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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2016

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-53944

VIRTUAL PIGGY, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

35-2327649
(I.R.S. Employer
Identification No.)

100 S. Murphy Avenue, Suite 200 Sunnyvale, CA
(Address of Principal Executive Offices)

94086
(Zip Code)

(310)853-1950
(Registrant's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal year, if Changed Since Last Report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input checked="" type="checkbox"/>

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 117,517,626 shares of common stock outstanding at May 13, 2016.

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PART I - FINANCIAL INFORMATION

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts included or incorporated by reference in this Quarterly Report on Form 10-Q, including without limitation, statements regarding our future financial position, business strategy, budgets, projected revenues, projected costs and plans and objectives of management for future operations, are forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expects," "intends," "plans," "projects," "estimates," "anticipates," "believes," "contemplates," "targets," "could," "would" or "should" or the negative thereof or any variation thereon or similar terminology or expressions. Management cautions readers not to place undue reliance on any of the Company's forward-looking statements, which speak only as of the date made.

We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are not guarantees and are subject to known and unknown risks, uncertainties and assumptions about us 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. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to: our ability to raise additional capital, the absence of any operating history or revenue, our ability to attract and retain qualified personnel, our ability to develop and introduce a new service and products to the market in a timely manner, market acceptance of our services and products, our limited experience in the industry, the ability to successfully develop licensing programs and generate business, rapid technological change in relevant markets, unexpected network interruptions or security breaches, changes in demand for current and future intellectual property rights, legislative, regulatory and competitive developments, intense competition with larger companies, general economic conditions, and other risks discussed in this filing, the Company's Annual Report on Form 10-K for the year ended December 31, 2015, as filed with the Securities and Exchange Commission (the "SEC"), and the Company's other subsequent filings with the SEC.

All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the foregoing. The Company has no obligation to and does not undertake to update, revise, or correct any of these forward-looking statements after the date of this report.

ITEM 1. FINANCIAL STATEMENTS

Virtual Piggy, Inc.

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Virtual Piggy, Inc.
Condensed Consolidated Balance Sheets
March 31, 2016 and December 31, 2015

	March 31, 2016 (Unaudited)	December 31, 2015 (Audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 50,808	\$ 16,646
Accounts receivable, net of allowance of \$0 and \$6,293	-	360
Assets held for sale, net of accumulated depreciation of \$0 and \$23,174	-	34,071
Prepaid expenses	17,417	72,918
TOTAL CURRENT ASSETS	68,225	123,995
PROPERTY AND EQUIPMENT		
Computer equipment	20,366	73,645
Furniture and fixtures	15,722	15,722
	36,088	89,367
Less: accumulated depreciation	(20,329)	(57,823)
	15,759	31,544
OTHER ASSETS		
Deposit	-	31,800
Patents and trademarks, net of accumulated amortization of \$105,490 and \$96,282	580,212	589,420
	580,212	621,220
TOTAL ASSETS	\$ 664,196	\$ 776,759
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 1,753,811	\$ 1,702,527
Accounts payable - related parties	109,993	-
Preferred stock dividend liability	2,072,582	1,804,302
Convertible notes payable - stockholders	2,940,000	2,940,000
Notes payable, net of discount of \$27,679 and \$37,482	1,482,221	988,918
TOTAL CURRENT LIABILITIES	8,358,607	7,435,747
CONTINGENCIES		
STOCKHOLDERS' DEFICIT		
Preferred stock, \$.0001 par value; 2,000,000 preferred shares authorized; 195,000 preferred shares Series A authorized; 108,600 shares issued and outstanding at March 31, 2016 and December 31, 2015	11	11
Preferred stock, \$.0001 par value; 2,000,000 preferred shares authorized; 222,222 preferred shares Series B authorized; 28,378 shares issued and outstanding at March 31, 2016 and December 31, 2015	3	3
Common stock, \$.0001 par value; 230,000,000 shares authorized; 117,517,626 shares issued and outstanding at March 31, 2016 and December 31, 2015	11,752	11,752
Additional paid in capital	55,584,628	54,203,451
Deferred compensation	(51,563)	(72,188)
Accumulated deficit	(63,239,242)	(60,802,017)
Cumulative translation adjustment	-	-
STOCKHOLDERS' DEFICIT	(7,694,411)	(6,658,988)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 664,196	\$ 776,759

See the accompanying notes to the condensed consolidated financial statements.

Virtual Piggy, Inc.
Condensed Consolidated Statements of Operations
For the Three Months Ended March 31, 2016 and 2015
(Unaudited)

	For the Three Months Ended Ended March 31,	
	<u>2016</u>	<u>2015</u>
SALES	\$ 1,025	\$ 4,109
OPERATING EXPENSES		
Sales and marketing	35,103	889,237
Product development	247,573	590,870
Integration and customer support	34,238	61,838
General and administrative	1,718,228	1,492,252
Strategic consulting	-	135,000
Total operating expenses	<u>2,035,142</u>	<u>3,169,197</u>
NET OPERATING LOSS	<u>(2,034,117)</u>	<u>(3,165,088)</u>
OTHER INCOME (EXPENSE)		
Interest income	-	149
Interest expense	(142,231)	(14,247)
Gain on disposition of fixed assets	7,403	-
	<u>(134,828)</u>	<u>(14,098)</u>
NET LOSS	(2,168,945)	(3,179,186)
Less: Accrued preferred dividends	<u>(268,280)</u>	<u>(264,605)</u>
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	<u>\$ (2,437,225)</u>	<u>\$ (3,443,791)</u>
BASIC AND DILUTED NET LOSS PER COMMON SHARE	<u>\$ (0.02)</u>	<u>\$ (0.03)</u>
BASIC AND DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	<u>117,517,626</u>	<u>119,117,626</u>

See the accompanying notes to the condensed consolidated financial statements.

Virtual Piggy, Inc.
Condensed Consolidated Statements of Comprehensive Loss
For the Three Months Ended March 31, 2016 and 2015
(Unaudited)

	For the Three Months Ended March 31,	
	<u>2016</u>	<u>2015</u>
NET LOSS	\$ (2,168,945)	\$ (3,179,186)
OTHER COMPREHENSIVE INCOME		
Foreign currency translation adjustments, net of tax	-	114,475
TOTAL OTHER COMPREHENSIVE INCOME, net of tax	-	114,475
COMPREHENSIVE LOSS	<u>\$ (2,168,945)</u>	<u>\$ (3,064,711)</u>

See the accompanying notes to the condensed consolidated financial statements.

Virtual Piggy, Inc.
Condensed Consolidated Statement of Changes in Stockholders' Deficit
For the Three Months Ended March 31, 2016

	Preferred Stock Series A		Preferred Stock Series B		Common Stock		Additional Paid-In Capital	Deferred Compensation	Accumulated Deficit	Total
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount				
Balance, December 31, 2015 (Audited)	108,600	\$ 11	28,378	\$ 3	117,517,626	\$ 11,752	\$54,203,451	\$ (72,188)	\$ (60,802,017)	\$(6,658,988)
Issuance of warrants with notes payable	-	-	-	-	-	-	6,359	-	-	6,359
Revaluation of warrants	-	-	-	-	-	-	1,305,411	-	-	1,305,411
Fair value of options for services	-	-	-	-	-	-	69,407	-	-	69,407
Amortization of deferred compensation	-	-	-	-	-	-	-	20,625	-	20,625
Accrued preferred dividends	-	-	-	-	-	-	-	-	(268,280)	(268,280)
Net loss	-	-	-	-	-	-	-	-	(2,168,945)	(2,168,945)
Balance, March 31, 2016 (Unaudited)	<u>108,600</u>	<u>\$ 11</u>	<u>28,378</u>	<u>\$ 3</u>	<u>117,517,626</u>	<u>\$ 11,752</u>	<u>\$55,584,628</u>	<u>\$ (51,563)</u>	<u>\$ (63,239,242)</u>	<u>\$(7,694,411)</u>

See the accompanying notes to the condensed consolidated financial statements.

