various disclosures made by us which attempt to advise interested parties of the factors which affect our business, including (without limitation) the disclosures made under the captions "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors," and in the audited consolidated financial statements and related notes included in the Annual Report on Form 10-K filed April 5, 2013.

Overview

True Drinks Holdings, Inc. (the "Company") is a beverage company that specializes in all-natural, vitamin-enhanced drinks. Our primary business is the development, marketing, sale and distribution of our flagship product, AquaBall™ Naturally Flavored Water, a vitamin-enhanced, naturally flavored water drink packaged in our patented stacking spherical bottles. We distribute the AquaBall™ nationally through select retail channels, such as grocery stores, mass merchandisers, drug stores and online. We also market and distribute Bazi® All Natural Energy, a liquid nutritional supplement drink, which is currently distributed online and through our existing database of customers. Bazi® represented less than 1% of our total sales during the year ended December 31, 2012.

Critical Accounting Polices and Estimates

Discussion and analysis of our financial condition and results of operations are based upon financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates; including those related to collection of receivables, inventory obsolescence, sales returns and non-monetary transactions such as stock and stock options issued for services. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our financial statements.

Revenue Recognition

In accordance with ASC Topic 605 (Staff Accounting Bulletin 104 "Revenue Recognition in Financial Statements"), revenue is recognized at the point of shipment, at which time title is passed. Net sales include sales of products, sales of marketing tools to independent distributors and freight and handling charges. With the exception of retail customers, we receive the net sales price from all of our orders in the form of cash or credit card payment prior to shipment. Retail customers with approved credit have been extended payment terms of net 30 days, with a few exceptions.

Allowance for Doubtful Accounts

We estimate losses on receivables based on known troubled accounts and historical experience of losses incurred. Based on our estimations, we recorded an allowance for doubtful accounts of approximately $254,000 and $54,000 at September 30, 2013 and December 31, 2012, respectively.

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Inventory Valuation

Inventories are stated at the lower of cost or market on a first-in first-out basis. Inventory is periodically reviewed and obsolete inventories are written off. No inventory was written off as obsolete for the nine months ended September 30, 2013 or the year ended December 31, 2012.

Stock Based Compensation

The Company recognizes the cost of employee services received in exchange for awards of equity instruments based on the grant-date fair value of those awards in accordance with ASC Topic 718, which requires compensation costs related to share-based transactions, including employee stock options, to be recognized in the financial statements based on fair value, and the SEC's Staff Accounting Bulletin No. 107 ("SAB 107") interpreting ASC Topic 718 and the valuation of share-based payments for public companies. The Company records compensation expense on a straight-line basis. The fair value of options granted are estimated at the date of grant using a Black-Scholes option pricing model with assumptions for the risk-free interest rate, expected life, volatility, dividend yield and forfeiture rate.

Intangible Assets

Intangible assets consists of the direct costs incurred for application fees and legal expenses associated with trademarks on the Company's products, customer first, and the estimated value of GT Beverage Company, LLC's interlocking spherical bottle patent acquired on March 31, 2012. The Company's intangible assets, are amortized over their estimated useful remaining lives. The Company evaluates the useful lives of its intangible assets annually and adjusts the lives according to the expected useful life. No impairment was deemed necessary as of September 30, 2013 or December 31, 2012.

Goodwill

Goodwill represents the future economic benefits arising from other assets acquired that are individually identified and separately recognized. Goodwill and intangible assets acquired in a purchase business combination and determined to have an indefinite useful life are not amortized, but are tested for impairment at least annually.

Results of Operations

Comparison of the Fiscal Year Ended December 31, 2012 to the Fiscal Year Ended December 31, 2011

The audited financial statements of GT Beverage Company, LLC as of and for the years ended December 31, 2011 and 2010 were attached as Exhibit 10.7 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012, filed with the SEC on April 5, 2013. As the predecessor entity to the Company, the results of operations for the year ended December 31, 2012 are compared in this section to the results of operations of GT Beverage Company, LLC for the year ended December 31, 2011. GT Beverage Company, LLC had no significant operations from January 1, 2012 through March 31, 2012 (date of purchase by the Company).

Net Sales

Net sales for the year ended December 31, 2012 were $1,021,908 compared to $1,672,168 during the same period in 2011, a decrease of 39%. The decrease in net sales is attributable to ceasing the sales of GT Beverage Company, LLC's Sportastic brand sports drink and the introduction in June of 2012 of AquaBall™ Naturally Flavored Water.

The percentage that each product category represented of our net sales is as follows:

Product Category	Year Ended December 31, 2012 (1) % of Sales	
AquaBall™ (1)	99	%
Bazi®	1	%

(1) The Company's net sales for the year ended December 31, 2012 included sales of the Bazi® following the Merger, from October 15, 2012 to December 31, 2012.

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Gross Profit

Gross profit for the year ended December 31, 2012 was $272,379 as compared to a loss of $54,591 for the year ended December 31, 2011. Gross profit as a percentage of revenue (gross margin) during the year ended December 31, 2012 was 27%. This figure was affected by the high costs of our raw materials due to the low volume of product manufactured during the year. The increase in gross profit was due to the write-off of significant obsolete inventory of Sportastic sports drink in 2011.

Sales, General and Administrative Expense

Sales, general and administrative expense was $3,273,227 for the year ended December 31, 2012 as compared to $2,039,154 for the year ended December 31, 2011. This increase is due to professional fees related to the Merger, additional salaries, and higher than normal shipping expense as the Company was shipping product across the United States from one manufacturer during 2012 located in Modesto, CA.

Interest Expense

Interest expense for the year ended December 31, 2012 was $119,942 as compared to $14,231 for the year ended December 31, 2011. The increase was due to the issuance of 145,000 post-split shares of Common Stock for interest related to a debt financing.

Net Loss

Our net loss for the year ended December 31, 2012 was $3,119,343 as compared to a net loss of $2,093,745 for the year ended December 31, 2011. On a per share basis, our loss was $0.00 per share for the years ended December 31, 2012 and December 31, 2011.

Comparison of the Nine Months Ended September 30, 2013 to the Nine Months Ended September 30, 2012.

Net Sales

Net sales for the nine months ended September 30, 2013 were $2,231,861 compared to net sales of $846,280 for the nine months ended September 30, 2012. The Company's sales were limited in the nine months ended September 30, 2012 due to the early stage of AquaBall™'s sales cycle.

