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## EDGAR Submission Header Summary

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Submission Type	10-K
Live File	on
Return Copy	on
Exchange	NONE
Confirming Copy	off
Filer CIK	0001371128
Filer CCC	xxxxxxxx
Period of Report	12/31/14
Smaller Reporting Company	on
Shell Company	No
Voluntary Filer	No
Well-Known Seasoned Issuer	No
Notify via Filing website Only	off

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### Documents

10-K	biosolar10k03122015.htm
	10-K
EX-31.1	exhibit31_1.htm
	Exhibit 31.1
EX-32.1	exhibit32_1.htm
	Exhibit 32.1

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### Module and Segment References

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

FORM 10-K

(Mark One)

- ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014
- TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

COMMISSION FILE NUMBER: 000-54819

**BIOSOLAR, INC.**

(Name of registrant in its charter)

NEVADA

(State or other jurisdiction of incorporation or organization)

20-4754291

(I.R.S. Employer Identification No.)

**27936 Lost Canyon Road, Suite 202, Santa Clarita, California 91387**

(Address of principal executive offices) (Zip Code)

Issuer's telephone Number: **(661) 251-0001**

Securities registered under Section 12(b) of the Exchange Act: None.

Securities registered under Section 12(g) of the Exchange Act: Common Stock: common stock, par value \$0.0001 per share

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "small reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

(Do not check if smaller reporting company)

Smaller reporting company

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

The aggregate market value of the voting and non-voting common stock of the issuer held by non-affiliates, computed by reference to the price at which the common stock was sold on June 30, 2014, was approximately \$633,510

The number of shares of registrant's common stock outstanding, as of March 20, 2015 was 12,171,879.

**DOCUMENTS INCORPORATED BY REFERENCE**

None.

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## PART I

### ITEM 1. BUSINESS.

#### Overview

We are engaged in the development of innovative technologies and materials that we believe will reduce the cost per watt of electricity generated by Photovoltaic solar modules. The process for producing electricity from sunlight is known as Photovoltaics. Photovoltaic ("PV") is the science of capturing and converting sun light into electricity.

We have developed BioBacksheet™, a high performance green back sheet for Photovoltaic solar modules. Back sheet is the bottom most layer of the conventional PV panels that provides insulation and protection from the environment.

We are currently developing technologies and materials for storing electrical energy produced by Photovoltaic solar modules. We are focusing our research and product development efforts on low cost polymer-based components for electrical energy storage and supercapacitors that can be charged and discharged hundreds of times faster than batteries and will hold more energy than conventional supercapacitors.

#### Industry Overview

The solar industry relies on two distinctly different solar energy technologies. Solar energy can be converted directly into electricity using photovoltaic devices or into heat by solar thermal devices. Photovoltaic devices convert sunlight directly into electricity through a photovoltaic (PV) cell, commonly called a solar cell, a non-mechanical device usually made from silicon alloys. Solar thermal devices, on the other hand, are typically used for directly heating swimming pools, heating water for domestic use, and space heating of buildings.

Our product development focus is based on photovoltaic technology, thus we are currently a part of the photovoltaic segment of the industry. "Photovoltaics" is derived from the words photo, meaning light, and voltaic, meaning voltage producing. Sunlight, not heat, fuels photovoltaic cells. The cells, made mostly of the semiconductor silicon, convert sunlight directly into electricity.

There remains a variety of techniques for manufacturing the coatings needed to create solar cells. Emerging thin film cell manufacturing holds much promise because the coatings use less silicon than traditional films and can be manufactured at low cost and in large volume.

The simplest cells power watches and calculators; more complex systems provide power to the electric grid, and provide electricity to pump water, power communications equipment, light homes and run appliances.

In photovoltaics, light particles called photons penetrate the cell and knock electrons free from the silicon atoms, creating an electric current. As long as light flows into the cell, electrons flow out of the cell. The cell does not use up its electrons and lose power, similar to a battery, as it is a converter that turns one kind of energy (sun light) into another (flowing electrons).

Photovoltaic cells are typically combined into modules that hold about 40 cells. Ten such modules are mounted in photovoltaic arrays. Such arrays can be used to generate electricity for a single building or, in large numbers, for a power plant.

Companies are manufacturing solar panels that look like construction materials, such as roof shingles. It is also possible to produce windows that have solar cells integrally constructed as part of the window surface or by placing thin films on the window. Photovoltaic technology can be combined with construction materials and be built into a building rather than added on top of a building. In such building-integrated photovoltaics, photovoltaic systems are incorporated into or become elements of a building's structure.

Stand-alone photovoltaic systems produce power independently of the utility grid. In some off-the-grid locations, even one half kilometer from power lines, stand-alone photovoltaic systems can be more cost effective than extending power lines. They are especially appropriate for remote, environmentally sensitive areas, such as national parks, cabins, and remote homes. In rural areas, small stand-alone solar arrays often power farm lighting, fence chargers for electric fences, and solar water pumps, which provide water for livestock. Some hybrid systems combine solar power with other power sources such as wind or diesel.

According to the latest edition of NPD Solarbuzz Marketbuzz, the solar photovoltaic (PV) industry is predicted to experience rapid growth over the next five years, with up to 100 gigawatts (GW) of annual installations, growing to \$50 billion per year of PV module revenue by 2018. With all of these solar panels being installed, there is still one major challenge that prevents solar from being a primary and reliable source of power – the sun does not shine at night.

As a result, solar users will switch to using electricity from the local power company during the evening hours. This switch causes sudden spikes in power demand on the grid and creates havoc at the local power company because the grid is not designed to respond to rapid demand changes. The key to solving this problem is efficient solar energy storage systems that can be charged and discharged rapidly, day in and day out. This will time-shift daytime solar energy for nighttime use with minimal reliance on the power grid.

According to the Solar Energy Industries Association, the demand for rooftop solar paired with energy storage systems will reach \$1 billion in the U.S. by 2020, and will create pent up demand for cost effective solar energy storage solutions. Paring with solar panels with batteries means users can store power during the day and use it at night, reducing electricity bills. Those savings can be more significant for customers who pay higher rates for electricity during peak periods.

#### **Research and Development**

We have developed and produced robust bio-based components that meet the stringent thermal and durability requirements of current solar module manufacturing processes. Our strategy was to identify those bio-based materials that are inherently durable, then apply proprietary material processes to enhance the desirable characteristics of these bio-based materials – turning them into robust and durable materials to be used as solar panel components. Based on long term environmental testing performed by the Company, we believe our latest BioBacksheet is more durable than conventional petroleum based back sheets available in the market today.

We developed multiple versions of our bio-based back sheet, and the latest version of the mono-layer BioBacksheet successfully obtained Underwriters Laboratories' (UL) material certification in February 2011. This version of BioSolar Backsheet (BioBacksheet™) is designed for conventional c-Si solar modules, which currently represents over 75 percent of solar modules produced in the world, as well as for certain thin film solar modules. The relative thermal index (RTI) rating of 130 degree C by UL was issued during the 3rd quarter of 2012, and a number of solar panel manufacturers have been able to obtain certifications on their panels incorporating BioBacksheet for UL/IEC, a required step before considering mass production. These back sheets are available in rolls of film for direct use in lamination and roll-to-roll assembly systems.

We use Nylon 11 in our BioBacksheet. Nylon 11 is derived from castor oil. Our current supplier of this product is Arkema, Inc. We do not currently have an agreement with Arkema for the supply of Nylon 11 and there is currently no other known supplier of Nylon 11. If we are unable to obtain Nylon 11 for our products, we will seek alternative options, which may include Nylon 1010 or Nylon 12 for which there are many known suppliers.

Since solar energy is only available during the day and naturally sporadic because of weather and cloud conditions, a large capacity and fast charge-discharge energy storage system is needed to quickly store the energy of the sun so that it can be used anytime – day or night. Therefore, solar energy storage systems need battery banks with high specific energy (Wh/Kg) to store as much energy as possible without increased size. At the same time, the systems need to provide high specific power (mAh/g) for fast charge to harvest as much energy as possible when the sunlight is available. Most importantly, the system should be able to handle large number of charge-discharge cycles possible before requiring battery replacement.

We are currently developing low cost polymer-based components for electrical energy storage and polymer-based supercapacitors that can be charged and discharged hundreds of times faster than batteries, and will complement batteries for the storage of solar energy. By integrating BioSolar supercapacitors as the high power frontend to battery banks, with fewer battery banks than would ordinarily be required, daytime solar energy can be quickly and cost-effectively stored for nighttime use.

We co-own the patent-application for a supercapacitor technology with the University of California at Santa Barbara (“UCSB”), and is currently funding a sponsored research program to further its development. The lead inventors of the technology are UCSB professor Dr. Alan Heeger, the recipient of a Nobel Prize in 2000 for the discovery and development of conductive polymers, and Dr. David Vonlanthen, a post-doctoral researcher at UCSB.

#### **Marketing Strategy**

We are marketing our bio-based solar module component directly to photovoltaic module manufacturers as well as through manufacturer’s reps. Our current marketing effort also includes working with potential licensing partners in geographical target markets to manufacture and supply to photovoltaic module manufacturers.

We will begin marketing our energy storage components and devices as soon as scaled up demonstration prototypes become available. Our marketing plan includes engaging with large energy storage device manufacturers, as well as identifying potential licensing partners in geographical target markets to manufacture and supply to photovoltaic installation industry.

In the future, we plan to undertake advertising and promotion efforts. These efforts will be outsourced and will require the services of advertising and public relations firms. We have tentatively chosen a firm whom we believe is capable of assisting us with comprehensive advertising and promotion plans. However, we have not entered into any agreements or understandings with this firm and there can be no assurance that we will be able to enter into any such agreement on terms that are favorable to us. To date, we do not have an estimated cost of our marketing strategy.

#### **Backlog of Orders**

We do not have any backlog of orders.

#### **Government Contracts**

We do not have any government contracts at this time.

#### **Compliance with Environmental Laws and Regulations**

Our operations are subject to local, state and federal laws and regulations governing environmental quality and pollution control. To date, our compliance with these regulations has had no material effect on our operations, capital, earnings, or competitive position, and the cost of such compliance has not been material. We are unable to assess or predict at this time what effect additional regulations or legislation could have on our activities.

## **Manufacturing and Distribution**

We currently do not have any mechanism for the manufacture and distribution of our BioBacksheet™, nor do we have adequate financing to undertake these efforts on our own. We will be outsourcing manufacturing and distribution efforts to contract manufacturing and distributions firms. We do not currently have any agreements with any manufacturing or distribution firms.

