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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: June 30, 2015

or

☐ **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: 000-54960

Nxt-ID, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**46-0678374**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

288 Christian Street
Oxford, CT 06478
(Address of principal executive offices)(Zip Code)

(203) 266-2103
(Registrant's telephone number, including area code)

n/a
(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 filed 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 (Section 232.405 of this chapter) during the preceding 12 months (or 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	☐	Accelerated filer	☐
Non-accelerated filer (Do not check if smaller reporting company)	☐	Smaller reporting company	☒

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

As of August 12, 2015, there were 27,541,974 shares of common stock, $0.0001 par value, of the registrant issued and outstanding.

NXT-ID, INC.
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Nxt-ID, Inc. and Subsidiary
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2015 (Unaudited)	December 31, 2014
Assets		
Current Assets		
Cash	$ 153,667	$ 2,201,287
Restricted cash	14,075	28,439
Inventory	1,119,253	359,544
Prepaid expenses and other current assets	647,003	918,204
Total Current Assets	1,933,998	3,507,474
Other assets	98,568	-
Property and equipment, net of accumulated depreciation of $90,946 and $13,157, respectively	343,549	156,223
Total Assets	$ 2,376,115	$ 3,663,697
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 645,315	$ 535,209
Accrued expenses	560,918	254,545
Convertible notes payable, net of discount of $1,281,575 and $0, respectively	293,425	-
Customer deposits	18,721	138,599
Total Current Liabilities	1,518,379	928,353
Commitment and Contingencies		
Stockholders' Equity		
Preferred stock, $0.0001 par value: 10,000,000 shares authorized; none issued and outstanding	-	-
Common stock, $0.0001 par value: 100,000,000 shares authorized; 25,703,545 and 24,762,360 issued and outstanding, respectively	2,570	2,476
Additional paid-in capital	15,182,287	11,562,887
Accumulated deficit	(14,327,121)	(8,830,019)
Total Stockholders' Equity	857,736	2,735,344
Total Liabilities and Stockholders' Equity	$ 2,376,115	$ 3,663,697

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

Nxt-ID, Inc. and Subsidiary
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Six Months Ended June 30, 2015	For the Six Months Ended June 30, 2014
Revenues	$ 115,401	$ -
Cost of goods sold	135,847	-
Gross Profit (Loss)	(20,446)	-
Operating Expenses		
General and administrative	1,674,105	758,077
Selling and marketing	1,313,266	377,603
Research and development	1,514,015	424,126
Total Operating Expenses	4,501,386	1,559,806
Operating Loss	(4,521,832)	(1,559,806)
Other Income and (Expense)		
Interest income	530	-
Interest expense	(320,800)	(30,744)
Inducement expense	(655,000)	(1,051,128)
Unrealized gain on change in fair value of derivative liabilities	-	412,763
Total Other Expense, Net	(975,270)	(669,109)
Net Loss	(5,497,102)	(2,228,915)
Net Loss Per Share – Basic and Diluted	$ (0.22)	$ (0.10)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted	25,184,315	22,011,401

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

Nxt-ID, Inc. and Subsidiary
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended June 30,	
	2015	**2014**
Revenues	$ 113,131	$ -
Cost of goods sold	133,857	-
Gross Profit (Loss)	(20,726)	-
Operating Expenses		
General and administrative	857,662	462,151
Selling and marketing	655,232	317,419
Research and development	940,760	259,848
Total Operating Expenses	2,453,654	1,039,418
Operating Loss	(2,474,380)	(1,039,418)
Other Income and (Expense)		
Interest income	131	-
Interest expense	(320,800)	-
Inducement expense	(655,000)	(1,051,128)
Total Other Expense, Net	(975,669)	(1,051,128)
Net Loss	(3,450,049)	(2,090,546)
Net Loss Per Share – Basic and Diluted	$ (0.14)	$ (0.09)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted	25,487,505	22,054,704

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

Nxt-ID, Inc. and Subsidiary
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Six Months Ended June 30,	
	2015	**2014**
Cash Flows from Operating Activities		
Net Loss	$ (5,497,102)	$ (2,228,915)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	77,789	1,260
Stock based compensation	746,223	144,000
Amortization of debt discount	293,425	26,755
Unrealized gain on change in fair value of derivative liabilities	-	(412,763)
Amortization of deferred debt issuance costs	9,526	-
Inducement expense	655,000	1,051,128
Changes in operating assets and liabilities:		
Inventory	(759,709)	(23,034)
Prepaid expenses and other current assets	367,642	(91,728)
Accounts payable	(13,161)	(151,290)
Accrued expenses	306,373	(60,042)
Customer deposits	(119,878)	80,075
Total Adjustments	1,563,230	564,361
Net Cash Used in Operating Activities	(3,933,872)	(1,664,554)
Cash Flows from Investing Activities		
Restricted cash	14,364	(4,152)
Purchase of equipment	(239,265)	(16,735)
Net Cash Used in Investing Activities	(224,901)	(20,887)
Cash Flows from Financing Activities		
Proceeds received in connection with issuance of common stock and warrants, net	-	799,994
Proceeds from convertible notes payable, net	1,481,500	-
Fees paid in connection with equity offerings	(20,347)	-
Proceeds from exercise of common stock warrants	650,000	1,170,000
Net Cash Provided by Financing Activities	2,111,153	1,969,994
Net (Decrease) Increase in Cash	(2,047,620)	284,553
Cash – Beginning of Period	2,201,287	303,626
Cash – End of Period	$ 153,667	$ 588,179
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the periods for:		
Interest	$ -	$ -
Taxes	$ 1,000	$ -
Non-cash investing and financing activities:		
Equipment purchases on payment terms	$ 25,850	$ -
Fees incurred in connection with issuance of convertible notes	$ 19,196	$ -
Fees incurred in connection with equity offerings	$ 78,221	$ -
Recognition of liability in connection with warrant issuance	$ -	$ 3,450,976
Reclassification of warrant liability to additional paid-in capital in connection with warrant modification	$ -	$ 4,589,734
Issuance of common stock in connection with conversion of note payable and accrued interest	$ -	$ 171,485
Reclassification of conversion feature liability in connection with note conversion	$ -	$ 98,722
Retirement of common stock by officers	$ -	$ 68

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

Note 1 – Organization and Basis of Presentation

Organization and Principal Business Activity

Nxt-ID, Inc. ("Nxt-ID" or the "Company") was incorporated in the State of Delaware on February 8, 2012. Nxt-ID is a biometrics and authentication company focused on the growing m-commerce market with an innovative MobileBio™ suite of biometric solutions that secure mobile platforms. The Company also serves the access control and law enforcement facial recognition markets.

3D-ID, LLC ("3D-ID") was organized and registered in the State of Florida on February 14, 2011. The Company is an early stage company engaged in the design, research and development, integration, analysis, modeling, system networking, sales and support of intelligent surveillance, three dimensional facial recognition and three dimensional imaging devices and systems primarily for identification and access control in the security industries.

On June 25, 2012, Nxt-ID, a company having similar ownership as 3D-ID, acquired 100% of the membership interests in 3D-ID (the "Acquisition") in exchange for 20,000,000 shares of Nxt-ID common stock. Since this was a transaction between entities under common control, in accordance with Accounting Standards Codification ("ASC") 805, "Business Combinations", Nxt-ID recognized the net assets of 3D-ID at their carrying amounts in the accounts of Nxt-ID on the date that 3D-ID was organized.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements as of June 30, 2015 and for the six and three months then ended have been prepared in accordance with the accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and pursuant to the instructions to Form 10-Q and Article 8 of Regulation S-X of the Securities and Exchange Commission ("SEC") and on the same basis as the Company prepares its annual audited consolidated financial statements. The unaudited condensed consolidated balance sheet as of June 30, 2015 and the condensed consolidated statements of operations for the six and three months ended June 30, 2015 and 2014 and the condensed consolidated statements of cash flows for the six months ended June 30, 2015 and 2014 are unaudited, but include all adjustments, consisting only of normal recurring adjustments, which the Company considers necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented. The results for the six and three months ended June 30, 2015 are not necessarily indicative of results to be expected for the year ending December 31, 2015 or for any future interim period. The condensed consolidated balance sheet at December 31, 2014 has been derived from audited consolidated financial statements. However, it does not include all of the information and notes required by GAAP for complete consolidated financial statements. The accompanying condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2014, and notes thereto included in the Company's Annual Report on Form 10-K, which was filed with the SEC on March 6, 2015.