The percentage that each product category represented of our net sales is as follows:

Product Category	Nine Months Ended September 30, 2013 (% of Sales)
AquaBall™	88%
Bazi®	12%

Gross Profit

Gross profit for the nine months ended September 30, 2013 was $360,218. Gross profit as a percentage of revenue (gross margin) during nine months ended September 30, 2013 was 16%. This figure was affected by the high costs of our raw materials due to the low volume of product manufactured during the year. The Company's costs related to the production of our product is declining due to lower production expenses, and our freight charges on incoming shipments of raw materials are declining on a per-case basis.

Sales, General and Administrative Expense

Sales, general and administrative expense was $5,054,922 for the nine months ended September 30, 2013, as compared to $2,150,183 for the nine months ended September 30, 2012. This increase is primarily due to the Company's launch of its new zero calorie, sugar free formula of AquaBall™ in the first three months of 2013 and increases in costs for shipping orders to customers, stock-based compensation and loan origination fees related to bridge financing.

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Interest Expense

Interest expense for the nine months ended September 30, 2013 was $1,064,823, as compared to $1,794 for the nine months ended September 30, 2012. The increase was due to the Company's use of convertible note financing beginning in the fourth quarter of 2012, as well as the recording of shares issued and lender's fees in connection with the issuance of the convertible notes being recorded to interest expense, and the commencement of the offering of convertible promissory notes in the aggregate principal amount of up to $3.3 million in June 2013. In the first nine months of 2012, the Company was funded through equity financing, resulting in no interest expenses being recorded. This figure includes $657,307 in accretion of the debt discount on notes payable created by the embedded conversion feature of the notes and the warrants issued with the notes to investors.

Income Taxes

There is no income tax expense recorded for the periods ended September 30, 2013 and 2012, due to the Company's net losses. As of September 30, 2013, the Company has tax net operating loss carryforwards and a related deferred tax asset, offset by a full valuation allowance.

Net Loss

Our net loss for the nine months ended September 30, 2013 was $5,164,497, as compared to a net loss of $1,892,644 for the nine months ended September 30, 2012. On a per share basis, our loss was $0.19 and $0.09 per share for the nine months ended September 30, 2013 and 2012, respectively.

Liquidity and Capital Resources

Our auditors have included a paragraph in their report on our consolidated financial statements, included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, indicating that there is substantial doubt as to the ability of the Company to continue as a going concern. The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplates continuation of the Company as a going concern. As of and for the quarter ended September 30, 2013, the Company incurred a net loss of $2,157,227, has negative working capital of $4,003,289, and an accumulated deficit of $8,283,840. While subsequent to September 30, 2013, the Company has raised approximately $8,540,000 resulting from the sale of convertible promissory notes and shares of Series B Convertible Preferred Stock ("Series B Preferred"), additional capital may be necessary to advance the marketability of the Company's products to the point at which the Company can sustain operations. Management's plans are to continue to contain expenses, expand distribution and sales of its AquaBall™ Naturally Flavored Water as rapidly as economically possible, and raise capital through equity and debt offerings in the event additional capital is necessary to execute the Company's business plan and achieve profitability from continuing operations. The accompanying financial statements do not include any adjustments that might result in the event the Company is unsuccessful in its plans.

The Company has financed its operations through sales of equity and, to a lesser degree, cash flow provided by sales of AquaBall™. Despite recent sales of debt securities and preferred stock as described below, funds generated from sales of our Common Stock and cash flow provided by AquaBall™ sales may be insufficient to fund our operating requirements for the next twelve months. As a result we may require additional capital to continue operating as a going concern. No assurances can be given that we will be successful.

Series B Offering

On November 25, 2013, the Company commenced a private offering of up to 2.0 million shares of Series B Preferred for $4.00 per share ("Purchase Price"), and five-year warrants (the "Warrants"), exercisable for $0.30 per share (the "Exercise Price"), to purchase that number of shares of the Company's Common Stock equal to 35% of the Purchase Price, divided by the Exercise Price (the "Series B Offering"). As of the date hereof, the Company and certain accredited investors entered into Securities Purchase Agreements to purchase 2.0 million shares of Series B Preferred, and Warrants to purchase approximately 9.3 million shares of Common Stock.

Merriman Capital, Inc. ("Merriman") acted as placement agent for the majority of the securities issued during the Series B Offering. As consideration for its services, Merriman received: (i) cash compensation totaling $523,250; (ii) five-year warrants to purchase 1,188,200 shares of Common Stock for $0.25 per share; and (iii) five-year warrants to purchase 346,560 shares of Common Stock for $0.30 per share. Candlewood Securities, Inc. ("Candlewood") also acted as placement agent for a portion of the securities issued during the final closing of the Series B Offering, and received, as consideration for its services: (i) cash compensation totaling $53,550; (ii) five-year warrants to purchase 91,800 shares of Common Stock for $0.25 per share; and (iii) five-year warrants to purchase 26,775 shares of Common Stock for $0.30 per share (together, with the warrants issued to Merriman, the "Placement Agent Warrants").

Term Loan and Note Conversion

On November 29, 2013, the Company executed a Loan and Security Agreement and other ancillary documents to receive a $2.0 million term loan from Avid Bank (the "Bank") (the "Term Loan"), which Term Loan will accrue interest at a rate of prime plus 2.75% and will mature on November 29, 2015. The Company's repayment of the Term Loan is secured by a continuing security interest in substantially all of the Company's assets. Proceeds from the Term Loan, together with a portion of the proceeds from the Series B Offering were used to repay certain Notes issued during the Company's Note Offering between June 2013 and October 2013, totaling approximately $2.5 million in principal and accrued interest (the "Note Repayment").

In addition to the Note Repayment, holders of the remaining Notes issued during the Note Offering agreed to cancel Notes totaling $739,706 in principal and accrued interest, in exchange for 205,476 shares of Series B Preferred and Warrants to purchase 862,995 shares of Common Stock for $0.30 per share, on substantially the same terms offered in the Series B Offering (the "Note Conversion").