## **Intellectual Property**

On May 19, 2011, we filed a patent to protect the intellectual property rights for “Photovoltaic Module Backsheet, Materials for Use in Module Backsheet and Process for Making the Same”, application number 13/093,549. The inventor listed on the patent application is Stanley Levy, our Chief Technology Officer. The company is listed as assignee. This patent is currently pending.

On August 15, 2014, we filed an international patent to protect the intellectual property rights for “A Multicomponent Approach to Enhance Stability and Capacitance in Polymer-Hybrid Supercapacitors”, International Application No. PCT/US2014/051330. The inventor listed on the patent application are David Vonlanthen, Fred Wudl, Alan J. Heeger, and Pavel Lazarev. The University of California and BioSolar are listed as assignees. This patent is currently pending.

We have abandoned the patent “Phovoltaic Laminated Module Backsheet, Films and Coatings for Use in Module Backsheet, and Processes for Making the Same”, application number 12/256,176.

We rely upon confidentiality agreements signed by our employees, consultants and third parties to protect our intellectual property.

## **Competition**

While there are a number of companies manufacturing back sheet and other plastic components for PV devices, such as Madico, Inc, we do not know of any employing the use of bio-based components.

There are a number of companies manufacturing supercapacitors in the world including: Maxwell, Vinatech, Ioxus, Skeleton Technologies, Yunasko, Ness, LS Cable, BatScap, and JM Energy.

## **Technology Development Partners**

We co-own the patent-application for our supercapacitor technology with the University of California at Santa Barbara (“UCSB”), and is currently funding a sponsored research program to further its development. The lead inventors of the technology are UCSB professor Dr. Alan Heeger, the recipient of a Nobel Prize in 2000 for the discovery and development of conductive polymers, and Dr. David Vonlanthen, a post-doctoral researcher at UCSB.

To assist us in the development of our technology, we intend to seek out and enter into technology development agreements with other entities with PV storage and materials expertise.

## **Corporate Information and History**

We were incorporated in the State of Nevada on April 24, 2006, as BioSolar Labs, Inc. Our name was changed to BioSolar, Inc. on June 8, 2006. Our principal executive offices are located at 27936 Lost Canyon Road, Suite 202, Santa Clarita, California 91387, and our telephone number is (661) 251-0001. Our fiscal year end is December 31.

## **EMPLOYEES**

As of March 20, 2015, we had one (1) full time employee. We have not experienced any work stoppages and we consider relations with our employees to be good.

**ITEM 1A. RISK FACTORS**

**WE HAVE A LIMITED HISTORY OF LOSSES AND HAVE NEVER REALIZED REVENUES TO DATE.**

Since inception, we have incurred losses and have negative cash flows from operations and have realized only minimal revenues. From inception through December 31, 2014, we incurred a net loss of \$10,409,034. These factors, among others discussed in Note 1 to the financial statements included in this report, raise substantial doubt about our ability to continue as a going concern. We expect to continue to incur net losses until we are able to realize revenues to fund our continuing operations. We may fail to achieve any or significant revenues from sales or achieve or sustain profitability. Accordingly, there can be no assurance of when, if ever, we will be profitable or be able to maintain profitability.

**WE ARE A DEVELOPMENT STAGE COMPANY AND MAY BE UNABLE TO MANAGE OUR GROWTH OR IMPLEMENT OUR EXPANSION STRATEGY IF WE ARE ABLE TO LAUNCH OUR PRODUCT AND SERVICE OFFERINGS.**

We are a development stage company that was formed on April 24, 2006 and may not be able to launch our product and service offerings or implement the other features of our business strategy at the rate or to the extent presently planned. If we are able to launch our product and service offerings, our projected growth will place a significant strain on our administrative, operational and financial resources. If we are unable to successfully manage our future growth, establish and upgrade our operating and financial control systems, recruit and hire necessary personnel or effectively manage unexpected expansion difficulties, our financial condition and results of operations could be materially and adversely affected.

**WE MAY NOT BE ABLE TO SUCCESSFULLY DEVELOP AND COMMERCIALIZE OUR TECHNOLOGIES WHICH WOULD RESULT IN CONTINUED LOSSES.**

While we have made progress in the development of our products, we have generated only minimal revenues and are unable to project when we will achieve profitability, if at all. As is the case with any new technology, we are a development stage company and expect the development process to continue. We may not be able to develop our product offering, develop a customer base and markets, or implement the other features of our business strategy at the rate or to the extent presently planned. Growth beyond the product development stage will place a significant strain on our administrative, operational and financial resources. In addition, our operations will not be able to move out of the development stage without additional funding.

**OUR REVENUES ARE DEPENDENT UPON ACCEPTANCE OF OUR PRODUCTS BY THE MARKET; THE FAILURE OF WHICH WOULD CAUSE TO CURTAIL OR CEASE OPERATIONS.**

We believe that virtually all of our revenues will come from the sale or license of our products. As a result, we will continue to incur substantial operating losses until such time as we are able to sell and license our products from the sale or license of our products. There can be no assurance that businesses and customers will adopt our technology and products, or that businesses and prospective customers will agree to pay for or license our products. In the event that we are not able to significantly increase the number of customers that purchase or license our products, or if we are unable to charge the necessary prices or license fees, our financial condition and results of operations will be materially and adversely affected.

**WE DO NOT MAINTAIN THEFT OR CASUALTY INSURANCE, AND ONLY MAINTAIN MODEST LIABILITY AND PROPERTY INSURANCE COVERAGE AND THEREFORE WE COULD INCUR LOSSES AS A RESULT OF AN UNINSURED LOSS.**

We do not maintain theft or casualty insurance and we have modest liability and property insurance coverage. We cannot assure you that we will not incur uninsured liabilities and losses as a result of the conduct of our business. Any such uninsured or insured loss or liability could have a material adverse effect on our results of operations.

**IF WE LOSE KEY EMPLOYEES AND CONSULTANTS OR ARE UNABLE TO ATTRACT OR RETAIN QUALIFIED PERSONNEL, OUR BUSINESS COULD SUFFER.**

Our success is highly dependent on our ability to attract and retain qualified scientific, engineering and management personnel. We are highly dependent on our management, including Dr. David Lee who has been critical to the development of our technologies and business. The loss of the services of Dr. Lee could have a material adverse effect on our operations. We do not have an employment agreement with Dr. Lee and do not maintain key man insurance with respect to Dr. Lee. Accordingly, there can be no assurance that he will remain associated with us. His efforts will be critical to us as we continue to develop our technology and as we attempt to transition from a development stage company to a company with commercialized products and services. If we were to lose Dr. Lee, or any other key employees or consultants, we may experience difficulties in competing effectively, developing our technology and implementing our business strategies.

**THE LOSS OF STRATEGIC RELATIONSHIPS USED IN THE DEVELOPMENT OF OUR PRODUCTS AND TECHNOLOGY COULD IMPEDE OUR ABILITY TO COMPLETE OUR PRODUCT.**

We may rely on strategic relationships with technology development partners to provide personnel, and expertise in the research and development of our technology and manufacturing process underlying our product. A loss of these relationships for any reason could cause us to experience difficulties in completing the development of our product and implementing our business strategy. There can be no assurance that we could establish other relationships of adequate expertise in a timely manner or at all.

**OUR PATENT APPLICATIONS FOR OUR TECHNOLOGY ARE PENDING AND THERE IS NO ASSURANCE THAT THESE APPLICATIONS WILL BE GRANTED. FAILURE TO OBTAIN THE PATENTS FOR OUR APPLICATIONS COULD PREVENT US FROM SECURING ROYALTY PAYMENTS IN THE FUTURE, IF APPROPRIATE.**

We have filed patents to protect the intellectual property rights “Photovoltaic Laminated Module Backsheet, Material for Use In Module Backsheet and Process for Making the Same,” and for “A Multicomponent Approach to Enhance Stability and Capacitance in Polymer-Hybrid Supercapacitors.” To date our patent applications have not been granted. We cannot be certain that these patents will be granted nor can we be certain that other companies have not filed for patent protection for this technology before us. Even if we are granted patent protection for our technology, there is no assurance that we will be in a position to enforce our patent rights. Failure to be granted patent protection for our technology could result in greater competition or in limited royalty payments. This could result in inadequate revenue and cause us to cease operations.

**WE DEPEND ON ONE SUPPLIER FOR NYLON 11 FOR OUR PRODUCTS.**

We currently use Nylon 11, which is derived from castor oil in the development of our technology. Our current supplier of this product is Arkema, Inc. We do not currently have an agreement with Arkema for the supply of Nylon 11 and there is currently no other known supplier of Nylon 11. If we are unable to obtain Nylon 11 for our products, we will be forced to seek alternative options. Failure to identify other suitable alternatives may affect our ability to produce our products.

**OUR CURRENT AND POTENTIAL COMPETITORS, SOME OF WHOM HAVE GREATER RESOURCES THAN WE DO, MAY DEVELOP PRODUCTS AND TECHNOLOGIES THAT MAY CAUSE DEMAND FOR, AND THE PRICES OF, OUR PRODUCTS TO DECLINE.**

While there are a number of companies manufacturing components for PV devices and electrical energy storage devices, we do not know of any employing the use of bio-based materials or polymer-based supercapacitor designs. We may face competition from these companies as they may expand or combine with other combines to extend their product offering to incorporate bio-based materials. In addition, other companies may enter our markets by acquiring or entering into strategic relationships with our competitors. Current and potential competitors have established, or may establish, cooperative relationships among themselves or with third parties to increase the abilities of their PV components to address the needs of our prospective customers.

Many of our current and potential competitors have longer operating histories, significantly greater financial, technical, product development and marketing resources, greater name recognition and larger customer bases than we do. Our present or future competitors may be able to develop products comparable or superior to those we offer, adapt more quickly than we do to new technologies, evolving industry trends and standards or customer requirements, or devote greater resources to the development, promotion and sale of their products than we do. Accordingly, we may not be able to compete effectively in our markets, competition may intensify and future competition may harm our business.

**WE ARE CONTROLLED BY CURRENT OFFICERS, DIRECTORS AND PRINCIPAL STOCKHOLDERS.**

Our directors, executive officers and principal stockholders and their affiliates beneficially own approximately 45.9% of the outstanding shares of our common stock. Accordingly, our executive officers, directors, principal stockholders and certain of their affiliates will have the ability to control the election of our Board of Directors and the outcome of matters submitted to a vote of our stockholders.