NOTE 2 - GOING CONCERN AND MANAGEMENT PLANS

The Company is an early stage entity and incurred an operating loss of $4,521,832 and a net loss of $5,497,102 during the six months ended June 30, 2015. As of June 30, 2015 the Company had working capital and stockholders' equity of $415,619 and $857,736, respectively. In order to execute the Company's long-term strategic plan to develop and commercialize its core products, the Company will need to raise additional funds, through public or private equity offerings, debt financings, or other means. The Company can give no assurance that the cash raised subsequent to June 30, 2015 or any additional funds raised will be sufficient to execute its business plan. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The Company can give no assurance that additional funds will be available on reasonable terms, or available at all, or that it will generate sufficient revenue to alleviate these conditions. On August 4, 2015, the Company received approximately $2.7 million in net proceeds from a public offering. For more information regarding this transaction, please refer to Note 8 - Subsequent Events.

The Company's ability to execute its business plan is dependent upon its ability to raise additional equity, secure debt financing, and/or generate revenue. Should the Company not be successful in obtaining the necessary financing, or generate sufficient revenue to fund its operations, the Company would need to curtail certain of its operational activities. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

USE OF ESTIMATES IN THE FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Nxt-ID and its wholly-owned subsidiary, 3D-ID. Intercompany balances and transactions have been eliminated in consolidation.

INVENTORY

Inventory at June 30, 2015 is valued at the lower of cost or market with cost determined using the first-in, first-out method and with market defined as the lower of replacement cost or realizable value. As of June 30, 2015 inventory was comprised of $996,234 in raw materials and $123,019 in finished goods on hand. Inventory of $359,544 at December 31, 2014 was comprised solely of raw materials. In addition, as an early stage entity, the Company is required to prepay for raw materials with certain vendors until credit terms can be established. As of June 30, 2015, $272,170 of prepayments made primarily for raw materials inventory is included in prepaid expenses and other current assets on the condensed consolidated balance sheet.

REVENUE RECOGNITION

During the six months ended June 30, 2015 all of the Company's revenues relate to shipments of the wocket® smart wallet to customers who pre-ordered the product in 2014. The Company recognizes revenue when persuasive evidence of an arrangement exists, the service has been rendered or product delivery has occurred, the price is fixed or readily determinable and collectability of the sale is reasonably assured. The Company's wocket® smart wallet sales comprise multiple element arrangements including both the wocket® smart wallet device itself as well as unspecified future upgrades. The Company offers to all its customers a period of fourteen days post the actual receipt date in which to return their wocket® smart wallet. The Company was unable to reliably estimate returns at the time shipments were made during the six and three months ended June 30, 2015 due to the lack of return history. Accordingly, the Company has recognized revenue only on those shipments whose fourteen day return period had lapsed by June 30, 2015. As of June 30, 2015, the Company has $18,721 in customer deposits recorded that relate to remaining 2014 pre-orders of its wocket® smart wallet as well as orders received in 2015. The Company accrues for the estimated costs associated with the one year wocket® smart wallet warranty at the time revenue associated with the sale is recorded, and periodically updates its estimated warranty cost based on actual experience.

Note 3 - Summary Of Significant Accounting Policies (continued)

Convertible Instruments

The Company applies the accounting standards for derivatives and hedging and for distinguishing liabilities from equity when accounting for hybrid contracts that feature conversion options. The accounting standards require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments according to certain criteria. The criteria includes circumstances in which (i) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (ii) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (iii) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument.

The derivative is subsequently marked to market at each reporting date based on current fair value, with the changes in fair value reported in the results of operations.

Conversion options that contain variable settlement features such as provisions to adjust the conversion price upon subsequent issuances of equity or equity linked securities at exercise prices more favorable than that featured in the hybrid contract generally result in their bifurcation from the host instrument.

The Company accounts for convertible debt instruments when the Company has determined that the embedded conversion options should not be bifurcated from their host instruments in accordance with ASC 470-20 “Debt with Conversion and Other Options”. The Company records, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt. See Note 4.

Debt discount and amortization of debt discount

The intrinsic value of the beneficial conversion feature arising from the issuance of the convertible notes that are in-the-money at the commitment date is recorded as debt discount. The intrinsic value of a beneficial conversion feature is determined after initially allocating a portion of the proceeds received from the sale of the convertible notes to any detachable instruments, such as warrants, included in the sale of exchange based on relative fair values. The debt discount is amortized over the earlier of (i) the term of the debt or (ii) conversion of the debt. The amortization of debt discount is included as a component of interest expense included in other income and expenses in the accompanying statements of operations.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes in accordance with ASC Topic 740, “Income Taxes”. Under this method, income tax expense is recognized for the amount of: (i) taxes payable or refundable for the current year; and (ii) deferred tax consequences of temporary differences resulting from matters that have been recognized in an entity's financial statements or tax returns. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is provided to reduce the deferred tax assets reported if based on the weight of the available positive and negative evidence, it is more likely than not some portion or all of the deferred tax assets will not be realized.

ASC Topic 740-10-30 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740-10-40 provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The Company will classify as income tax expense any interest and penalties. The Company has no material uncertain tax positions for any of the reporting periods presented. Generally, the tax authorities may examine the partnership/corporate tax returns for three years from the date of filing. The Company has filed all of its tax returns for all prior periods through December 31, 2014. As a result, the Company’s net operating loss carryovers will now be available to offset any future taxable income.

Note 3 - Summary Of Significant Accounting Policies (continued)

Stock-Based Compensation

The Company accounts for share-based awards exchanged for employee services at the estimated grant date fair value of the award. The Company generally amortizes the employee stock-based compensation over the vesting period. The Company accounts for equity instruments issued to non-employees at their fair value on the measurement date. The measurement of stock-based compensation is subject to periodic adjustment as the underlying equity instrument vests or becomes non-forfeitable. Non-employee stock-based compensation charges are amortized over the vesting period or as earned.

Net Loss per Share

Basic loss per share was computed using the weighted average number of common shares outstanding. Diluted loss per share includes the effect of diluted common stock equivalents. Potentially dilutive securities realizable from the conversion of convertible notes and related accrued interest and from the exercise of 4,242,274 warrants as of June 30, 2015, were excluded from the computation of diluted net loss per share because the effect of their inclusion would have been anti-dilutive. As of June 30, 2014, potentially dilutive securities realizable from the exercise of 1,396,139 warrants were excluded from the computation of diluted net loss per share because the effect of their inclusion would have been anti-dilutive.

Research and Development

Research and development costs consist of expenditures incurred during the course of planned research and investigation aimed at the discovery of new knowledge, which will be useful in developing new products or processes. The Company expenses all research and development costs as incurred.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"), which stipulates that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for such goods or services. To achieve this core principle, an entity should apply the following steps: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract(s); (3) determine the transaction price(s); (4) allocate the transaction price(s) to the performance obligations in the contract(s); and (5) recognize revenue when (or as) the entity satisfies a performance obligation. The guidance also requires advanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The required effective date for adoption of ASU 2014-09 has been deferred to annual reporting periods beginning after December 15, 2017 with early adoption permitted for periods beginning after December 15, 2016. The new revenue standards may be applied retrospectively to each period presented or with the cumulative effect recognized as of the date of initial application. The Company is currently evaluating ASU 2014-09.

The FASB recently issued Accounting Standards Update No. ASU 2015-11, *Simplifying the Measurement of Inventory* ("ASU 2015-11"), that changes the measurement principle for inventory from the lower of cost or market to lower of cost and net realizable value. ASU 2015-11 is effective for inventory measurements for fiscal years beginning after December 15, 2016, with early adoption permitted. The Company is currently evaluating ASU 2015-11.

