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

FORM 10-Q

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

For the quarterly period ended June 30, 2017

OR

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

Commission file number: 333-184487

IMMUDYNE, INC.
(Exact name of registrant as specified in its charter)

Delaware	**76-0238453**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
50 Spring Meadow Rd. Mount Kisco, NY	**10549**
(Address of principal executive offices)	(Zip Code)

(914) 244-1777
(Registrant's telephone number, including area code)

Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the last 90 days.

YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES ☒ NO ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☒
(do not check if a smaller reporting company)		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES ☐ NO ☒

44,107,342 shares of common stock outstanding as of August 11, 2017.

Immudyne, Inc.

Table of Contents

NOTE ABOUT FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") regarding our company that include, but are not limited to, projections of earnings, revenue or other financial items; statements of the plans, strategies and objectives of management for future operations; statements concerning proposed new products, services or developments; statements regarding future economic conditions or performance; statements of belief; and statements of assumptions underlying any of the foregoing. These forward-looking statements are based on our current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by us. Words such as "anticipates," "expects," "intends," "plans," "predicts," "potential," "believes," "seeks," "hopes," "estimates," "should," "may," "will," "with a view to" and variations of these words or similar expressions are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that are difficult to predict. Although we believe that our expectations expressed in these forward-looking statements are reasonable, our expectations may later be found to be incorrect. Our actual results could be materially different from our expectations. Important risks and factors that could cause our actual results to be materially different from our expectations are set forth in "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Our Business" and other sections in this report. Other sections of this report include additional factors that could adversely impact our business and financial performance.

Unless otherwise indicated, information in this report concerning economic conditions and our industry is based on information from independent industry analysts and publications, as well as our estimates. Except where otherwise noted, our estimates are derived from publicly available information released by third party sources, as well as data from our internal research, and are based on such data and our knowledge of our industry, which we believe to be reasonable. Unless otherwise indicated, none of the independent industry publication market data cited in this report was prepared on our or our affiliates' behalf.

The forward-looking statements made in this report are based only on events or information as of the date on which the statements are made in this report. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this report and the documents we refer to in this report and have filed as exhibits to this report completely and with the understanding that our actual future results may be materially different from what we expect.

Additional information on the various risks and uncertainties potentially affecting our operating results are discussed in this report and other documents we file with the Securities and Exchange Commission (the "SEC"). We undertake no obligation to revise or update publicly any forward-looking statements for any reason, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on these forward-looking statements.

As used in this report, "Immudyne," "Company," "we," "our" and similar terms refer to Immudyne, Inc., unless the context indicates otherwise.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Immudyne, Inc.

Consolidated Balance Sheets

	June 30, 2017 (unaudited)	December 31, 2016
ASSETS		
Current Assets		
Cash	$ 436,086	$ 182,561
Trade accounts receivable, net	519,624	444,743
Other receivables	-	2,250
Product deposit	74,043	-
Inventory, net	127,448	160,270
Total Current Assets	$ 1,157,201	$ 789,824
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable and accrued expenses	$ 561,833	$ 752,930
Derivative liabilities	955,014	192,254
Convertible notes payable	-	100,000
Notes payable, net of discount in 2016	74,043	106,365
Total Current Liabilities	1,590,890	1,151,549
Stockholders' Equity (Deficit)		
Common stock, $0.01 par value; 50,000,000 shares authorized, 40,995,763 and 35,570,157 shares issued, 40,657,963 and 35,245,157 outstanding as of June 30, 2017 and December 31, 2016, respectively	409,957	355,701
Additional paid-in capital	9,532,060	9,070,064
Accumulated (deficit)	(10,001,198)	(9,693,882)
	(59,181)	(268,117)
Treasury stock, 337,800 and 325,000 shares, at cost	(90,204)	(87,053)
Total Immudyne, Inc. Stockholders' (Deficit)	(149,385)	(355,170)
Non-controlling interest	(284,304)	(6,555)
Total Stockholders' (Deficit)	(433,689)	(361,725)
Total Liabilities and Stockholders' (Deficit)	$ 1,157,201	$ 789,824

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

Immudyne, Inc.