**Risks Related to Our Common Stock**

**BECAUSE THERE IS A LIMITED MARKET IN OUR COMMON STOCK, STOCKHOLDERS MAY HAVE DIFFICULTY IN SELLING OUR COMMON STOCK AND OUR COMMON STOCK MAY BE SUBJECT TO SIGNIFICANT PRICE SWINGS.**

There is a very limited market for our common stock. Since trading commenced in February 2007, there has been little activity in our common stock and on some days there is no trading in our common stock. Because of the limited market for our common stock, the purchase or sale of a relatively small number of shares may have an exaggerated effect on the market price for our common stock. We cannot assure stockholders that they will be able to sell common stock or, that if they are able to sell their shares, that they will be able to sell the shares in any significant quantity at the quoted price.

**IF WE FAIL TO REMAIN CURRENT ON OUR REPORTING REQUIREMENTS, WE COULD BE REMOVED FROM THE OTC BULLETIN BOARD WHICH WOULD LIMIT THE ABILITY OF BROKER-DEALERS TO SELL OUR SECURITIES AND THE ABILITY OF STOCKHOLDERS TO SELL THEIR SECURITIES IN THE SECONDARY MARKET.**

Securities traded on the Over-The-Counter Bulletin Board must be registered with the Securities and Exchange Commission and the issuer must be current with its filings pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1933, as amended in order to maintain price quotation privileges on the OTC Bulletin Board. If we fail to remain current in our reporting requirements, we could be removed from the OTC Bulletin Board. As a result, the market liquidity for our securities could be severely adversely affected by limiting the ability of broker-dealers to sell our securities and the ability of stockholders to sell their securities in the secondary market. In addition, we may be unable to get re-listed on the OTC Bulletin Board, which may have an adverse material effect on our Company.

**OUR COMMON STOCK IS SUBJECT TO THE "PENNY STOCK" RULES OF THE SEC AND THE TRADING MARKET IN OUR SECURITIES IS LIMITED, WHICH MAKES TRANSACTIONS IN OUR STOCK CUMBERSOME AND MAY REDUCE THE VALUE OF AN INVESTMENT IN OUR STOCK.**

The Securities and Exchange Commission has adopted Rule 15c-9 which establishes the definition of a "penny stock," for the purposes relevant to us, as any equity security that has a market price of less than \$5.00 per share or with an exercise price of less than \$5.00 per share, subject to certain exceptions. For any transaction involving a penny stock, unless exempt, the rules require:

- that a broker or dealer approve a person's account for transactions in penny stocks; and

- the broker or dealer receives from the investor a written agreement to the transaction, setting forth the identity and quantity of the penny stock to be purchased.

In order to approve a person's account for transactions in penny stocks, the broker or dealer must:

- obtain financial information and investment experience objectives of the person; and
- make a reasonable determination that the transactions in penny stocks are suitable for that person and the person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prescribed by the Commission relating to the penny stock market, which, in highlight form:

- sets forth the basis on which the broker or dealer made the suitability determination; and
- that the broker or dealer received a signed, written agreement from the investor prior to the transaction.

Generally, brokers may be less willing to execute transactions in securities subject to the "penny stock" rules. This may make it more difficult for investors to dispose of our common stock and cause a decline in the market value of our stock.

Disclosure also has to be made about the risks of investing in penny stocks in both public offerings and in secondary trading and about the commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and the rights and remedies available to an investor in cases of fraud in penny stock transactions. Finally, monthly statements have to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.

**WE DO NOT EXPECT TO PAY DIVIDENDS IN THE FUTURE; ANY RETURN ON INVESTMENT MAY BE LIMITED TO THE VALUE OF OUR COMMON STOCK.**

We do not currently anticipate paying cash dividends in the foreseeable future. The payment of dividends on our Common Stock will depend on earnings, financial condition and other business and economic factors affecting it at such time as the board of directors may consider relevant. Our current intention is to apply net earnings, if any, in the foreseeable future to increasing our capital base and development and marketing efforts. There can be no assurance that the Company will ever have sufficient earnings to declare and pay dividends to the holders of our Common Stock, and in any event, a decision to declare and pay dividends is at the sole discretion of the our Board of Directors. If we do not pay dividends, our Common Stock may be less valuable because a return on your investment will only occur if its stock price appreciates.

**ITEM 2. PROPERTIES.**

Our headquarters are located at 27936 Lost Canyon Road, Suite 202, Santa Clarita, California 91387. We lease our facility under a month to month lease without an expiration date. Our monthly lease payment is \$534. The size of our office is 144 square feet.

**ITEM 3. LEGAL PROCEEDINGS.**

We are not currently a party to, nor is any of our property currently the subject of, any pending legal proceeding that will have a material adverse effect on our business.

**ITEM 4. MINE SAFETY DISCLOSURES**

N/A

**PART II****ITEM 5. MARKET FOR COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER REPURCHASES OF EQUITY SECURITIES.**

On February 22, 2007, our common stock became eligible for quotation on the OTC Bulletin Board under the symbol "BSRC."

For the periods indicated, the following table sets forth the high and low bid prices per share of common stock. These high and low bid prices represent prices quoted by broker-dealers on the OTC Bulletin Board. These prices represent inter-dealer quotations without retail markup, markdown, or commission and may not necessarily represent actual transactions.

Quarter Ended	Fiscal 2014		Fiscal 2013	
	High	Low	High	Low
March 31	\$ 0.1788	\$ 0.0822	\$ 0.99	\$ 0.305
June 30	\$ 0.2999	\$ 0.1373	\$ 0.99	\$ 0.20
September 30	\$ 0.23	\$ 0.0701	\$ 0.60	\$ 0.24
December 31	\$ 0.2799	\$ 0.01	\$ 0.57	\$ 0.05

**Common Stock**

As of March 20, 2015, our common stock was held by 87 stockholders of record and we had 12,171,879 shares of common stock issued and outstanding. We believe that the number of beneficial owners is substantially greater than the number of record holders because a significant portion of our outstanding common stock is held of record in broker street names for the benefit of individual investors.

**Dividend Policy**

We have never declared or paid any cash dividends on our common stock. We do not anticipate paying any cash dividends to stockholders in the foreseeable future. In addition, any future determination to pay cash dividends will be at the discretion of the board of directors and will be dependent upon our financial condition, results of operations, capital requirements, and such other factors as the Board of Directors deem relevant. There are no restrictions in our articles of incorporation or bylaws that restrict us from declaring dividends.

**Transfer Agent**

The Company's registrar and transfer agent is Computershare Trust Company N.A., P.O. Box 43070, Providence, RI 02940-3070.

**Securities Authorized for Issuance Under Equity Compensation Plan**

The following table shows information with respect to each equity compensation plan under which our common stock is authorized for issuance as from inception through December 31, 2014.

**EQUITY COMPENSATION PLAN INFORMATION**

<b>Plan category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
<b>Equity compensation plans approved by security holders</b>	-0-	\$ -0-	-0-
<b>Equity compensation plans not approved by security holders</b>	-0-	\$ -0-	-0-
<b>Total</b>	-0-	\$ -0-	-0-

**Unregistered Sales of Equity Securities**

During the three months ended December 31, 2014, the Company issued 1,386,266 shares of common stock upon conversion of convertible notes in the amount of \$35,000 in principal, plus interest in the amount of \$5,477.

The Company relied on an exemption pursuant to Rule 506 of Regulation D and/or Section 4(a)(2) of the Securities Act of 1933, as amended in connection with the sale and issuances of its shares of common stock described above.

**Issuer Purchases of Equity Securities**

None.

**ITEM 6. SELECTED FINANCIAL DATA**

N/A

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

**Special Note on Forward-Looking Statements.**

Certain statements in "Management's Discussion and Analysis or Plan of Operation" below, and elsewhere in this annual report, are not related to historical results, and are forward-looking statements.

Forward-looking statements present our expectations or forecasts of future events. You can identify these statements by the fact that they do not relate strictly to historical or current facts. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements frequently are accompanied by such words such as "may," "will," "should," "could," "expects," "plans," "intends," "anticipates," "believes," "estimates," "predicts," "potential" or "continue," or the negative of such terms or other words and terms of similar meaning. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, achievements, or timeliness of such results. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of such forward-looking statements. We are under no duty to update any of the forward-looking statements after the date of this annual report. Subsequent written and oral forward looking statements attributable to us or to persons acting in our behalf are expressly qualified in their entirety by the cautionary statements and risk factors set forth below and elsewhere in this annual report, and in other reports filed by us with the SEC.

You should read the following description of our financial condition and results of operations in conjunction with the financial statements and accompanying notes included in this report beginning on page F-1.

#### **Overview**

We are engaged in the development of innovative technologies and materials that we believe will reduce the cost per watt of electricity generated by Photovoltaic solar modules. The process for producing electricity from sunlight is known as Photovoltaics. Photovoltaic ("PV") is the science of capturing and converting sun light into electricity.

We have developed BioBacksheet™, a high performance green back sheet for Photovoltaic solar modules. Back sheet is the bottom most layer of the conventional PV panels that provides insulation and protection from the environment.

We are developing technologies and materials for storing electrical energy produced by Photovoltaic solar modules. We are currently focusing our research and product development efforts on low cost polymer-based supercapacitors that can be charged and discharged hundreds of times faster than batteries and will hold more energy than conventional supercapacitors.

We were incorporated in the State of Nevada on April 24, 2006, as BioSolar Labs, Inc. Our name was changed to BioSolar, Inc. on June 8, 2006. Our principal executive offices are located at 27936 Lost Canyon Road, Suite 202, Santa Clarita, California 91387, and our telephone number is (661) 251-0001. Our fiscal year end is December 31.

#### **RESULTS OF OPERATIONS - YEAR ENDED DECEMBER 31, 2014 COMPARED TO THE YEAR ENDED DECEMBER 31, 2013**

##### *GENERAL AND ADMINISTRATIVE EXPENSES*

General and administrative ("G&A") expenses decreased by \$140,173 to \$513,170 for the year ended December 31, 2014, compared to \$653,903 for the prior year ended December 31, 2013. This decrease in G&A expenses was the result of a decrease in non-cash compensation expense in the amount of \$82,114, salaries in the amount of \$52,800, travel expenses in the amount of \$15,757, with an increase in overall G&A expenses of \$10,498.

##### *RESEARCH AND DEVELOPMENT*

Research and Development ("R&D") costs increased by \$41,856 to \$69,809 for the year ended December 31, 2014 compared to \$27,953 for the prior year ended December 31, 2013. This increase in R&D costs represents the cost of utilizing outside services by corporations for testing our product. The Company's focus has been to market its product.