Virtual Piggy, Inc.
Condensed Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2016 and 2015
(Unaudited)

	Three Months Ended March 31,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (2,168,945)	\$ (3,179,186)
Adjustments to reconcile net loss to net cash used in operating activities		
Provision for bad debts	360	-
Fair value of options issued in exchange for services	69,407	190,364
Fair value of stock issued in exchange for services	-	115,068
Revaluation of options and warrants	1,305,411	228,743
Deferred compensation	20,625	-
Accretion of discount on notes payable	38,670	-
Depreciation and amortization	11,467	28,719
(Gain) Loss on abandonment of patents and disposal of fixed assets	(7,403)	895
(Increase) decrease in assets		
Accounts receivable	-	57
Prepaid expenses	55,500	265,390
Deposits	31,800	7,253
Increase (decrease) in liabilities		
Accounts payable, accrued expenses and litigation settlement	193,770	59,617
Deferred revenue	-	5,207
Net cash used in operating activities	<u>(449,338)</u>	<u>(2,277,873)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	-	(5,129)
Patent and trademark costs	-	(28,041)
Net cash used in investing activities	<u>-</u>	<u>(33,170)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from convertible notes payable - stockholders	-	2,000,000
Proceeds from notes payable - stockholders	483,500	-
Net cash provided by financing activities	<u>483,500</u>	<u>2,000,000</u>
EFFECT OF EXCHANGE RATE ON CASH	-	114,475
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	34,162	(196,568)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	16,646	1,652,392
CASH AND CASH EQUIVALENTS - END OF PERIOD	<u>\$ 50,808</u>	<u>\$ 1,455,824</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during year for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -
SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING ACTIVITIES:		
Disposal of equipment in satisfaction of accounts payable	\$ 55,000	\$ -
Accrued preferred dividend	\$ 268,280	\$ 264,605
Fair value of warrants issued as discount for note payable	\$ 6,359	\$ -
Accrued interest as discount on notes payable	\$ 22,508	\$ -

See the accompanying notes to the condensed consolidated financial statements.

Virtual Piggy, Inc.
Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Business

Virtual Piggy, Inc. (the “Company”) was incorporated in the state of Delaware on February 11, 2008.

The Company is a technology company that seeks to deliver an online ecommerce solution for the family. The Company’s system allows parents and their children to manage, allocate funds and track their expenditures, savings and charitable giving online. The system is designed to allow a minor to transact online without a credit card by gaining the parents’ permission ahead of time and allowing the parent to set up the rules of use.

The Company believes that a future alternative for Virtual Piggy, Inc. will revolve around the FinTech industry with a partner-first go to market model in which established payments market leaders and vertical market participants can incorporate and integrate the Company’s platform into co-branded payments solutions targeting youth and family. The Company also believes this approach will enable the Company to reduce expenses while broadening its reach.

Within this affinity partner model, the Company will be incorporating licensing fees and customization services. This should enable the company to begin creating shareholder value above and beyond consumer transaction fees.

The Company is also analyzing specific components of our technology for individual monetization as well as exploring opportunities in the Business to Business (“B2B”) realm.

In addition, the Company is currently adding enhancements to the platform, to enable the platform to update itself with any new regulations that are passed, in order to reduce costs associated with manually updating the platform. This will also enable the Company to market the platform to other companies in need of a solution to comply with COPPA or other regulatory requirements.

Our primary strategic objective over the next 12 -18 months is to increase the value of the underlying technical assets of the company by incorporating new essential functionality that will act as a key differentiator in the financial services market. These new technology advances will also augment our current portfolio of patents that give the company its competitive advantage. In addition, the company is redirecting its marketing efforts to increase its user base by entering into affinity marketing agreements with companies targeting specific user communities. This will increase our potential user community while bringing in substantial development and licensing revenue for those sectors. This approach will greatly reduce the expense associated with direct marketing efforts.

The Company’s principal office is located in Sunnyvale, California and in 2013 the Company opened an office in London, England to support the sales and marketing efforts in Europe and the development of its mobile applications, which was closed in September 2015.

On December 3, 2015, Finity, Inc. was incorporated as a wholly owned subsidiary of the Company. On December 11, 2015, Finity, Inc. changed its name to Finitii, Inc. Finitii, Inc. was established as a not for profit entity for the purpose of teaching children financial literacy.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) for interim financial information and with the instructions for Form 10-Q and Rule 8-03 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The accompanying unaudited financial statements should be read in conjunction with the financial statements and notes included in the Company’s Annual Report on form 10-K for the year ended December 31, 2015 as filed with the SEC. Operating results for the three months ended March 31, 2016 are not necessarily indicative of the results that may be expected for the year ending December 31, 2016.

The accompanying condensed consolidated financial statements of Virtual Piggy, Inc. and its wholly owned subsidiary, Finitii, Inc. (collectively the “Company”), have been prepared in accordance with accounting principles generally accepted in the United States of America. All intercompany transactions have been eliminated in consolidation.

The Company’s activities are subject to significant risks and uncertainties, including failing to secure additional financing to operationalized the Company’s current technology before another company develops similar technology to compete with the Company.

Recently Adopted Accounting Pronouncements

As of March 31, 2016 and for the period then ended, there were no recently adopted accounting pronouncements that had a material effect on the Company's financial statements.

Recently Issued Accounting Pronouncements Not Yet Adopted

As of March 31, 2016, there are no recently issued accounting standards not yet adopted which would have a material effect on the Company's financial statements through 2017.

NOTE 2 – MANAGEMENT PLANS

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has incurred significant losses and experienced negative cash flow from operations since inception. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Since inception, the Company has focused on developing and implementing its business plan. The Company believes that its existing cash resources will not be sufficient to sustain operations during the next twelve months. The Company currently needs to generate revenue in order to sustain its operations. In the event that the Company cannot generate sufficient revenue to sustain its operations, the Company will need to reduce expenses or obtain financing through the sale of debt and/or equity securities. The issuance of additional equity would result in dilution to existing shareholders. If the Company is unable to obtain additional funds when they are needed or if such funds cannot be obtained on terms acceptable to the Company, the Company would likely be unable to execute upon the business plan or pay costs and expenses as they are incurred, which would have a material, adverse effect on the business, financial condition and results of operations.

The Company's current monetization model is to license our platform to merchants to enable them to provide COPPA compliant services for themselves and their customers.

As of May 13, 2016, the Company has a cash position of approximately \$44,000. Based upon the current cash position and the Company's planned expense run rate, management believes the Company has funds currently to finance its operations through May 2016.

NOTE 3 – ACCOUNTS PAYABLE – RELATED PARTIES

As of March 31, 2016, the former Chairman of the Board had paid expenses on behalf of the Company in the amount of \$88,658. The Company also owes the Chief Financial Officer a total of \$13,848 as of March 31, 2016, including unpaid health insurance of \$7,335 and unpaid accounting services, to the Chief Financial Officer's accounting firm for services provided prior to his becoming the Chief Financial Officer of the Company, in the amount of \$6,513. Additionally, the Company owes a company owned by a beneficial owner of more than 5% of the Company \$7,487.

NOTE 4 – CONVERTIBLE NOTES PAYABLE

On March 6, 2015, the Company, pursuant to a Securities Purchase Agreement (the "Purchase Agreement"), issued \$2,000,000 aggregate principal amount of its 10% Secured Convertible Promissory Notes due March 5, 2016 (the "Notes") to certain stockholders. On May 11, 2015, the Company issued an additional \$940,000 of Notes to stockholders. The maturity dates of the notes were extended to March 5, 2017 with the consent of the note holders.

The Notes are convertible by the holders, at any time, into shares of the Company's Series B Preferred Stock at a conversion price of \$90.00 per share, subject to adjustment for stock splits, stock dividends and similar transactions with respect to the Series B Preferred Stock only. Each share of Series B Preferred Stock is currently convertible into 100 shares of the Company's common stock at a current conversion price of \$0.90 per share, subject to anti-dilution adjustment as described in the Certificate of Designation of the Series B Preferred Stock. In addition, pursuant to the terms of a Security Agreement entered into on May 11, 2015 by and among the Company, the Investors and a collateral agent acting on behalf of the Investors (the "Security Agreement"), the Notes are secured by a lien against substantially all of the Company's business assets. Pursuant to the Purchase Agreement, the Company also granted piggyback registration rights to the holders of the Series B Preferred Stock upon a conversion of the Notes.

The Notes are recorded as a current liability as of March 31, 2016. Interest accrued on the notes was \$298,751 and \$225,452 as of March 31, 2016 and December 31, 2015. Interest expense related to these notes payable was \$73,299 and \$14,247 for the three months ended March 31, 2016 and 2015.