Consolidated Statements of Operations
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net Sales	$ 1,107,418	$ 1,227,247	$ 1,531,880	$ 2,868,275
Cost of Sales	329,246	700,977	532,602	2,038,919
Gross Profit	778,172	526,270	999,278	829,356
Operating expenses				
Compensation and related expenses	243,956	475,056	602,444	715,511
Professional fees	121,952	125,359	221,584	194,674
Marketing expenses	289,070	-	299,870	-
General and administrative expenses	348,671	79,487	475,843	177,899
Total operating expenses	1,003,649	679,902	1,599,741	1,088,084
Operating (Loss)	(225,477)	(153,632)	(600,463)	(258,728)
Change in fair value of derivative liability	922,022	-	873,830	-
Interest (expense)	(250)	(2,750)	(649,607)	(5,813)
Net Income (Loss)	696,295	(156,382)	(376,240)	(264,541)
Net (loss) income attributable to noncontrolling interests	(41,194)	43,594	(68,924)	(2,516)
Net Income (loss) attributable to Immudyne, Inc.	$ 737,489	$ (199,976)	$ (307,316)	$ (262,025)
Basic income (loss) per share attributable to Immudyne, Inc.	$ 0.02	$ (0.01)	$ (0.01)	$ (0.01)
Diluted income (loss) per share attributable to Immudyne, Inc.	$ 0.02	$ (0.01)	$ (0.01)	$ (0.01)
Average number of common shares outstanding				
Basic	40,849,638	32,338,946	39,224,839	32,174,661
Diluted	47,254,218	32,338,946	39,224,839	32,174,661

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

Immudyne, Inc.

Consolidated Statement of Stockholders' Equity (Deficit)
For the Six Months Ended June 30, 2017
(unaudited)

	Immudyne, Inc.							
	Common Stock		Additional Paid-in	Accumulated	Treasury	Sub	Noncontrolling	
	Shares	Amount	Capital	(Deficit)	Stock	Total	interest	Total
Balance at December 31, 2016	35,570,157	$ 355,701	$ 9,070,064	$ (9,693,882)	$ (87,053)	$ (355,170)	$ (6,555)	$ (361,725)
Issuance of common stock for services	125,000	1,250	159,583	-	-	160,833	-	160,833
Sale of common stock and warrants	2,927,156	29,271	643,974	-	-	673,245	-	673,245
Conversion of non-controlling interest equity for shares and warrants	1,183,490	11,835	260,368	-	-	272,203	(272,203)	-
Conversion of note payable	755,179	7,552	737,862	-	-	745,414	-	745,414
Conversion of accrued expenses	217,390	2,174	128,929	-	-	131,103	-	131,103
Issuance of common stock in relation to debt offering	217,391	2,174	54,348	-	-	56,522	-	56,522
Purchase of treasury stock	-	-	-	-	(3,151)	(3,151)	-	(3,151)
Issuance of stock options for services	-	-	113,522	-	-	113,522	-	113,522
Investment in subsidiary by noncontrolling interest, net of distributions	-	-	-	-	-	-	63,378	63,378
Reclassification of options, warrants and other contracts to derivative liabilities upon issuance	-	-	(1,636,590)	-	-	(1,636,590)	-	(1,636,590)
Net (loss)	-	-	-	(307,316)	-	(307,316)	(68,924)	(376,240)
Balance at June 30, 2017	40,995,763	$ 409,957	$ 9,532,060	$ (10,001,198)	$ (90,204)	$ (149,385)	$ (284,304)	$ (433,689)

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

Immudyne, Inc.

