RBC Life Sciences, Inc. and Subsidiaries

Condensed Consolidated Financial Statements

For the Quarterly Period Ended September 30, 2016

(unaudited)

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CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS	September 30, 2016 (unaudited)	December 31, 2015
Current Assets		
Cash and cash equivalents	$ 1,296,234	$ 1,449,825
Accounts receivable, net of allowance for doubtful accounts of $28,798 and $36,180, respectively	1,544,827	1,216,770
Inventories	4,105,926	4,280,570
Deferred income taxes	381,701	377,834
Prepaid expenses and other current assets	554,179	464,173
Total current assets	7,882,867	7,789,172
Property and equipment, net	1,046,968	1,237,363
Goodwill, net	2,166,079	2,145,319
Other intangible assets, net	21,596	26,064
Other assets	97,079	97,788
	$ 11,214,589	$ 11,295,706

LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable, trade	$ 1,897,316	$ 1,305,730
Accrued liabilities	1,543,732	1,563,581
Deferred revenue	5,540	95,170
Total current liabilities	3,446,588	2,964,481
Deferred income taxes	484,630	451,553
Commitments and contingencies		
Shareholders' equity		
Common stock, $0.001 par value, authorized 50,000,000 shares; 2,213,010 shares issued and outstanding in 2016 and 2015	2,213	2,213
Additional paid-in capital	13,714,521	13,714,523
Accumulated deficit	(6,644,461)	(6,158,931)
Accumulated other comprehensive income	211,098	321,867
	7,283,371	7,879,672
	$ 11,214,589	$ 11,295,706

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

RBC Life Sciences, Inc. and Subsidiaries

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(unaudited)

	Quarters Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Net sales	$ 7,327,822	$ 5,405,885	$ 18,516,311	$ 16,958,099
Cost of sales	3,423,478	2,283,152	8,581,661	7,286,424
Gross profit	3,904,344	3,122,733	9,934,650	9,671,675
Operating Expenses				
General and administrative	2,398,011	3,127,469	7,004,201	8,339,254
Distributor commissions	1,107,935	1,010,214	3,052,399	3,167,044
Gain on sale of building	-	(1,706,878)	-	(1,706,878)
Depreciation and amortization	104,364	129,921	326,645	392,183
Total operating expenses	3,610,310	2,560,726	10,383,245	10,191,603
Operating income (loss)	294,034	562,007	(448,595)	(519,928)
Interest expense	-	-	-	41,503
Income (loss) before income taxes	294,034	562,007	(448,595)	(561,431)
Income tax expense (benefit)	187,387	231,258	36,935	(96,562)
Net income (loss)	106,647	330,749	(485,530)	(464,869)
Other comprehensive income (loss):				
Foreign currency translation adjustment	(51,886)	145,972	(110,769)	78,094
Comprehensive income (loss)	$ 54,761	$ 476,721	$ (596,299)	$ (386,775)
Basic loss per share	$ 0.05	$ 0.15	$ (0.22)	$ (0.21)
Basic weighted average shares outstanding	2,213,010	2,212,350	2,213,010	2,212,350
Diluted loss per share	$ 0.05	$ 0.15	$ (0.22)	$ (0.21)
Diluted weighted average shared outstanding	2,213,010	2,212,350	2,213,010	2,212,350

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

RBC Life Sciences, Inc. and Subsidiaries

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

	Nine Months Ended September 30, 2016	2015
Cash flows from operating activities		
Net loss	$ (485,530)	$ (464,869)
Adjustments to reconcile net loss to net cash used by operating activities		
Depreciation and amortization	322,695	392,183
Deferred income taxes	34,898	(104,411)
Gain on sale of building	-	(1,706,878)
Changes in operating assets and liabilities		
Accounts receivable	(327,935)	110,773
Inventories	188,282	(307,899)
Prepaid expenses and other current assets	(84,363)	(27,737)
Other assets	2,929	102,021
Accounts payable and accrued liabilities	539,775	(1,365,517)
Deferred revenue	(91,226)	(217,879)
Net cash provided (used) by operating activities	99,525	(3,590,213)
Cash flows from investing activities		
Proceeds from sale of building	-	4,818,756
Purchase of property and equipment	(123,367)	(180,144)
Net cash provided (used) by investing activities	(123,367)	4,638,612
Cash flows from financing activities		
Payments of long-term obligations	-	(1,136,347)
Net cash used by financing activities	-	(1,136,347)
Effect of exchange rate changes on cash flows	(129,749)	258,049
Net increase (decrease) in cash and cash equivalents	(153,591)	170,101
Cash and cash equivalents at beginning of period	1,449,825	1,921,349
Cash and cash equivalents at end of period	$ 1,296,234	$ 2,091,450