Note Offering

On June 20, 2013 the Company commenced a private offering of: (i) convertible promissory notes (the "Notes") in the aggregate principal amount of up to $3.3 million; and (ii) and five-year warrants to purchase shares of the Company's Common Stock at an exercise price of $1.10 per share (the "Warrants") to certain accredited investors (each an "Investor" and collectively, "Investors") (the "Offering"). The Company accepted subscription agreements from Investors resulting in the issuance of Notes in the aggregate principal amount of $2,615,000 ("Subscription Agreements"), which amount included $600,000 issued as consideration for the exchange of the outstanding principal and accrued interest of certain promissory notes previously issued by the Company to such Investors. As of November 29, 2013, all Notes issued during the Offering were either paid in full as a result of the Note Repayment, or exchanged for shares of Series B Preferred and Warrants in connection with the Note Conversion.

Off-Balance Sheet Items

We had no off-balance sheet items as of February 6, 2014.

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CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There have been no disagreements with our independent registered public accounting firm in regards to accounting and financial disclosure.

DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS

Directors and Executive Officers

The following sets forth certain information regarding each of our directors and executive officers:

Name	Age	Position
Timothy Lane	64	Chairman
Louis Imbrogno	67	Director
Carl Wistreich	46	Director
Lance Leonard	47	President, Chief Executive Officer and Director
Daniel Kerker	40	Chief Financial Officer, Treasurer and Secretary
Kevin Sherman	42	Chief Marketing Officer

Directors hold office until the next annual meeting of stockholders following their election unless they resign or are removed as provided in the bylaws. Our officers serve at the discretion of our Board of Directors.

The following is a summary of our executive officers' and directors' business experience.

Executive Officers

Lance Leonard, Chief Executive Officer and Director. Mr. Leonard has 22 years of consumer product experience. He began his career in 1990 with M&M/Mars working in the confection division holding a series of sales and management roles within the United States. In 2000 he joined Nestle where he managed both national account teams and division sales including leading the Costco wholesale National Account team. He was appointed Western Zone Manager for Nestle Waters in 2006 where he had responsibility for all sales and marketing in 17 western states. In 2009 Mr. Leonard was appointed Director of Global Customers at Nestle Waters where he helped develop their go-to-market strategies in emerging markets and was responsible for managing one billion dollars in global sales. Mr. Leonard left Nestle to become the Chief Executive Officer of True Drinks, Inc. on July 16, 2012. He is a native of California and received his Bachelor's degree from California State University, Fresno.

Daniel Kerker, Chief Financial Officer. Mr. Kerker is a professional with over 15 years experience in finance and accounting in both private and public entities. He spent seven years as Director of Finance at Anheuser-Busch Sales of Los Angeles, an Anheuser-Busch-owned distributor with over $200 million in annual sales, leaving in 2010. Prior to joining True Drinks, Inc., Mr. Kerker spent two years working as interim CFO for Environmental Packaging Technologies in Houston, Texas, and Regeneca, Inc. in Irvine, California. Mr. Kerker became Chief Financial Officer of True Drinks on March 1, 2012. Mr. Kerker earned a Bachelors of Science in Finance from California State University, Northridge and an MBA in Finance from UCLA's Anderson School of Management, where he was a Harold M. Williams Fellow for graduating at the top of his class and won the J. Fred Preston Award for Achievement in Finance.

Kevin Sherman, Chief Marketing Officer. Mr. Sherman has served as the Chief Marketing Officer, managing the brand development of AquaBall™ Naturally Flavored Water since he joined the Company in October 2012. Prior to joining True Drinks, Mr. Sherman was the Vice President Strategy and Network Development and President of Retail for Bazi, Inc. He was instrumental in the development of Bazi's All-Natural formula and spearheaded the concept of all-natural energy. Prior to Bazi, Mr. Sherman served as the Senior Manager of Network Development of Product Partners LLC from May 2008 to May 2009, chief operating officer of Hand & Associates from January 2008 to May 2008, and as the director of development and principal of Holy Innocents School from August 2007 to December 2007. Mr. Sherman also served as the principal of Saints Peter and Paul School from January 2004 to August 2007.

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Board of Directors

Timothy Lane, Chairman. Mr. Lane is well known for his accomplishments as chief executive officer of PepsiCo Restaurants International for Asia and the Middle East (KFC, Pizza Hut and Taco Bell), including directing KFC's introduction into China where it holds the lead market position. At PepsiCo, Mr. Lane guided the company from 250 stores generating losses to a 2,500-store network generating $2.5 billion in revenue and over $200 million in profits within six years. He began his tenure at PepsiCo in 1981 as Director of Business Planning, quickly rising through the ranks to become president of KFC International, Asia by 1989 and chief executive officer of the company's restaurants in Asia and the Middle East by 1994. Mr. Lane is also Co-Founder of The Afghanistan Reconstruction Company, LLC. In this capacity, he established the first privately owned bank in Afghanistan in partnership with Asian Development Bank and ING. In Afghanistan, he was also responsible for: rebuilding a significant portion of the Kabul-Kandahar road for USAID; successfully completing the new US Embassy complex in Kabul; and forming a successful partnership to build, own and operate the first 4-star hotel in the region, Hyatt Regency Kabul. Mr. Lane served as CEO and president of Holiday Inn Worldwide, a hotel group and division of Bass PLC consisting of 2,300 hotels generating $8 billion in revenue. He began his career as a management consultant for Touche, Ross and Company before joining Masonite Corporation, where he served as general manager of its West Coast fabricating division. He also served as assistant to the chairman at Consolidated Packaging Company. Mr. Lane is presently managing director for Everest Advisors, a venture capital advisory firm. Mr. Lane received a Bachelor of Science in accounting from the University of Dayton and an MBA from the University of Chicago.

The Board believes Mr. Lane's accomplishments as Chief Executive Officer of PepsiCo Restaurants International, specifically the growth sustained during his tenure, provide the Company with invaluable leadership as we implement our business plan to expand distribution of our products.

Louis Imbrogno, Director. Mr. Imbrogno was Senior Vice President of Worldwide Technical Operations for PepsiCo North America and PepsiCo Beverages International and was responsible for Pepsi-Cola's worldwide beverage quality, concentrate operations, research and development and contract manufacturing. In this global role, Mr. Imbrogno reported directly to the heads of Pepsi-Cola North America and PepsiCo Beverages International. Mr. Imbrogno oversaw the companies' worldwide concentrate manufacturing operations, which supply PepsiCo's bottlers with concentrate for making beverages. He was also responsible for the research and development organization, which drives innovation within Pepsi's beverage portfolio and ensures product quality from raw materials to finished beverage. In 40 years with PepsiCo, he served in a variety of field operating assignments and staff positions. A native of New York, Mr. Imbrogno graduated from Westchester Community College and received a degree from the Wharton Executive program.