NOTE 5 – NOTES PAYABLE - STOCKHOLDERS

On January 15 and 19, 2016, the Company entered into agreements with two stockholders that includes notes payable in the aggregate amount of \$62,500, and two-year warrants to purchase 12,500 shares of the Company's common stock at \$0.90. The notes bear interest at 10% per annum, and mature on the six month anniversary of the issuance date, or on such earlier date that (i) the Company completes the closing of a specified joint venture agreement or (ii) the Company completes the sale of at least an additional \$1 million of the 10% Secured Convertible Promissory Notes.

On January 29 and February 3, 2016, the Company entered into agreements with two stockholders that includes notes payable in the aggregate amount of \$90,000, and two-year warrants to purchase 18,000 shares of the Company's common stock at \$0.90. The notes bear interest at 10% per annum, and mature on the six month anniversary of the issuance date, or on such earlier date that (i) the Company completes the closing of a specified joint venture agreement or (ii) the Company completes the sale of at least an additional \$1 million of the 10% Secured Convertible Promissory Notes.

On February 23, 2016, the Company entered into agreements with three stockholders that includes notes payable in the aggregate amount of \$26,000, and two-year warrants to purchase 5,200 shares of the Company's common stock at \$0.90 per share. The notes bear interest at 10% per annum, and mature on the six month anniversary of the issuance date, or on such earlier date that (i) the Company completes the closing of a specified joint venture agreement or (ii) the Company completes the sale of at least an additional \$1 million of the 10% Secured Convertible Promissory Notes.

On February 23, 2016, the Company entered into Amendments to Promissory Note Agreements (the "Amendments") with five holders of the Company's outstanding unsecured Promissory Notes in the aggregate principal amount of \$475,300 (the "Outstanding Notes"), pursuant to which the maturity date of such Outstanding Notes was extended to the twelve (12) month anniversary of the original issuance date (formerly the six (6) month anniversary of the original issuance date) or such earlier date that (i) the Company completes the closing of specified joint venture agreement or (ii) the Company completes the sale of at least an additional \$1 million of 10% Secured Convertible Promissory Notes. The Outstanding Notes were previously to mature between January 20, 2016 and March 18, 2016 and will now mature not later than dates between July 20, 2016 and September 18, 2016. The Amendments took effect retroactive to the prior applicable maturity date.

On March 2, 2016, the Company entered into an agreement with a stockholder that includes a note payable in the amount of \$5,000, and two-year warrants to purchase 1,000 shares of the Company's common stock at \$0.90. The note bears interest at 10% per annum, and matures on the six month anniversary of the issuance date, or on such earlier date that (i) the Company completes the closing of a specified joint venture agreement or (ii) the Company completes the sale of at least an additional \$1 million of the 10% Secured Convertible Promissory Notes.

On March 4, 2016, the Company entered into an agreement with a stockholder that includes a note payable in the amount of \$100,100, and two-year warrants to purchase 20,020 shares of the Company's common stock at \$0.90. The note bears interest at 10% per annum, and matures on the six month anniversary of the issuance date, or on such earlier date that (i) the Company completes the closing of a specified joint venture agreement or (ii) the Company completes the sale of at least an additional \$1 million of the 10% Secured Convertible Promissory Notes. This note contains a 7.5% commitment fee, which is payable upon maturity of the note.

On March 15, 2016, the Company entered into an agreement with a stockholder that includes notes payable in the amount of \$200,000, and two-year warrants to purchase 40,000 shares of the Company's common stock at \$0.90 per share. The note bears interest at 10% per annum, and matures on the six month anniversary of the issuance date, or on such earlier date that (i) the Company completes the closing of a specified joint venture agreement or (ii) the Company completes the sale of at least an additional \$1 million of the 10% Secured Convertible Promissory Notes. This note contains a 7.5% commitment fee, which is payable upon maturity of the note.

The 7.5% commitment fees, amounting to \$76,913 and \$54,405 as of March 31, 2016 and December 31, 2015, on the Notes Payable were treated as a discount to the value of the notes payable in accordance with FASB ASC 835-30-25, *Recognition* and are being accreted over the term of the note payable for financial statement purposes. The same amount is included in accrued interest until the liability is paid.

The notes payable are recorded as a current liability as of March 31, 2016. Interest accrued including the 7.5% commitment fee on the notes as of March 31, 2016 and December 31, 2015 was \$134,601 and \$81,831. Interest expense, including accretion of discounts, related to these notes payable was \$68,932 and \$0 for the three months ended March 31, 2016 and 2015.

NOTE 6 – INCOME TAXES

Income tax expense was \$0 for the three months ended March 31, 2016 and 2015.

As of January 1, 2016, the Company had no unrecognized tax benefits, and accordingly, the Company did not recognize interest or penalties during 2015 related to unrecognized tax benefits. There has been no change in unrecognized tax benefits during the three months ended March 31, 2016, and there was no accrual for uncertain tax positions as of March 31, 2016. Tax years from 2012 through 2015 remain subject to examination by major tax jurisdictions.

There is no income tax benefit for the losses for the three months ended March 31, 2016 and 2015, since management has determined that the realization of the net tax deferred asset is not assured and has created a valuation allowance for the entire amount of such benefits.

NOTE 7 – CONVERTIBLE PREFERRED STOCK

As of March 31, 2016, the value of the cumulative 8% dividends for all preferred stock was \$2,072,582. Such dividends will be paid when and if declared payable by the Company's board of directors or upon the occurrence of certain liquidation events. In accordance with FASB ASC 260-10-45-11, the Company has recorded these accrued dividends as a current liability.

NOTE 8 – STOCKHOLDERS' EQUITY

In February 2015, the Board of Directors of the Company approved amendments extending the term of outstanding warrants to purchase in the aggregate 3,877,970 shares of common stock of the Company at exercise prices ranging from \$0.01 per share to \$1.00 per share. These warrants were scheduled to expire at various dates during 2015 and were each extended for an additional one year period from the applicable current expiration date, with the new expiration dates ranging from February 23, 2016 to December 28, 2016. The increase in fair value of this term extension was \$219,051, which was expensed in 2015.

In February 2015, the Company extended options previously granted to two of its executive officers, which included 3,500,000 options exercisable at \$0.04 per share. The increase in fair value of this term extension was \$9,692 which was expensed during the period. The Company used the Black-Scholes option pricing model to calculate the increase in fair value after the extension, with the following assumptions: no dividend yield, expected volatility of 96.4%, risk free interest rate of 0.64%, and expected option life of 2 years.

On January 25, 2016, the Board of Directors approved amendments extending the term of outstanding warrants to purchase in the aggregate 24,372,838 shares of common stock of the Company at exercise prices ranging from \$0.01 per share to \$3.00 per share (the "Warrants"). These Warrants were scheduled to expire at various dates during 2016 and were each extended for an additional one year period from the applicable current expiration date, with the new expiration dates ranging from January 26, 2017 to December 28, 2017. The increase in fair value of this term extension was \$1,305,411 which was expensed during the three months ended March 31, 2016. The Company used the Black-Scholes option pricing model to calculate the increase in fair value, with the following assumptions for the extended warrants: no dividend yield, expected volatility of 161.3%, risk free interest rate of 0.47%, and expected warrant life of 1.27 years.

NOTE 9 – STOCK OPTIONS AND WARRANTS

During 2008, the Board of Directors ("Board") of the Company adopted the 2008 Equity Incentive Plan ("2008 Plan") that was approved by the shareholders. Under the Plan, the Company is authorized to grant options to purchase up to 25,000,000 shares of common stock to any officer, other employee or director of, or any consultant or other independent contractor who provides services to the Company. The Plan is intended to permit stock options granted to employees under the 2008 Plan to qualify as incentive stock options under Section 422 of the Internal Revenue Code of 1986, as amended ("Incentive Stock Options"). All options granted under the 2008 Plan, which are not intended to qualify as Incentive Stock Options are deemed to be non-qualified options ("Non-Statutory Stock Options"). As of March 31, 2016, options to purchase 6,101,664 shares of common stock have been issued and are unexercised, and 9,048,336 shares are available for grants under the 2008 Plan.

During 2013, the Board adopted the 2013 Equity Incentive Plan ("2013 Plan"), which was approved by stockholders at the 2013 annual meeting of stockholders. Under the 2013 Plan, the Company is authorized to grant awards of stock options, restricted stock, restricted stock units and other stock-based awards of up to an aggregate of 5,000,000 shares of common stock to any officer, employee, director or consultant. The 2013 Plan is intended to permit stock options granted to employees under the 2013 Plan to qualify as Incentive Stock Options. All options granted under the 2013 Plan, which are not intended to qualify as Incentive Stock Options are deemed to be Non-Statutory Stock Options. As of March 31, 2016, under the 2013 Plan grants of restricted stock and options to purchase 2,105,000 shares of common stock have been issued and are unvested or unexercised, and 2,895,000 shares of common stock remain available for grants under the 2013 Plan.

