

True Drinks Holdings, Inc.
Form SC 13D/A
November 04, 2015

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

SCHEDULE 13D/A
Under the Securities Exchange Act of 1934
(Amendment No. 3)*

TRUE DRINKS HOLDINGS, INC.

(Name of Issuer)

Common stock, par value \$0.001 per share

(Title of Class of Securities)

897837100

(CUSIP Number)

Vincent C. Smith

LB 2, LLC

Red Beard Holdings, LLC

2560 East Chapman Avenue #173

2560 East Chapman Avenue #173

2560 East Chapman Avenue #173

Orange, CA 92869

Orange, CA 92869

Orange, CA 92869

Attention: Manager

Attention: Manager

With a copy to:

Ryan C. Wilkins, Esq.

Stradling Yocca Carlson & Rauth, P.C.

660 Newport Center Drive

Newport Beach, CA 92660

(949) 725-4115

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

October 16, 2015

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. "

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See section 240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to subject class of securities, and for any subsequent amendment containing information which would alter disclosures in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1. NAMES OF REPORTING PERSONS

LB 2, LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a) " (b) "

3. SEC USE ONLY

4. SOURCE OF FUNDS (see instructions)

WC

5. CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

(see instructions) "

6. CITIZENSHIP OR PLACE OF ORGANIZATION

California

NUMBER OF	7. SOLE VOTING POWER
SHARES	
BENEFICIALLY	0
OWNED BY	8. SHARED VOTING POWER
EACH	
REPORTING	1,459,329
PERSON	9. SOLE DISPOSITIVE POWER
WITH	
	0
	10. SHARED DISPOSITIVE POWER

1,459,329

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,459,329

12. CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (see instructions) "

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

1.4% (1)

14. TYPE OF REPORTING PERSON (see instructions)

OO (LLC)

(1) The percentage owned is based on 106,352,235 shares of Common Stock outstanding as of August 13, 2015, as reported by the Issuer in its Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2015, which was filed with the SEC on August 13, 2015.

1. *NAMES OF REPORTING PERSONS*

Vincent C. Smith, Jr. Annuity Trust 2015-1

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a) " (b) "

3. SEC USE ONLY

4. SOURCE OF FUNDS (see instructions)

AF

5. CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

(see instructions) "

6. CITIZENSHIP OR PLACE OF ORGANIZATION

California

NUMBER OF BENEFICIALLY OWNED BY EACH REPORTING PERSON

7. SOLE VOTING POWER

0
8. SHARED VOTING POWER

60,300,000
9. SOLE DISPOSITIVE POWER

0
10. SHARED DISPOSITIVE POWER

60,300,000

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

60,300,000 (1)

12. CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (see instructions) ..

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

49.4% (1)(2)

14. TYPE OF REPORTING PERSON (see instructions)

OO (TRUST)

- (1) Beneficial ownership is determined in accordance with Rule 13d-3 under the Act and includes voting or investment power with respect to the reported securities. Shares of the Common Stock that may be acquired by the Reporting Person within 60 days are deemed to be outstanding for the purpose of computing the number and percentage of shares beneficially owned by the Reporting Person, but are not deemed to be outstanding for the purpose of computing the number or percentage of shares beneficially owned by the other Reporting Persons. As a result, the number of shares and percentage ownership reported by the Reporting Person does not reflect the actual ownership or voting power of the Reporting Person with respect to securities of the Issuer that are actually outstanding.
- (2) The percentage owned is based on 106,352,235 shares of Common Stock outstanding as of August 13, 2015, as reported by the Issuer in its Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2015, which was filed with the SEC on August 13, 2015.