In April 2015, the FASB issued Accounting Standard Update ASU No. 2015-03 *Interest - Imputation of Interest (Subtopic 835-30) – Simplifying the Presentation of Debt Issuance Costs* ("ASU No. 2015-13"). ASU 2015-03 is effective for the fiscal years beginning after December 15, 2015. ASU 2015-03 simplifies financial reporting by eliminating the different presentation requirements for debt issuance costs and debt discounts or premiums. The adoption of this standard, which will be applied retrospectively, will not have a material impact on the Company's results of operations.

NOTE 4 - CONVERTIBLE NOTES PAYABLE

April 2015 Private Placement

On April 24, 2015, the Company entered into a securities purchase agreement (the "April Purchase Agreement") with a group of accredited investors (the "April Purchasers") pursuant to which the Company sold to such purchasers an aggregate of $1,575,000 principal amount of secured convertible notes (the "Convertible Notes"), a Class A Common Stock Purchase Warrant (the "Class A Warrant") to purchase up to 468,749 shares of the Company's common stock and a Class B Common Stock Purchase Warrant (the "Class B Warrant," and together with the Class A Warrant, the "April Warrants") to purchase up to 468,749 shares of the Company's common stock. The Convertible Notes bear interest at 6% per annum and are convertible at any time, in whole or in part, at the option of the holders into shares of common stock at a conversion price of $2.52 per share. The Class A Warrant and Class B Warrant are exercisable beginning six (6) months after issuance through the fifth (5^{th}) anniversary of such initial exercisability date. The Class A Warrant has an initial exercise price equal to $3.02 per share and the Class B Warrant has an initial exercise price equal to $5.00 per share.

The Company received cash proceeds of $1,481,500 from the issuance of the convertible notes after deducting debt issuance costs of $93,500.

The Company recorded a debt discount of $1,575,000 related to the sale of the Convertible Notes and the April Warrants. The debt discount reflects the underlying fair value of the April Warrants of approximately $860,000 on the date of the transaction and a beneficial conversion charge of approximately $715,000. The debt discount will be amortized to interest expense over the earlier of (i) term of the Convertible Notes or (ii) conversion of the debt. During the six months ended June 30, 2015, the Company amortized $293,425 of the debt discount as a component of interest expense in the accompanying statements of operations.

In connection with the sale of the Convertible Notes and April Warrants, the Company entered into a registration rights agreement, dated April 24, 2015 (the "April Registration Rights Agreement"), with the April Purchasers, pursuant to which the Company agreed to register the shares of common stock underlying the Convertible Notes and Warrants on a Form S-3 registration statement to be filed with the Securities and Exchange Commission within ten (10) business days after the date of the issuance of the Convertible Notes and April Warrants (the "April Filing Date") and to cause the April Registration Statement to be declared effective under the Securities Act of 1933, as amended (the "Securities Act") within ninety (90) days following the April Filing Date. If certain of its obligations under the April Registration Rights Agreement are not met, the Company is required to pay partial liquidated damages to each April Purchaser. On May 8, 2015, the Company filed a registration statement on Form S-3 with the SEC to register the shares issuable upon the conversion of the Convertible Notes, the related accrued interest and the exercise of the April Warrants. Such registration statement was declared effective with the SEC on May 14, 2015.

In connection with the sale of the Convertible Notes and the April Warrants, the Company entered into a security agreement, dated April 24, 2015 (the "April Security Agreement"), between the Company, 3D-ID and the collateral agent thereto. Pursuant to the Security Agreement, the April Purchasers were granted a security interest in certain personal property of the Company and 3D-ID to secure the payment and performance of all obligations of the Company and 3D-ID under the Convertible Notes, April Warrants, April Purchase Agreement, April Registration Rights Agreement and April Security Agreement. In addition, in connection with the Security Agreement, 3D-ID executed a subsidiary guaranty, pursuant to which it agreed to guarantee and act as surety for payment of the Convertible Notes and other obligations of the Company under the April Warrants, April Purchase Agreement, April Registration Rights Agreement and April Security Agreement.

Connecticut Innovations, Inc. Private Placement

On December 13, 2012, the Company received approval from Connecticut Innovations, Inc. ("CII") for a Convertible Note (the "Note") in the amount of $150,000. The Company received the first tranche of $75,000 on December 21, 2012, and the second tranche of $75,000 on January 31, 2013. The Note's maturity date was December 21, 2014.

The Company received notice on February 11, 2014 from CII regarding converting the Note, along with accrued interest of $21,485, into common stock at a 25% discount to the Company's closing stock price on February 17, 2014. Since February 17, 2014 was a holiday the Company used its closing stock price on February 18, 2014 to determine the number of shares issued to CII resulting from the conversion. The Company issued 55,497 shares in full relief of its outstanding debt and accrued interest of $171,485.

Since the Note was converted on February 18, 2014, the Company re-measured the conversion feature liability associated with the convertible note payable on that date. The Company recorded an unrealized gain on the change in the fair value of the conversion feature liability of $20,218 for the six months ended June 30, 2014 (See Note 6) and reclassified the re-measured conversion feature of $98,722 to additional paid-in capital. Since the Note was converted the remaining unamortized portion of the debt discount of $26,755 was expensed during the six months ended June 30, 2014.

Note 5 – Derivative liabilities

During 2014, the derivative liabilities were valued using the Black-Scholes option valuation model and the following weighted average assumptions on the following dates:

	February 21, 2014	February 18, 2014	January 13, 2014
Embedded Conversion Feature and Warrant Liability:			
Risk-free interest rate	1.52%	0.10%	1.60%
Expected volatility	105.36%	105.36%	123.54%
Expected life (in years)	4.88	0.75	5.00
Expected dividend yield	–	–	–
Number of shares	1,391,539	55,497	941,539
Fair value	$ 4,589,734	$ 98,722	$ 3,450,976

The risk-free interest rate was based on rates established by the Federal Reserve. Since the Company's stock has not been publicly traded for a sufficiently long period of time, the Company is utilizing an expected volatility figure based on a review of the historical volatilities, over a period of time, equivalent to the expected life of the instrument being valued, of similarly positioned public companies within its industry. The expected life of the conversion feature was determined by the maturity date of the Note and the expected life of the warrants was determined by their expiration dates. The expected dividend yield was based upon the fact that the Company has not historically paid dividends on its common stock, and does not expect to pay dividends on its common stock in the future.

Fair Value Measurement

The carrying amounts of cash, inventory, prepaid expenses, accounts payable and accrued liabilities approximate their fair value due to their short maturities. The Company's other financial instruments include its convertible notes payable obligations. The carrying value of these instruments approximate fair value, as they bear terms and conditions comparable to market, for obligations with similar terms and maturities. The Company measures the fair value of financial assets and liabilities based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

Note 5 – Derivative liabilities (continued)

The following table sets forth a summary of the changes in the fair value of our Level 3 financial liabilities that are measured at fair value on a recurring basis:

	For the Six Months Ended June 30, 2014
Beginning liability balance	$ 1,650,243
Recognition of derivative value in equity	3,450,976
Net unrealized gain on derivative liabilities in equity	(392,545)
Net unrealized gain on conversion feature liabilities	(20,218)
Adjustment to additional paid-in capital upon conversion and modification	(4,688,456)
Ending balance	$ –

Note 6 - Stockholders' Equity

January 2014 Private Placement

On January 13, 2014, the Company closed a “best efforts” private offering of $1,000,000 (the “Offering”) with a group of accredited investors (the “Purchasers”) and the Company exercised the over-subscription amount allowed in the Offering of $350,000, for total gross proceeds to the Company of $1,350,000 before deducting placement agent fees and other expenses. Pursuant to a securities purchase agreement with the Purchasers (the “Purchase Agreement”), the Company issued to the Purchasers (i) 415,387 shares of the Company’s common stock, par value $0.0001 per share and (ii) warrants (the “Warrants”) to purchase 1,350,000 shares (the “Warrant Shares”) of the Company’s common stock at an exercise price of $3.25 per share. In connection with the Offering, 138,463 units were sold at the end of December 2013 and 276,924 units were sold in January 2014, all at $3.25 per unit. As a result, the Company received aggregate gross proceeds of $450,000 in December 2013 from the issuance of 138,463 shares of common stock and 450,000 Warrants, and the Company received $900,000 in January 2014 from the issuance of 276,924 shares of common stock and 900,000 Warrants. Costs incurred associated with the Offering in December 2013 and January 2014 was $56,820 and $100,006, respectively. In January 2014, the placement agent received 41,539 Warrants to purchase 41,539 shares of the Company’s common stock as fees.