The 2008 Plan and 2013 Plan are administered by the Board or its compensation committee, which determines the persons to whom awards will be granted, the number of awards to be granted, and the specific terms of each grant, including the vesting thereof, subject to the terms of the applicable Plan.

In connection with Incentive Stock Options, the exercise price of each option may not be less than 100% of the fair market value of the common stock on the date of the grant (or 110% of the fair market value in the case of a grantee holding more than 10% of the outstanding stock of the Company).

Prior to January 1, 2014, volatility in all instances presented is the Company's estimate of volatility that is based on the volatility of other public companies that are in closely related industries to the Company. Beginning January 1, 2014, volatility in all instances presented is the Company's estimate of volatility that is based on the historical volatility of the Company's stock history.

The following table summarizes the activities for our stock options for the three months ended March 31, 2016:

	Options Outstanding			Aggregate Intrinsic Value (in 000's) (1)
	Number of Shares	Weighted- Average Exercise Price	Weighted - Average Remaining Contractual Term in years)	
Balance December 31, 2015	8,822,500	\$ 0.76	2.6	
Cancelled/forfeited	(535,837)	\$ (0.57)		
Balance March 31, 2016	8,286,663	\$ 0.77	2.2	\$ -
Exercisable at March 31, 2016	5,345,824	\$ 0.86	1.3	\$ -
Exercisable at March 31, 2016 and expected to vest thereafter	8,286,663	\$ 0.77	2.2	\$ -

(1) The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the closing stock price of \$0.11 for our common stock on March 31, 2016.

For the three months ended March 31, 2016 and 2015, the Company expensed \$69,407 and \$305,432 with respect to the options.

As of March 31, 2016 there was \$499,572 of unrecognized compensation cost related to outstanding stock options. This amount is expected to be recognized over a weighted-average period of 2.4 years. To the extent the actual forfeiture rate is different from what the Company has estimated, stock-based compensation related to these awards will be different from the Company's expectations. The difference between the stock options exercisable at March 31, 2016 and the stock options exercisable and expected to vest relates to management's estimate of options expected to vest in the future.

The following table summarizes the activities for our warrants for the three months ended March 31, 2016:

	Number of Shares	Weighted- Average Exercise Price	Remaining Contractual Term in years)	Aggregate Intrinsic Value (in 000's) (1)
Balance December 31, 2015	26,365,896	\$ 1.02	0.4	
Expired	(1,142,858)	(0.04)	-	
Granted	96,700	\$ 0.90	2.0	
Balance March 31, 2016	25,319,738	\$ 1.07	1.1	\$ -
Exercisable at March 31, 2016	25,319,738	\$ 1.07	1.1	\$ -
Exercisable at March 31, 2016 and expected to vest thereafter	25,319,738	\$ 1.07	1.1	\$ -

(1) The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying warrants and the closing stock price of \$0.11 for our common stock on March 31, 2016.

All warrants were vested on the date of grant.

NOTE 10 – OPERATING LEASES

For the three months ended March 31, 2016 and 2015, total rent expense under leases amounted to \$7,998 and \$156,677. As of March 31, 2016, the Company was not obligated under any non-cancelable operating lease arrangements.

NOTE 11 – SUBSEQUENT EVENTS

On April 14, 2016, the Company appointed a new Chief Executive Officer and Chairman of the Board, with such appointments taking effect on April 18, 2016. In this connection with his appointment, the Company also simultaneously entered into an Employment Agreement with the Chief Executive Officer and Chairman of the Board, pursuant to which he will be employed on an at will basis at an annual salary of \$240,000 during the first year of employment. He also received options to purchase 3,000,000 shares of the Company's common stock at an exercise price of \$0.90 per share, vesting over three years and 250,000 restricted stock units.

On April 18, 2016, the Company issued \$20,000 in aggregate principal amount of unsecured Promissory Notes to two accredited investors pursuant to Promissory Note Agreements (the "Notes"). The Investors also received two-year Warrants to purchase an aggregate of 4,000 shares of Company common stock at an exercise price of \$0.90 per share. The Notes bear interest at a rate of ten percent (10%) per annum and mature on the six (6) month anniversary of the issuance date, or on such earlier date that (i) the Company completes the closing of a specified joint venture agreement or (ii) the Company completes the sale of at least an additional \$1 million of 10% Secured Convertible Promissory Notes.

On April 25, 2016, the Company issued a \$50,000 principal amount unsecured Promissory Note to an accredited investor pursuant to a Promissory Note Agreement (the "Note"). The Investor also received two-year Warrants to purchase an aggregate of 10,000 shares of Company common stock at an exercise price of \$0.90 per share. The Note bears interest at a rate of ten percent (10%) per annum and matures on the six (6) month anniversary of the issuance date, or on such earlier date that (i) the Company completes the closing of a specified joint venture agreement or (ii) the Company completes the sale of at least an additional \$1 million of 10% Secured Convertible Promissory Notes.

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On May 5, 2016, the Company issued \$100,000 aggregate principal amount of its 10% Secured Convertible Promissory Notes due March 6, 2017 (the “New Notes”) to an accredited investor. The New Notes are in addition to currently outstanding promissory notes of the same series, in the principal amount of \$2,940,000 (the “Prior Notes”), which were originally due March 5, 2016 and the maturity date thereof was subsequently extended to March 6, 2017 with the consent of the Note holders.

On May 11, 2016, the Company entered into a consulting agreement with a company owned by a beneficial owner of more than 5% of the Company. The agreement requires the payment of \$12,500 per month and continues on a monthly basis until terminated.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Overview

Virtual Piggy, Inc. (the "Company," "we," or "us") was incorporated in Delaware on February 11, 2008 under the name Chimera International Group, Inc. On April 4, 2008, we amended our certificate of incorporation and changed our name to Moggle, Inc. On August 22, 2011, we filed a Certificate of Ownership with the Secretary of State of Delaware, pursuant to which the Company's newly-formed wholly-owned subsidiary, Virtual Piggy Incorporated was merged into and with the Company (the "Merger"). In connection with the Merger and in accordance with Section 253 of the Delaware General Corporation Law, the name of the Company was changed from "Moggle, Inc." to "Virtual Piggy, Inc." Our principal offices are located at 100 S. Murphy Avenue, Suite 200, Sunnyvale, California 94086 and our telephone number is (310) 853-1950.

On December 3, 2015, the Company incorporated a newly-formed wholly-owned Subsidiary, Finity, Inc. On December 11, 2015, the Company filed a Statement of Correction with the Pennsylvania Department of State, to change the name of Finity, Inc. to Finitii, Inc. The purpose of Finitii, Inc. is to teach children financial responsibility as a not for profit organization.

Management believes that a future alternative for Virtual Piggy, Inc. will revolve around the FinTech industry with a partner-first go to market model in which established payments market leaders and vertical market participants can incorporate and integrate the company's platform into co-branded payments solutions targeting youth and family. Management believes this approach will enable the company to reduce expenses while broadening its reach.

Within this partner-first model, the company will be incorporating licensing fees and customization services. This should enable the company to begin creating shareholder value above and beyond consumer transaction fees.

In addition, we are analyzing specific components of our technology for individual monetization as well as exploring opportunities in the Business to Business ("B2B") realm.

To date we have not generated material revenues. For the first quarter of 2016, we earned revenue by charging a percentage to the merchant or gaming publisher for each transaction processed, which continued until March 2016, when the decision was made to discontinue the Oink product offering. As we proceed through 2016, we expect to generate additional revenue streams by generating licensing and customization fees from our co-branding partners.

The Company is currently adding enhancements to the platform, to enable the platform to update itself with any new regulations that are passed, in order to reduce costs associated with manually updating the platform. This will enable the Company to market the platform to other companies in need of a solution to comply with COPPA or other regulatory requirements.

Strategic Outlook

We believe that the virtual goods market and the FinTech industry will continue to grow over the long term. Within the market and industry, we intend to provide services to allow transactions with children in compliance with COPPA and similar international privacy laws. We believe that this particular opportunity is relatively untapped and will seek to be a leading provider of online transactions for children.