1. NAMES OF REPORTING PERSONS

Red Beard Holdings, LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a) " (b) "

3. SEC USE ONLY

4. SOURCE OF FUNDS (see instructions)

WC

5. CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) (see instructions) "

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF	7.	SOLE VOTING POWER
SHARES		
BENEFICIALLY	0	
OWNED BY	8.	SHARED VOTING POWER
EACH		
REPORTING	23,097,244	
PERSON	9.	SOLE DISPOSITIVE POWER
WITH	0	
	10.	SHARED DISPOSITIVE POWER

23,097,244

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

23,097,244 (1)

12. CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (see instructions) "

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

17.8% (1)(2)

14. TYPE OF REPORTING PERSON (see instructions)

OO (LLC)

- (1) Beneficial ownership is determined in accordance with Rule 13d-3 under the Act and includes voting or investment power with respect to the reported securities. Shares of the Common Stock that may be acquired by the Reporting Person within 60 days are deemed to be outstanding for the purpose of computing the number and percentage of shares beneficially owned by the Reporting Person, but are not deemed to be outstanding for the purpose of computing the number or percentage of shares beneficially owned by the other Reporting Persons. As a result, the number of shares and percentage ownership reported by the Reporting Person does not reflect the actual ownership or voting power of the Reporting Person with respect to securities of the Issuer that are actually outstanding.
- (2) The percentage owned is based on 106,352,235 shares of Common Stock outstanding as of August 13, 2015, as reported by the Issuer in its Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2015, which was filed with the SEC on August 13, 2015.

1. *NAMES OF REPORTING PERSONS*

Vincent C. Smith

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a) " (b) "

3. SEC USE ONLY

4. SOURCE OF FUNDS (see instructions)

PF

5. CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) (see instructions) "

6. CITIZENSHIP OR PLACE OF ORGANIZATION

United States of America

NUMBER OF 7. SOLE VOTING POWER

SHARES

BENEFICIALLY 103,378,018

8. SHARED VOTING POWER

OWNED BY

EACH

0

REPORTING 9. SOLE DISPOSITIVE POWER

PERSON

WITH

103,378,018

10. SHARED DISPOSITIVE POWER

0

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

103,378,018 (1)

12. CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (see instructions) "

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

63.6% (1)(2)

14. TYPE OF REPORTING PERSON (see instructions)

IN

- (1) Beneficial ownership is determined in accordance with Rule 13d-3 under the Act and includes voting or investment power with respect to the reported securities. Shares of the Common Stock that may be acquired by the Reporting Person within 60 days are deemed to be outstanding for the purpose of computing the number and percentage of shares beneficially owned by the Reporting Person, but are not deemed to be outstanding for the purpose of computing the number or percentage of shares beneficially owned by the other Reporting Persons. As a result, the number of shares and percentage ownership reported by the Reporting Person does not reflect the actual ownership or voting power of the Reporting Person with respect to securities of the Issuer that are actually outstanding.
- (2) The percentage owned is based on 106,352,235 shares of Common Stock outstanding as of August 13, 2015, as reported by the Issuer in its Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2015, which was filed with the SEC on August 13, 2015.

EXPLANATORY NOTE

Reference is hereby made to that certain statement on Schedule 13D filed with the Securities and Exchange Commission (the SEC) on June 16, 2015 relating to the beneficial ownership by the Reporting Persons of the Common Stock of the Issuer. The Schedule 13D was amended by the filing of Amendment No. 1 to Schedule 13D with the SEC on July 23, 2015 and further amended by the filing of Amendment No. 2 to Schedule 13D with the SEC on August 28, 2015. This Amendment No. 3 to Schedule 13D is intended to amend and restate the Schedule 13D, as previously amended, in its entirety (as so amended, the Schedule 13D or the Statement).

The Reporting Persons hereby amend and restate the Schedule 13D as follows:

Item 1. Security and Issuer

This Schedule 13D relates to the shares of common stock, par value \$0.001 per share (the Common Stock), of True Drinks Holdings, Inc., a Nevada corporation (the Company).

The principal executive offices of the Company are located at 118553 MacArthur Blvd., Suite 325, Irvine, California 92612.

Item 2. Identity and Background

(a) This Schedule 13D is filed by the following persons:

LB 2, LLC, a limited liability company organized under the laws of California (LB 2);

the Vincent C. Smith, Jr. Annuity Trust 2015-1, a trust organized under the laws of California (the GRAT);

Red Beard Holdings, LLC, a limited liability company organized under the laws of Delaware (Red Beard); and

Vincent C. Smith, an individual (Mr. Smith and, together with LB 2, the GRAT and Red Beard, the Reporting Persons).