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

NOTE A – UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated financial statements, including the notes thereto, of RBC Life Sciences, Inc. (sometimes hereinafter referred to collectively as “we”, “our”, "us", “RBC” or the “Company”) have been prepared in accordance with accounting principles generally accepted in the U.S. (“US GAAP”) for interim financial information. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report for the year ended December 31, 2015, previously filed with OTC Market Groups, Inc. All references to dollars shall mean U.S. dollars.

In the opinion of management, all adjustments (consisting solely of normal recurring accruals) considered necessary for a fair presentation of the Company's results for the interim periods have been included. The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. The results of operations for the interim periods presented are not necessarily indicative of the results to be expected for the full year. Subsequent events were evaluated through the issuance date of the condensed consolidated financial statements.

New Accounting Pronouncements:

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606),* that outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. ASU 2014-09 is based on the principle that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. It also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to fulfill a contract. Entities have the option of using either a full retrospective or a modified retrospective approach for the adoption of the new standard. In July 2015, the FASB approved the deferral of the effective date for annual reporting periods that begin after December 15, 2017, including interim reporting periods. Early adoption is permitted to the original effective date of December 15, 2016, including interim reporting periods. The Company is currently assessing the impact that this standard will have on its consolidated financial statements.

In August 2014, FASB issued ASU No. 2014-15, *Presentation of Financial Statements – Going Concern (Subtopic 205-40)*. ASU No. 2014-15 provides guidance regarding management’s responsibility to evaluate whether there exists substantial doubt about an organization’s ability to continue as a going concern and to provide related footnote disclosures in certain circumstances. ASU No. 2014-15 is effective for annual reporting periods beginning after December 15, 2016, and interim periods thereafter. The Company does not believe ASU No. 2014-15 will have a material effect on its financial position and results of operations.

In July 2015, the FASB issued ASU No. 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory*, that requires inventory not measured using either the last in, first out (LIFO) or the retail inventory method to be measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable cost of completion, disposal, and transportation. The new standard will be effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years, and will be applied prospectively. Early adoption is permitted. The Company is currently assessing the impact that this standard will have on its consolidated financial statements.