Sustained spending on technology, our ability to raise additional financing, the continued growth of the FinTech industry, and compliance with regulatory and reporting requirements are all external conditions that may affect our ability to execute our business plan. In addition, the FinTech industry is intensely competitive, and most participants have longer operating histories, significantly greater financial, technical, marketing, customer service and other resources, and greater name recognition. In addition, certain potential customers, particularly large organizations, may view our small size and limited financial resources as a negative even if they prefer our offering to those of our competitors.

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Our primary strategic objective over the next 12 -18 months is to increase the value of the underlying technical assets of the company by incorporating new essential functionality that will act as a key differentiator in the financial services market. These new technology advances will also augment our current portfolio of patents that give the company its competitive advantage. In addition, the company is redirecting its marketing efforts to increase its user base by entering into affinity marketing agreements with companies targeting specific user communities. This will increase our potential user community while bringing in substantial development and licensing revenue for those sectors. This approach will greatly reduce the expense associated with direct marketing efforts.

Within this affinity partner model, the Company is incorporating licensing fees and customization services. This should enable the Company to begin creating shareholder value above and beyond consumer transaction fees.

As our service grows, we intend to hire additional information technology staff to maintain our product offerings and develop new products to increase our market share.

We believe that our near-term success will depend particularly on our ability to develop customer awareness and confidence in our service. Since we have limited capital resources, we will need to closely manage our expenses and conserve our cash by continually monitoring any increase in expenses and reducing or eliminating unnecessary expenditures. Our prospects must be considered in light of the risks, expenses and difficulties encountered by companies at an early stage of development, particularly given that we operate in new and rapidly evolving markets, that we have limited financial resources, and face an uncertain economic environment. We may not be successful in addressing such risks and difficulties.

Results of Operations

Comparison of the Three Months Ended March 31, 2016 and 2015

The following discussion analyzes our results of operations for the three months ended March 31, 2016 and 2015. The following information should be considered together with our condensed financial statements for such period and the accompanying notes thereto.

Net Revenue/Net Loss

We have not generated significant revenue since our inception. For the three months ended March 31, 2016 and 2015, we generated sales of \$1,025 and \$4,109. For the three months ended March 31, 2016 and 2015, we had a net loss of \$2,168,945 and \$3,179,186.

Sales and Marketing

Sales and marketing expenses for the three months ended March 31, 2016 were \$35,103 as compared to \$889,237 for the three months ended March 31, 2015, a decrease of \$854,134. The Company closed its sales office in England in September of 2015 and reduced the sales force in 2015 that was not replenished in 2016, as the Company focuses on enhancements to the platform.

Product Development

Product development expenses were \$247,573 and \$590,870 for the three months ended March 31, 2016 and 2015, a decrease of \$343,297. The decrease is related to cost containment initiatives, while still emphasizing enhancements to the platform, which will benefit the Company.

Integration and Customer Support

Integration and customer support expenses decreased \$27,600 to \$34,238 for the three months ended March 31, 2016 from \$61,838 for the three months ended March 31, 2015. The decrease was a result of the Company scaling back its prepaid card business, thus requiring less customer support.

General and Administrative Expenses

General and administrative expenses increased \$225,976 to \$1,718,226 for the three months ended March 31, 2016 from \$1,492,252 for the three months ended March 31, 2015. The increase resulted from the revaluation of warrants for the three months ended March 31, 2016 exceeding the revaluation of warrants for the three months ended March 31, 2015.

Strategic Consulting

Strategic consulting expenses were \$0 for the three months ended March 31, 2016, a decrease of \$135,000 from the three months ended March 31, 2015. The Company did not require any strategic consulting for the three months ended March 31, 2016.

Interest Expense

During the three months ended March 31, 2016, the Company incurred interest expense of \$142,231 as compared to \$14,247 for the three months ended March 31, 2015, an increase of \$127,984. The increase in interest expense was a result of issuing short term notes in latter part of 2015 and continuing this process in the first quarter of 2016, in order to continue its operations.

Liquidity and Capital Resources

As of May 13, 2016, we had cash on hand of approximately \$44,000.

Net cash used in operating activities decreased \$1,828,535 to \$449,338 for the three months ended March 31, 2016 as compared to \$2,277,873 for the three months ended March 31, 2015. The decrease resulted primarily from a decline in the net loss from operations as explained previously.

Net cash used in investing activities was \$0 for the three months ended March 31, 2016, compared to \$33,170 for the three months ended March 31, 2015. As a result of cost containment measures, the Company did not invest in any capital expenditures.

Net cash provided by financing activities decreased by \$1,516,500 to \$483,500 for the three months ended March 31, 2016 from \$2,000,000 for the three months ended March 31, 2015. Cash provided by financing activities during the three months ended March 31, 2016, consisted of short-term notes payable to provide capital to continue operations.

Subsequent to March 31, 2016, the Company raised gross proceeds of \$170,000 through the issuance of notes payable.

As we have not realized significant revenues since our inception, we have financed our operations through public and private offerings of debt and equity securities. We do not currently maintain a line of credit or term loan with any commercial bank or other financial institution.

Since our inception, we have focused on developing and implementing our business plan. We believe that our existing cash resources will not be sufficient to sustain our operations during the next twelve months. We currently need to generate sufficient revenues to support our cost structure to enable us to pay ongoing costs and expenses as they are incurred, finance the development of our platform, and execute the business plan. If we cannot generate sufficient revenue to fund our business plan, we intend to seek to raise such financing through the sale of debt and/or equity securities. The issuance of additional equity would result in dilution to existing shareholders. If we are unable to obtain additional funds when they are needed or if such funds cannot be obtained on terms acceptable to us, we will be unable to execute upon the business plan or pay costs and expenses as they are incurred, which would have a material, adverse effect on our business, financial condition and results of operations.

Even if we are successful in generating sufficient revenue or in raising sufficient capital in order to complete the platform, our ability to continue in business as a viable going concern can only be achieved when our revenues reach a level that sustains our business operations. The launch of the platform is expected in the fourth quarter of 2016, however, we do not project that significant revenue will be developed until later in 2017. There can be no assurance that we will raise sufficient proceeds, or any proceeds, for us to implement fully our proposed business plan. Moreover there can be no assurance that even if platform is developed and launched, that we will generate revenues sufficient to fund our operations. In either such situation, we may not be able to continue our operations and our business might fail.

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As of May 13, 2016, the Company has a cash position of approximately \$44,000. Based upon the current cash position and the Company's planned expense run rate, management believes the Company will not be able to finance its operations through May 2016.

The foregoing forward-looking information was prepared by us in good faith based upon assumptions that we believe to be reasonable. No assurance can be given, however, regarding the attainability of the projections or the reliability of the assumptions on which they are based. The projections are subject to the uncertainties inherent in any attempt to predict the results of our operations, especially where new products and services are involved. Certain of the assumptions used will inevitably not materialize and unanticipated events will occur. Actual results of operations are, therefore, likely to vary from the projections and such variations may be material and adverse to us. Accordingly, no assurance can be given that such results will be achieved. Moreover due to changes in technology, new product announcements, competitive pressures, system design and/or other specifications we may be required to change the current plans.

Off-Balance Sheet Arrangements

As of March 31, 2016, we do not have any off-balance sheet arrangements.

Critical Accounting Policies

Our financial statements are impacted by the accounting policies used and the estimates and assumptions made by management during their preparation. A complete summary of these policies is included in Note 1 of the Notes to Financial Statements included in the Company's Form 10-K for the year ended December 31, 2015. We have identified below the accounting policies that are of particular importance in the presentation of our financial position, results of operations and cash flows and which require the application of significant judgment by management.

Stock-based Compensation

We have adopted the fair value recognition provisions Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 718. In addition, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 107 "*Share-Based Payment*" ("SAB 107") in March, 2005, which provides supplemental FASB ASC 718 application guidance based on the views of the SEC. Under FASB ASC 718, compensation cost recognized includes compensation cost for all share-based payments granted beginning January 1, 2006, based on the grant date fair value estimated in accordance with the provisions of FASB ASC 718.

We have used the Black-Scholes option-pricing model to estimate the option fair values. The option-pricing model requires a number of assumptions, of which the most significant are, expected stock price volatility, the expected pre-vesting forfeiture rate and the expected option term (the amount of time from the grant date until the options are exercised or expire).