*OTHER INCOME/(EXPENSES)*

Other income and (expenses) increased by \$2,328,113 to \$2,838,730 for the year ended December 31, 2014, compared to \$510,517 the prior year ended December 31, 2013. The increase was the result of an increase in loss on change in fair value of derivative instruments of \$2,394,639, amortization of debt discount in the amount of \$80,663, and an increase in interest expense in the amount of \$14,137, with a decrease in interest income of \$69. The increase in other income and (expenses) is attributed to the debt financing undertaken by the Company.

*NET LOSS*

Net loss increased by \$2,229,604, to \$3,430,180 for the year ended December 31, 2014, compared to \$1,200,576 for the prior year ended December 31, 2013. The increase in net loss was due to an increase in other income and expenses and R&D cost, with a decrease in G&A expenses. Currently, the Company has no revenues.

*LIQUIDITY AND CAPITAL RESOURCES*

As of December 31, 2014, we had \$3,703,333 in working capital deficit as compared to \$439,402 for the prior year ended December 31, 2013. The increase of \$3,263,931 in working capital deficit was due primarily to an increase in prepaid expenses, accounts payable, issuance of convertible promissory notes and the resultant derivative liability, with a decrease in cash, and accrued expenses.

During the year ended December 31, 2014, the Company used \$472,134 of cash for operating activities, as compared to \$454,575 for the prior year ended December 31, 2013. The increase in the use of cash for operating activities was a result of an increase in net loss due to an increase in non-cash stock compensation cost, non-cash depreciation, and non-cash accounts associated with derivative financing, and an increase in accounts payable, accrued expenses, loss on intangible impairment, and beneficial conversion feature.

Cash used by investing activities was \$39,576 for the year ended December 31, 2014 as compared to \$5,808 for the prior year ended December 31, 2013. The increase in cash used by investing activities was due to the purchase of tangible and intangible assets in the current year.

Cash provided from financing activities during the year ended December 31, 2014 was \$500,000 as compared to \$575,791 for the prior year ended December 31, 2013. Our capital needs have primarily been met from the proceeds of private placements, as we are currently in the development stage and have no revenues.

Our financial statements as of December 31, 2014 and 2013 have been prepared under the assumption that we will continue as a going concern. Our independent registered public accounting firm has issued their report dated March 20, 2015 that included an explanatory paragraph expressing substantial doubt in our ability to continue as a going concern without additional capital becoming available. Our ability to continue as a going concern ultimately is dependent on our ability to generate a profit which is dependent upon our ability to obtain additional equity or debt financing, attain further operating efficiencies and, ultimately, to achieve profitable operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**PLAN OF OPERATION AND FINANCING NEEDS**

We are engaged in the development of innovative technologies that we believe will reduce the cost per watt of electricity generated by Photovoltaic solar modules. We have developed BioBacksheet™, our first commercially available product, and we are currently focusing on developing a low cost energy storage technology and materials for PV energy storage by 2016.

Our plan of operation within the next six months is to utilize our cash balances to develop our polymer-based supercapacitor technology and other components for PV energy storage. We believe that our current cash and investment balances will be sufficient to support development activity and general and administrative expenses for the next four months. Management estimates that it will require additional cash resources during 2015, based upon its current operating plan and condition. We expect increased expenses during second half of 2015 as we ramp up prototyping efforts for other components for PV energy storage. We will be investigating additional financing alternatives, including equity and/or debt financing. There is no assurance that capital in any form would be available to us, and if available, on terms and conditions that are acceptable. If we are unable to obtain sufficient funds during the next fifteen months, we may be forced to reduce the size of our organization, which could have a material adverse impact on, or cause us to curtail and/or cease the development of our products.

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

All financial information required by this Item is attached hereto at the end of this report beginning on page F-1 and is hereby incorporated by reference.

**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.**

None

**ITEM 9A. CONTROLS AND PROCEDURES.**

Evaluation of Disclosure Controls and Procedures.

We maintain "disclosure controls and procedures," as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"), that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable assurance that the objectives of the disclosure controls and procedures are met. Additionally, in designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

As of December 31, 2014, we carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective in ensuring that information required to be disclosed by us in our periodic reports is recorded, processed, summarized and reported, within the time periods specified for each report and that such information is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

**Management's Report of Internal Control over Financial Reporting.**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Exchange Act Rule 13a - 15(f). Our internal control system was designed to provide reasonable assurance to our management and the Board of Directors regarding the preparation and fair presentation of published financial statements. All internal control systems, no matter how well designed have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2014. In making this assessment, our management used

the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control - Integrated Framework - Guidance for Smaller Public Companies (the COSO criteria). Based on our assessment we believe that, as of December 31, 2014, our internal control over financial reporting is effective based on those criteria.

This annual report does not include an attestation report by Liggett, Vogt & Webb P.A., our independent registered public accounting firm, regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's independent registered public accounting firm pursuant to temporary rules of the SEC that permits the Company to only provide management's report in this Form 10-K.

**Changes in Internal Control over Financial Reporting**

There were no changes in our internal control over financial reporting that occurred during the fourth quarter ended December 31, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**ITEM 9B. OTHER INFORMATION.**

None.

**PART III**

**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE**

The following table sets forth information about our executive officers, key employees and directors.

<u>Name</u>	<u>Age</u>	<u>Position</u>
David Lee	55	Chief Executive Officer, Acting Chief Financial Officer and Director
Stanley Levy	75	Vice President and Chief Technology Officer
Steven C. Bartling	52	Director
Dennis LePon	68	Director

The Directors of our company are elected by the vote of a majority in interest of the holders of the voting stock of our company and hold office until the expiration of the term for which he or she was elected and until a successor has been elected and qualified.

A majority of the authorized number of directors constitutes a quorum of the Board for the transaction of business. The directors must be present at the meeting to constitute a quorum. However, any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board individually or collectively consent in writing to the action.

Directors receive compensation for their services and reimbursement for their expenses as shall be determined from time to time by resolution of the Board. Currently, our directors do not receive monetary compensation for their service on the Board of Directors.

Officers are appointed to serve for one year until the meeting of the board of directors following the annual meeting of stockholders and until their successors have been elected and qualified.

The principal occupations for the past five years (and, in some instances, for prior years) of each of our executive officers and directors, followed by our key employees, are as follows:

**David Lee** - Chief Executive Officer and Acting Chief Financial Officer and Director of the Company since inception (April 24, 2006). Dr. Lee has over 20 years of engineering, marketing, sales, and corporate management experience in the areas of military and consumer communication systems, automotive electronics, software development and consulting. From 2004 to 2006, he was with Ramsey-Shilling Co. in the business of Commercial Real Estate Investment and Brokerage. From 2000 to 2004, he served as Chief Operating Officer for Applied Reasoning, Inc., a Delaware company engaged in the business of Internet Software Development. From 1994 to 2000, he served as Vice Present and General Manager for RF-Link Technology, Inc., a California company engaged in the business of Wireless Technology Development and Manufacturing. Dr. Lee received a Ph.D. in Electrical Engineering from Purdue University in 1989, a Master of Science in Electrical Engineering from University of Michigan in 1986 and a Bachelor of Science in Electrical Engineering from the University of Texas at Austin in 1984. The Board of Directors has concluded that Dr. Lee is qualified to serve as a director of the Company because of his diverse experience in technology, marketing, and executive management.

**Stanley Levy** - Vice President and Chief Technology Officer of the Company since August 2007. Dr. Levy has over 40 years of engineering and technical experience in the areas of plastics and film development. Dr. Levy spent 27 years at DuPont working on many of their premiere films, including Teflon, Mylar and Kapton. He holds 12 patents, his work has been published in numerous technical publications and he has received several awards for technical excellence. Prior to joining BioSolar, Dr. Levy was a consultant on module packaging for photovoltaic manufacturing companies including Global Solar, MiaSole, and Solar Integrated Technologies. In addition, he is a member of the National Renewable Energy Laboratory's Thin Film PV Module Reliability Team. Dr. Levy holds a Ph.D in Mechanical Engineering from the University of Connecticut, a Master of Science in Mechanical Engineering from the University of Connecticut and a Bachelor of Science in Mechanical Engineering from the University of Rhode Island.

**Steven C. Bartling** – Director since May 11, 2006: Steven C. Bartling has over 30 years of engineering and corporate management experience in the areas of ultra high performance digital CMOS (Complementary Metal Oxide Semiconductor) circuit design, high performance microprocessor architecture/design, systems on a chip, packaging, and testing. From 2002 to the present, Mr. Bartling has been employed by Texas Instruments, Inc. in advanced research and development activities for various TI internal businesses and is currently serving as MCU Technology Development Manager for TI's Micro-Controller Division. From 2001 to 2002, he served as Director of Custom Design for Celerece, an Oregon company engaged in the business of Optical Communication Networking. Mr. Bartling received a Master of Science in Electrical Engineering from Georgia Institute of Technology in 1987 and a Bachelor of Science in Electrical Engineering from the University of Texas at Austin in 1985. We concluded that Mr. Bartling's wealth of technical and business experience he gained through his successful technical and corporate management career made him qualified to serve on the Board of Directors. Mr. Bartling does not currently hold any other directorship. The Board of Directors has concluded that Mr. Bartling is qualified to serve as a director of the Company because of his extensive experience in technology and business development.

**Dennis LePon** – Director since May 11, 2006: Dennis LePon has over 35 years of financial, managerial, and business experience working for a bank, real estate finance companies, as well as a start up high tech company. From 1992 to the present, Mr. LePon has served as Chief Financial officer of Catalyst Resource Group, Inc., a real estate finance and consulting firm offering specialized financing for healthcare, C-Store, gasoline station and other varied commercial properties nationwide. From 2002 to 2004, he served as Chief Financial Officer for FoodMarket Place.com, a California company engaged in the business of Web Based marketing for food and restaurant industry partnered with Hewlett Packard. Mr. LePon received a Bachelor of Arts from California State University at

Northridge in 1969 and a Master of Business Administration from the University of Southern California in 1977. We concluded that Mr. LePon's strong financial and business experience he gained throughout his successful financial and corporate management career made him qualified to serve on the Board of Directors. Mr. LePon does not currently hold any other directorship. The Board of Directors has concluded that Mr. LePon is qualified to serve as a director of the Company because of his extensive experience in corporate and finance management.

#### **COMMITTEES OF THE BOARD**

We currently do not maintain any committees of the Board of Directors. Given our size and the development of our business to date, we believe that the board through its meetings can perform all of the duties and responsibilities which might be performed by a committee. We do not currently have an audit committee financial expert.