As we continue to expand manufacturing and distribution of the AquaBall™, the Board believes Mr. Imbrogno's experience with beverage quality control during his tenure with PepsiCo Beverages International and Pepsi-Cola North America provide the Company with experience necessary to implement and maintain effective quality control procedures for our product lines.

Carl Wistreich, Director. Mr. Wistreich, an entrepreneur, was previously the owner and chief executive of L&B Truck Services Inc., a truck dealership group providing truck service, sales and parts throughout New England. Prior to purchasing the company, Mr. Wistreich was a Senior Vice President at C&S Wholesale Grocers, Inc., the largest distributor of food and related products to grocery stores in the U.S. with over $20 billion in sales. During his career with C&S, Mr. Wistreich played key roles in the acquisition of several substantial companies and the negotiation of major supply agreements with retailers aggregating over $15 billion in revenue, including the acquisition of Fleming Companies and Grand Union. In his various executive capacities at C&S, Mr. Wistreich oversaw the sales and customer relations functions, held P&L and oversight responsibility for divisions generating over $3 billion in revenue with over 2,000 employees, acted as general counsel, and oversaw the human resources department. Prior to C&S,

Mr. Wistreich was a corporate attorney with Skadden, Arps, Slate, Meagher & Flom, a major international law firm. While at Skadden Arps, he represented various corporate clients in a wide variety of transactions, including merger transactions and tender offers, spin-offs, corporate refinancings/restructurings, equity and debt offerings, and SEC disclosure. Additionally, Mr. Wistreich presently serves on the advisory board of directors of BI-LO Holding, LLC and AFN, Inc. Mr. Wistreich holds a J.D. degree from New York Law School, graduating magna cum laude, and a B.A. from Colgate University.

The Board believes Mr. Wistreich's corporate transactional experience allow him to provide the Company with valuable guidance as we implement our business plan and build a long-term capital structure.

Lance Leonard, Chief Executive Officer and Director. See above.

The Board believes Mr. Leonard's extensive experience in the food and beverage industry, particularly his experience with organizational design, allow him to uniquely contribute to the Company's short-term and long-term business plan.

There have been no events under any bankruptcy act, no criminal proceedings and no judgments or injunctions material to the evaluation of the ability and integrity of any director or nominee during the past ten years.

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Attendance at Meetings

The Board held two meetings, and acted three times by unanimous written consent during the year ended December 31, 2013. Each director attended all meetings of the Board in 2013. We have no formal policy with respect to the attendance of Board members at annual meetings of shareholders but encourage all incumbent directors and director nominees to attend each annual meeting of shareholders.

Board Charters

The Board has adopted a charter with respect to its governance, which includes consideration of director nominees.

Section 16(a) Beneficial Ownership Reporting Compliances

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires the Company's directors, executive officers and beneficial owners of more than 10% of the Company's Common Stock to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of Common Stock and other equity securities of the Company. The Company believes that during the year ended December 31, 2013, each person who was an officer, director and beneficial owner of more than 10% of the Company's Common Stock complied with all Section 16(a) filing requirements.

Code of Ethics

We have adopted a Code of Ethics that applies to all of our directors, officers and employees, which is filed as an exhibit to this Prospectus.

EXECUTIVE COMPENSATION

The following table sets forth information with respect to compensation earned by the Company's Chief Executive Officer and the Chief Financial Officer. There was not any other executive officer who served in 2013 and whose annual compensation exceeded $100,000 during such year (collectively the "Named Executive Officers"):

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Lance Leonard, Chief Executive Officer, Director	2013	$ 250,000	$ -	$ -	$ 112,250	$ -	$ -	$ 362,250
	2012	$ 114,583	$ -	$ -	$ 51,448	$ -	$ -	$ 166,031
Daniel Kerker,	2013	$ 180,000	$ 10,000	$ -	$ 39,375	$ -	$ -	$ 229,375

Chief Financial Officer								
	2012	$ 135,010	$ -	$ -	$ 32,813	$ -	$ -	$ 167,823
Kevin Sherman, Chief Marketing Officer (2)	2013	$ 132,500	$ -	$ -	$ 42,385	$ -	$ -	$ 174,885
	2012	$ 31,500	$ -	$ -	$ 9,350	$ -	$ -	$ 40,850

(1) The Company uses a Black-Scholes option-pricing model (the "Black-Scholes Model") to estimate the fair value of the stock option grant. The use of a valuation model requires the company to make certain assumptions with respect to selected model inputs. Expected volatility was calculated based on the historical volatility of the company's stock price. In the future the average expected life will be based on the contractual term of the option and expected employee exercise and post-vesting employment termination behavior. Currently it is based on the simplified approach provided by SAB 107. The risk-free interest rate is based on U.S. Treasury zero-coupon issues with a remaining term equal to the expected life assumed at the date of the grant. The following were the factors used in the Black Sholes Model to calculate the compensation expense:

	For the year ended December 31, 2013
Stock price volatility	75%
Risk-free rate of return	0.65%
Annual dividend yield	-
Expected life	2.5 Years

(2) Mr. Sherman was appointed Chief Marketing Officer of Company in October 2012.

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Stock Option Grants

In 2012, we issued the options listed below to the Named Executive Officers. There were no stock options exercised in 2012.