Consolidated Statements of Cash Flows
(unaudited)

	Six Months Ended June 30,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) attributable to Immudyne, Inc.	$ (307,316)	$ (262,025)
Net (loss) attributable to noncontrolling interests	(68,924)	(2,516)
Net (Loss)	(376,240)	(264,541)
Adjustments to reconcile net (loss) to net cash (used) by operating activities		
Change in fair value of derivative liability	(873,830)	-
Bad debt recovery	(44,543)	-
Amortization of debt discount	81,558	-
Loss on settlement of notes and other payables	634,325	-
Stock compensation expense	113,522	118,562
Common stock issued for services	160,833	230,000
Changes in Assets and Liabilities		
Trade accounts receivable	(30,338)	(296,638)
Other receivables	2,250	-
Product deposit	(74,043)	-
Inventory	32,822	(118,204)
Accounts payable and accrued expenses	(138,885)	254,159
Net cash (used) by operating activities	(512,569)	(76,662)
CASH FLOWS FROM FINANCING ACTIVITIES		
Investment in subsidiary by noncontrolling interest, net	63,378	79,130
Proceeds from notes payable	309,043	-
Repayment of convertible note payable	(100,000)	-
Repayment of notes payable	(176,420)	-
Sale of common stock and warrants	673,244	-
Purchase of treasury stock	(3,151)	-
Net cash provided by financing activities	766,094	79,130
Net increase in cash	253,525	2,468
Cash at beginning of the period	182,561	232,984
Cash at end of the period	$ 436,086	$ 235,452
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period for interest	$ 3,612	$ 5,813
Issuance of company stock for notes and other payables	$ 242,192	$ -
Conversion of equity invested in subsidiary to common stock and warrants	$ 272,203	$ -
Reclassification of options, warrants and other contracts to derivative liabilities upon issuance	$ 1,636,590	$ -

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

1. Organization and Going Concern

Immudyne, Inc. (the "Company") is a Delaware corporation established to develop, manufacture and sell natural immune support products containing the Company's proprietary yeast beta glucans, a group of beta glucans naturally occurring in the cell walls of yeast that have been shown through testing and analysis to support the immune system. The Company's products include once a day oral intake tablets and topical creams and gels for skin application. The Company concentrates its sales and marketing efforts on healthcare professionals, distributors for its all-natural raw material ingredient products and direct-to-consumer sales.

In 2015, the Company formed a joint venture domiciled in Puerto Rico, Innate Skincare, LLC ("Innate"). Under the terms of the joint venture agreement, the Company held a 33.3% equity interest, and a 51% controlling voting interest, in Innate. On January 20, 2016, Innate amended its limited liability company operating agreement and changed its legal name to Immudyne PR LLC ("Immudyne PR"). On April 1, 2016, Immudyne PR further amended its operating agreement and restated the Company's ownership and voting interest in Immudyne PR increasing its ownership to 78.1667% resulting in a charge to noncontrolling interest and additional paid-in-capital of $91,612. Immudyne PR was formed to launch a complete skin care regime formulated using strategic ingredients provided by the Company. In the second quarter of 2017, Immudyne PR expanded their product line and launched their in-licensed patented hair loss shampoo and conditioner.

The Company has funded operations in the past through the sales of its products, issuance of common stock and through loans and advances from officers and directors. The Company's continued operations are dependent upon obtaining an increase in its sales volume and the continued financial support from officers and directors or the issuance of additional shares of common stock.

The accompanying financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes the realization of assets and the satisfaction of liabilities in the normal course of business. At June 30, 2017, the Company has an accumulated deficit approximating $10.0 million and has incurred negative cash flows from operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Based on the Company's cash balance at June 30, 2017, and projected cash needs for 2017, management estimates that it will need to increase sales revenue and/or raise additional capital to cover operating and capital requirements for the remainder of the 2017 year. Management will need to raise the additional needed funds through increased sales volume, issuing additional shares of common stock or other equity securities, or obtaining debt financing. Although management has been successful to date in raising necessary funding, there can be no assurance that sales revenue will substantially increase or that any required future financing can be successfully completed on a timely basis, or on terms acceptable to the Company.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The Company evaluates the need to consolidate affiliates based on standards set forth in Accounting Standard Codification ("ASC") 810 Consolidation.