Pursuant to the Purchase Agreement, the Company’s founders who are members of management (the “Founders”) agreed to cancel a corresponding number of shares of common stock to those shares of common stock issued in the Offering and place in escrow a corresponding number of shares to be cancelled for each Warrant Share issued. As a result, the Founders retired 138,463 and 276,924 shares of common stock in December 2013 and January 2014, respectively.

The Warrants are exercisable for a period of five (5) years from the original issue date. The initial exercise price with respect to the Warrants was $3.25 per share. On the date of issuance, the Warrants were recognized as derivative liabilities as they did not have fixed settlement provisions because their exercise prices could be lowered if the Company was to issue securities at a lower price in the future. As a result, the Company recorded $3,450,976 as derivative liability warrants on the consolidated balance sheet on January 13, 2014.

On February 21, 2014, the Company amended the terms of the 1,391,539 Warrants issued in the Offering as compensation to the placement agent to eliminate the anti-dilution provision and to lower the exercise price of the Warrants from $3.25 to $3.00. As a result of the Warrant modifications, the Company re-measured the Warrant liability on the modification date and recorded an unrealized gain on derivative liabilities of $448,072 and reclassified the aggregate re-measured value of the Warrants of $4,514,772 to additional paid-in capital. See Note 5 above.

NOTE 6 - STOCKHOLDERS' EQUITY (CONTINUED)

On various dates, during the twelve months ended December 31, 2014, the Company received gross proceeds of $1,500,000 in connection with the exercise of 500,000 warrants into 500,000 shares of common stock at an exercise price of $3.00 per share, net of fees paid upon the exercise of the warrants issued in the Offering per the terms of the underwriter agreement of $30,000. Upon exercise, pursuant to the Purchase Agreement, the Company's Founders cancelled a certain number of shares of common stock in accordance with the Purchase Agreement.

Effective March 5, 2015, the Purchasers holding a majority of the securities offered in the January 2014 offering waived a provision that required certain stockholders of the Company to surrender shares of common stock proportional to the number of warrants exercised. To date, these stockholders have retired 697,054 shares of common stock which will remain in treasury.

On April 23, 2015, the Company entered into a waiver and termination of certain rights agreement (the "Waiver Agreement") whereby the majority purchasers of shares of common stock and Warrants in the Offering agreed to terminate certain provisions in the Purchase Agreement for an aggregate of 250,000 shares of common stock. The fair value of the 250,000 shares of common stock issued on April 23, 2015 was $655,000 and was recorded as inducement expense by the Company.

June 2014 Private Placement

From June 12, 2014 to June 17, 2014, the Company conducted a private offering with a group of accredited investors (the "June Purchasers") who had previously participated in the Offering that occurred between December 30, 2013 and January 13, 2014. Pursuant to a securities purchase agreement with the June Purchasers, the Company issued to the June Purchasers warrants (the "June Warrants") to purchase an aggregate of 400,000 shares (the "June Shares") of the Company's common stock at an exercise price of $3.00 per share. The June Warrants are exercisable for a period of five (5) years from the original issue date. The exercise price for the June Warrants is subject to adjustment upon certain events, such as stock splits, combinations, dividends, distributions, reclassifications, mergers or other corporate change and dilutive issuances.

In connection with the issuance of the June Warrants, the Company entered into a registration rights agreement with the June Purchasers pursuant to which the Company agreed to register the June Shares and all of the shares of common stock then issued to the June Purchasers on a Form S-1 registration statement (the "June Registration Statement") to be filed with the SEC ninety (90) days following the completion of an underwritten public offering (the "June Filing Date") and to cause the June Registration Statement to be declared effective under the Securities Act within ninety (90) days following the Filing Date (the "Required Effective Date").

The Registration Statement was not filed by the June Filing Date or declared effective by the Required Effective Date of December 15, 2014. Under the original terms of the arrangement, the Company was required to pay partial liquidated damages to each June Purchaser in the amount equal to two percent (2%) for the purchase price paid for the June Warrants then owned by such June Purchaser for each 30-day period for which the Company is non-compliant. On January 30, 2015, the Company received signed documentation from all of the June Purchasers waiving their right to liquidated damages and terminating the registration rights agreement.

August 2014 Private Placement

On August 21, 2014, pursuant to a securities purchase agreement with two (2) Purchasers (the "August Purchasers") who had previously participated in the Offering that occurred between December 30, 2013 and January 13, 2014, the Company issued to the August Purchasers warrants (the "August Warrants") to purchase an aggregate of 100,000 shares (the "August Shares") of the Company's common stock at an exercise price of $3.00 per share. The August Warrants are exercisable for a period of five (5) years from the original issue date. The exercise price for the August Warrants is subject to adjustment upon certain events, such as stock splits, combinations, dividends, distributions, reclassifications, mergers, or other corporate changes and dilutive issuances.

In connection with the issuance of the August Warrants, the Company entered into a registration rights agreement with the August Purchasers pursuant to which the Company agreed to register the August Shares and all of the shares of common stock then issued to the August Purchasers on a Form S-1 registration statement (the "August Registration Statement") to be filed with the SEC ninety (90) days following the Filing Date and to cause the August Registration Statement to be declared effective under the Securities Act by the Required Effective Date.

NOTE 6 - STOCKHOLDERS' EQUITY (CONTINUED)

The August Registration Statement was not filed by the Filing Date or declared effective by the Required Effective Date. Under the original terms of the arrangement, the Company was required to pay partial liquidated damages to each August Purchaser in the amount equal to two percent (2%) for the purchase price paid for the August Warrants then owned by such August Purchaser for each 30-day period for which the Company is non-compliant. On January 30, 2015, the Company received signed documentation from all of the August Purchasers waiving their right to liquidated damages and terminating the registration rights agreement.

The Company determined that the effect of the issuance of the 500,000 warrants was to induce the June Purchasers and August Purchasers to exercise warrants previously issued to them in the Offering. As a result, the Company recorded inducement expense of $1,262,068 during the twelve months ended December 31, 2014.

September 2014 Public Offering

On September 15, 2014, the Company closed on an underwritten public offering of its common stock and warrants. The Company offered 2,127,273 shares of common stock and warrants to purchase 2,127,273 shares of common stock, at a combined price to the public of $2.75 per share and related warrant. The warrants are exercisable for a period of five (5) years beginning on September 15, 2014 at an exercise price of $3.288 per share. The Company received net proceeds of $4,954,042 from the public offering, after deducting the underwriting discount and other offering related expenses. The underwriters were Northland Securities, Inc., The Benchmark Company, LLC, and Newport Coast Securities Inc.

In connection with the underwritten public offering of the Company's common stock and warrants on September 15, 2014, the Company was required to obtain a waiver and consent from the investors in the January 13, 2014 private offering in order to conduct the public offering at a price of $2.75 per share and warrant. As a result, on September 10, 2014, the Company issued the majority Purchasers in the January 13, 2014 private offering, 261,131 unregistered shares of common stock and reduced the exercise price on the outstanding Warrants, June Warrants, and August Warrants from $3.00 to $2.00 per share of common stock for all of the investors. During the twelve months ended December 31, 2014, the Company recorded additional inducement expense of $718,110 and $232,360 related to the issuance of unregistered shares of common stock to the majority Purchasers and the modification of the warrant exercise price, respectively.

2015 Warrant Exercises

Between January 28, 2015 and June 30, 2015, the Company received proceeds of $650,000 in connection with the exercise of 325,000 warrants into 325,000 shares of common stock at an exercise price of $2.00 per share.

$1,575,000 Securities Purchase Agreement

On April 24, 2015, the Company entered into the April Purchase Agreement with the April Purchasers pursuant to which the Company sold to such purchasers an aggregate of $1,575,000 principal amount of the Convertible Notes, a Class A Warrant (to purchase up to 468,749 shares of the Company's common stock and a Class B to purchase up to 468,749 shares of the Company's common stock. For more information regarding the Convertible Notes and the April Warrants, please refer to Note 4 - Convertible Notes Payable.