## **INDEBTEDNESS OF EXECUTIVE OFFICERS AND DIRECTORS**

No executive officer, director or any member of these individuals' immediate families or any corporation or organization with whom any of these individuals is an affiliate is or has been indebted to us since the beginning of our last fiscal year.

## **FAMILY RELATIONSHIPS**

There are no family relationships among our executive officers and directors.

## **CODE OF ETHICS**

We have adopted a Code of Ethics that applies to all of our directors, officers and employees. The text of the Code of Ethics is filed as an exhibit to this annual report on Form 10-K for the year ended December 31, 2008 filed with the Securities and Exchange Commission on March 25, 2008. The Company will provide to any person without charge, upon request to the Company at its office, a copy of the Code of Ethics. Any waiver of the provisions of the Code of Ethics for executive officers and directors may be made only by the Audit Committee and, in the case of a waiver for members of the Audit Committee, by the Board of Directors. Any such waivers will be promptly disclosed to our shareholders.

## **LEGAL PROCEEDINGS**

During the past ten years, none of our directors, executive officers, promoters, control persons, or nominees has been:

- the subject of any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- convicted in a criminal proceeding or is subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or any Federal or State authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities;
- found by a court of competent jurisdiction (in a civil action), the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law.
- the subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of (a) any Federal or State securities or commodities law or regulation; (b) any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order; or (c) any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
- the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26))), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29))), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

**Board Leadership Structure and Role in Risk Oversight**

Although we have not adopted a formal policy on whether the Chairman and Chief Executive Officer positions should be separate or combined, we have traditionally determined that it is in the best interests of the Company and its shareholders to combine these roles. Due to the small size and early stage of the Company, we believe it is currently most effective to have the Chairman and Chief Executive Officer positions combined. In addition, having one person serve as both Chairman and Chief Executive Officer eliminates potential for confusion and provides clear leadership for the Company, with a single person setting the tone and managing our operations. The Board oversees specific risks, including, but not limited to:

- appointing, retaining and overseeing the work of the independent auditors, including resolving disagreements between the management and the independent auditors relating to financial reporting;
- approving all auditing and non-auditing services permitted to be performed by the independent auditors;
- reviewing annually the independence and quality control procedures of the independent auditors;
- reviewing, approving, and overseeing risks arising from proposed related party transactions;
- discussing the annual audited financial statements with the management;
- meeting separately with the independent auditors to discuss critical accounting policies, management letters, recommendations on internal controls, the auditor's engagement letter and independence letter and other material written communications between the independent auditors and the management; and
- monitoring the risks associated with management resources, structure, succession planning, development and selection processes, including evaluating the effect the compensation structure may have on risk decisions.

**Board of Directors Meetings and Attendance**

We have no formal policy regarding director attendance at the annual meeting of stockholders. The Board of Directors held six meetings in 2014 including four meetings prior to filing three quarterly and one annual reports. All board members were present at all of the six meetings.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires the Company's directors, executive officers and persons who own more than 10% of the Company's stock (collectively, "Reporting Persons") to file with the SEC initial reports of ownership and changes in ownership of the Company's common stock. Reporting Persons are required by SEC regulations to furnish the Company with copies of all Section 16(a) reports they file. To the Company's knowledge, based solely on its review of the copies of such reports received or written representations from certain Reporting Persons that no other reports were required, the Company believes that during its fiscal year ended December 31, 2014 all Reporting Persons timely complied with all applicable filing requirements.

**ITEM 11. EXECUTIVE COMPENSATION.**

The following table summarizes all compensation recorded by us in each of the last two completed fiscal years for the named executive officers.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Non-Qualified Deferred Compensation	All Other Compensation (\$)	Total (\$)
David Lee - CEO and Acting CFO	2014	\$ 144,000							\$ 144,000
	2013	\$ 144,000	0	0	0	0	0	0	\$ 144,000
Stanley Levy - CTO	2014	\$ 79,200							\$ 79,200
	2013	\$ 132,000	0	0	0	0	0	0	\$ 132,000

During the year ended December 31, 2014, our Chief Executive Officer was paid compensation in cash for a total of \$96,000 and our Chief Technology Officer was paid compensation in cash for a total of \$35,200. On December 18, 2014, the Company issued two 5% convertible promissory notes in exchange for services rendered by the Company's Chief Executive Officer (\$67,000) and Chief Technology Officer (\$61,000) in the aggregate amount of \$128,000, which covered partial payment of \$19,000 to our Chief Executive Officer for 2013 and \$17,000 to our Chief Technology Officer and \$48,000 to our Chief Executive Officer and \$44,000 to our Chief Technology Officer in 2014.

**Employment Agreements**

The Company currently has no employment agreements with its executive officers.

**Employee Benefit Plans**

The Company currently has no benefit plans in place for its employees.

**Stock Option Plan**

The Company has no stock option plan.

**Director Compensation**

Directors receive compensation for their services and reimbursement for their expenses as shall be determined from time to time by resolution of the Board. Currently, our directors do not receive monetary compensation for their service on the Board of Directors.

**Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.**

The following table sets forth, as of March 20, 2015, the number of and percent of our common stock beneficially owned by:

- all directors and nominees, naming them,
- our executive officers,
- our directors and executive officers as a group, without naming them, and
- persons or groups known by us to own beneficially 5% or more of our common stock:

We believe that all persons named in the table have sole voting and investment power with respect to all shares of common stock beneficially owned by them.

A person is deemed to be the beneficial owner of securities that can be acquired by him within 60 days from March 20, 2015 upon the exercise of options, warrants or convertible securities. Each beneficial owner's percentage ownership is determined by assuming that options, warrants or convertible securities that are held by him, but not those held by any other person, and which are exercisable within 60 days of March 20, 2015 have been exercised and converted. Unless otherwise indicated, the address of each of the following beneficial owner is c/o Biosolar, Inc.



Title of Class	Name of Beneficial Owner	Number of Shares Beneficially Owned	Percent of Total (1)
Common Stock	David Lee	2,278,651	15.8%
Common Stock	Stanley Levy	873,877	6.7%
Common Stock	Steven C. Bartling	583,397	4.6%
Common Stock	Dennis LePon	116,668	*
Common Stock	All Executive Officers and Directors as a Group (4 persons ) Ed and Esther Bouryng 1145 Bellview Rd McLean, VA 22102	3,852,593	28.0%
Common Stock		796,279	6.1%

\*Less than one percent.

(i) Based upon 12,171,879 shares issued and outstanding as of March 20, 2015.

#### ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE.

There were no material related party transactions which we entered into from inception (April 24, 2006) to December 31, 2014.

##### Director Independence

Steven C. Bartling is independent as the term "independent" is defined under the NASDAQ Marketplace Rules.

#### ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

##### Audit Fees

The aggregate fees billable to us by Liggett, Vogt & Webb P.A. during 2014 and 2013 for the audit of our annual financial statements for the fiscal year totaled approximately \$19,500 and \$12,000, respectively.

##### Audit-Related Fees

We did not incur assurance and audit-related fees during 2014 and 2013, to Liggett, Vogt & Webb P.A. nor in connection with the audit of our financial statements for the reviews of registration statements and issuance of related consents and assistance with SEC comment letters.

##### Tax Fees

We did not incur fees for tax compliance, tax advice, or tax planning for the fiscal years ended December 31, 2014 and 2013, respectively.

##### All Other Fees

There were no fees billed to us by Liggett, Vogt & Webb P.A. for services rendered to us during the last two fiscal years, other than the services described above under "Audit Fees" and "Audit-Related Fees."

As of the date of this filing, our current policy is to not engage Liggett, Vogt & Webb P.A. to provide, among other things, bookkeeping services, appraisal or valuation services, or international audit services. The policy provides that we engage Liggett, Vogt & Webb P.A. to provide audit, tax, and other assurance services, such as review of SEC reports or filings.

**ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.**

<u>Exhibit No.</u>	<u>Description</u>
3.1	Articles of Incorporation of BioSolar Labs, Inc. filed with the Nevada Secretary of State on April 24, 2006. ( Incorporated by reference to the Company's Registration Statement on Form SB-2 filed with the SEC on November 22, 2006)
3.2	Articles of Amendment of Articles of Incorporation of BioSolar Labs, Inc. filed with the Nevada Secretary of State on May 25, 2006.( Incorporated by reference to the Company's Registration Statement on Form SB-2 filed with the SEC on November 22, 2006)
3.3	Articles of Amendment of Articles of Incorporation of BioSolar Labs, Inc. filed with the Nevada Secretary of State on June 8, 2006. ( Incorporated by reference to the Company's Registration Statement on Form SB-2 filed with the SEC on November 22, 2006)
3.4	Articles of Amendment of Articles of Incorporation of BioSolar Labs, Inc. filed with the Nevada Secretary of State on July 18, 2011. ( Incorporated by reference to the Company's Registration Statement on Form Current 8-K filed with the SEC on July 19, 2011)
3.4	Bylaws of BioSolar, Inc.( Incorporated by reference to the Company's Registration Statement on Form SB-2 filed with the SEC on November 22, 2006)
10.1	Form of Subscription Agreement dated as of May 26, 2006. (Incorporated by reference to the Company's Registration Statement on Form SB-2 filed with the SEC on November 22, 2006)
10.2	Form of Subscription Agreement dated as of July 17, 2006. (Incorporated by reference to the Company's Registration Statement on Form SB-2 filed with the SEC on November 22, 2006)
10.3	Form of Subscription Agreement dated as of October 11, 2006. (Incorporated by reference to the Company's Registration Statement on Form SB-2 filed with the SEC on November 22, 2006)
10.4	Sales Representation Agreement between BioSolar, Inc. and Tomark Industries, Inc. dated March 3, 2012. (Portions of this exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment request)(Filed as an exhibit to the Company's current report on Form 10Q filed on November 2, 2012)
10.5	Toll Extrusion Film Sale Agreement between BioSolar, Inc. and JPS Elastomerics Corp. dba Stevens Urethane (Stevens) dated June 1, 2012.(Filed as an exhibit to the Company's current report on Form 10Q filed on November 2, 2012)
10.6	Securities Purchase Agreement between BioSolar, Inc. and Asher Enterprises, Inc. dated as of October 3, 2012. (Filed as an exhibit to the Company's current report on Form 10Q filed on November 2, 2012)
10.7	Form of Note issued pursuant to the Securities Purchase Agreement between BioSolar, Inc. and Asher Enterprises, Inc. dated as of October 3, 2012. (Filed as an exhibit to the Company's current report on Form 10Q filed on November 2, 2012)
14.1	Code of Ethics (Incorporated by reference to the Company's annual report on Form 10-K filed with the SEC on March 25, 2008)
31.1	Certification by Chief Executive Officer and Acting Chief Financial Officer pursuant to Sarbanes-Oxley Section 302 (filed herewith).
32.1	Certification by Chief Executive Officer and Acting Chief Financial Officer pursuant to 18 U.S.C. Section 1350 (filed herewith).