The consolidated financial statements include the accounts of the Company and its majority owned subsidiary, Immudyne PR and variable interest entities (VIE's) in which the Company has been determined to be the primary beneficiary. The non-controlling interest in Immudyne PR represents the 21.8333% equity interest held by other members of the joint venture. All significant consolidated transactions and balances have been eliminated in consolidation.

Variable Interest Entities

The Company follows ASC 810-10-15 guidance with respect to accounting for VIE's. These entities do not have sufficient equity at risk to finance their activities without additional subordinated financial support from other parties or whose equity investors lack any of the characteristics of a controlling financial interest. A variable interest is an investment or other interest that will absorb portions of a VIE's expected losses or receive portions of its expected residual returns and are contractual, ownership, or pecuniary in nature and that change with changes in the fair value of the entity's net assets. A reporting entity is the primary beneficiary of a VIE and must consolidate it when that party has a variable interest, or combination of variable interests, that provides it with a controlling financial interest. A party is deemed to have a controlling financial interest if it meets both of the power and losses/benefits criteria. The power criterion is the ability to direct the activities of the VIE that most significantly impact its economic performance. The losses/benefits criterion is the obligation to absorb losses from, or right to receive benefits from, the VIE that could potentially be significant to the VIE. The VIE model requires an ongoing reconsideration of whether a reporting entity is the primary beneficiary of a VIE due to changes in facts and circumstances.

As of June 30, 2017 and December 31, 2016, the Company consolidated nine VIEs.

Immudyne PR as the primary beneficiary of Ace Account Management LLC, Innerwell Skincare LLC, MCD Merchants LLC, One Equity Research LLC, Inate Gems LLC, Retriever Health Products LLC, Spurs 5, LLC, Salus LLC and Huntley LLC which are qualified as VIEs. The assets and liabilities and revenues and expenses of these VIEs are included in the financial statements of Immudyne PR and further included in the consolidated financial statements. As of June 30, 2017, the VIEs had assets of $12,051, liabilities of $18,481, revenues of $1,507, and operating expenses of $1,519. As of December 31, 2016, the VIEs had assets of $10,306, liabilities of $5,748. The assets and liabilities include balances due from and due to the subsidiaries of Immudyne PR. Any inter-company receivables and payables are eliminated upon consolidation of the VIEs with Immudyne PR and Immudyne, Inc. No assets were pledged or given as collateral against any borrowings.

The Company utilizes third party entities to provide and increase credit card processing capacity and optimize corresponding rates and fees. A majority of these entities provide this service as independent contractors in exchange for a one percent (1%) fee of the net revenues processed and collected by such contractors from sales initiated by the Company. The VIEs consolidated in the Company's financial statements are primarily contracted to provide credit card processing through one or more merchant banks. Upon receipt of funds by each VIE, the collection of receipts less any returns, chargebacks and other fees charged by such merchant bank is transferred to Immudyne PR.

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

The Company prepares its consolidated financial statements in conformity with accounting principles generally accepted in the United States of America which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Some of the more significant estimates required to be made by management include the determination of reserves for accounts receivable, returns and allowances, the accounting for derivatives, the valuation of inventory and stockholders' equity based transactions. Actual results could differ from those estimates.

Derivative Liabilities

Under ASC 815-40-05, Accounting for Derivative Financial Instruments Indexed to and Potentially Settled in a Company's Own Stock, in the event the Company does not have a sufficient number of authorized and unissued shares of common stock to satisfy obligations for stock options, warrants and other instruments potentially convertible into common stock, the fair value of these instruments should be reported as a derivative liability. Pursuant to the outstanding option, warrant and convertible debt agreements, there is currently no effective registration statement covering the shares of common stock underlying these agreements, which are currently subject to a cashless exercise whereby the holders, at their option, may surrender their options and warrants to the company in exchange for shares of common stock. The number of shares of common stock into which an option or a warrant would be exchangeable in such a cashless exercise depends on both the exercise price of the options or warrant and the market price of the common stock, each at or near the time of exercise. Because both of these factors are variable, it is possible that the Company could have insufficient authorized shares to satisfy a cashless exercise. In this scenario, if the Company were unable to obtain shareholder approval to increase the number of authorized shares, the Company could be obligated to settle such a cashless exercise with cash rather than by issuing shares of common stock. Further, ASC 815-40-05 requires that the Company record the potential settlement obligation at each reporting date using the current estimated fair value of these contracts, with any changes in fair value being recorded through our statement of operations. The Company will continue to report the potential settlement obligation as a derivative liability until such time as these contracts are exercised or expire or we are otherwise able to modify the warrant agreements to remove the provisions which require this treatment. The Company also plans to amend its Articles of Incorporation in the third quarter of 2017 to increase the number of shares of its authorized common stock after the approval by its shareholders.