All issuances of stock options or other equity instruments to non-employees as consideration for goods or services received by the Company are accounted for based on the fair value of the equity instruments issued. Non-employee equity based payments that do not vest immediately upon grant are recorded as an expense over the service period, as if the Company had paid cash for the services. At the end of each financial reporting period, prior to the completion of the services, the fair value of the equity based payments will be re-measured and the non-cash expense recognized during the period will be adjusted accordingly. Since the fair value of equity based payments granted to non-employees is subject to change in the future, the amount of the future expense will include fair value re-measurements until the equity based payments are fully vested or the service is completed.

Revenue Recognition

In accordance with Securities and Exchange Commission (“SEC”) Staff Accounting Bulletin No. 104, Revenue Recognition (Codified in FASB ASC 605), we will recognize revenue when (i) persuasive evidence of a customer or distributor arrangement exists or acceptance occurs, (ii) a retailer, distributor or wholesaler receives the goods, (iii) the price is fixed or determinable, and (iv) collectability of the sales revenues is reasonably assured. Subject to these criteria, we have generally recognized revenue from Oink and ParentMatch at the time of the sale of the associated product.

Recently Issued Accounting Pronouncements

Recently issued accounting pronouncements are discussed in Note 1 of the Notes to Financial Statements contained elsewhere in this report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not Applicable.

ITEM 4. CONTROLS AND PROCEDURES.

As of March 31, 2016, we carried out the evaluation of the effectiveness of our disclosure controls and procedures required by Rule 13a-15(e) under the Exchange Act under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2016, our disclosure controls and procedures were effective to ensure that information we are required to disclose in reports that we file or submit under the Exchange Act is: (i) recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and (ii) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

There has been no change in our internal control over financial reporting that occurred during our fiscal quarter ended March 31, 2016 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

None.

ITEM 1A. RISK FACTORS.

Not applicable.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

On May 11, 2016, the Company entered into a consulting agreement with a company owned by a beneficial owner of more than 5% of the Company. The agreement requires the payment of \$12,500 per month and continues on a monthly basis until terminated.

ITEM 6. EXHIBITS

10.1	Coyne Employment Agreement
10.2	ICM Consulting Agreement
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

VIRTUAL PIGGY, INC.

By: /s/ Scott McPherson

Scott McPherson

Chief Financial Officer

(Duly Authorized Officer and Principal Financial Officer)

Date: May 13, 2016

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT, entered into April 18, 2016, by and between Virtual Piggy, Inc., a Delaware corporation (the “Company”) and John Coyne (the “Employee”).

WITNESSETH:

WHEREAS, the Company wishes to employ the Employee as President, Chief Executive Officer and Chairman of the Board of the Company and the Employee is willing to serve the Company in such capacity.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the parties hereto agree as follows:

Section 1. Employment

The Company will employ the Employee, and the Employee will perform services for the Company and its subsidiaries, on the terms and conditions set forth in this Agreement.

Section 2. Duties

The Employee will serve the Company as its President, Chief Executive Officer and Chairman of the Board. The Employee will have such duties and responsibilities as are assigned to him by the Board of Directors of the Company commensurate with the Employee’s position, including responsibility for all strategic and operational matters relating to the Company and its subsidiaries, subject to the direction of the Board of Directors. The Employee will perform his duties hereunder faithfully and to the best of his abilities and in furtherance of the business of the Company and its subsidiaries, and will devote his full business time, energy, attention and skill to the business of the Company and its subsidiaries and to the promotion of its interests, except as otherwise agreed by the Company.

Section 3. Term

This Agreement shall have an initial term of two years, beginning as of the Employee’s first day of work, April 18, 2016 (the “Effective Date”). It shall renew for successive one-year periods unless either party gives notice of an intent to not renew this Agreement at least 60 days prior to the renewal date. Notwithstanding the foregoing Section 3, this Agreement and the Employee’s employment hereunder shall be “at will” and is terminable at any time by either party, without further economic obligation beyond the termination date except as required by law.

Section 4. Salary

The Employee will receive as compensation for his duties and obligations to the Company pursuant to this Agreement during its effectiveness a base salary at the annual rate of (i) Two Hundred Forty Thousand Dollars (\$240,000) during the first year after the Effective Date, (ii) Two Hundred Sixty Four Thousand (\$264,000) during the second year after the Effective Date, and (iii) Two Hundred and Ninety Thousand Dollars (\$290,000) during the third year after the Effective Date and thereafter, payable in substantially equal installments in accordance with the Company's standard payroll practices. It is agreed between the parties that the Company will review the base annual salary annually and, in light of such review, may (but will not be obligated to), in the discretion of the Board of Directors of the Company or any Compensation Committee thereof, increase such applicable annual base salary taking into account any change in the Employee's responsibilities, increases in the cost of living, performance by the Employee, and other pertinent factors. In order to secure the payment thereof, the Company shall, within 60 days, place into escrow an amount sufficient to fund the Employee's base salary payments during the first year after the Effective Date.

Section 5. Bonus

The Employee will be eligible for an annual bonus in the form of cash or Company common stock as determined at the sole discretion of the Board of Directors of the Company or any Compensation Committee thereof.

Annual bonuses payable hereunder shall be calculated after the close of the end of the calendar year, and thereafter paid in a single lump sum by no later than the 15th day of the third month following the end of the calendar year in which the right to the bonus is no longer subject to a substantial risk of forfeiture (as defined for purposes of Internal Revenue Code Section 409A, including Treasury Regulations Section 1.409A-1(d)).

Section 6. Equity Compensation

(a) Options. As of the Effective Date or promptly thereafter following approval of the Board of Directors of the Company, the Employee will be granted non-statutory stock options to acquire 3,000,000 shares of the common stock of the Company at an exercise price of \$0.90 per share (or if greater, the fair market value of such stock on the grant date). The options will vest in three equal annual installments over a three (3) year period that begins on the Effective Date (i.e. on the first, second and third anniversaries of the Effective Date) provided the Employee is then still employed by the Company. The grant of options will be memorialized in, and the options subject to, a separate option agreement to be entered into between the Employee and Company in accordance with the existing equity incentive plans of the Company. Additionally Mr. Coyne will receive a half of a point in options at \$.90 for every \$100 Million over the sale price of \$300 Million for the company.

(b) Restricted Stock. As of the Effective Date or promptly thereafter following approval of the Board of Directors of the Company, the Employee will be granted 500,000 shares of the common stock of the Company, subject to certain restrictions. The restricted shares will vest in the following manner: **(i) 250,000 shares shall vest immediately upon grant and (ii) 250,000 shares shall vest on the first anniversary of the Effective Date** provided the Employee is then still employed by the Company. The grant of the restricted shares will be memorialized in, and the restricted shares subject to, a separate restricted stock award agreement to be entered into between the Employee and Company in accordance with the existing equity incentive plans of the Company. All shares accelerate with a sale of the company.

Section 7. Employee Benefits

Subject to any applicable probationary or similar periods, during the period of his employment with the Company, the Employee will be entitled to participate in all employee benefit programs of the Company applicable to senior officers of the Company, as such programs may be in effect from time to time. Subject to any applicable probationary or similar periods, during his period of employment with the Company, the Employee will also be entitled to participate in all retirement programs of the Company for which current employees are eligible, as such programs may be in effect from time to time (including the Company's 401(k) plan).

Section 8. Business Expenses

All reasonable travel and other out-of-pocket expenses incidental to the rendering of services by the Employee hereunder will be paid by the Company, and, if expenses are paid in the first instance by the Employee, the Company will reimburse his therefor upon presentation of proper invoices, subject in each case to compliance with the Company's reimbursement policies and procedures. All reimbursements will be paid in the same taxable year in which the expense is incurred, provided that expenses incurred toward the end of the calendar year that cannot administratively be reimbursed before the year end shall be reimbursed by no later than March 15th of the calendar year following the calendar year in which the expense was incurred.

Section 9. Vacations and Sick Leave

The Employee will be entitled to holidays, reasonable vacation and reasonable sick leave each year, in accordance with policies of the Company, as determined by the Board of Directors, provided, however, that the Employee will be entitled to a minimum of four (4) weeks' vacation per year.