Mr. Smith is the Manager of LB 2 and has the sole right to vote and dispose of the securities held by LB 2. Mr. Smith is the sole trustee of the GRAT and has the sole right to vote and dispose of the securities held by the GRAT.

Mr. Smith is the Manager of Red Beard and has the sole right to vote and dispose of the securities held by Red Beard.

The agreement among the Reporting Persons relating to the joint filing of this Statement was previously attached as Exhibit 1 to Amendment No. 2 to Schedule 13D.

(b) The business address for each of the Reporting Persons is 2560 East Chapman Avenue #173, Orange, California 92869.

(c) LB 2 and Red Beard are investment vehicles. The GRAT is a trust established by Mr. Smith for estate planning purposes. The principal occupation of Mr. Smith is Principal of Toba Capital.

(d) During the past five years, none of the Reporting Persons has been convicted in a criminal proceeding (excluding traffic violations and similar misdemeanors).

(e) During the past five years, none of the Reporting Persons has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and, as a result of such proceeding, was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) This citizenship of the Reporting Persons is as follows:

LB 2 is a limited liability company organized under the laws of California;

the GRAT is a trust organized under the laws of California;

Red Beard is a limited liability company organized under the laws of Delaware; and

Mr. Smith is a citizen of the United States of America.

Item 3. Source and Amount of Funds or Other Consideration

The source of funds for the acquisition of the securities of the Company reported in this Statement as beneficially owned by the Reporting Persons was the available capital of LB 2, Red Beard and Mr. Smith, as applicable, provided, however, that the securities reported as beneficially owned by the GRAT were transferred to the GRAT from another Reporting Person for no consideration. None of the funds used to acquire the reported securities were borrowed or otherwise obtained for the purpose of acquiring the securities.

For additional information about the acquisition of the reported securities, see the disclosure in Item 4 of this Statement, which is incorporated by reference into this Item 3.

Item 4. Purpose of Transaction

The securities of the Company to which this Statement relates have all been acquired by the Reporting Persons for investment purposes. A summary of the transactions pursuant to which the reported securities were acquired is set forth below.

Initial Purchases of Series C Preferred and Warrants (February and March 2015)

On February 20, 2015, LB 2 entered into a Securities Purchase Agreement with the Company, as amended by Amendment No. 1 to Securities Purchase Agreement, dated as of March 26, 2015 (as amended, the February Purchase Agreement), pursuant to which LB 2 purchased 67,000 shares of the Company's Series C Convertible Preferred Stock, par value \$0.001 per share (the Series C Preferred) for \$100 per share. Each share of Series C Preferred had a stated value of \$100 per share (the Stated Value), and was immediately convertible, at the option of each respective holder, into that number of shares of Common Stock equal to the Stated Value, divided by \$0.15 per share. As a result, the 67,000 shares of Series C Preferred were convertible into 44,666,667 shares of Common Stock (the February Conversion Shares). The terms of the Series C Preferred are more fully described in that certain First Amended and Restated Certificate of Designation, Preferences, Rights and Limitations of Series C Convertible Preferred Stock of the Company filed with the Secretary of State of Nevada on March 26, 2015 (the Certificate of Designation).

Pursuant to the February Purchase Agreement, LB 2 also acquired warrants (the February Warrants) to purchase an aggregate of 15,633,333 shares of Common Stock (the February Warrant Shares). The February Warrants have a five-year term and are immediately exercisable for \$0.15 per share.

Stockholder Consent to Increase Authorized Shares (June 2015)

Pursuant to that certain Information Statement on Schedule 14C, which was filed by the Company with the SEC on May 19, 2015, the Company disclosed that its stockholders had previously approved an increase in the number of authorized shares of the Common Stock (the Stockholder Consent). Pursuant to Rule 14c-2 under the Act, the Stockholder Consent became effective on June 8, 2015, at which time the increase in the number of

authorized shares of Common Stock became effective, resulting in the outstanding shares of Series C Preferred becoming eligible to be converted into the February Conversion Shares, and the February Warrants becoming eligible to be exercised for the February Warrant Shares. Prior to June 8, 2015, the Reporting Persons did not have the right or ability to convert the outstanding shares of Series C Preferred into the February Conversion Shares or to exercise the February Warrants for the February Warrant Shares because there were insufficient authorized shares of Common Stock to allow for the conversion or exercise.