Sequencing Policy

Under ASC 815-40-35, the Company has adopted a sequencing policy whereby, in the event that reclassification of contracts from equity to assets or liabilities is necessary pursuant to ASC 815 due to the Company's inability to demonstrate it has sufficient authorized shares, shares will be allocated on the basis of the earliest issuance date of potentially dilutive instruments, with the earliest grants receiving the first allocation of authorized but unissued shares, and all future instruments being classified as a derivative liability, with the exception of instruments related to share-based compensation issued to employees or directors.

Inventory

At June 30, 2017 and December 31, 2016, inventory consisted primarily of cosmetic and nutraceutical additives, and finished cosmetic products. Inventory is maintained in the Company's leased Kentucky warehouse and third party warehouses in Pennsylvania and Louisiana.

Inventory is valued at the lower of cost or market with cost determined on a first-in, first-out ("FIFO") basis. Management compares the cost of inventory with the net realizable value and an allowance is made for writing down inventory to market value, if lower. At June 30, 2017 and December 31, 2016, the Company recorded an inventory reserve in the amount of $20,000. Inventory consists of the following:

	June 30, 2017	December 31, 2016
Raw materials	$ 31,752	$ 38,460
Finished products	95,696	121,810
	$ 127,448	$ 160,270

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

The Company's policy is to record revenue as earned when a firm commitment, indicating sales quantity and price exists, delivery has taken place and collectability is reasonably assured. The Company generally records sales of nutraceutical and cosmetic additives once the product is shipped to the customer, and for sales of finished cosmetic products once the customer places the order and the product is simultaneously shipped, but in limited cases if title does not pass until the product reaches the customer's delivery site, then recognition of revenue is deferred until that time. Delivery is considered to have occurred when title and risk of loss have transferred to the customer. Provisions for discounts, returns, allowances, customer rebates and other adjustments are netted with gross sales. The Company accounts for such provisions during the same period in which the related revenues are earned. Customer discounts, returns and rebates approximated $50,000 and $1,050,000 in the six months ended June 30, 2017 and 2016, respectively. Customer discounts, returns and rebates approximated $12,000 and $620,000 in the three months ended June 30, 2017 and 2016, respectively. There are no formal sales incentives offered to any of the Company's customers. Volume discounts may be offered from time to time to customers purchasing large quantities on a per transaction basis.

Revenue for the six months ended June 30, 2017 consisted of nutraceutical and cosmetic additives ($703,893) and finished cosmetic products ($827,987). Revenue for the six months ended June 30, 2016 consists of nutraceutical and cosmetic additives ($528,220) and finished cosmetic products ($2,340,055).

Revenue for the three months ended June 30, 2017 consisted of nutraceutical and cosmetic additives ($447,330) and finished cosmetic products ($660,088). Revenue for the three months ended June 30, 2016 consists of nutraceutical and cosmetic additives ($262,310) and finished cosmetic products ($964,937).

Accounts receivable

Accounts receivable are carried at original invoice amount less an estimate made for holdbacks and doubtful receivables based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition, credit history and current economic conditions and sets up an allowance for doubtful accounts when collection is uncertain. Customers' accounts are written off when all attempts to collect have been exhausted. Recoveries of accounts receivable previously written off are recorded as income when received. At June 30, 2017 and December 31, 2016 the accounts receivable reserve was approximately $37,800 for both periods. As of June 30, 2017 and December 31, 2016, the reserve for sales returns and allowances was approximately $6,000 and $50,500, respectively.