Section 10. Confidential Information

The Employee agrees to keep secret and retain in the strictest confidence all confidential matters which relate to the Company or any affiliate of the Company, including, without limitation, customer lists, client lists, trade secrets, pricing policies and other business affairs of the Company and any affiliate of the Company learned by him from the Company or any such affiliate or otherwise before or after the date of this Agreement, and not to disclose any such confidential matter to anyone outside the Company, or any of its affiliates, whether during or after her period of service with the Company, except as may be required in the course of a legal or governmental proceeding. Upon request by the Company, the Employee agrees to deliver promptly to the Company upon termination of his services for the Company, or at any time thereafter as the Company may request, all Company or affiliate memoranda, notes, records, reports, manuals, drawings, designs, computer files in any media and other documents (and all copies thereof) relating to the Company's or any affiliate's business and all property of the Company or any affiliate associated therewith, which she may then possess or have under his control.

Section 11. Successors and Assigns

This Agreement will be binding upon and inure to the benefit of the Employee, his heirs, executors, administrators and beneficiaries, and the Company and its successors and assigns.

Section 12. Governing Law

This Agreement will be governed by and construed and enforced in accordance with the laws of the State of Pennsylvania, without reference to rules relating to conflicts of law.

Section 13. Entire Agreement

This Agreement constitutes the full and complete understanding and agreement of the parties and supersedes all prior understandings and agreements as to employment of the Employee. This Agreement cannot be amended, changed, modified or terminated without the written consent of the parties hereto.

Section 14. Waiver of Breach

The waiver of either party of a breach of any term of this Agreement will not operate nor be construed as a waiver of any subsequent breach thereof.

Section 15. Notices

Any notice, report, request or other communication given under this Agreement will be written and will be effective upon delivery when delivered personally, by overnight courier or by fax. Unless otherwise notified by any of the parties, notices will be sent to the parties as follows: (i) if to the Employee, at the address set forth in the Company's records; and (ii) if to the Company, to Virtual Piggy, Inc., 1618 South Broad Street, Philadelphia PA 19145, Attention: Board of Directors.

Section 16. Severability

If any one or more of the provisions contained in this Agreement will be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby.

Section 17. Counterparts

This Agreement may be executed in counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument. Delivery of signatures by facsimile or electronic image shall be valid for all purposes hereunder.

Section 18. Internal Revenue Code Section 409A Compliance.

(a) The parties hereto recognize that certain provisions of this Agreement may be affected by Section 409A of the Internal Revenue Code and guidance issued thereunder, and agree to amend this Agreement, or take such other action as may be necessary or advisable, to comply with Section 409A.

(b) Notwithstanding anything herein to the contrary, it is expressly understood that at any time the Company (or any successor or related employer treated as the service recipient for purposes of Internal Revenue Code Section 409A) is publicly traded on an established securities market (as defined for purposes of Internal Revenue Code Section 409A), if a payment or provision of an amount or benefit constituting a deferral of compensation is to be made pursuant to the terms of this Agreement to the Employee on account of a Separation from Service at a time when the Employee is a Specified Employee (as defined for purposes of Internal Revenue Code Section 409A(a)(2)(B)(i)), such deferred compensation shall not be paid to the Employee prior to the date that is six (6) months after the Separation from Service or as otherwise permitted under Treasury Regulations Section 1.409A-3(i)(2).

(c) For purposes of this Agreement, the following definitions shall apply:

- (i) "Separation from Service" means, generally, a termination of employment with the Company (or any successor or related employer treated as the service recipient for purposes of Internal Revenue Code Section 409A), and shall have the same meaning as such term has for purposes of Internal Revenue Code Section 409A (including Treasury Regulation Section 1.409A-1(h)).
- (ii) "Involuntary Separation from Service" means a Separation from Service due to the independent exercise of the unilateral authority of the Company (or any successor or related employer treated as the service recipient for purposes of Internal Revenue Code Section 409A) to terminate the Employee's employment, other than due to the Employee's implicit or explicit request, where the Employee was willing and able to continue employment with the Company. Notwithstanding the foregoing, a termination for Good Reason may constitute an Involuntary Separation from Service. Involuntary Separation from Service shall have the same meaning as such term has for purposes of Internal Revenue Code Section 409A (including Treasury Regulation Section 1.409A-1(n)).

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

The Company:

VIRTUAL PIGGY, INC.

By: _____

Name: Ernie Cimadamore
Title: Secretary

Employee:

John Coyne

CONSULTING AGREEMENT

This CONSULTING AGREEMENT ("Agreement") is made and entered into May 11, 2016 by and between Virtual Piggy, Inc., a Delaware corporation (the "Company"), and International Corporate Management, LLC, a company whose office is located at 1246-49 South 26th Street, Building J mailbox 6, Philadelphia PA 19146 ("Consultant").

In consideration of the mutual premises herein contained and intending to be legally bound hereby, the parties agree as follows:

1. Consulting Services.

1.1. Services. During the term of this Agreement, Consultant shall provide consulting services to the Company as set forth on Schedule 1 hereto (the "Consulting Services"). The Consultant will perform the Consulting Services faithfully, diligently and to the best of the Consultant's skill and ability.

1.2. Consulting Term. The term of this Agreement shall begin on the date hereof May 11, 2016 and shall continue on a monthly basis. The ("Term"), unless terminated prior thereto pursuant to Section 3 below.

1.3. Independent Contractor. Consultant and Company acknowledge and agree that the relationship hereunder created is one of an independent contractor and not one of employment. Consultant shall at all times during the Consulting Term act as an independent contractor and nothing hereunder shall be construed to be inconsistent with this relationship or status or create or imply a relationship of employer-employee between the Company and Consultant. Consultant shall not hold himself out to third parties as an employee of Company, and shall have no authority to bind or commit Company, legally or otherwise. The Consultant shall not be entitled to any benefits paid by the Company to its employees. The Consultant shall be solely responsible for any tax consequences applicable to him by reason of this Agreement and the relationship established hereunder, and the Company shall not be responsible for the payment of any federal, state or local taxes or contributions imposed under any employment insurance, social security, income tax or other tax law or regulation with respect to the Consultant's performance of consulting services hereunder. Company and Consultant shall report any and all payments made by Company pursuant to this Agreement to the appropriate governmental agencies in a manner consistent with Consultant's status as an independent contractor.

2. Compensation; Expenses.

(a) The Company shall pay Consultant a fee equal to \$12,500.00 per month during the Term hereof, which shall be paid no later than the fifth business day of that month.

(b) The Company shall reimburse the Consultant for any reasonable costs and expenses incurred by the Consultant on the Company's behalf, provided, however, that the Consultant shall not incur any expenses greater than \$1,000 on behalf of the Company without obtaining prior consent from the Chairman of the Company.

3. Termination.

3.1. Either party may terminate this Agreement upon ten (10) days written notice to the other. In the event of a termination pursuant to this Section 3.1, the Company shall not be responsible to make any further payment of any kind to Consultant except for payment of fees earned prior to the date of termination.

3.2 This Agreement shall terminate upon the execution of a definitive employment agreement between the Consultant and the Company; or automatically in the event of Consultant's death.

4. Confidentiality. Consultant understands that Consultant's work as a consultant of the Company creates a relationship of trust and confidence between Consultant and the Company. During and after the Term of this Agreement, Consultant will not use or disclose or allow anyone else to use or disclose any "Confidential Information" (as defined below) relating to the Company, its subsidiaries, its products, services, suppliers or customers except (i) as may be necessary in the performance of Consultant's work for the Company which use or disclosure shall be solely for the benefit of the Company in connection with the Company's business and in accordance with the Company's business practices and employee policies or (ii) as may be specifically authorized in advance by appropriate officers of the Company. "Confidential Information" shall include, but shall not be limited to, information consisting of research and development, patents, trademarks and copyrights and applications thereto, technical information, computer programs, software, methodologies, innovations, software tools, know-how, knowledge, designs, drawings, specifications, concepts, data, reports, processes, techniques, documentation, pricing, marketing plans, customer and prospect lists, trade secrets, financial information, salaries, business affairs, suppliers, profits, markets, sales strategies, forecasts, employee information and any other information not available to the general public, whether written or oral, which Consultant knows or has reason to know the Company or its subsidiaries would like to treat as confidential for any purpose, such as maintaining a competitive advantage or avoiding undesirable publicity. Consultant will keep Confidential Information secret and will not allow any unauthorized use of the same, whether or not any document containing it is marked as confidential. These restrictions, however, will not apply to Confidential Information that has become known to the public generally through no fault or breach of Consultant's or that the Company regularly gives to third parties without restriction on use or disclosure. Consultant further understands and acknowledges that (a) the Confidential Information is the property of the Company, constitutes a major asset of the Company and is crucial to the successful operation of the Company's business; (b) the use, misappropriation or disclosure of the Confidential Information would constitute a breach of trust and could cause irreparable injury to the Company; and (c) it is essential to the protection of the Company's goodwill and to the maintenance of the Company's competitive position that the Confidential Information be kept secret.