Name	Grant Date	All Other Option Awards: Number of Securities Underlying Options (#) (1)	Exercise or Base Price of Option Awards ($/ Sh)
Lance Leonard	-	-	$ -
Daniel Kerker	-	-	$ -
Kevin Sherman	7/1/2013	245,739	$ 1.10

Employment Agreements

Effective July 15, 2012, the Company appointed Lance Leonard as its Chief Executive Officer and Daniel Kerker as its Chief Financial Officer. Mr. Leonard is employed as the Chief Executive Officer of True Drinks, Inc., our wholly owned subsidiary. The Company assumed the Employment Agreement that True Drinks entered into with Mr. Leonard on July 16, 2012 (the "Leonard Agreement") effective October 15, 2012. The term of the Leonard Agreement is for a period of three years, which shall extend automatically for successive one-year periods unless either party terminates the Leonard Agreement. Mr. Leonard shall receive a base salary in an annual amount of $250,000 and shall be eligible to receive annual bonuses, which, subject to certain conditions, shall be (a) $75,000 for the first year, (b) $125,000 for the second year and (c) $175,000 for the third year of Mr. Leonard's employment. Mr. Leonard shall also be entitled to earn stock option compensation equal to a total of 122,869,500 shares of the Company's Common Stock over the term of the agreement. Mr. Leonard's employment may be terminated during the nine month period following the effective date of the Leonard Agreement at any time, in the sole discretion of the Company, and may thereafter be terminated for "Performance Cause", if the Company consistently fails to meet reasonable performance expectations, or for "Cause", if Mr. Leonard (a) is convicted of any fraud or embezzlement, (b) commits acts of dishonesty, gross negligence or willful misconduct or (c) violates any law or regulation relating to the business operations of the Company that may have a material adverse effect on the Company. If the Company terminates Mr. Leonard's employment for reasons other than for Cause, the Company shall pay a severance in an amount equal to one year of Mr. Leonard's base salary, and, if the Leonard Agreement is terminated within nine months of its effective date, Mr. Leonard's base salary for the remainder of such nine month period.

Mr. Kerker is employed as the Chief Financial Officer of True Drinks. The Company assumed the Employment Agreement that True Drinks entered into with Mr. Kerker on March 1, 2012 (the "Kerker Agreement") effective October 15, 2012. The term of the Kerker Agreement is for a period of three years, which shall extend automatically for successive one-year periods unless the Kerker Agreement is terminated by either party. Mr. Kerker shall receive a base salary of $12,500 per month until the earlier of September 1, 2012 or the Company achieving $1,000,000 in monthly gross sales, in which case the base salary shall be increased (a) to $15,000 per month, or (b) if the Company achieves $2,000,000 in monthly gross sales, to $16,250 per month. Mr. Kerker shall also receive an annual bonus as approved by the Board and shall be entitled to earn stock option compensation to acquire a total of 43,004,325 shares of the Company's Common Stock over the term of the agreement. Mr. Kerker's employment may be terminated for "Cause", if Mr. Kerker (a) is convicted of any fraud or embezzlement, (b) after written notice, willfully breaches or habitually neglects his duties and responsibilities, (c) commits acts of dishonesty, gross negligence or willful misconduct or (d) violates any law or regulation relating to the business operations of the Company that may have a material adverse effect on the Company. If the Company terminates Mr. Kerker's employment for reasons other than for Cause, the Company shall pay a severance in an amount equal to six months of Mr. Kerker’s base salary.

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Other than as set forth above, there are no arrangements or understandings between our executive officers and any other person pursuant to which they were appointed as officers. Neither of the Incoming Officers has a family relationship that is required to be disclosed under Item 401(d) of Regulation S-K.

Director Compensation

Pursuant to the Company's Director Compensation Plan, non-employee directors ("Outside Directors") shall receive (a) a $30,000 annual cash retainer, payable in equal quarterly installments, (b) additional committee retainers as determined by the Board and (c) reimbursement for expenses related to Board meeting attendance and committee participation. The Chairman of the Board also receives an additional $20,000 annual retainer. Directors that are also employees of the Company do not receive additional compensation for serving on the Board.

The following table discloses certain information concerning the compensation of the Company's non-employee directors for the year ended December 31, 2013:

Name	Fees earned or Paid in Cash ($)		Option Awards ($)	Stock Awards ($)	Total ($)
Timothy Lane	$ 50,000	(1)	$ -	$ -	$ 50,000
Carl Wistreich	$ 30,000	(2)	$ -	$ -	$ 30,000
Lou Imbrogno	$ 30,000	(3)	$ -	$ -	$ 30,000

(1) Mr. Lane received cash totaling $12,500 in 2013. Additionally, Mr. Lane elected to receive shares of Series B Preferred and Warrants on terms substantially similar to the Series B Offering in lieu of $25,000 of earned fees. The remaining amount was unpaid as of December 31, 2013.

(2) Mr. Wistreich received cash totaling $7,500 in 2013. Additionally, Mr. Wistreich elected to convert $15,000 worth of accrued fees into Common Stock at a price of $1.10 per share in July 2013. Additionally, Mr. Wistreich elected to receive shares of Series B Preferred and Warrants on terms substantially similar to the Series B Offering in lieu of $25,000 of earned fees. The remaining amount was unpaid as of December 31, 2013.

(3) Mr. Imbrogno received cash totaling $7,500 in 2013. Additionally, Mr. Imbrogno elected to receive shares of Series B Preferred and Warrants on terms substantially similar to the Series B Offering in lieu of $25,000 of earned fees. The remaining amount was unpaid as of December 31, 2013.

Outstanding Equity Awards as of December 31, 2013

			Option Awards		
Name	Number of Securities Underlying Unexercised	Number of Securities Underlying Unexercised	Equity Incentive Plan Awards:	Option Exercise Price ($)	Option Expiration Date (1)

	Options (#) Exercisable(1)	Options (#) Unexercisable	Number of Securities Underlying Unexercised Unearned Options (#)		
Lance Leonard	-	307,174	921,522	$ 0.6104	7/14/2015
Daniel Kerker	-	184,305	245,740	$ 0.6104	2/28/2015
Kevin Sherman	-	61,435	368,609	$ 1.0169	8/31/2015
Tim Lane	-	409,565	327,217	$ 0.6104	8/28/2015
Louis Imbrogno	-	204,783	163,826	$ 0.6104	8/28/2015
Carl Wistreich	-	204,783	163,826	$ 0.6104	8/28/2015

(1) Each option vests annually in one-third increments, and the option to purchase vested shares expires three years from the date of vesting. The expiration dates listed herein reflect the earliest of these expiration dates.

Equity Compensation Plan Information

2013 Stock Incentive Plan. The 2013 Stock Incentive Plan (the "2013 Plan") was adopted by the Company's Board of Directors on December 31, 2013. The 2013 Plan reserves for issuance 20.0 million shares of Common Stock for issuance to all employees (including, without limitation, officers and directors who are also employees) of the Company or any subsidiary of the Company (each a "Subsidiary"), any non-employee director, consultants and independent contractors of the Company or any Subsidiary, and any joint venture partners (including, without limitation, officers, directors and partners thereof) of the Company or any Subsidiary. The Compensation Committee of the Board of Directors administers the 2013 Plan, and may, in its sole discretion, issue awards in the form of: (i) stock options within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, (ii) stock options that do not qualify as incentive stock options, or (iii) awards of shares that are subject to certain restrictions specified in the 2013 Plan.