NOTE 6 - STOCKHOLDERS' EQUITY (CONTINUED)

The following table summarizes the Company's warrants outstanding and exercisable at June 30, 2015:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life In Years	Intrinsic Value
Outstanding and Exercisable at January 1, 2015	3,629,776	$ 2.80	4.51	$ 283,828
Issued	937,498	4.01	-	-
Exercised	(325,000)	2.00	-	-
Cancelled	-	-	-	-
Outstanding and Exercisable at June 30, 2015	4,242,274	$ 3.13	4.34	$ 385,552

On January 4, 2013, a majority of the Company’s stockholders approved by written consent the Company’s 2013 Long-Term Stock Incentive Plan (“LTIP”). The maximum aggregate number of shares of common stock that may be issued under the LTIP, including stock awards, stock issued to directors for serving on the Company’s board, and stock appreciation rights, is limited to 10% of the shares of common stock outstanding on the first business or trading day of any fiscal year, which is 2,476,236 at January 1, 2015. During the six and three months ended June 30, 2015, the Company issued 34,242 and 18,987 shares, respectively of common stock under the plan to three non-executive directors for serving on the Company’s board. The aggregate fair value of the shares issued to the directors for the six and three months ended June 30, 2015 was $90,000 and $45,000, respectively. On November 18, 2014 the Company granted 215,000 restricted shares of common stock with an aggregate fair value of $451,500 to six non-executive employees and one consultant. The vesting period for these restricted shares of common stock is twelve months with the exception of one award that vests over a thirty-six month period. During the six and three months ended June 30, 2015, the Company expensed $120,750 and $60,375, respectively related to these restricted stock awards. During the three months ended June 30, 2015, the Company issued 50,000 restricted shares of common stock with an aggregate fair value of $147,500 to one non-executive employee. During the six and three months ended June 30, 2015, the Company expensed $147,500 related to this restricted stock award. During the six and three months ended June 30, 2014, the Company issued 5,084 and 2,558 restricted shares, respectively, of common stock under the plan to two non-executive directors with an aggregate fair value of $20,000 and $10,000, respectively. The Company did not issue any common stock to employees during the six months ended June 30, 2014. At June 30, 2015, a total of 376,972 shares of common stock have been issued from the Plan and 2,099,264 are available to be issued.

During the six and three months ended June 30, 2015, the Company issued 163,610 and 92,220, shares of common stock, respectively with a fair value of $442,810 and $243,430, respectively to non-employees for services rendered. The Company recorded expense of $387,973 and $229,995, in the six and three months ended June 30, 2015, respectively, in connection with the issuance of common stock to non-employees. For the six months ended June 30, 2014, the Company issued 29,883 shares of common stock with an aggregate fair value of $124,000 to consultants for services rendered to the Company.

During the six and three months ended June 30, 2015, the Company accrued $379,250 and $189,625, respectively, of discretionary management and employee bonus expense.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

LEGAL MATTERS

From time to time, the Company is subject to legal proceedings arising in the ordinary course of business. Such matters are subject to uncertainties and outcomes are not predictable with assurance. Management believes at this time, there are no ongoing matters that will have a material adverse effect on the Company's business, financial position, results of operations, or cash flows.

Note 7 - Commitments and Contingencies (continued)

Warranty

The Company's product is sold with a one-year warranty against defects in materials and workmanship under normal use. To date, warranty claims have been inconsequential and the Company estimates any such claims against sales made to date will be immaterial. Accordingly, no accrual for warranty costs has been recorded at June 30, 2015.

Commitments

On September 12, 2014, the Company entered into a lease agreement for office space in Oxford, Connecticut. The term of the lease is for two (2) years with a monthly rent of $2,300 in the first year, increasing to $2,450 per month in the second year.

On October 3, 2014, the Company entered into a lease agreement for warehouse space in Melbourne, Florida. The lease term commenced on January 1, 2015. The term of the lease is for three (3) years with a monthly rent amount of $6,395 which includes the base rent, an escrow for taxes and insurance, common area maintenance charges and applicable sale tax.

The Company incurred rent expense of $63,982 and $10,023 for the six months ended June 30, 2015 and 2014, respectively. Minimum lease payments for non-cancelable operating leases are as follows:

Future Lease Obligations

2015 (remaining)	$	62,904
2016		121,575
2017		87,459
Total future lease obligations	$	271,938

NOTE 8 - SUBSEQUENT EVENTS

The Company evaluates events that have occurred after the balance sheet date but before the condensed consolidated financial statements are issued.

July 2015 Private Placement

On July 27, 2015, the Company entered into a securities purchase agreement with an accredited investor pursuant to which the Company sold an aggregate of $222,222 in principal amount of the 8% Original Issue Discount Convertible Notes (the "8% Convertible Notes") for an aggregate purchase price of $200,000. The Company received net proceeds of $200,000 from the sale of the 8% Convertible Notes. The 8% Convertible Notes will mature on September 11, 2015 (the "Maturity Date"), less any amounts converted or redeemed prior to the Maturity Date. The 8% Convertible Notes bear interest at a rate of 8% per annum, subject to increase to the lesser of 24% per annum or the maximum rate permitted under applicable law upon the occurrence of certain events of default. The 8% Convertible Notes are convertible at any time, in whole or in part, at the option of the holders into shares of common stock at a conversion price of $3.50 per share, which is subject to adjustment for stock dividends, stock splits, combinations or similar events. The Company may prepay in cash any portion of the principal amount of the 8% Convertible Notes and any accrued and unpaid interest. If such prepayment is made within sixty (60) days after the issuance date of the 8% Convertible Notes, the Company shall pay an amount in cash equal to 109% of the sum of the then outstanding principal amount of the note and interest; thereafter, if such prepayment is made, the Company shall pay an amount in cash equal to 114% of the sum of the then outstanding principal amount of the note and interest. In the event the Company effects a registered offering either utilizing Form S-1 or Form S-3 (a "Registered Offering"), the Holder shall have the right to convert the entire amount of the purchase price into such Registered Offering. On August 4, 2015, the Company closed on a Registered Offering and the Holder elected to convert the entire purchase price into the Registered Offering.

On July 29, 2015, we issued 100,000 shares of common stock to a third party for certain services rendered to the Company.

August 2015 Public Offering and Private Placement

On August 4, 2015, the Company closed on a public offering of 1,721,429 shares of its common stock at a price to the public of $1.75 per share. The Company received approximately $2.7 million in net proceeds from the public offering, after deducting placement agent fees and offering related expenses.

On August 4, 2015, in connection with the public offering the Company closed on a private placement of warrants to purchase 860,716 shares of common stock, at a price of $0.0000001 per warrant. Each warrant is initially exercisable on the six (6) month anniversary of the issuance date at an initial exercise price equal to $2.35 per share and has a term of exercise equal to five (5) years from the date on which first exercisable. Subject to limited exceptions, a holder of warrants will not have the right to exercise any portion of its warrants if the holder, together with its affiliates, would beneficially own in excess of 9.99% of the number of shares of our common stock outstanding immediately after giving effect to such exercise.

At June 30, 2015, deferred costs of $98,568 in connection with the July 2015 Private Placement and the August 2015 Public Offering and Private Placement were capitalized in other assets.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations for the six and three months ended June 30, 2015 should be read together with our condensed consolidated financial statements and related notes included elsewhere in this quarterly report. Certain accounting policies and estimates are particularly important to the understanding of our financial position and results of operations and require the application of significant judgment by our management or can be materially affected by changes from period to period in economic factors or conditions that are outside of our control. As a result, they are subject to an inherent degree of uncertainty. In applying these policies, our management uses their judgment to determine the appropriate assumptions to be used in the determination of certain estimates. Those estimates are based on our historical operations, our future business plans and projected financial results, our observance of trends in the industry and information available from other outside sources, as appropriate. Please see Note 3 to our condensed consolidated financial statements and our discussion of critical accounting policies in our Form 10-K for a more complete description of our significant accounting policies. This discussion contains forward-looking statements and information relating to our business that reflect our current views and assumptions with respect to future events and are subject to risks and uncertainties that may cause our or our industry's 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 these forward-looking statements. These forward-looking statements speak only as of the date of this report. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, or achievements. Except as required by applicable law, including the securities laws of the United States, we expressly disclaim any obligation or undertaking to disseminate any update or revisions of any of the forward-looking statements to reflect any change in our expectations with regard thereto or to conform these statements to actual results.