5. Return of Company Property. Promptly upon the expiration or sooner termination of the term of this Agreement, and earlier if requested by the Company at any time, Consultant shall deliver to the Company (and will not keep in Consultant's possession or deliver to anyone else) all Confidential Information and all devices, records, data, notes, reports, proposals, lists, correspondence, specifications, materials, equipment, other documents or property, or reproductions of any aforementioned items developed by Consultant as part of or in connection with the Consulting Services or otherwise belonging to the Company.

6 Equitable Relief.

6.1 Injunction. Consultant acknowledges that the restrictions contained in Sections 4 and 5 hereof are reasonable and necessary to protect the legitimate interests of the Company, its subsidiaries, and its affiliate, that such restrictions are deemed to be material, that the Company would not have entered into this Agreement in the absence of such restrictions, that it would be impossible or inadequate to measure and calculate the Company's or its subsidiary's or affiliate's damages from any violation of those Sections and that any violation of any provision of those Sections may result in irreparable injury to the Company, its subsidiaries or affiliate (each of which shall be deemed a third party beneficiary of such restriction). Consultant agrees that each of the Company, its subsidiaries, its affiliate shall, whether or not it is pursuing any potential remedies at law, be entitled to seek in any court of competent jurisdiction, preliminary and permanent injunctive relief and to specific performance of any such provision of this Agreement, without the necessity of proving actual damages as well as to an equitable accounting of all earnings, profits and other benefits arising from any actual or threatened breach of Section 4 or 5 hereof, which rights shall be cumulative and in addition to any other rights or remedies to which the Company or any subsidiary or affiliate of the Company may be entitled. Consultant further agrees that no bond or other security shall be required in obtaining such equitable relief and Consultant hereby consents to the issuance of such injunction and to the ordering of specific performance.

6.2 Jurisdiction. The parties irrevocably and unconditionally (a) agree that any suit, action or other legal proceeding seeking equitable relief under this Section 6, including without limitation, any action commenced by the Company or any of its subsidiaries for preliminary and permanent injunctive relief and other equitable relief, and any suit, action or other legal proceeding brought against the Company or any of its subsidiaries or affiliates, shall be brought and adjudicated in any court of competent civil jurisdiction sitting in Los Angeles County, California or the United States District Court for the Southern District of California, (b) consents to the non-exclusive jurisdiction of any such court in any such suit, action or proceeding and (c) waives any objection which Consultant may have to the laying of venue of any such suit, action or proceeding in any such court. Consultant also irrevocably and unconditionally consents to the service of any process, pleading, notices or other papers in any manner permitted by the notice provisions of Section 9 hereof.

7. Representations, Warranties and Covenants. The Consultant hereby represents, warrants and covenants to the Company as follows:

7.1. Neither the execution and delivery of this Agreement, the performance of the transactions contemplated hereby, nor compliance by the Consultant with any of the provisions hereof will: (a) violate any order, writ, injunction, decree, law, statute, rule or regulation applicable in any respect to the Consultant or with respect to any of his obligations hereunder; or (b) require the consent, approval, permission or other authorization of, or qualification or filing with or notice to, any court, arbitrator or other tribunal or any governmental, administrative, regulatory or self-regulatory agency or any other third party, except for those that have been obtained;

7.2 Consultant: (a) is not and will not become a party to, and is not and will not become subject to, any employment agreement, non-competition agreement or covenant, non-disclosure agreement or covenant or any other agreement, covenant, understanding or restriction that would prohibit the Consultant from executing this Agreement, engaging in the transactions contemplated hereby or performing fully his duties and responsibilities hereunder; and (b) can perform his obligations hereunder without disclosing or using any confidential or proprietary information of any third party; and

7.3 To Consultant's knowledge, this Agreement and the transactions contemplated hereby will not infringe or conflict with, and are not inconsistent with, the rights of any other person.

8. Governing Law. This Agreement shall be governed by and all questions relating to its validity, interpretation, enforcement and performance (including, without limitation, provisions concerning limitations of actions) shall be construed in accordance with the laws of the State of California without regard to its choice of law statutes and/or case law. The parties hereto consent to the jurisdiction of the Superior Court of Los Angeles County, California, and the United States District Court for the Southern District of California as the exclusive courts of jurisdiction with respect to the interpretation or enforcement of the provisions of this Agreement.

9. Notices. All notices and other communications hereunder or in connection herewith shall be in writing and shall be deemed to have been given when delivered by hand, reputable express delivery service, mailed by certified or registered mail, return receipt requested, or sent via facsimile and followed up by hand delivery, reputable express delivery service or mailed by certified or registered mail, return receipt requested to the party as follows (provided that notice of change of address shall be deemed given only when received):

If to the Company, to:

Virtual Piggy, Inc.
1618 South Broad Street
Philadelphia, PA 19145
Fax: (215) 465-2013
Attention: Corporate Secretary

If to Consultant, to:

International Corporate Management, LLC.
1246-49 South 26th Street
Building J Mailbox 6
Philadelphia, Pa 19146
Attn: Peter Pelullo

or to such other names or addresses as Company or Consultant, as the case may be, shall designate by notice to the other person in the manner specified in this Section.

10. Miscellaneous. This Agreement: (a) constitutes the entire agreement and supersedes any prior and contemporaneously-made written or oral agreements between the parties relating to the subject matter hereof; (b) except as specifically provided herein, may be modified only in a writing duly executed by the parties hereto; (c) shall be binding upon and inure to the benefit of and be enforceable by the successors and permitted assigns of the Company; and (d) shall not be assignable or delegable in whole or in part by Consultant without the prior written consent of the Company.

11. Severability. The covenants in this Agreement are severable, and if any covenant or portion thereof is held to be invalid or unenforceable for any reason, such covenant or portion thereof shall be modified or adjusted by a court or other tribunal exercising its equitable powers to the extent necessary to cure such invalidity or unenforceability, and all other covenants and provisions shall remain valid and enforceable.

12. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and both of which together shall constitute one and the same instrument. The Agreement may further be delivered by facsimile or electronic transmission, and the facsimile or electronic signatures may be deemed original signatures for all purposes, including for purposes of the Best Evidence Rule and all other rules or doctrines of similar effect.

13. Survival. Notwithstanding any termination or expiration of this Agreement, Sections 4, 5, 6, 7 and 8 of this Agreement shall survive and remain in full force and effect in accordance with their respective terms.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

VIRTUAL PIGGY, INC.

By: _____

Name: Ernest Cimadamore

Title: Secretary

CONSULTANT

International Corporate Management, LLC

Officer: Peter S. Pelullo

SCHEDULE 1

The Consultant shall provide consulting and other services to the Company, including but not limited to the analysis of the Company's products and services to merchants, and such other services as determined by the Company's Chairman and Board of Directors from time to time during the term hereof.

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) UNDER
THE SECURITIES EXCHANGE ACT OF 1934**

I, Ernest Cimadamore, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Virtual Piggy, Inc. (the “Registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods present in this report;
4. The Registrant’s other certifying officer(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 13-a-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 involved management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 13, 2016

By: /s/ Ernest Cimadamore
Ernest Cimadamore
Interim Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) UNDER
THE SECURITIES EXCHANGE ACT OF 1934**

I, Scott McPherson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Virtual Piggy, Inc. (the “Registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods present in this report;
4. The Registrant’s other certifying officer(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 13-a-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 involved management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 13, 2016

By: /s/ Scott McPherson
Scott McPherson
Chief Financial Officer

**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 this Quarterly Report of Virtual Piggy, Inc. (the "Registrant") on Form 10-Q for the quarter ended March 31, 2016, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, Ernest Cimadamore, Interim Chief Executive Officer (Principal Executive Officer) of the Registrant, certify to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: May 13, 2016

By: /s/ Ernest Cimadamore
Ernest Cimadamore
Interim Chief Executive Officer

**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 this Quarterly Report of Virtual Piggy, Inc. (the "Registrant") on Form 10-Q for the quarter ended March 31, 2016, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, Scott McPherson, Chief Financial Officer (Principal Financial Officer) of the Registrant, certify to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: May 13, 2016

By: /s/ Scott McPherson
Scott McPherson
Chief Financial Officer