No issuances were made under the 2013 Plan during the year ended December 31, 2013.

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Stock Option Exercises and Stock Vested

There were no options exercised by the Named Executive Officers or Directors during the year ended December 31, 2013.

Post-Employment Compensation, Pension Benefits, Nonqualified Deferred Compensation

There were no post-employment compensation, pension or nonqualified deferred compensation benefits earned by the Named Executive Officers during the year ended December 31, 2013.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

On May 11, 2012, the Company loaned Environmental Packaging Technologies, Inc. ("EPT") the sum of $150,000 in exchange for a 50-day promissory note. The promissory note accrues interest at ten percent (10%) per annum and included a ten percent (10%) of principal fee payable to the Company. The Company sent EPT a notice of default on October 18, 2012 demanding payment of the original principal amount of $150,000, accrued interest of $6,575 and the ten percent fee in the amount of $15,000. The Company's former chairman and current investor is the chairman of EPT. The Company received payment of all outstanding principal, fees and interest in August 2013.

Our Board of Directors approved this arrangement.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

As of February 6, 2014, we had two classes of voting stock outstanding: (i) Common Stock; and (ii) the Series B Preferred. The following tables sets forth information regarding shares of Series B Preferred and Common Stock beneficially owned as of February 6, 2014 by:

(i) Each of our officers and directors;
(ii) All officer and directors as a group; and
(iii) Each person known by us to beneficially own five percent or more of the outstanding shares of our Series B Preferred and Common Stock. Percent ownership is calculated based on 2,485,100 shares of Series B Preferred and 27,885,587 shares of Common Stock outstanding at February 6, 2014.

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Beneficial Ownership of Series B Preferred

Name and Address (1)	Series B Convertible Preferred Stock(2)(3)	% Ownership of Class (4)
Timothy Lane	6,250	*
Carl Wistreich	21,004	*
Lou Imbrogno	7,500	*
Total Officers and Directors (1)	34,754	1.9%
Wolverine Flagship Fund Trading Limited	300,000	12.1%
Falcon Fund, Ltd.	125,000	5.0%
First Bank & Trust as custodian of Ronald L. Chez IRA	375,000	15.1%
V3 Capital Partners LLC	150,000	6.0%
Iroquois Master Fund Ltd.	125,000	5.0%
Diker Micro Cap LP Fund	125,000	5.0%
Wolfson Equities, LLC	187,500	7.5%

* Less than 1%.

(1) Each of the Company's officers was excluded from this table, as none of our officers hold shares of Series B Preferred. Unless otherwise indicated, the address for each stockholder is 18552 MacArthur Blvd., Suite 325, Irvine, CA 92612.

(2) Subject to the limitations in the Certificate of Designation, each share of Series B Preferred is convertible into that number of shares of Common Stock equal to the Stated Value, divided by the Conversion Price, as defined in the Certificate of Designation. As of February 6, 2014, the Conversion Price was $0.25.

(3) Pursuant to the Certificate of Designation, shares of Series B Preferred may not be converted or exercised, as applicable, to the extent that the holder and its affiliates would own more than 9.99% of the Company's outstanding Common Stock after such conversion. The Certificate of Designation also entitles each share of Series B Preferred to vote, on an as converted basis, along with the Common Stock; provided, however,that the Series B Preferred may not be voted to the extent that the holder and its affiliates would control more than 9.99% of the Company's voting power.

(4) Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities.

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Beneficial Ownership of Common Stock

Name, Address and Title (if applicable) (1)	Number of Shares (1)	% Ownership of Class (2)
Lance Leonard (3) President, Chief Executive Officer and Director	340,359	1.2%
Daniel Kerker (4) Chief Financial Officer, Treasurer and Secretary	307,175	1.1%
Kevin Sherman (5) Chief Marketing Officer	198,348	*
Timothy Lane (6) Chairman	543,732	1.9%
Carl Wistreich (7) Director	646,621	2.3%
Lou Imbrogno (8) Director	393,769	1.4%
Total officers and directors (9)	2,430,004	8.1%
MKM Opportunity Master Fund, Ltd 28 West 44th Street, 16th Floor New York, NY 10036	3,673,799	13.2%
Red Square Fund One SPC c/o NWT Fund Adminstrators Limited Rue de la Pelisserie 16, PO Box 3501 1211 Geneva 3, Switzerland	3,751,616	13.5%
Joseph D. Kowal 4282 Skylark St. Irvine, CA 92604	2,529,998	9.1%
Wolverine Flagship Fund Trading Limited (10)(11) 175 W. Jackson Blvd., Suite 200 Chicago, Illinois 60604	6,200,000	9.9%
Falcon Fund, Ltd. (12) 5956 Sherry Lane, Suite 1810 Dallas, Texas 75225	2,583,334	8.5%
First Bank & Trust as custodian of Ronald L. Chez IRA (11)(13) 820 Church Street Evanston Illinois, 60201	8,783,335	9.9%

V3 Capital Partners LLC (11)(14) 641 Lexington Ave., 26th Floor New York, NY 10022	3,177,501	9.9%
Iroquois Master Fund Ltd. (15) 641 Lexington Ave., 26th Floor New York, NY 10022	2,583,333	8.5%
Diker Micro Cap LP Fund (16) 730 5th Ave 15th Floor New York, NY 10009	2,583,333	8.5%
Lacuna Hedge Fund LLLP (17) 1100 Spruce Street Bolder, CO 80302	1,651,805	5.6%
Wolfson Equities, LLC (18) 1 State Street Plaza, 29th Floor New York, NY 10004	3,875,000	13.5%

* Less than 1%

(1) Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. All entries exclude beneficial ownership of shares issuable pursuant to options that have not vested or that are not otherwise exercisable as of the date hereof or which will not become vested or exercisable within 60 days of February 6, 2014.

(2) Percentages are rounded to nearest one-tenth of one percent. Percentages are based on 27,885,587 shares of Common Stock outstanding. Options that are presently exercisable or exercisable within 60 days are deemed to be beneficially owned by the person holding the options for the purpose of computing the percentage ownership of that person, but are not treated as outstanding for the purpose of computing the percentage of any other person.