EX-101.INS	XBRL Instance Document
EX-101.SCH	XBRL Taxonomy Extension Schema Document
EX-101.CAL	XBRL Taxonomy Extension Calculation Linkbase
EX-101.DEF	XBRL Taxonomy Extension Definition Linkbase
EX-101.LAB	XBRL Taxonomy Extension Labels Linkbase
EX-101.PRE	XBRL Taxonomy Extension Presentation Linkbase

**SIGNATURES**

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Los Angeles, State of California, on March 23, 2015.

**BioSolar, Inc.**

By: /s/ David Lee  
CHIEF EXECUTIVE OFFICER (PRINCIPAL EXECUTIVE OFFICER) AND ACTING  
CHIEF FINANCIAL OFFICER (PRINCIPAL ACCOUNTING AND FINANCIAL OFFICER)

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the date indicated:

SIGNATURE	TITLE	DATE
/S/ DAVID LEE DAVID LEE	CHIEF EXECUTIVE OFFICER (PRINCIPAL EXECUTIVE OFFICER), ACTING CHIEF FINANCIAL OFFICER (PRINCIPAL ACCOUNTING AND FINANCIAL OFFICER) AND CHAIRMAN OF THE BOARD	March 23, 2015  March 23, 2015
/s/ STEVEN C. BARTLING STEVEN C. BARTLING	DIRECTOR	March 23, 2015
/S/ DENNIS LEPON DENNIS LEPON	DIRECTOR	March 23, 2015

INDEX TO FINANCIAL STATEMENTS

BIOSOLAR, INC.

FINANCIAL STATEMENTS

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Shareholders  
BioSolar, Inc.  
Santa Clarita, California

We have audited the accompanying balance sheet s of BioSolar, Inc. ("the Company") as of December 31, 2014 and 2013, and the related statements of operations, shareholders' deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based upon our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BioSolar, Inc. as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company does not generate revenue and has negative cash flows from operations. This raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Liggett, Vogt & Webb, P.A.  
**Liggett, Vogt & Webb, P.A.**

March 20, 2015  
New York, New York

BIOSOLAR, INC.  
BALANCE SHEETS

	December 31, 2014	December 31, 2013
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 146,640	\$ 158,350
Prepaid expenses	45,620	8,303
<b>TOTAL CURRENT ASSETS</b>	<b>192,260</b>	<b>166,653</b>
<b>PROPERTY AND EQUIPMENT</b>		
Machinery and equipment	82,635	81,791
Less accumulated depreciation	(50,937)	(42,996)
<b>NET PROPERTY AND EQUIPMENT</b>	<b>31,698</b>	<b>38,795</b>
<b>OTHER ASSETS</b>		
Patents	85,830	47,098
Deposit	770	770
<b>TOTAL OTHER ASSETS</b>	<b>86,600</b>	<b>47,868</b>
<b>TOTAL ASSETS</b>	<b>\$ 310,558</b>	<b>\$ 253,316</b>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 6,982	\$ 665
Accrued expenses	35,272	50,148
Derivative liability	3,320,943	361,170
Convertible promissory notes less debt discount of \$307,604 and \$152,928 respectively	532,396	194,072
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,895,593</b>	<b>606,055</b>
<b>SHAREHOLDERS' DEFICIT</b>		
Preferred stock, \$0.0001 par value; 10,000,000 authorized common shares	-	-
Common stock, \$0.0001 par value; 500,000,000 authorized common shares 11,846,354 and 9,041,281 shares issued and outstanding, respectively	1,184	904
Additional paid in capital	6,822,815	6,625,212
Accumulated deficit	(10,409,034)	(6,978,855)
<b>TOTAL SHAREHOLDERS' DEFICIT</b>	<b>(3,585,035)</b>	<b>(352,739)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT</b>	<b>\$ 310,558</b>	<b>\$ 253,316</b>

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

BIOSOLAR, INC.  
STATEMENTS OF OPERATIONS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	For the Years End	
	December 31, 2014	December 31, 2013
REVENUE	\$ -	\$ -
OPERATING EXPENSES		
General and administrative expenses	513,730	653,903
Research and development	69,809	27,953
Depreciation and amortization	7,941	8,203
TOTAL OPERATING EXPENSES	<u>591,480</u>	<u>690,059</u>
LOSS FROM OPERATIONS BEFORE OTHER INCOME	<u>(591,480)</u>	<u>(690,059)</u>
TOTAL OTHER INCOME/(EXPENSES)		
Interest income	30	99
Loss on change in derivative liability	(2,645,222)	(188,261)
Interest expense	<u>(193,507)</u>	<u>(322,355)</u>
TOTAL OTHER INCOME/(EXPENSES)	<u>(2,838,699)</u>	<u>(510,517)</u>
NET LOSS	<u>\$ (3,430,179)</u>	<u>\$ (1,200,576)</u>
BASIC AND DILUTED LOSS PER SHARE	<u>\$ (0.33)</u>	<u>\$ (0.16)</u>
WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING		
BASIC AND DILUTED	<u>10,411,873</u>	<u>7,601,521</u>

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

BIOSOLAR, INC.  
STATEMENT OF SHAREHOLDERS' DEFICIT  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	Preferred Stock		Common Stock		Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount			
Balance at December 31, 2012	-	\$ -	6,434,413	\$ 643	\$ 5,676,680	\$ (5,778,279)	\$ (100,956)
Issuance of common shares for cash at prices of \$0.22 and \$0.28 per share	-	-	1,530,631	153	398,138	-	398,291
Issuance of common shares for converted promissory notes at fair value	-	-	1,076,237	108	436,766	-	436,874
Adjustment of beneficial conversion feature	-	-	-	-	(20,369)	-	(20,369)
Stock compensation cost	-	-	-	-	133,997	-	133,997
Net loss for the year ended December 31, 2013	-	-	-	-	-	(1,200,576)	(1,200,576)
Balance at December 31, 2013	-	-	9,041,281	904	6,625,212	(6,978,855)	(352,739)
Issuance of common shares for converted promissory notes	-	-	2,805,073	280	145,720	-	146,000
Stock based compensation	-	-	-	-	51,883	-	51,883
Net loss for the year ended December 31, 2014	-	-	-	-	-	(3,430,179)	(3,430,179)
Balance at December 31, 2014	-	\$ -	11,846,354	\$ 1,184	\$ 6,822,815	\$ (10,409,034)	\$ (3,585,035)

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

BIOSOLAR, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	For the Years Ended	
	December 31, 2014	December 31, 2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (3,430,179)	\$ (1,200,576)
Adjustment to reconcile net loss to net cash used in operating activities		
Depreciation and amortization expense	7,941	8,203
Stock based compensation	51,883	133,997
Beneficial conversion feature	-	(4,584)
Loss on change in derivative liability	2,645,222	188,261
Amortization of debt discount recognized as interest expense	159,874	307,442
Changes in Assets and Liabilities		
(Increase) Decrease in:		
Prepaid expenses	(37,317)	3,220
Increase (Decrease) in:		
Accounts payable	6,317	(8,588)
Accrued expenses	124,125	118,050
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(472,134)</b>	<b>(454,575)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of equipment	(844)	-
Patent expenditures	(38,732)	(5,808)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(39,576)</b>	<b>(5,808)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from convertible promissory notes	500,000	177,500
Proceeds from issuance of common stock, net of issuance cost	-	398,291
<b>NET CASH PROVIDED IN FINANCING ACTIVITIES</b>	<b>500,000</b>	<b>575,791</b>
<b>NET (DECREASE)/INCREASE IN CASH</b>	<b>(11,710)</b>	<b>115,408</b>
CASH, BEGINNING OF PERIOD	158,350	42,942
CASH, END OF PERIOD	<u>\$ 146,640</u>	<u>\$ 158,350</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Interest paid	<u>\$ 529</u>	<u>\$ 597</u>
Taxes paid	<u>\$ -</u>	<u>\$ -</u>
<b>SUPPLEMENTAL SCHEDULE OF NON-CASH TRANSACTIONS</b>		
Accrued salaries exchanged for promissory notes	<u>\$ 128,000</u>	<u>\$ -</u>
Common stock issued for convertible notes and accrued interest	<u>\$ 146,000</u>	<u>\$ 436,873</u>

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

BIOSOLAR, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

1. ORGANIZATION AND LINE OF BUSINESS

Organization

BioSolar, Inc. (the "Company") was incorporated in the state of Nevada on April 24, 2006. The Company, based in Santa Clarita, California, began operations on April 25, 2006 to develop and market Photovoltaic solar technology products.

Line of Business

We are engaged in the development of innovative technologies and materials that we believe will reduce the cost per watt of electricity generated by Photovoltaic solar modules. We have developed BioBacksheet™, a high performance green back sheet for Photovoltaic solar modules. We are currently developing technologies and materials for storing electrical energy produced by Photovoltaic solar modules. We are focusing our research and product development efforts on low cost polymer-based components for electrical energy storage.

Going Concern

The accompanying financial statements have been prepared on a going concern basis of accounting, which contemplates continuity of operations, realization of assets and liabilities and commitments in the normal course of business. The accompanying financial statements do not reflect any adjustments that might result if the Company is unable to continue as a going concern. The Company has not generated significant revenue, and has negative cash flows from operations, which raise substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern and appropriateness of using the going concern basis is dependent upon, among other things, additional cash infusion. The Company has obtained funds through private placement offerings of equity and debt. Management believes that it will be able to continue to raise funds by sale of its securities to its existing shareholders and prospective new investors to provide the additional cash needed to meet the Company's obligations as they become due, and will allow the development of its core of business. There is no assurance that the Company will be able to continue raising the required capital for its operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Company are presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Revenue Recognition

The Company will recognize revenue when services are performed, and at the time of shipment of products, provided that evidence of an arrangement exists, title and risk of loss have passed to the customer, fees are fixed or determinable, and collection of the related receivable is reasonably assured. To date, the Company has not had significant revenues and is in the development stage.