In November 2015, the FASB issued ASU No. 2015-17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes*, that requires deferred tax liabilities and assets to be classified as noncurrent in a classified statement of financial position. ASU 2015-17 will align the presentation of deferred income tax assets and liabilities with International Financial Reporting Standards. The new standard will be effective for fiscal years beginning after December 15, 2016, including interim periods within those annual years, and early application is permitted as of the beginning of an interim or annual reporting period either prospectively or retrospectively. The adoption of this standard is not expected to have a material impact on the Company’s consolidated financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. The updated guidance enhances the reporting model for financial instruments by modifying how entities measure and recognize equity investments and present changes in the fair value of financial liabilities, and by simplifying the disclosure guidance for financial instruments. The amendments in this update are effective for fiscal years beginning after December 15, 2017. The amendments in this update should be applied prospectively. The Company is evaluating the potential impact of this adoption on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The updated guidance requires lessees to recognize a lease liability and a right-of-use asset, measured at the present value of the future minimum lease payments, at the lease commencement date. Recognition, measurement and presentation of expenses will depend on classification as finance or operating leases. The amendments also require certain quantitative and qualitative disclosures. ASU 2016-02 is effective for all interim and annual reporting periods beginning after December 15, 2018, with early adoption permitted. A modified retrospective approach must be applied for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The Company is evaluating the potential impact of this adoption on its consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-04, *Liabilities — Extinguishments of Liabilities (Subtopic 405-20): Recognition of Breakage for Certain Prepaid Stored-Value Products*. This ASU requires entities that sell prepaid stored-value products redeemable for goods, services or cash at third-party merchants to recognize breakage (i.e. the value that is ultimately not redeemed by the consumer) in a way that is consistent with how it will be recognized under the new revenue recognition standard. Under current U.S. GAAP, there is diversity in practice in how entities account for breakage that results when a consumer does not redeem the entire product balance. This ASU clarifies that an entity's liability for prepaid stored-value products within its scope meets the definition of a financial liability. The amendments in this update are effective for reporting periods beginning after December 15, 2017, with early adoption permitted. The amendment may be applied using either a modified retrospective approach or a full retrospective approach. The Company is evaluating the potential impact of this adoption on its consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-05, *Derivatives and Hedging (Topic 815)*: *Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships*. This ASU provides guidance clarifying that the novation of a derivative contract (i.e. a change in counterparty) in a hedge accounting relationship does not, in and of itself, require dedesignation of that hedge accounting relationship. If all of the other hedge accounting criteria are met, including the expectation that the hedge will be highly effective when the creditworthiness of the new counterpart to the derivative contract is considered, the hedging relationship will continue uninterrupted. The amendments in this update are effective for reporting periods beginning after December 15, 2016, with early adoption permitted. Entities may adopt the guidance prospectively or use a modified retrospective approach. The Company is evaluating the potential impact of this adopt ion on its consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-06, *Derivatives and Hedging (Topic 815): Contingent Put and Call Options in Debt Instruments*. This ASU clarifies the requirements for assessing whether contingent put or call options that can accelerate the payment of principal on debt instruments are clearly and closely related (i.e. an entity is required to assess whether the economic characteristics and risks of embedded put or call options are clearly and closely related to those of their debt hosts only in accordance with the four-step decision sequence of FASB Accounting Standards Codification, or ASC 815,Derivatives and Hedging). An entity should no longer assess whether the event that triggers the ability to exercise a put or call option is related to interest rates or credit risk of the entity. The amendments in this update are effective for reporting periods beginning after December 15, 2016, with early adoption permitted. Entities are required to apply the guidance to existing debt instruments using a modified retrospective transition method as of the period of adoption. The Company is evaluating the potential impact of this adoption on its consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation — Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*. This ASU is intended to simplify various aspects related to how share-based payments are accounted for and presented in the financial statements, including the income tax effects of share-based payments and accounting for forfeitures. The amendments in this update are effective for reporting periods beginning after December 15, 2016, with early adoption permitted. The Company is evaluating the potential impact of this adoption on its consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instrument — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This ASU changes the impairment model for most financial assets, requiring the use of an expected loss model which requires entities to estimate the lifetime expected credit loss on financial assets measured at amortized cost. Such credit losses will be recorded as an allowance to offset the amortized cost of the financial asset, resulting in a net presentation of the amount expected to be collected on the financial asset. In addition, credit losses relating to available-for-sale debt securities will now be recorded through an allowance for credit losses rather than as a direct write-down to the security. The amendments in this update are effective for reporting periods beginning after December 15, 2019, with early adoption permitted for reporting periods beginning after December 15, 2018. The Company is evaluating the potential impact of this adoption on its consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. This ASU provides clarification on eight specific cash flow issues regarding presentation and classification in the statement of cash flows with the objective of reducing the existing diversity in practice. The amendments in this update are effective for reporting periods beginning after December 15, 2017, with early adoption permitted. The Company is evaluating the potential impact of this adoption on its consolidated financial statements.

In October 2016, the FASB issued ASU No. 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory*. This ASU requires that entities recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. The amendments in this update do not change GAAP for the pre-tax effects of an intra-entity asset transfer under Topic 810, *Consolidation*, or for an intra-entity transfer of inventory. The amendments in this update are effective for reporting periods beginning after December 15, 2017, with early adoption permitted. The Company is evaluating the potential impact of this adoption on its consolidated financial statements.