(3) Comprised of 33,185 shares held of record and 307,174 shares issuable pursuant to options which are presently exercisable or which become exercisable within 60 days of February 6, 2014.

(4) Comprised of 307,175 shares issuable pursuant to options which are presently exercisable or which become exercisable within 60 days of February 6, 2014.

(5) Comprised of 55,000 shares held of record and 143,348 shares issuable pursuant to options which are presently exercisable or which become exercisable within 60 days of February 6, 2014.

(6) Comprised of 5,000 shares held of record, and 409,565 shares issuable pursuant to options, 100,000 shares issuable upon conversion of 6,250 shares of Series B Preferred and 29,167 shares issuable pursuant to warrants, each of which are presently exercisable or which become exercisable within 60 days of February 6,

2014.

(7) Comprised of 18,637 shares held of record, and 204,783 shares issuable pursuant to options, 336,064 shares issuable upon conversion of 21,004 shares of Series B Preferred and 87,137 shares issuable pursuant to warrants, each of which are presently exercisable or which become exercisable within 60 days of February 6, 2014.

(8) Comprised of 33,986 shares held of record, and 204,783 shares issuable pursuant to options, 120,000 shares issuable upon conversion of 7,500 shares of Series B Preferred and 35,000 shares issuable pursuant to warrants, each of which are presently exercisable or which become exercisable within 60 days of February 6, 2014.

(9) Comprised of 145,808 shares held of record, and 1,576,828 shares issuable pursuant to options, 556,064 shares issuable upon conversion of 34,754 shares of Series B Preferred and 151,304 shares issuable pursuant to warrants, each of which are presently exercisable or which become exercisable within 60 days of February 6, 2014.

(10) Comprised of 4,800,000 shares issuable upon conversion of 300,000 shares of Series B Preferred and 1,400,000 shares issuable pursuant to warrants, each of which are presently exercisable or which become exercisable within 60 days of February 6, 2014.

(11) Pursuant to the Certificate of Designation, shares Series B Preferred may not be converted or exercised, as applicable, to the extent that the holder and its affiliates would own more than 9.99% of the Company’s outstanding Common Stock after such conversion. The Certificate of Designation also entitles each share of Series B Preferred to vote, on an as converted basis, along with the Common Stock; provided, however, that the Series B Preferred may not be voted to the extent that the holder and its affiliates would control more than 9.99% of the Company’s voting power.

Although the percentage ownership for each stockholder reflects the limitations in the Certificate of Designation, the securities reported in this table show the number of shares of Common Stock that would be issuable upon full conversion of the Series B Preferred and full exercise of warrants held by each stockholder. Therefore, the actual number of shares of Common Stock beneficially owned by each stockholder, after giving effect to the limitations in the Certificate of Designation, is less than the number of securities reported herein.

(12) Comprised of 2,000,000 shares issuable upon conversion of 125,000 shares of Series B Preferred and 583,334 shares issuable pursuant to warrants, each of which are presently exercisable or which become exercisable within 60 days of February 6, 2014.

(13) Comprised of 6,800,000 shares issuable upon conversion of 425,000 shares of Series B Preferred and 1,983,335 shares issuable pursuant to warrants, each of which are presently exercisable or which become exercisable within 60 days of February 6, 2014.

(14) Comprised of 2,460,000 shares issuable upon conversion of 153,750 shares of Series B Preferred and 717,501 shares issuable pursuant to warrants, each of which are presently exercisable or which become exercisable within 60 days of February 6, 2014.

(15) Comprised of 2,000,000 shares issuable upon conversion of 125,000 shares of Series B Preferred and 583,334 shares issuable pursuant to warrants, each of which are presently exercisable or which become exercisable within 60 days of February 6, 2014.

(16) Comprised of 2,000,000 shares issuable upon conversion of 125,000 shares of Series B Preferred and 583,334 shares issuable pursuant to warrants, each of which are presently exercisable or which become exercisable within 60 days of February 6, 2014.

(17) Comprised of 1,299,120 shares issuable upon conversion of 81,195 shares of Series B Preferred and 352,685 shares issuable pursuant to warrants, each of which are presently exercisable or which become exercisable within 60 days of February 6, 2014.

(18) Comprised of 3,000,000 shares issuable upon conversion of 187,500 shares of Series B Preferred and 875,000 shares issuable pursuant to warrants, each of which are presently exercisable or which become exercisable within 60 days of February 6, 2014.

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DESCRIPTION OF SECURITIES TO BE REGISTERED

On November 22, 2013, we filed the Certificate of Designation with the Nevada Secretary of State, designating 2.75 million shares of the Company's Preferred Stock as Series B Preferred. Each share of Series B Preferred has a stated value of $4.00 per share (“Stated Value”), and accrues annual dividends equal to 5% of the Stated Value, payable by the Company in quarterly installments, in either cash or shares of Common Stock. Pursuant to certain terms and conditions in the Certificate of Designation, but not before the filing of an amendment with the Nevada Secretary of State to increase the Company’s authorized Common Stock from 40.0 million to 120.0 million, each share of Series B Preferred is convertible, at the option of the holder, into that number of shares of Common Stock equal to the Stated Value, divided by $0.25 per share (the “Conversion Shares”). The Company also has the option to require the conversion of the Series B Preferred into Conversion Shares in the event: (i) there are sufficient authorized shares of Common Stock reserved as Conversion Shares; (ii) the Conversion Shares are registered under the Securities Act of 1933, as amended (the “Securities Act”), or the Conversion Shares are freely tradable, without restriction, under Rule 144 of the Securities Act; (iii) the daily trading volume of the Company's Common Stock, divided by the closing price, equals at least $250,000 for 20 consecutive trading days; and (iv) the average closing price of the Company's Common Stock is at least $0.62 per share for 10 consecutive trading days.

On November 25, 2013, the Company commenced a private offering of up to 2.0 million shares of Series B Preferred for $4.00 per share (“Purchase Price”), and five-year warrants (the “Warrants”), exercisable for $0.30 per share (the "Exercise Price"), to purchase that number of shares of the Company's Common Stock equal to 35% of the Purchase Price, divided by the Exercise Price (the “Series B Offering”). As of the date hereof, the Company and certain accredited investors entered into Securities Purchase Agreements to purchase approximately 2.0 million shares of Series B Preferred, and Warrants to purchase approximately 9.3 million shares of Common Stock.