Overview

Nxt-ID, Inc. (the "Company") is a Delaware corporation formed on February 8, 2012. We were initially known as Trylon Governmental Systems, Inc. We changed our name to Nxt-ID, Inc. on June 25, 2012 to reflect our primary focus on our growing biometric identification, m-commerce and secure mobile platforms.

On June 25, 2012, the Company acquired 100% of the membership interests in 3D-ID LLC ("3D-ID"), a limited liability company formed in Florida in February 2011 and owned by the Company's founders. By acquiring 3D-ID the Company gained the rights to a portfolio of patented technology in the field of three-dimensional facial recognition and imaging including 3D facial recognition products for access control, law enforcement and travel and immigration. 3D-ID was an early stage company engaged in the design, research and development, integration, analysis, modeling, system networking, sales and support of intelligent surveillance, three-dimensional facial recognition and three-dimensional imaging devices and systems primarily for identification and access control in the security industries. Since the Company's acquisition of 3D-ID was a transaction between entities under common control in accordance with Accounting Standards Codification ("ASC") 805, "Business Combinations", Nxt-ID recognized the net assets of 3D-ID at their carrying amounts in the accounts of Nxt-ID on the date that 3D-ID was organized, February 14, 2011.

We are an early stage technology company that is focused on developing and marketing products, solutions, and services for organizations that have a need for biometric secure access control. We have three distinct lines of business that we are currently pursuing: law enforcement, m-commerce, and biometric access control applications. Our initial efforts focused on our secure products offering for law enforcement, the Department of Defense, and Homeland Security through our 3D FaceMatch® biometric identification systems. In parallel we have developed a secure biometric electronic smart wallet, the wocket® smart wallet , for the growing m-commerce market. We believe that the wocket® smart wallet constitutes unique technology because it takes a very different approach relative to the current offerings: instead of replacing the wallet through a smartphone, our aim is to improve it. We believe that our wocket® smart wallet will reduce the number of cards carried in a consumer's wallet while supporting most payment methods currently available at point of sale at retailers around the world, including magnetic stripe, barcodes and Quick Response (QR) Codes and in the near future near field communications, all within a secure biometric vault. We have also recently launched a new biometric authentication product named Voicematch®. This product is a new method of recognizing both the voice of speakers and specific words they use providing innovative multi-factor recognition that is efficient enough to run on low-power devices.

Using our biometrics technologies, we plan to address the growing m-commerce market with our innovative MobileBio™ suite of biometric solutions that secure mobile platforms. Currently, most mobile devices continue to be protected simply by questions that a user asks and PIN numbers. This security methodology is easily duplicated on another device and can be easily spoofed or hacked. Nxt-ID's biometric security paradigm is Dynamic Pairing Codes (DPCs). DPCs are a new, proprietary method to secure users, devices, accounts, locations and servers over any communication media by sharing key identifiers, including biometric-enabled identifiers, between end-points by passing DPCs (random numbers) between end-points to establish sessions and/or transactions without exposing identifiers or keys. Our plan also anticipates that we will use our core biometric algorithms to develop a security application that can be used for corporations (industrial uses, such as enterprise computer networks), as well as individuals (consumer uses, such as smart phones, tablets, or personal computers). We started limited shipments of the wocket® smart wallet in March 2015 and we shipped the majority of our pre orders in the second quarter of 2015. We will begin to scale deliveries in the third quarter with an emphasis on a full retail rollout in the last quarter of 2015.

To date, our operations have been funded primarily through sales of our common stock, exercises of warrants into common stock, the issuance of Convertible Notes, and deposits and sales resulting from orders received of the wocket® smart wallet. Our financial statements contemplate the continuation of our business as a going concern. However, we are subject to the risks and uncertainties associated with an emerging growth company. As noted above we have no established source of capital and we have incurred losses from operations since inception. These matters raise substantial doubt about our ability to continue as a going concern.

Critical Accounting Policies

We have expanded our critical accounting policies to include the following, which have increased relevance as we shipped most of the 2014 pre orders in the second quarter of 2015.

Revenue Recognition

During the six months ended June 30, 2015 all of the Company's revenues relate to shipments of the wocket® smart wallet to customers who pre-ordered the product in 2014. The Company recognizes revenue when persuasive evidence of an arrangement exists, the service has been rendered or product delivery has occurred, the price is fixed or readily determinable and collectability of the sale is reasonably assured. The Company's wocket® smart wallet sales comprise multiple element arrangements including both the wocket® smart wallet device itself as well as unspecified future upgrades. Determination of the elements to be accounted and the values attributable to revenue elements for which vendor specific objective or third party evidence are not available requires significant judgment. The Company offers to all its customers a period of fourteen days post the actual receipt date in which to return their wocket® smart wallet. Determination of whether returns may be reliably estimated is also a matter of significant judgment that impacts the timing of revenue recognition. The Company was unable to reliably estimate returns at the time shipments were made during the six and three months ended June 30, 2015 due to the lack of return history. Accordingly, the Company has recognized revenue only on those shipments whose fourteen day return period had lapsed by June 30, 2015. As of June 30, 2015, the Company has $18,721 in customer deposits recorded that relate to remaining 2014 pre-orders of its wocket® smart wallet as well as orders received in 2015.

Warranty Costs

The Company's product is sold with a one-year warranty against defects in materials and workmanship under normal use. The Company accrues for the estimated costs associated with the one year wocket® smart wallet warranty at the time revenue associated with the sale is recorded, and periodically updates its estimated warranty cost based on actual experience. Estimating warranty costs requires significant judgment. To date, warranty claims have been inconsequential and the Company estimates any such claims against sales made to date will be immaterial. Accordingly, no accrual for warranty costs has been recorded at June 30, 2015.

Results of Operations

Comparison of six and three months ended June 30, 2015 and June 30, 2014

Revenue. The Company had revenues of $115,401 and $113,131, respectively during the six and three months ended June 30, 2015 and no revenues during the six and three months ended June 30, 2014. Our revenues for the six months ended June 30, 2015 have all been related to the shipments of the wocket® smart wallet to our early access pre-order customers.

Cost of Revenue. Our cost of revenue for these shipments to our early access pre-order customers is not reflective of our expected cost of revenues as we increase the quantity of product delivered.

Operating Expenses. Operating expenses for the six months ended June 30, 2015 totaled $4,501,386 and consisted of research and development expenses of $1,514,015, selling and marketing expenses of $1,313,266 and general and administrative expenses of $1,674,105. The research and development expenses relate primarily to salaries and consulting services of $722,355, as well as test materials and prototypes necessary for the design, development and manufacturing of the wocket® smart wallet of $361,716. Selling and marketing expenses consisted primarily of salaries and consulting services of $301,746 and advertising and promotional expenses, including trade shows, of $615,718. General and administrative expenses for the six months ended June 30, 2015 consisted of salaries and consulting services of $444,535, accrued management and employee incentives of $379,250, legal, audit and accounting fees of $147,178 and consulting fees for public relations of $78,425. General and administrative expenses also include $746,223 in non-cash stock compensation to employees, consultants and board members.

For the six months ended June 30, 2014, operating expenses totaled $1,559,806 and consisted of research and development expenses of $424,126, selling and marketing expenses of $377,603 and general and administrative expenses of $758,077. The research and development expenses related primarily to salaries and consulting services of approximately $341,630, as well as materials including prototypes necessary for the design, development and manufacturing of the wocket® smart wallet of approximately $98,918. Selling and marketing expenses of $377,603 related primarily to marketing consultants of $59,353 and advertising and promotion for the wocket® smart wallet of $166,509. General and administrative expenses for the six months ended June 30, 2014 consisted of salaries of $165,597, legal, audit and accounting fees of approximately $159,475 and consulting fees for public relations of approximately $217,867. General and administrative expenses also include $144,000 in non-cash stock compensation to consultants and board members.