NOTE B - NATURE OF OPERATIONS AND ORGANIZATION

The Company is principally engaged in the marketing of nutritional supplements and personal care products (collectively “Nutritional Products”) through subsidiaries in North America and Southeast Asia and through licensees in Russia/Eastern Europe. This product line is marketed under the “RBC Life®” brand name. In most of these markets, the Company markets its products through a network of distributors that are referred to as “Members”. The Members are independent contractors who purchase products for personal use, purchase products for resale to retail customers and sponsor other individuals as Members. Accordingly, Members may be product consumers only or they may also seek to derive compensation both from the direct sales of products and from sales generated by sponsored Members. In certain other markets in Southeast Asia and Australia, the Company sells its products through a not-for-resale ("NFR") program. Individuals who participate in the NFR program function similarly to Members in that they can sponsor others and derive compensation from sales generated by individuals they sponsor. However, they may only order products for personal use and may not resell products to retail customers.

RBC also markets its Nutritional Products in certain international markets through license arrangements. The licensees are third parties who are granted exclusive rights to distribute RBC products in their respective territories and, for the most part, distribute these products through an independent Member network in the licensed territory. Under these arrangements, the independent Member network in a licensed territory is compensated by the licensee.

In addition to its Nutritional Products, RBC also markets a line of wound care products (“Medical Products”) under the MPM Medical brand name through a U.S. subsidiary. Medical Products are primarily distributed in the U.S. to hospitals, nursing homes, clinics and pharmacies through traditional medical/surgical supply dealers and pharmaceutical distributors. Medical Products are used to prevent and treat wounds, and manage pain associated with wounds, in the acute care, long-term care and oncology markets.

NOTE C – INVENTORY

Inventories consist of the following:

	September 30, 2016	December 31, 2015
Raw materials and bulk products	$ 257,722	$ 674,770
Packaging materials	261,450	246,968
Finished goods	3,586,754	3,358,832
	$ 4,105,926	$ 4,280,570

NOTE D – PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

	September 30, 2016	December 31, 2015
Advance payments to suppliers	$ 148,299	$ 186,853
Certificates of deposit - restricted	64,558	61,285
Prepaid insurance and other	341,322	216,035
Total	$ 554,179	$ 464,173

At September 30, 2016 and December 31, 2015, the Company held certificates of deposit in the amounts of approximately $64,600 and $61,300, respectively, which were pledged to secure surety bonds.

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	September 30, 2016	December 31, 2015
Leasehold improvements	$ 198,870	$ 193,464
Computer software and office equipment	2,612,974	2,595,187
Warehouse equipment	367,949	254,034
Automotive equipment	14,717	14,717
	3,194,510	3,057,402
Less accumulated depreciation and amortization	2,147,542	1,820,039
	$ 1,046,968	$ 1,237,363

Depreciation expense totaled approximately $99,027 and $128,800 for the quarters ended September 30, 2016, and 2015, respectively. Depreciation expense totaled approximately $318,227 and $380,400 for the nine months ended September 30, 2016, and 2015, respectively.

On July 15, 2015, the Company completed the sale of its 119,000 square foot headquarters building and related parcel of land in Irving, Texas for approximately $5.18 million. After repayment of outstanding mortgage debt of approximately $1.13 million secured by this facility and payment of other closing costs and adjustments, the Company received net cash proceeds of approximately $3.75 million. Effective upon closing of this sale, the Company entered into an agreement to lease back the facility from the purchaser under a lease that provided for, among other things, a lease term ended April 30, 2016 and rent of approximately $35,000 per month. Effective upon termination of this lease, the Company entered into a new agreement with the purchaser to lease back approximately 56,000 square feet of the facility under a lease that provides for, among other things, a lease term of three years and rent of approximately $22,000 per month.

NOTE F – GOODWILL AND OTHER INTANGIBLE ASSETS

The Company measures its goodwill for impairment at the end of each year or in the event of an impairment indicator. No impairment losses have been recognized as a result of this testing. Goodwill balances are summarized as follows:

	Gross Carrying Value	Accumulated Amortization
Balance, December 31, 2015	$ 3,133,174	$ (987,855)
Currency translation adjustment	44,669	(23,909)
Balance, September 30, 2016	$ 3,177,843	$ (1,011,764)

Other intangible assets consist of the following:

	September 30, 2016			December 31, 2015		
	Average Life (years)	Gross Carrying Value	Accumulated Amortization	Average Life (years)	Gross Carrying Value	Accumulated Amortization
Copyrights, trademarks and other registrations	19	$ 99,100	$ (79,940)	19	$ 99,100	$ (75,976)
Other	19	12,600	(10,164)	19	12,600	(9,660)
		$ 111,700	$ (90,104)		$ 111,700	$ (85,636)

Amortization expense related to other intangible assets totaled approximately $1,500 and $1,200 for the quarters ended September 30, 2016 and 2015, respectively, and $4,500 and $11,800 for the nine months ended September 30, 2016 and 2015, respectively. The aggregate estimated amortization expense for intangible assets remaining as of September 30, 2016 is as follows:

Remainder of 2016	$ 1,489
2017	5,957
2018	5,957
2019	5,957
2020	2,236
	$ 21,596

NOTE G – ACCRUED LIABILITIES

Accrued liabilities consist of the following:

	September 30, 2016	December 31, 2015
Distributor commissions and awards	$ 1,115,469	$ 1,047,593
Salaries and wages	354,276	501,048
Sales and property taxes	12,284	7,462
Other	61,703	7,478
Total	$ 1,543,732	$ 1,563,581

NOTE H – SHARE-BASED COMPENSATION

The Company records compensation expense for all share-based payments based on the estimated grant date fair value. There was no share-based compensation expense recognized for the quarters ended September 30, 2016 or 2015, or the nine months ended September 30, 2016 or 2015. There have been no material tax benefits related to share-based compensation expense because virtually all share-based compensation has resulted from grants of incentive stock options.

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model. There were no option grants during the quarters or nine months ended September 30, 2016 or 2015.

A summary of stock option activity for the nine months ended September 30, 2016 is as follows:

	Options	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding, December 31, 2015	29,560	$ 5.55		
Granted	-	-		
Exercised	-	-		
Forfeited/canceled	-	-		
Outstanding, September 30, 2016	29,560	$ 5.55	2.92	$ -
Exercisable, September 30, 2016	29,560	$ 5.55	2.92	$ -

There were no non-vested stock options as of September 30, 2016, or changes to non-vested stock options during the nine months then ended.

NOTE I – SEGMENTS AND GEOGRAPHIC AREA

The Company's segments are based on the organization structure that is used by management for making operating and investment decisions and for assessing performance. Based on this structure, the Company has two operating segments: Nutritional Products and Medical Products.

The Nutritional Products segment manufactures and distributes a line of approximately 100 nutritional supplements and personal care products, including herbs, vitamins and minerals, as well as natural skin, hair and body care products. Nutritional Products are marketed under the "RBC Life" brand name through subsidiaries in North America and Southeast Asia. These products are distributed by a network comprised of independent Members and NFR program participants in certain markets, primarily North America and Southeast Asia, and by licensees in other international markets. For the most part, licensees also market the Nutritional Products in their respective territories through a network of independent Members.

The Medical Products segment markets a line of over 35 wound care products under the "MPM Medical" brand name through a subsidiary operating primarily in the U.S. These wound care products are distributed to hospitals, nursing homes, home health care agencies, clinics and pharmacies through a network of medical/surgical supply dealers, pharmaceutical distributors and our own sales representatives. Medical Products are used to treat and manage pain associated with wounds, in the acute care, long-term care and oncology markets.

The Company evaluates the performance of its segments primarily based on operating income. All intercompany transactions have been eliminated, and intersegment revenues are not significant. In calculating operating income (loss) for these two segments, administrative expenses incurred that are common to the two segments are allocated on a usage basis.

Segment information is as follows (U.S. dollars in thousands):

	Nutritional Products	Medical Products	Consolidated
Quarter Ended September 30, 2016			
Net sales	$ 4,248	$ 3,080	$ 7,328
Depreciation and amortization	99	1	100
Operating income (loss)	(343)	637	294
Capital expenditures	10	-	10
Total assets	7,387	3,828	11,215
Quarter Ended September 30, 2015			
Net sales	$ 3,505	$ 1,901	$ 5,406
Depreciation and amortization	122	8	130
Operating income	300	262	562
Capital expenditures	142	-	142
Total assets	9,835	2,997	12,832
Nine Months Ended September 30, 2016			
Net sales	$ 11,018	$ 7,498	$ 18,516
Depreciation and amortization	318	5	323
Operating income (loss)	(1,603)	1,154	(449)
Capital expenditures	115	8	123
Total assets	7,387	3,828	11,215
Nine Months Ended September 30, 2015			
Net sales	$ 11,914	$ 5,044	$ 16,958
Depreciation and amortization	354	38	392
Operating income (loss)	(858)	338	(520)
Capital expenditures	180	-	180
Total assets	9,835	2,997	12,832