2. Summary of Significant Accounting Policies (continued)

Segments

The guidance for disclosures about segments of an enterprise requires that a public business enterprise report financial and descriptive information about its operating segments. Generally, financial information is required to be reported on the basis used internally for evaluating segment performance and resource allocation. The Company manages its operations in two reportable segments for purposes of assessing performance and making operating decisions. Revenue is generated predominately in the United States, and all significant assets are held in the United States, or United States territories.

The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies. The Company allocates resources and evaluates the performance of segments based on income or loss from operations, excluding interest, corporate expenses and other income (expenses).

A summary of the company's reportable segments is as follows:

Total assets:	June 30, 2017	December 31, 2016
Nutraceutical and Cosmetic Additives	$ 1,651,442	$ 556,234
Finished Cosmetic Products	473,763	422,288
Eliminations	(968,004)	(188,698)
Total	**$ 1,157,201**	**$ 789,824**

	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Net sales by segment:				
Nutraceutical and Cosmetic Additives	$ 447,330	$ 266,060	$ 703,893	$ 551,220
Finished Cosmetic Products	660,088	964,937	827,987	2,340,055
Eliminations	-	(3,750)	-	(23,000)
Total	**$ 1,107,418**	**$ 1,227,247**	**$ 1,531,880**	**$ 2,868,275**

	Three months ended		Six months ended	
Net (loss) income by segment:	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Nutraceutical and Cosmetic Additives	$ 154,825	$ 30,165	$ 181,632	$ 114,942
Finished Cosmetic Products	(188,675)	199,668	(315,682)	130,503
Other unallocated amounts:				
Corporate expenses	(191,627)	(383,465)	(466,413)	(504,173)
Other income (expense)	921,772	(2,750)	224,223	(5,813)
Consolidated net income (loss)	**$ 696,295**	**$ (156,382)**	**$ (376,240)**	**$ (264,541)**

2. Summary of Significant Accounting Policies (continued)

Income Taxes

The Company files Corporate Federal and State tax returns, while Immudyne PR, which was formed as a limited liability corporation, files a separate tax return with any tax liabilities or benefits passing through to its members.

The Company records current and deferred taxes in accordance with Accounting Standards Codification (ASC) 740, "Accounting for Income Taxes." This ASC requires recognition of deferred tax assets and liabilities for temporary differences between tax basis of assets and liabilities and the amounts at which they are carried in the financial statements, based upon the enacted rates in effect for the year in which the differences are expected to reverse. The Company establishes a valuation allowance when necessary to reduce deferred tax assets to the amount expected to be realized. The Company periodically assesses the value of its deferred tax asset, a majority of which has been generated by a history of net operating losses and determines the necessity for a valuation allowance. ASC 740 also provides a recognition threshold and measurement attribute for the financial statement recognition of a tax position taken or expected to be taken in a tax return. Using this guidance, a company may recognize the tax benefit from an uncertain tax position in its financial statements only if it is more likely-than-not (i.e., a likelihood of more than 50%) that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position.

The Company's tax returns for all years since December 31, 2013, remain open to taxing authorities.

Stock-Based Compensation

The Company follows the provisions of ASC 718, "Share-Based Payment". Under this guidance compensation cost generally is recognized at fair value on the date of the grant and amortized over the respective vesting periods. The fair value of options at the date of grant is estimated using the Black-Scholes option pricing model. The expected option life is derived from assumed exercise rates based upon historical exercise patterns and represents the period of time that options granted are expected to be outstanding. The expected volatility is based upon historical volatility of the Company's shares using weekly price observations over an observation period that approximates the expected life of the options. The risk-free rate approximates the U.S. Treasury yield curve rate in effect at the time of grant for periods similar to the expected option life. Due to limited history of forfeitures, the estimated forfeiture rate included in the option valuation was zero.