Transfer of Shares of Series C Preferred and Warrants (June 2015)

In June 2015, all of the shares of Series C Preferred and all of the February Warrants acquired pursuant to the February Purchase Agreement were transferred to the GRAT. Mr. Smith is the sole trustee of the GRAT and has retained investment control over the securities held by the GRAT.

Additional Purchases of Common Stock (July 2015)

Through a series of open-market purchases made during July 2015, LB 2 acquired an aggregate of 577,185 additional shares of Common Stock. For additional information, see the disclosure in Schedule A of this Statement under the heading LB 2, LLC .

As a result of these transactions, as well as prior open-market purchases of Common Stock (some of which were completed more than 60 days prior to the date on which the Schedule 13D was originally filed), LB 2 is reporting beneficial ownership of 1,459,329 shares of Common Stock.

Conversion of Series C Preferred (July 2015)

On July 30, 2015, the GRAT delivered a notice of conversion to the Company with respect to the full amount of the February Conversion Shares. As a result of the conversion, the 67,000 shares of Series C Preferred were converted into 44,666,667 shares of Common Stock. The GRAT continues to hold all of these February Conversion Shares. In addition, the GRAT continues to hold all of the February Warrants, which are immediately exercisable for 15,633,333 shares of Common Stock for \$0.15 per share.

As a result of these transactions, the GRAT is reporting beneficial ownership of 60,300,000 shares of Common Stock.

Subsequent Purchases of Series C Preferred and Warrants (August, September and October 2015)

On August 13, 2015, Red Beard entered into a Securities Purchase Agreement with the Company (the August Purchase Agreement), pursuant to which Red Beard (i) purchased 7,942 shares of the Series C Preferred for \$113.33 per share effective as of August 13, 2015 (the Initial Investment), (ii) agreed to purchase an additional 6,177 shares of the Series C Preferred for \$113.33 per share on August 28, 2015 (the Second Investment), and (iii) acquired an option to purchase an additional 3,529 shares of the Series C Preferred for \$113.33 per share on or before September 15, 2015 (the Option). On September 11, 2015, Red Beard delivered a notice of exercise to the Issuer with respect to the 3,529 shares of Series C Preferred covered by the Option. On October 16, 2015, Red Beard and the Company entered into Amendment No. 1 to the Securities Purchase Agreement (the Amendment) pursuant to which Red Beard purchased an additional 8,823 shares of the Series C Preferred for \$113.33 per share (the Final Investment). As a result, Red Beard acquired an aggregate of 26,471 shares of Series C Preferred pursuant to the August Purchase Agreement. These shares are convertible into 17,647,333 shares of Common Stock.

Each share of Series C Preferred has a stated value of \$100 per share (the Stated Value), and is immediately convertible, at the option of each respective holder, into that number of shares of Common Stock equal to the Stated Value, divided by \$0.15 per share. Accordingly, these shares are convertible into an aggregate of 17,647,333 shares of Common Stock. In connection with the August Purchase Agreement, the Company filed a Second Amended and Restated Certificate of Designation, Preferences, Rights and Limitations of Series C Convertible Preferred Stock with the Secretary of State of Nevada on August 12, 2015 (the Amended Certificate of Designation).

Pursuant to the August Purchase Agreement (as amended by the Amendment), Red Beard also acquired warrants (the August Warrants) to purchase that number of shares of Common Stock equal to 35% of the number of shares of Common Stock determined by dividing (x) the Stated Value of the aggregate number of shares of Series C Preferred acquired pursuant to the August Purchase Agreement (including shares acquired pursuant to the exercise of the Option) by (y) the exercise price of the August Warrants, which is \$0.17 per share. As a result, the August Warrants provide Red Beard the right to acquire 5,449,911 shares of Common Stock. The August Warrants have a five-year term and are immediately exercisable.