Cash and Cash Equivalent

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the accompanying financial statements. Significant estimates made in preparing these financial statements include the estimate of useful lives of property and equipment, the deferred tax valuation allowance, derivative liabilities and the fair value of stock options. Actual results could differ from those estimates.

Intangible Assets

Intangible assets consist of patents that are initially measured at the lower of cost or fair value. The patents are deemed to have an indefinite life and are not amortized. The patents are assessed annually for impairment, or whenever conditions indicate the asset may be impaired, and any such impairment will be recognized in the period identified.

Property and Equipment

Property and equipment are stated at cost, and are depreciated using straight line over its estimated useful lives:

Computer equipment	5 Years
Machinery & equipment	10 Years

Depreciation expense for the years ended December 31, 2014 and 2013 was \$7,941 and \$8,203, respectively.

BIOSOLAR, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Stock-Based Compensation

The Company measures the cost of employee services received in exchange for an equity award based on the grant-date fair value of the award. All grants under our stock-based compensation programs are accounted for at fair value and that cost is recognized over the period during which an employee is required to provide service in exchange for the award (the vesting period).

Compensation expense for options granted to non-employees is determined in accordance with the standard as the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measured. Compensation expense for awards granted to non-employees is re-measured each period.

Determining the appropriate fair value of the stock-based compensation requires the input of subjective assumptions, including the expected life of the stock-based payment and stock price volatility. The Company uses the Black-Scholes option-pricing model to value its stock option awards which incorporate the Company's stock price, volatility, U.S. risk-free rate, dividend rate, and estimated life.

Loss per Share Calculations

Loss per Share dictates the calculation of basic earnings per share and diluted earnings per share are computed by dividing income available to common shareholders by the weighted-average number of common shares available. Diluted earnings per share is computed similar to basic earnings per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. No shares for employee options or warrants were used in the calculation of the loss per share as they were all anti-dilutive. The Company's diluted loss per share is the same as the basic loss per share for the years ended December 31, 2014 and 2013, as the inclusion of any potential shares would have had an anti-dilutive effect due to the Company generating a loss. The Company has excluded 811,667 exercisable options and 245,000 warrants for the year ended December 31, 2014. The Company has excluded 611,667 exercisable options and 245,000 warrants for the year ended December 31, 2013.

	For the years ended	
	December 31, ,	
	2014	2013
(Loss) to common shareholders (Numerator)	\$ (3,430,179)	\$ (1,200,576)
Basic and diluted weighted average number of common shares outstanding (Denominator)	10,411,873	7,601,521

Fair Value of Financial Instruments

Fair Value of Financial Instruments, requires disclosure of the fair value information, whether or not recognized in the balance sheet, where it is practicable to estimate that value. As of December 31, 2014, the amounts reported for cash, inventory, prepaid expenses, accounts payable, and accrued expenses, approximate the fair value because of their short maturities.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 established a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). These tiers include:

- Level 1, defined as observable inputs such as quoted prices for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

BIOSOLAR, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

We measure certain financial instruments at fair value on a recurring basis. Assets and liabilities measured at fair value on a recurring basis are as follows at December 31, 2014:

	Total	(Level 1)	(Level 2)	(Level 3)
Derivative Liability	\$ 3,320,943	\$ -	\$ -	\$ 3,320,943
Total liabilities measured at fair value	<u>\$ 3,320,943</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,320,943</u>

We measure certain financial instruments at fair value on a recurring basis. Assets and liabilities measured at fair value on a recurring basis are as follows at December 31, 2013:

	Total	(Level 1)	(Level 2)	(Level 3)
Derivative Liability	\$ 361,170	\$ -	\$ -	\$ 361,170
Total liabilities measured at fair value	<u>\$ 361,170</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 361,170</u>

The following is a reconciliation of the derivative liability for which Level 3 inputs were used in determining the approximate fair value:

Beginning balance as of January 1, 2013	\$ -
Fair value of derivative liabilities issued	455,786
Conversion of notes payable	(282,877)
Loss on change in derivative liability	188,261
Beginning balance as of December 31, 2013	\$ 361,170
Fair value of derivative liabilities issued	314,551
Loss on change in derivative liability	2,645,222
Ending balance as of December 31, 2014	<u>\$ 3,320,943</u>

Research and Development

Research and development costs are expensed as incurred. Total research and development costs were \$69,809 and \$27,953 for the years ended December 31, 2014 and 2013, respectively.

Income Taxes

Deferred income taxes are provided using the liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry-forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of the changes in tax laws and rates of the date of enactment.

When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying balance sheet along with any associated interest and penalties that would be payable to the taxing authorities upon examination.

Recently Issued Accounting Pronouncements

In August 2014, FASB issued ASU 2014-15, "*Presentation of Financial Statements Going Concern* (Subtopic 205-40) – *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*". Currently, there is no guidance in U.S. GAAP about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern or to provide related footnote disclosures. The amendments in this ASU provide that guidance. In doing so, the amendments are intended to reduce diversity in the timing and content of footnote disclosures. The amendments require management to assess an entity's ability to continue as a going concern by incorporating and expanding upon certain principles that are currently in U.S. auditing standards. Specifically, the amendments (1) provide a definition of the term *substantial doubt*, (2) require an evaluation every reporting period including interim periods, (3) provide principles for considering the mitigating effect of management's plans, (4) require certain disclosures when substantial doubt is alleviated as a result of consideration of management's plans, (5) require an express statement and other disclosures when substantial doubt is not alleviated, and (6) require an assessment for a period of one year after the date that the financial statements are issued (or available to be issued). The amendments in this ASU are effective for public and nonpublic entities for annual periods ending after December 15, 2016. Early adoption is permitted. The Company is currently evaluating the impact of the adoption of ASU 2014-15 on the Company's financial statements.

Management does not believe that any recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on the accompanying consolidated financial statements.

3. CAPITAL STOCK

During the year ended December 31, 2014, the Company issued 2,805,073 shares of common stock at prices ranging from \$0.0367 to \$0.10, for conversion of \$135,000 in convertible promissory notes, including \$11,000 in accrued interest.

During the year ended December 31, 2013, the Company issued 504,773 shares of common stock at a price of \$0.22 per share for cash of \$111,050; issued 1,025,858 shares of common stock at a price of \$0.28 per share for cash of \$287,241. Also, the Company issued 1,076,237 shares of common stock at prices ranging from \$0.10 to \$0.39, for conversion of \$147,500 in convertible promissory notes, including \$6,497 for accrued interest.

BIOSOLAR, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

4. STOCK OPTIONS AND WARRANTS

During the year ended December 31, 2014, the Company did not grant any stock options.

	12/31/2014		12/31/2013	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding, beginning of period	836,667	\$ 1.43	236,667	\$ 4.05
Granted	-	0.40	600,000	0.40
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding, end of period	836,667	\$ 1.43	836,667	\$ 1.43
Exercisable at the end of period	811,667	\$ 1.46	611,667	\$ 1.81

The weighted average remaining contractual life of options outstanding as of December 31, 2014 was as follows:

Exercisable Prices	Stock Options Outstanding	Stock Options Exercisable	Weighted Average Remaining Contractual Life (years)
\$ 4.05	236,667	236,667	1.23
0.40	600,000	575,000	3.17
Total	836,667	811,667	

The weighted average remaining contractual life of options outstanding as of December 31, 2013 was as follows:

Exercisable Prices	Stock Options Outstanding	Stock Options Exercisable	Weighted Average Remaining Contractual Life (years)
\$ 4.05	236,667	236,667	2.23
0.40	600,000	375,000	4.17
Total	836,667	611,667	

On March 1, 2013, the Board of Directors of the Company granted non-qualified stock options to purchase 600,000 shares of common stock of the Company to its employees, directors and certain consultants. The stock options vest at various times, and are exercisable for a period of five years from the date of grant at an exercise price of \$0.40 per share, the market value of the Company's common stock on the date of grant.

The stock-based compensation expense recognized in the statement of operations during the years ended December 31, 2014 and 2013, related to the granting of these options was \$51,883 and \$133,997.

As of December 31, 2014 and 2013, there was no intrinsic value with regards to the outstanding options.

During the year ended December 31, 2014, the Company did not grant any stock options.

For purpose of determining the fair market value of the stock options granted during the year ended December 31, 2013, the Company used Black Scholes option valuation model. The significant assumptions used in the Black Scholes valuation of the derivative are as follows:

Risk free interest rate	12/31/2013
Stock volatility factor	0.75%
Weighted average expected option life	82.00%
Expected dividend yield	5 years
	None

Warrants

During the years ended December 31, 2014 and 2013, the Company granted no warrants. As of December 31, 2014 and 2013, 245,000 warrants were outstanding for both years, respectively. The warrant terms are 5 years with 95,000 warrants expiring in October 2016 and 150,000 warrants expiring in October 2017.

BIOSOLAR, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

4. STOCK OPTIONS AND WARRANTS (Continued)

	12/31/2014		12/31/2013	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
Outstanding, beginning of period	245,000	\$ 0.97	245,000	\$ 0.97
Granted	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding, end of period	<u>245,000</u>	<u>\$ 0.97</u>	<u>245,000</u>	<u>\$ 0.97</u>
Exercisable at the end of period	<u>245,000</u>	<u>\$ 0.97</u>	<u>245,000</u>	<u>\$ 0.97</u>

5. CONVERTIBLE PROMISSORY NOTES

On January 18, 2013, the Company entered into a securities purchase agreement for the sale of 10% convertible promissory note in the aggregate principal amount of \$80,000, to be advanced in amounts at the lender's discretion. Upon execution of the securities purchase agreement, the Company received an advance of \$10,000. On April 16, 2013, the Company received an additional advance of \$25,000. The total advances received were \$35,000, of which principal in the amount of \$10,000, and \$687 in accrued interest was converted into 106,877 shares of common stock at fair value of \$0.43 per share on September 29, 2013, leaving a balance of \$25,000. In the month of July 2013, the Company extended the maturity date of the note from six (6) months to eighteen (18) months from the effective date of each advance. The note is convertible into shares of common stock of the Company at a price equal to a variable conversion price of the lesser of a) \$0.40 per share b) fifty percent (50%) of the lowest trading price of common stock recorded on any trade day after the effective date, or c) the lowest effective price per share granted after the effective date. The fair value of the notes has been determined by using Black-Scholes pricing model with an expected life of more than a year. The Company recorded amortization of debt discount, which was recognized as interest expense in the amount of \$7,736 during the year ended December 31, 2014.