Operating expenses for the three months ended June 30, 2015 totaled $2,453,654 and consisted of research and development expenses of $940,760, selling and marketing expenses of $655,232 and general and administrative expenses of $857,662. The research and development expenses relate primarily to salaries and consulting services of $379,115, as well as test materials and prototypes necessary for the design, development and manufacturing of the wocket® smart wallet of $267,095. Selling and marketing expenses consisted primarily of salaries and consulting services of $139,475 and advertising and promotional expenses, including trade shows, of $281,492. General and administrative expenses for the three months ended June 30, 2015 consisted of salaries and consulting services of $233,378, accrued management and employee incentives of $189,625, legal, audit and accounting fees of $83,127 and consulting fees for public relations of $44,075. General and administrative expenses also include $482,870 in non-cash stock compensation to employees, consultants and board members.

For the three months ended June 30, 2014, operating expenses totaled $1,039,418 and consisted of research and development expenses of $259,848, selling and marketing expenses of $317,419 and general and administrative expenses of $462,151. The research and development expenses related primarily to salaries and consulting services of $170,632, as well as materials including prototypes for the development of the wocket® smart wallet of $75,422. Selling and marketing expenses consisted of $317,419 related primarily to marketing consultants of $34,850 and advertising and promotion for the pre-orders for the wocket® smart wallet of $166,509. General and administrative expenses for the three months ended June 30, 2014 consisted of salaries of $86,097, legal, audit and accounting fees of approximately $103,391 and consulting fees for public relations of $141,032. General and administrative expenses also include $110,000 in non-cash stock compensation to consultants and board members.

The increase in expenditures for the six months ended June 30, 2015, as compared to the six months ended June 30, 2014, is due to an increase in research and development expenses relating to the development of the wocket® smart wallet and improving and updating the Company's 3D facial recognition systems, as well as an increase in advertising and promotional expenses, increased professional fees relating to consultants, increased ongoing expenses related to being a publicly traded company and the addition of sales and marketing related staff for sales of the Company's product.

Net Loss. The net loss for the six months ended June 30, 2015 was $5,497,102 and resulted primarily from $4,501,386 of operational expenses incurred during the six months ended June 30, 2015. Also during the six months ended June 30, 2015, the Company incurred inducement expense of $655,000 related to the Waiver Agreement that was entered into on April 23, 2015, and interest expense of $320,800 resulting from the amortization of both the convertible note discount and the deferred debt issuance costs stemming from the issuance of the convertible notes on April 24, 2015. The net loss for the six months ended June 30, 2014 was $2,228,915, including an inducement fee in connection with warrant exercises of $1,051,128, an unrealized gain on change in fair value of derivative liabilities of $412,763 and $30,744 in interest expense from the loan to the Company from CII. The unrealized gain on change in fair value of derivative liabilities relates to the issuance of a convertible note payable and the Warrants issued in the Company's private placement in January 2014. During the period, the note payable was converted into common stock and the Company successfully modified the terms of the warrants with each of the holders. As a result, no derivative liabilities existed as of June 30, 2014.

Liquidity and Capital Resources

We have incurred operating losses of $4,521,832 and $2,474,380 for the six and three months ended June 30, 2015, respectively. We have incurred net losses of $5,497,102 and $3,450,049 for the six and three months ended June 30, 2015, respectively.

Cash and Working Capital. As of June 30, 2015 the Company had cash and stockholders' equity of $153,667 and $857,736, respectively. At June 30, 2015, the Company had working capital of $415,619. During the six months ended June 30, 2015, the Company received proceeds of $650,000 in connection with the exercise of 325,000 warrants into 325,000 shares of common stock at an exercise price of $2.00 per share. In addition, we received $1,481,500 in net proceeds from the issuance of Convertible Notes on April 24, 2015.

Cash Used in Operating Activities. Our primary ongoing uses of operating cash relate to payments to subcontractors and vendors for research and development, salaries and related expenses and professional fees. Our vendors and subcontractors generally provide us with normal trade payment terms. During the six months ended June 30, 2015, net cash used in operating activities totaled $3,933,872, which was comprised of a net loss of $5,497,102, positive non-cash adjustments to reconcile net loss to net cash used in operating activities of $1,781,963, and changes in operating assets and liabilities of negative $218,733 as compared to net cash used in operating activities of $1,664,554 for the six months ended June 30, 2014, which was comprised of a net loss of $2,228,915, positive non-cash adjustments to reconcile net loss to net cash used in operating activities of $810,380, and changes in operating assets and liabilities of negative $246,019.

Cash Used in Investing Activities. During the six months ended June 30, 2015, net cash used in investing activities totaled $224,901 and was related to the purchases of equipment and tooling of $239,265 and favorable changes in restricted cash of $14,364. During the six months ended June 30, 2014, net cash used in investing activities amounted to $20,887 and was comprised of the purchases of equipment of $16,735 and changes in restricted cash of $4,152.

Cash Provided by Financing Activities. During the six months ended June 30, 2015, the Company received proceeds of $650,000 in connection with the exercise of 325,000 warrants into 325,000 shares of common stock. In addition, we received $1,481,500 in net proceeds from the issuance of Convertible Notes on April 24, 2015, and we paid $20,347 for fees related to future equity offerings. During the six months ended June 30, 2014, the Company received net proceeds of $1,969,994 from the issuance of common stock and warrants and the exercise of warrants.

Sources of Liquidity. We are an early stage company and have generated losses from operations since inception. We incurred a net loss of $5,497,102 during the six months ended June 30, 2015, which included an aggregate $1,563,230 of adjustments to reconcile the Company's net loss to net cash used in operating activities. As of June 30, 2015, the Company had working capital and stockholders' equity of $415,619 and $857,736, respectively.

In order to execute the Company's long-term strategic plan to develop and commercialize its core products, the Company will need to raise additional funds through public or private equity offerings, debt financings, or other means. The Company can give no assurance that the cash raised subsequent to June 30, 2015, or any additional funds raised, will be sufficient to execute its business plan. Additionally, the Company can give no assurance that additional funds will be available on reasonable terms, or available at all, or that it will generate sufficient revenue to alleviate the going concern. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

April 2015 Private Placement

On April 24, 2015, the Company entered into the April Purchase Agreement with the April Purchasers pursuant to which the Company sold to such purchasers an aggregate of $1,575,000 principal amount of the Convertible Notes, a Class A Warrant to purchase up to 468,749 shares of the Company's common stock and a Class B Warrant to purchase up to 468,749 shares of the Company's common stock. The Convertible Notes bear interest at 6% per annum and are convertible at any time, in whole or in part, at the option of the holders into shares of common stock at a conversion price of $2.52 per share. The Class A Warrant and Class B Warrant are exercisable beginning six (6) months after issuance through the fifth (5^{th}) anniversary of such initial exercisability date. The Class A Warrant has an initial exercise price equal to $3.02 per share and the Class B Warrant has an initial exercise price equal to $5.00 per share.

The Company received cash proceeds of $1,481,500 from issuance of the Convertible Notes after deducting debt issuance costs of $93,500.

In connection with the sale of the Convertible Notes and April Warrants, the Company entered into the "April Registration Rights Agreement, with the April Purchasers, pursuant to which the Company agreed to register the shares of common stock underlying the Convertible Notes and Warrants on a Form S-3 registration statement to be filed with the Securities and Exchange Commission within ten (10) business days after the date of the issuance of the Convertible Notes and April Warrants and to cause the April Registration Statement to be declared effective under the Securities Act within ninety (90) days following the April Filing Date. If certain of its obligations under the April Registration Rights Agreement are not met, the Company is required to pay partial liquidated damages to each April Purchaser. On May 8, 2015, the Company filed a registration statement on Form S-3 with the SEC to register the shares issuable upon the conversion of the Convertible Notes, the related accrued interest and the exercise of the April Warrants. Such registration statement was declared effective with the SEC on May 14, 2015.

In connection with the sale of the Convertible Notes and the April Warrants, the Company entered into the April Security Agreement, between the Company, 3D-ID and the collateral agent thereto. Pursuant to the Security Agreement, the April Purchasers were granted a security interest in certain personal property of the Company and 3D-ID to secure the payment and performance of all obligations of the Company and 3D-ID under the Convertible Notes, April Warrants, April Purchase Agreement, April Registration Rights Agreement and April Security Agreement. In addition, in connection with the Security Agreement, 3D-ID executed a subsidiary guaranty, pursuant to which it agreed to guarantee and act as surety for payment of the Convertible Notes and other obligations of the Company under the April Warrants, April Purchase Agreement, April Registration Rights Agreement and April Security Agreement.