As a result of these transactions, Red Beard is reporting beneficial ownership of (i) the 17,647,333 shares of Common Stock into which the shares of Series C Preferred issued pursuant to the August Purchase Agreement are convertible, and (ii) the 5,449,911 shares of Common Stock for which the August Warrants are exercisable. Accordingly, Red Beard is reporting beneficial ownership of an aggregate of 23,097,244 shares of Common Stock.

Aggregate Beneficial Ownership of Mr. Smith

Mr. Smith is the Manager of LB 2 and has the sole right to vote and dispose of the securities held by LB 2. In addition, Mr. Smith is the sole trustee of the GRAT and has the sole right to vote and dispose of the securities held by the GRAT. Furthermore, Mr. Smith is the Manager of Red Beard and has the sole right to vote and dispose of the securities held by Red Beard. As a result, Mr. Smith has sole voting and dispositive power over the securities reported by him and by each of the other Reporting Persons, and each of the other Reporting Persons has shared voting and dispositive power over the securities reported by that Reporting Person.

In addition to the shares of Common Stock reported as being beneficially owned by the Reporting Persons as described in this Item 4 above, Mr. Smith holds 1,021,445 shares of Common Stock (some of which were acquired more than 60 days prior to the date on which the Schedule 13D was originally filed), in an Investment Retirement Account of which he is the sole owner. For additional information, see the disclosure in Schedule A of this Statement under the heading Vincent C. Smith .

On October 9, 2015, in connection with, and as partial consideration for, Mr. Smith executing a Personal Guaranty of Bottling Agreement, the Company executed a warrant to purchase Common Stock (the October Warrant) pursuant to which Mr. Smith acquired the right to purchase up to 17,500,000 shares of Common Stock. The October Warrant has a five-year term and is immediately exercisable for \$0.188 per share.

As a result of the aforementioned transactions and relationships, Mr. Smith is reporting beneficial ownership of an aggregate of 103,378,018 shares of Common Stock.

Summary of Referenced Documents

The foregoing descriptions of the February Purchase Agreement, the Certificate of Designation, the February Warrants, the Registration Rights Agreement, the August Purchase Agreement, the Amended Certificate of Designation and the August Warrants do not purport to be complete and are qualified in their entirety by reference to the full text of those documents, each of which is included as an exhibit to this Statement. For additional information, see Item 7 of this Statement, which is incorporated by reference into this Item 4.

Plans or Proposals of Reporting Persons

The Reporting Persons have no present plans or proposals that would relate to or result in any of the matters set forth in subparagraphs (a)-(j) of Item 4 of Schedule 13D.

The Reporting Persons intend to review their investments in the Company on a continuing basis and have in the past and may in the future engage in discussions with management, the board of directors, other stockholders and other relevant parties concerning the business, operations, board composition, management, strategy and future plans of the Company. Depending on various factors including, without limitation, the results of any such discussions; the liquidity requirements of the Reporting Persons, the Company's historical and projected operating results, financial position and business strategy; the trading price of the Common Stock; conditions in the securities market; and general economic and industry conditions, the Reporting Persons may in the future take such actions with respect to their investments in the Company as they deem appropriate. These actions may include, but are not limited to, purchasing additional shares of Series C Preferred or Common Stock; converting additional shares of Series C Preferred into Common Stock; exercising the February Warrants and/or the August Warrants (in whole or in part); purchasing additional securities of the Company that it may issue from time to time; selling some or all of their shares of Series C Preferred Stock or Common Stock (or such additional securities of the Company that it may issue from time to time), subject to compliance with applicable law; engaging in any hedging or similar transactions with respect to the Company's securities, subject to compliance with applicable law; seeking additional board representation; taking other action to effect changes in the board composition, ownership structure or operations of the Company; encouraging the Company to pursue one or more strategic transactions or strategic alternatives to its current business; and/or otherwise changing their intention with respect to any and all matters referred to in subparagraphs (a)-(j) of Item 4 of Schedule 13D.

Item 5. Interest in Securities of the Issuer

The information set forth on the Cover Pages to this Statement, and in Item 4 of this Statement, is incorporated by reference into this Item 5.