Many of the assumptions require significant judgment and any changes could have a material impact in the determination of stock-based compensation expense.

2. Summary of Significant Accounting Policies (continued)

Earnings (Loss) Per Share

Basic earnings (loss) per common share is based on the weighted average number of shares outstanding during each period presented. The diluted earnings per share computation includes the effect, if any, of shares that would be issuable upon the exercise of outstanding stock options, warrants, derivative liability and convertible debt, reduced by the number of shares which are assumed to be purchased by the Company from the resulting proceeds at the average market price during the period, when such amounts are dilutive to the earnings per share calculation.

The weighted average number of common stock equivalents not included in diluted income per share, because the effects are anti-dilutive, was 5,145,693 for the three months ended June 30, 2017.

Common stock equivalents comprising shares underlying 11,550,273 options and warrants for the six months ended June 30, 2017 have not been included in the loss per share calculation as the effects are anti-dilutive. Common stock equivalents comprising shares underlying 12,700,273 options and warrants for the six months ended June 30, 2016 have not been included in the loss per share calculations as the effects are anti-dilutive.

Recent Accounting Pronouncements

In May 2017, the FASB issued ASU 2017-09, Compensation - Stock Compensation (Topic 718): Scope of Modification Accounting. The new standard provides guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in Topic 718. This pronouncement is effective for annual reporting periods beginning after December 15, 2017 but early adoption is permitted. The Company is currently evaluating the impact of adopting this guidance.

In August 2016, the FASB issued ASU No. 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments ("ASU 2016-15"). ASU 2016-15 addresses eight specific cash flow issues with the objective of reducing diversity in practice regarding how certain cash receipts and cash payments are presented in the statement of cash flows. The standard provides guidance on the classification of the following items: (1) debt prepayment or debt extinguishment costs, (2) settlement of zero-coupon debt instruments, (3) contingent consideration payments made after a business combination, (4) proceeds from the settlement of insurance claims, (5) proceeds from the settlement of corporate-owned life insurance policies, (6) distributions received from equity method investments, (7) beneficial interests in securitization transactions, and (8) separately identifiable cash flows. The Company is required to adopt ASU 2016-15 for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2017 on a retrospective basis. Early adoption is permitted, including adoption in an interim period. The Company is currently evaluating the impact of adoption of ASU 2016-15.

In February 2016, a pronouncement was issued that creates new accounting and reporting guidelines for leasing arrangements. The new guidance requires organizations that lease assets to recognize assets and liabilities on the balance sheet related to the rights and obligations created by those leases, regardless of whether they are classified as finance or operating leases. Consistent with current guidance, the recognition, measurement, and presentation of expenses and cash flows arising from a lease primarily will depend on its classification as a finance or operating lease. The guidance also requires new disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. The new standard is effective for annual reporting periods beginning after December 15, 2018, including interim periods within that reporting period, with early application permitted. The new standard is to be applied using a modified retrospective approach. The Company is in the process of evaluating the impact of the new pronouncement on its consolidated financial statements. At this time, the adoption of this pronouncement is not expected to have a material impact on the Company's consolidated financial statements or related disclosures.

2. Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements (continued)

In May 2014, the Financial Accounting Standards Board ("FASB") issued accounting guidance, "Revenue from Contracts with Customers." The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new standard also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and clarify guidance for multiple-element arrangements. The standard will be effective for fiscal years and interim periods within those years beginning after December 15, 2017. Accordingly, the Company will adopt this standard in the first quarter of fiscal year 2018. The Company does not expect it to have a material effect on the Company's consolidated financial condition, results of operations, and cash flows.

All other accounting standards that have been issued or proposed by the FASB that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption.

Noncontrolling Interests

The Company accounts for its less than 100% interest in Immudyne PR in accordance with ASC Topic 810, Consolidation, and accordingly the Company presents noncontrolling interests as a component of equity on its consolidated balance sheet and reports the noncontrolling interest’s share of the Immudyne PR net loss attributable to noncontrolling interests in the consolidated statement of operations.