Financial information summarized geographically based on the customer's ordering location is listed below (U.S. dollars in thousands):

	Quarter Ended September 30, 2016		Quarter Ended September 30, 2015	
	Net Sales	Long-lived Assets	Net Sales	Long-lived Assets
Domestic	$ 3,589	$ 2,825	$ 2,369	$ 2,964
Russia/Eastern Europe	1,628	-	1,153	-
Canada	155	416	180	402
Southeast Asia	1,934	182	1,684	256
All others	22	-	20	-
Totals	$ 7,328	$ 3,423	$ 5,406	$ 3,622

	Nine Months Ended September 30, 2016		Nine Months Ended September 30, 2015	
	Net Sales	Long-lived Assets	Net Sales	Long-lived Assets
Domestic	$ 9,047	$ 2,825	$ 6,736	$ 2,964
Russia/Eastern Europe	3,805	-	4,039	-
Canada	429	416	592	402
Southeast Asia	5,163	182	5,386	256
All others	72	-	205	-
Totals	$ 18,516	$ 3,423	$ 16,958	$ 3,622

Significant Customers

The Company recorded sales of Nutritional Products to Coral Club International, Inc. ("CCI"), a licensee of the Company, in the amounts of $1,628,000 and $1,153,000 during the quarters ended September 30, 2016 and 2015, respectively, and $3,805,000 and $4,039,000 during the nine months ended September 30, 2016 and 2015, respectively. The President of CCI is a former member of our Board of Directors and beneficially owns approximately 18% of our common stock. The Company also recorded sales of Medical Products to a medical/surgical dealer in the amounts of $2,054,000 and $819,000 during the quarters ended September 30, 2016 and 2015, respectively, and $4,733,000 and $1,900,000 during the nine months ended September 30, 2016 and 2015, respectively. In no other case did a customer of the Company account for more than 10% of net sales during the quarters ended September 30, 2016 and 2015.

The medical/surgical dealer referenced above filed a voluntary petition for protection under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Central District of California in Santa Ana, California on February 24, 2012. According to its bankruptcy petition, this dealer filed its petition as the most effective means of stabilizing its finances as it resolved a reimbursement guidelines dispute with Medicare. In May 2015, this dealer emerged from bankruptcy following the Bankruptcy Court's confirmation of its plan of reorganization.

NOTE J – INCOME (LOSS) PER SHARE

Summarized basic and diluted income (loss) per common share was calculated as follows:

	Net Loss	Shares	Per Share
Quarter Ended September 30, 2016			
Basic income per common share	$ 106,647	2,213,010	$ 0.05
Effect of dilutive stock options	-	-	-
Diluted loss per common share	$ 106,647	2,213,010	$ 0.05
Quarter Ended September 30, 2015			
Basic income per common share	$ 330,749	2,212,350	$ 0.15
Effect of dilutive stock options	-	-	
Diluted loss per common share	$ 330,749	2,212,350	$ 0.15
Nine Months Ended September 30, 2016			
Basic loss per common share	$ (485,530)	2,213,010	$ (0.22)
Effect of dilutive stock options	-	-	-
Diluted loss per common share	$ (485,530)	2,213,010	$ (0.22)
Nine Months Ended September 30, 2015			
Basic loss per common share	$ (464,869)	2,212,350	$ (0.21)
Effect of dilutive stock options	-	-	
Diluted loss per common share	$ (464,869)	2,212,350	$ (0.21)

For the quarters and nine months ended September 30, 2016 and 2015, the number of stock options that were outstanding but not included in the computation of diluted loss per common share because their exercise price was greater than the average market price of our common stock or were otherwise anti-dilutive, was approximately 30,000 and 46,000, respectively.