(a) Information about the number of shares of Common Stock, and the percentage of Common Stock, beneficially owned by each Reporting Person is set forth below:

LB 2, LLC

Number of Shares Beneficially Owned: 1,459,329 (see Row 11 of the Cover Page)

Percentage of Class: 1.4% (see Row 13 of the Cover Page)

Vincent C. Smith, Jr. Annuity Trust 2015-1

Number of Shares Beneficially Owned: 60,300,000 (see Row 11 of the Cover Page)

Percentage of Class: 49.4% (see Row 13 of the Cover Page)

Red Beard Holdings, LLC

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Number of Shares Beneficially Owned: 23,097,244 (see Row 11 of the Cover Page)

Percentage of Class: 17.8% (see Row 13 of the Cover Page)

Vincent C. Smith

Number of Shares Beneficially Owned: 103,378,018 (see Row 11 of the Cover Page)

Percentage of Class: 63.6% (see Row 13 of the Cover Page)

With respect to each of the Reporting Persons, beneficial ownership is determined in accordance with Rule 13d-3 under the Act and includes voting or investment power with respect to the reported securities. Shares of Common Stock that may be acquired by a Reporting Person within 60 days are deemed to be outstanding for the purpose of computing the number and percentage of shares beneficially owned by the Reporting Person, but are not deemed to be outstanding for the purpose of computing the number or percentage of shares beneficially owned by the other Reporting Persons. As a result, the number of shares and percentage ownership reported by each Reporting Person does not reflect the actual ownership or voting power of the Reporting Person with respect to securities of the Company that are actually outstanding.

The percentage of class reported as beneficially owned is based on 106,352,235 shares of Common Stock outstanding as of August 13, 2015, as reported by the Issuer in its Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2015, which was filed with the SEC on August 13, 2015.

(b) Mr. Smith is the Manager of LB 2 and has the sole right to vote and dispose of the securities held by LB 2. In addition, Mr. Smith is the sole trustee of the GRAT and has the sole right to vote and dispose of the securities held by the GRAT. Furthermore, Mr. Smith is the Manager of Red Beard and has the sole right to vote and dispose of the securities held by Red Beard. As a result, Mr. Smith has sole voting and dispositive power over the securities reported by him and by each of the other Reporting Persons, and each of the other Reporting Persons has shared voting and dispositive power over the securities reported by that Reporting Person.

(c) This Schedule 13D was originally filed with the SEC on June 16, 2015, and was previously amended by the filing of Amendment No. 1 to Schedule 13D with the SEC on July 23, 2015 and further amended by the filing of Amendment No. 2 to Schedule 13D with the SEC on August 28, 2015. This Amendment No. 3 to Schedule 13D is intended to amend and restate the Schedule 13D in its entirety. As a result, certain of the Reporting Persons are reporting on Schedule A to this Schedule 13D transactions in the Common Stock during the period beginning 60 days prior to the date of the original filing of the Schedule 13D through the filing date of this Amendment No. 3 to Schedule 13D. Except as set forth on Schedule A and disclosed in Item 4 of this Statement, during the past 60 days, the Reporting Persons have not effected any transactions in the Company's securities.

(d) Not applicable.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Other than as described in this Statement, there are no contracts, arrangements, understandings or relationships among the Reporting Persons and between any of the Reporting Persons and any other person with respect to securities of the Issuer.

Item 7. Material to be Filed as Exhibits

The Certificate of Designation, the February Purchase Agreement, the February Warrants and the Registration Rights Agreement are incorporated herein by reference to Exhibits 3.1, 10.1, 10.2 and 10.3, respectively, to the Company's Current Report on Form 8-K filed with the SEC on February 24, 2015.

The Amended Certificate of Designation, the August Purchase Agreement and the August Warrants are incorporated herein by reference to Exhibits 3.1, 10.1 and 10.2, respectively, to the Company's Current Report on Form 8-K filed with the SEC on August 18, 2015.

The October Warrant and the Amendment are incorporated herein by reference to Exhibits 10.3 and 10.4, respectively, to the Company's Current Report on Form 8-K filed with the SEC on October 27, 2015.

SIGNATURES

After reasonable inquiry and to the best of the undersigned's knowledge and belief, the undersigned certifies that the information set forth in this Statement is true, complete and correct.