Subsequent Events

July 2015 Private Placement

On July 27, 2015, the Company entered into a securities purchase agreement with an accredited investor pursuant to which the Company sold an aggregate of $222,222 in principal amount of the 8% Original Issue Discount Convertible Notes (the “8% Convertible Notes”) for an aggregate purchase price of $200,000. The Company received net proceeds of $200,000 from the sale of the 8% Convertible Notes. The 8% Convertible Notes will mature on September 11, 2015 (the “Maturity Date”), less any amounts converted or redeemed prior to the Maturity Date. The 8% Convertible Notes bear interest at a rate of 8% per annum, subject to increase to the lesser of 24% per annum or the maximum rate permitted under applicable law upon the occurrence of certain events of default. The 8% Convertible Notes are convertible at any time, in whole or in part, at the option of the holders into shares of common stock at a conversion price of $3.50 per share, which is subject to adjustment for stock dividends, stock splits, combinations or similar events. The Company may prepay in cash any portion of the principal amount of the 8% Convertible Notes and any accrued and unpaid interest. If such prepayment is made within sixty (60) days after the issuance date of the 8% Convertible Notes, the Company shall pay an amount in cash equal to 109% of the sum of the then outstanding principal amount of the note and interest; thereafter, if such prepayment is made, the Company shall pay an amount in cash equal to 114% of the sum of the then outstanding principal amount of the note and interest. In the event the Company effects a registered offering either utilizing Form S-1 or Form S-3 (a “Registered Offering”), the Holder shall have the right to convert the entire amount of the purchase price into such Registered Offering. On August 4, 2015, the Company closed on a Registered Offering and the Holder elected to convert the entire amount of the purchase price into the Registered Offering.

August 2015 Public Offering and Private Placement

On August 4, 2015, the Company closed on a public offering of 1,721,429 shares its common stock at a price to the public of $1.75 per share. The Company received approximately $2.7 million in net proceeds from the public offering, after deducting placement agent fees and offering related expenses.

On August 4, 2015, in connection with the public offerings the Company closed on a private placement of warrants to purchase 860,716 shares of common stock, at a price of $0.0000001 per warrant. Each warrant is initially exercisable on the six (6) month anniversary of the issuance date at an initial exercise price equal to $2.35 per share and has a term of exercise equal to five (5) years from the date on which first exercisable. Subject to limited exceptions, a holder of warrants will not have the right to exercise any portion of its warrants if the holder, together with its affiliates, would beneficially own in excess of 9.99% of the number of shares of our common stock outstanding immediately after giving effect to such exercise.

At June 30, 2015, deferred costs of $98,568 in connection with the July 2015 Private Placement and the August 2015 Public Offering and Private Placement were capitalized in other assets.

Northland Securities, Inc. acted as the exclusive placement agent for both offerings. The Benchmark Company also acted as an advisor to the Company for both offerings.

Off Balance Sheet Arrangements

We do not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. In addition, we do not have any undisclosed borrowings or debt, and we have not entered into any synthetic leases. We are, therefore, not materially exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in such relationships.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* (“ASU 2014-09”), which stipulates that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for such goods or services. To achieve this core principle, an entity should apply the following steps: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract(s); (3) determine the transaction price(s); (4) allocate the transaction price(s) to the performance obligations in the contract(s); and (5) recognize revenue when (or as) the entity satisfies a performance obligation. The guidance also requires advanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. The required effective date for adoption of ASU 2014-09 has been deferred to annual reporting periods beginning after December 15, 2017 with early adoption permitted for periods beginning after December 15, 2016. The new revenue standards may be applied retrospectively to each period presented or with the cumulative effect recognized as of the date of initial application. The Company is currently evaluating ASU 2014-09.

The FASB recently issued Accounting Standards Update No. ASU 2015-11, *Simplifying the Measurement of Inventory* (“ASU 2015-11”), that changes the measurement principle for inventory from the lower of cost or market to lower of cost and net realizable value. ASU 2015-11 is effective for inventory measurements for fiscal years beginning after December 15, 2016, with early adoption permitted. The Company is currently evaluating ASU 2015-11.

In April 2015, the FASB issued Accounting Standard Update ASU No. 2015-03 *Interest - Imputation of Interest (Subtopic 835-30) – Simplifying the Presentation of Debt Issuance Costs* (“ASU No. 2015-13”). ASU 2015-03 is effective for the fiscal years beginning after December 15, 2015. ASU 2015-03 simplifies financial reporting by eliminating the different presentation requirements for debt issuance costs and debt discounts or premiums. The adoption of this standard which will be applied retrospectively, will not have a material impact on the Company’s results of operations.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are not required to provide the information required by this Item since we are a smaller reporting company, as defined in rule 12b-2 of the Securities Exchange Act of 1934 (the “Exchange Act”).

Item 4. Controls and Procedures

Disclosure Controls and Procedures

As of June 30, 2015, the Company’s Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. As discussed below, management has concluded that as of June 30, 2015, our disclosure controls and procedures were not effective.

As of June 30, 2015, we identified certain matters that constituted a material weakness in our internal controls over financial reporting. Specifically, we have limited segregation of duties within our accounting and financial reporting functions. Management recently hired a Chief Financial Officer with significant experience to help address this situation. Segregation of duties within our Company is limited due to the small number of employees that are assigned to positions that involve the processing of financial information. Additional time is required to expand our staff, fully document our systems, implement control procedures and test their operating effectiveness before we can definitively conclude that we have remediated our material weakness.

Changes in Internal Controls

There were no changes in the Company’s internal control over financial reporting that occurred during the six months ended June 30, 2015, that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Limitations of the Effectiveness of Control

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations of any control system, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, the Company is subject to legal proceedings arising in the ordinary course of business. Such matters are subject to uncertainties and outcomes are not predictable with assurance. Management believes at this time, there are no ongoing matters that will have a material adverse effect on the Company's business, financial position, results of operations, or cash flows.

Item 1A. Risk Factors

As a smaller reporting company, we are not required to provide the information required by this Item.

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

There have been no material changes to the procedures by which security holders may recommend nominees to our Board of Directors.

Item 6. Exhibits

Exhibit Number	Description
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Principal 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 Principal 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 Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.DEF	XBRL Definition Linkbase Document
101.LAB	XBRL Label Linkbase Document
101.PRE	XBRL Presentation Linkbase Document

In accordance with SEC Release 33-8238, Exhibits 32.1 and 32.2 are being furnished and not filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	Nxt-ID, Inc.
Date: August 14, 2015	By: /s/ Gino M. Pereira Gino M. Pereira Chief Executive Officer (Duly Authorized Officer and Principal Executive Officer)
Date: August 14, 2015	By: /s/ Vincent S. Miceli Vincent S. Miceli Principal Financial Officer (Duly Authorized Officer and Principal Financial Officer)

EXHIBIT INDEX

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In accordance with SEC Release 33-8238, Exhibits 32.1 and 32.2 are being furnished and not filed.

CERTIFICATION
OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Gino M. Pereira, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Nxt-ID, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2015

By: /s/ Gino M. Pereira
Gino M. Pereira
Chief Executive Officer
(Duly Authorized Officer and
Principal Executive Officer)

Exhibit 31.2

CERTIFICATION
OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Vincent S. Miceli, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Nxt-ID, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant‘s internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2015

By: /s/ Vincent S. Miceli
Vincent S. Miceli
Principal Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

Exhibit 32.1

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

In connection with the Quarterly Report of Nxt-ID, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gino M. Pereira, Chief Executive Officer of Nxt-ID, Inc., certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The 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 the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2015

By: /s/ Gino M. Pereira
Gino M. Pereira
Chief Executive Officer
(Duly Authorized Officer and
Principal Executive Officer)

Exhibit 32.2

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

In connection with the Quarterly Report of Nxt-ID, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Vincent S. Miceli, Vice President and Chief Financial Officer of Nxt-ID, Inc., certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The 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 the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2015

By: /s/ Vincent S. Miceli
Vincent S. Miceli
Principal Financial Officer
(Duly Authorized Officer and Principal Financial Officer)