Merriman Capital, Inc. (“Merriman”) acted as placement agent for the majority of the securities issued during the Series B Offering. As consideration for its services, Merriman received: (i) cash compensation totaling $523,250; (ii) five-year warrants to purchase 1,188,200 shares of Common Stock for $0.25 per share; and (iii) five-year warrants to purchase 346,560 shares of Common Stock for $0.30 per share. Candlewood Securities, Inc. (“Candlewood”) also acted as placement agent for a portion of the securities issued during the final closing of the Series B Offering, and received, as consideration for its services: (i) cash compensation totaling $53,550; (ii) five-year warrants to purchase 91,800 shares of Common Stock for $0.25 per share; and (iii) five-year warrants to purchase 26,775 shares of Common Stock for $0.30 per share (together, with the warrants issued to Merriman, the “Placement Agent Warrants”).

In connection with the Series B Offering, certain holders (the “Note Holders”) of our outstanding convertible debt agreed to cancel such debt, totaling $739,706 in principal and accrued interest, in exchange for 205,476 Shares and Warrants to purchase 862,995 shares of Common Stock for $0.30 per share (the “Note Conversion”).

This Registration Statement registers for resale shares of Common Stock issuable as Conversion Shares, issuable upon conversion of the shares of Series B Preferred, Warrant Shares issuable upon exercise of the Warrants issued to Investors and Note Holders in connection with the Series B Offering and Note Conversion and the shares of Common Stock issuable upon exercise of the Placement Agent Warrants.

Transfer Agent

Our Transfer Agent and Registrar for our Common Stock is Corporate Stock Transfer located in Denver, Colorado.

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SELLING STOCKHOLDERS

The Company, each of the Investors participating in the Series B Offering and the Note Holders participating in the Note Conversion signed a registration rights agreement (the “Registration Rights Agreement”), wherein we agreed to register the Warrant Shares issuable upon exercise of the Warrants, and the Conversion Shares issuable upon conversion of the shares of Series B Preferred (collectively, the “Registrable Securities”), under the Securities Act. Accordingly, we filed a Registration Statement on Form S-1, of which this prospectus forms a part, with respect to the resale of the Registrable Securities from time to time. In addition, we agreed in the Registration Rights Agreement to use our best efforts to cause the registration statement to be declared effective under the Securities Act by March 25, 2014, and to use our best efforts to keep the registration statement effective until the Registrable Securities are sold or may be sold without registration or prospectus delivery requirements under the Securities Act, subject to certain restrictions.

Selling Stockholders Table

We filed a Registration Statement on Form S-1 with the SEC, of which this prospectus forms a part, with respect to the resale of the Registrable Securities from time to time under Rule 415 of the Securities Act. The Registrable Securities were registered to permit secondary public trading thereof. Subject to the restrictions described in this prospectus, the Selling Stockholders may offer the Registrable Securities for resale from time to time. In addition, subject to the restrictions described in this prospectus, the Selling Stockholders may sell, transfer or otherwise dispose of all or a portion of any Registrable Securities held in transactions exempt from the registration requirements of the Securities Act. See “Plan of Distribution” below for more information.

The table below presents information as of February 6, 2014, regarding the Selling Stockholders and the Registrable Securities the Selling Stockholders (and their donees, pledgees, assignees, transferees and other successors in interest) may offer and sell from time to time under this prospectus. More specifically, the following table sets forth as to the Selling Stockholders:

- the number of shares of our Common Stock beneficially owned by each Selling Stockholders prior to the offering for resale of any of the shares of our Common Stock being registered by the registration statement of which this prospectus is a part;

- the number of shares of our Common Stock that may be offered for resale for the Selling Stockholders’ account under this prospectus; and

- the number and percent of shares of our Common Stock to be held by the Selling Stockholders after the offering of the resale securities, assuming all of the resale shares of Common Stock are sold by the Selling Stockholders and that the Selling Stockholders do not acquire any other shares of our Common Stock prior to their assumed sale of all of the resale shares.

The table is prepared based on information supplied to us by the Selling Stockholders. Although we have assumed for purposes of the table below that the Selling Stockholders will sell all Registrable Securities offered by this prospectus, because the Selling Stockholders may offer from time to time all or some of the Registrable Securities, no assurances can be given as to the actual number of securities that will be resold by the Selling Stockholders or that will be held by the Selling Stockholders after completion of the resales. In addition, the Selling Stockholders may have sold, transferred or otherwise disposed of the Registrable Securities in transactions exempt from the registration requirements of the Securities Act since the date the Selling Stockholders provided the information regarding their securities holdings. Information covering the Selling Stockholders may change from time to time and changed information will be presented in a supplement to this prospectus if and when necessary and required.

Except as described above, there are currently no agreements, arrangements or understandings with respect to the resale of any of the securities covered by this prospectus.

The applicable percentages of ownership are based on an aggregate of 27,885,587 shares of our Common Stock issued and outstanding on February 6, 2014. The number of shares beneficially owned by the Selling Stockholders is determined under rules promulgated by the SEC.

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Name of Selling Security Holder (1)	Shares Beneficially Owned Prior to Offering	Maximum Number of Shares Being Offered Pursuant to this Prospectus	Shares Beneficially Owned After Offering	
			Number	Percent*
Wolverine Flagship Fund Trading Limited (2)(3)	-	6,200,000	-	**
Falcon Fund, Ltd. (4)	-	2,583,334	-	**
Athena S. Marks (5)	-	1,162,501	-	**
First Bank & Trust as custodian of Ronald L. Chez IRA (3)(6)	-	8,783,335	-	**
V3 Capital Partners LLC (3)(7)	-	3,177,501	-	**
Scot Jason Cohen Foundation (8)	-	258,334	-	**
American Capital Management LLC (9)	-	775,000	-	**
Iroquois Master Fund Ltd. (10)	-	2,583,334	-	**
Kensington Trust (11)	-	258,334	-	**
Merav Abbe Irrevocable Trust (12)	-	258,334	-	**
D. Jonathan Merriman Trust (13)(14)	-	775,000	-	**
Carl Frankson (15)	15,000	206,667	15,000	**
Diker Micro Cap LP Fund (16)	-	2,583,334	-	**
Max Communications, Inc. (17)	101,439	516,667	101,439	**
Eric Chez (18)	-			