Date: November 4, 2015

LB 2, LLC

By: /s/ Vincent C. Smith
Name: Vincent C. Smith
Title: Manager

Vincent C. Smith, Jr. Annuity Trust 2015-1

By: /s/ Vincent C. Smith
Name: Vincent C. Smith
Title: Trustee

Red Beard Holdings, LLC

By: /s/ Vincent C. Smith
Name: Vincent C. Smith
Title: Manager

Vincent C. Smith

/s/ Vincent C. Smith

Schedule A**Transactions in Shares of Common Stock by Reporting Persons During the Past Sixty Days**

The Schedule 13D was originally filed with the SEC on June 16, 2015, and was previously amended by the filing of Amendment No. 1 to Schedule 13D with the SEC on July 23, 2015 and further amended by the filing of Amendment No. 2 to Schedule 13D with the SEC on August 28, 2015. Amendment No. 3 to Schedule 13D is intended to amend and restate the Schedule 13D in its entirety. As a result, the Reporting Persons are reporting on this Schedule A transactions in the Common Stock covering the period beginning 60 days prior to the date of original filing of the Schedule 13D through the filing date of Amendment No. 3 to Schedule 13D (the Disclosure Period).

Reporting Person**1. LB 2, LLC**

Nature of the Transaction	Securities Purchased/Sold	Date of Purchase/Sale	Price per Share (\$)
Purchase of Common Stock	39,500	5/13/2015	0.195
Purchase of Common Stock	5,500	5/13/2015	0.194
Purchase of Common Stock	5,000	5/13/2015	0.190
Purchase of Common Stock	50,000	5/15/2015	0.183
Purchase of Common Stock	29,000	5/15/2015	0.189
Purchase of Common Stock	5,000	5/15/2015	0.186
Purchase of Common Stock	16,000	5/15/2015	0.183
Purchase of Common Stock	5,000	5/15/2015	0.190
Purchase of Common Stock	445.685	7/07/2015	0.204
Purchase of Common Stock	100,000	7/08/2015	0.211
Purchase of Common Stock	31,500	7/13/2015	0.213

Except as disclosed in the table above, there were no additional transactions in shares of Common Stock made by LB 2 during the Disclosure Period.

2. Vincent C. Smith, Jr. Annuity Trust 2015-1

For additional information about transactions in shares of Common Stock made by the GRAT during the Disclosure Period, see the sections entitled Transfer of Shares of Series C Preferred and Warrants (June 2015) and Conversion of Series C Preferred (July 2015) in Item 4 of the Schedule 13D.

3. Red Beard Holdings, LLC

For additional information about transactions in shares of Common Stock made by Red Beard during the Disclosure Period, see the section entitled Subsequent Purchases of Series C Preferred and Warrants (August, September and October 2015) in Item 4 of the Schedule 13D.

4. Vincent C. Smith

Nature of the Transaction	Securities Purchased/Sold	Date of Purchase/Sale	Price per Share (\$)
Purchase of Common Stock	43,300	4/13/2015	0.149
Purchase of Common Stock	90,095	4/16/2015	0.145
Purchase of Common Stock	20,000	4/17/2015	0.171
Purchase of Common Stock	5,000	4/17/2015	0.165
Purchase of Common Stock	10,750	4/17/2015	0.176
Purchase of Common Stock	14,250	4/17/2015	0.170
Purchase of Common Stock	25,000	4/21/2015	0.170
Purchase of Common Stock	25,000	4/21/2015	0.170
Purchase of Common Stock	11,785	4/23/2015	0.179
Purchase of Common Stock	8,215	4/23/2015	0.176
Purchase of Common Stock	19,500	4/24/2015	0.181
Purchase of Common Stock	25,000	4/24/2015	0.180
Purchase of Common Stock	5,500	4/24/2015	0.180
Purchase of Common Stock	25,000	5/11/2015	0.1904
Purchase of Common Stock	20,000	5/11/2015	0.1995
Purchase of Common Stock	23,100	5/11/2015	0.1954

For additional information about transactions in shares of Common Stock made by Mr. Smith during the Disclosure Period see Item 4 of the Schedule 13D.