On March 1, 2013, the Company entered into a securities purchase agreement, providing for the sale by the Company of a 10% unsecured convertible promissory note in the aggregate principal amount of \$100,000, to be advanced in amounts at the lender's discretion. Upon execution of the securities purchase agreement, the Company received an advance of \$10,000 and an additional advance of \$25,000 during the year ended December 31, 2013. The note was amended on February 24, 2014, and was extended on the maturity date through August 28, 2014. Subsequently the note matured and was extended through August 28, 2015. The note is convertible into shares of common stock of the Company at a price equal to a variable conversion price of the lesser of \$0.20 per share or fifty percent (50%) of the lowest trading price recorded on any trade day after the effective date. On October 2, 2014 and December 30, 2014, the lender converted \$20,000 in principal, plus \$3,278 of accrued interest. As of December 31, 2014, the remaining balance was \$15,000. The fair value of the note has been determined by using the Black-Scholes pricing model with an expected life of less than a year. The Company recorded amortization of debt discount, which was recognized as interest expense in the amount of \$7,055 during the year ended December 31, 2014.

On June 5, 2013, the Company issued two 5% convertible promissory notes in exchange for services rendered by the Company's Chief Executive Officer (\$114,000) and Chief Technology Officer (\$128,000) in the aggregate amount of \$242,000. On March 5, 2014, the Company issued 694,191 upon partial conversion of principal in the amount of \$55,000, plus accrued interest of \$2,063, leaving a remaining balance of \$187,000. The notes are convertible into shares of common stock of the Company at a conversion price equal to the lesser of \$0.24 per share or the closing price per share of common stock recorded on the trading day immediately preceding the date of conversion. The notes mature two (2) years from their effective dates. The fair value of the notes has been determined by using the Black-Scholes pricing model with an expected life of two (2) years. The Company recorded amortization of debt discount, which was recognized as interest expense in the amount of \$63,967 during the year ended December 31, 2014.

On June 21, 2013, the Company entered into a securities purchase agreement for the sale of a 10% convertible promissory note in the aggregate principal amount of \$100,000, to be advanced in amounts at the lender's discretion. Upon execution of the securities purchase agreement, the Company received advances of \$45,000 during the year ended December 31, 2013. During the year ended December 31 2014, the Company issued 724,616 shares of common stock upon conversion of the remaining principal in the amount of \$45,000, plus accrued interest of \$3,462. The Company recorded amortization of debt discount, which was recognized as interest expense in the amount of \$23,603 during the year ended December 31, 2014.

BIOSOLAR, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

5. CONVERTIBLE PROMISSORY NOTES (Continued)

On May 2, 2014, the Company entered into a securities purchase agreement, providing for the sale by the Company of a 10% unsecured Convertible Note in the aggregate principal amount of \$500,000, to be advanced in amounts at the lender's discretion. Upon execution of the securities purchase agreement, the Company received an advance in the amount of \$50,000. On various dates, the Company received additional advances in the aggregate sum of \$450,000. The principal balance at December 31, 2014 was \$500,000. The note matures eighteen (18) months from the effective date of each advance. The note is convertible into shares of common stock of the Company at a price equal to a variable conversion price of the lesser of \$0.25 per share or fifty percent (50%) of the three (3) lowest trading prices recorded on any trade day after the effective date. The fair value of the note has been determined by using the Black-Scholes pricing model with an expected life of eighteen (18) months. The Company recorded amortization of debt discount, which was recognized as interest expense in the amount of \$55,806 during the year ended December 31, 2014.

On December 18, 2014, the Company issued two 5% convertible promissory notes in exchange for services rendered by the Company's Chief Executive Officer (\$67,000) and Chief Technology Officer (\$61,000) in the aggregate amount of \$128,000. The notes are convertible into shares of common stock of the Company at a conversion price equal to the lesser of \$0.101 per share or the closing price per share of common stock recorded on the trading day immediately preceding the date of conversion. The notes mature two (2) years from their effective dates. The fair value of the notes has been determined by using the Black-Scholes pricing model with an expected life of two (2) years. The Company recorded amortization of debt discount, which was recognized as interest expense in the amount of \$1,707 during the year ended December 31, 2014.

We evaluated the financing transactions in accordance with ASC Topic 815, Derivatives and Hedging, and determined that the conversion feature of the convertible promissory note was not afforded the exemption for conventional convertible instruments due to its variable conversion rate. The note has no explicit limit on the number of shares issuable so they did not meet the conditions set forth in current accounting standards for equity classification. The Company elected to recognize the note under paragraph 815-15-25-4, whereby, there would be a separation into a host contract and derivative instrument. The Company elected to initially and subsequently measure the note in its entirety at fair value, with changes in fair value recognized in earnings. The Company recorded a derivative liability representing the imputed interest associated with the embedded derivative. The derivative liability is adjusted periodically according to the stock price fluctuations.

6. DERIVATIVE LIABILITIES

The convertible notes issued and described in Note 5 do not have fixed settlement provisions because their conversion prices are not fixed. The conversion feature has been characterized as derivative liabilities to be re-measured at the end of every reporting period with the change in value reported in the statement of operations.

During the year ended December 31, 2013, as a result of the convertible notes ("Notes") issued that were accounted for as derivative liabilities, we determined that the fair value of the conversion feature of the convertible notes at issuance was \$314,551, based upon a Black-Sholes-Model calculation. We recorded the full value of the derivative as a liability at issuance with an offset to valuation discount, which will be amortized over the life of the Notes.

During the year ended December 31, 2014, approximately \$135,000 convertible notes were converted. As a result of the conversion of these notes and the change in fair value of the remaining notes, the Company recorded a loss in change in derivative of \$175,602 in the statement of operations for the year ended December 31, 2014. At December 31, 2014 and 2013, the fair value of the derivative liability was \$3,320,943 and 361,176, respectively.

For purpose of determining the fair market value of the derivative liability for the embedded conversion, the Company used Black Scholes option valuation model. The significant assumptions used in the Black Scholes valuation of the derivative are as follows:

	2014	2013
Risk free interest rate	0.02% - 0.58%	0.04% - 0.38%
Stock volatility factor	104.46% - 149.81%	65.07% - 274.85%
Weighted average expected option life	6 mos - 2 years	6 mos - 2 years
Expected dividend yield	None	None

BIOSOLAR, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

7. INTANGIBLE ASSETS

The Company has patent applications to protect the inventions and processes behind its proprietary bio-based back-sheet, a protective covering for the back of photovoltaic solar cells traditionally made from petroleum-based film. During the years ended December 31, 2014 and 2013, the Company reviewed the capitalized patents for impairment in accordance with ASC 350, and determined there was no impairment. As of December 31, 2014 and 2013, the carrying value of the patents was \$85,830 and \$47,098, respectively. As of December 31, 2014 and 2013, no amortization has been expensed for the patents, since approval of the patents are pending.

8. INCOME TAXES

The Company files income tax returns in the U.S. Federal jurisdiction, and the state of California. With few exceptions, the Company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2012.

Deferred income taxes have been provided by temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. To the extent allowed by GAAP, we provide valuation allowances against the deferred tax assets for amounts when the realization is uncertain. Included in the balances at December 31, 2014 and 2013, are no tax positions for which the ultimate deductibility is highly certain, but for which there is uncertainty about the timing of such deductibility. Because of the impact of deferred tax accounting, other than interest and penalties, the disallowance of the shorter deductibility period would not affect the annual effective tax rate but would accelerate the payment of cash to the taxing authority to an earlier period.

The Company's policy is to recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. During the periods ended December 31, 2014 and 2013, the Company did not recognize interest or penalties.

At December 31, 2014, the Company had net operating loss carry-forwards of approximately \$6,400,000, which expire starting in 2026. No tax benefit has been reported in the December 31, 2014 and 2013 financial statements, since the potential tax benefit is offset by a valuation allowance of the same amount.

The income tax provision differs from the amount of income tax determined by applying the U.S. federal income tax rate to pretax income from continuing operations for the years ended December 31, 2014 and 2013 due to the following:

	2014	2013
Book income	\$ (1,372,071)	\$ (480,230)
Depreciation	(420)	(720)
Meals and entertainment	350	530
Stock compensation and other non-cash charges	1,142,791	250,040
Accrued payroll	(14,400)	(53,600)
Valuation Allowance	243,750	283,980
Income tax expense	\$ -	\$ -

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible differences and operating loss and tax credit carry-forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the difference between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible differences and operating loss and tax credit carry-forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the difference between the reported amounts of assets and liabilities and their tax bases.

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

BIOSOLAR, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

8. INCOME TAXES (Continued)

Net deferred tax liabilities consist of the following components as of December 31, 2014 and 2013:

	2014	2013
Deferred tax assets:		
NOL carryover	\$ 2,299,720	\$ 2,021,190
R & D credit	47,640	45,990
Accrued payroll	-	36,000
Deferred tax liabilities:		
Depreciation	(7,670)	(7,240)
Less Valuation Allowance	(2,339,690)	(2,095,940)
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carry-forwards for Federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carry-forwards may be limited as to use in future years.

The Company's tax returns for the previous three years remain open for audit by the respective tax jurisdictions.

9. COMMITMENTS AND LITIGATIONS

The Company's facility is leased on a month to month basis without an expiration date. Our monthly lease payment is \$534. The rent paid for both years ended December 31, 2014 and 2013 were \$6,408, respectively.

We are not currently a party to, nor is any of our property currently the subject of, any pending legal proceeding that will have a material adverse effect on our business.

10. SUBSEQUENT EVENT

Management has evaluated subsequent events according to the requirements of ASC TOPIC 855 and has determined that there are the following subsequent events:

On January 30, 2015, the Company entered into a securities purchase agreement, providing for the sale by the Company of a 10% unsecured Convertible Note in the aggregate principal amount of \$500,000, to be advanced in amounts at the lender's discretion. Upon execution of the securities purchase agreement, the Company received an advance in the amount of \$50,000.

On February 25, 2015, the Company issued 325,525 shares of common stock upon the partial conversion of a note payable.

## CERTIFICATION

I, David Lee, certify that:

1. I have reviewed this annual report on Form 10-K of BioSolar, Inc. for the fiscal year ended December 31, 2014;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 23, 2015

*/s/ David Lee*

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David Lee  
Chief Executive Officer and Acting Chief Financial Officer

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CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of BioSolar, Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Lee, Chief Executive Officer and Acting Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities and Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

March 23, 2015

/s/ David Lee  
David Lee  
Chief Executive Officer and  
Acting Chief Financial Officer

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