2. Summary of Significant Accounting Policies (continued)

Concentration of Credit Risk

The Company grants credit in the normal course of business to its customers. The Company periodically performs credit analysis and monitors the financial condition of its customers to reduce credit risk.

The Company monitors its positions with, and the credit quality of, the financial institutions with which it invests. The Company, at times, maintains balances in various operating accounts in excess of federally insured limits.

One customer in the nutraceutical and cosmetic additives division accounted for 35% and 17% of consolidated sales for the three month periods ended June 30, 2017 and 2016, respectively. This customer accounted for 42% and 16% of consolidated sales for the six month periods ended June 30, 2017 and 2016, respectively. This customer also accounted for 60% and 11% of the consolidated accounts receivable at June 30, 2017 and December 31, 2016, respectively.

In the finished cosmetic products division, one credit card processor accounted for 20% of the consolidated accounts receivable at June 30, 2017. In the finished cosmetic products division, two credit card processors accounted for 35% and 32% of the consolidated accounts receivable at December 31, 2016.

3. Notes Payable

In November 2015, the Company borrowed $100,000 from a commercial lender. The loan incurred interest at 11% and with a maturity date of November 1, 2016. Interest expense related to this loan for the period ended March 31, 2016 amounted to $3,063. In October 2016, the Company repaid the entire principal balance.

In the third quarter of 2016 the Company commenced an offering pursuant to which it offered 11% subordinated promissory notes in fifty thousand ($50,000) dollar increments combined with 62,500 shares of the Company's Common Stock for a maximum offering amount of $200,000 (the "Offering"). In August and September 2016, the Company sold promissory notes totaling $150,000 to three unrelated individuals. Two of the promissory notes totaling $100,000 were payable in February 2017 and one promissory note for $50,000 was payable in March 2017. In October 2016, the Company sold promissory notes totaling $50,000 to two unrelated individuals. These promissory notes are payable in October 2017. In connection with these promissory notes sold, pursuant to the Offering, the Company issued 250,000 shares of common stock valued at $58,750 which was recorded as a debt discount and will be amortized over the term of these notes. Amortization of the debt discounts for the three months ended March 31, 2017 was $25,035. There was no amortization of debt discount during the second quarter of 2017. During 2016, the Company repaid $68,600 of the principal balance. Interest expense related to these notes for the six months ended June 30, 2017 amounted to $131,117. During 2017, the Company repaid $81,420 of the principal balance and converted the remaining balance of $49,980 into 196,000 shares of common stock and 98,000 warrants, which satisfied the note in full. The fair market value of the shares and warrants issued upon conversion was determined to be $179,384, of which $129,404 was included in interest expense as loss on settlement of notes payable.

3. Notes Payable (continued)

In December 2016, the Company borrowed $100,000 from an officer and issued a convertible promissory note with a maturity date of February 28, 2017. The loan incurs no interest. This note is convertible if not repaid by the maturity date at a conversion price of $0.23 per Unit. Each Unit shall consist of one share of the Company's common stock and one three-year common-stock warrant to purchase one-half of one share of the Company's common stock with an exercise price of $0.40 per share. In March 2017, the Company repaid the entire outstanding balance of this note.

In January 2017, the Company borrowed $200,000 and issued a promissory note with a 5% original issue discount for a total principal amount of $210,000. The loan incurred 11% interest per annum and matured in various tranches from February 2017 through April 2017. In addition, the Company issued 217,391 shares of common stock related to this note. In February 2017, the Company repaid $70,000 of the principal balance of this note. In March 2017, the Company converted the remaining $140,000 of the principal balance of this note and accrued interest of $2,212 in exchange for 559,179 shares of common stock and 304,348 warrants which satisfied the note in full. The fair market value of the shares and warrants issued upon conversion was determined to be $566,030, of which $423,818 was included in interest expense as loss on settlement of notes payable.

In February 2017, the Company borrowed $25,000 from an American Express working capital line with 60 days maturity. The interest for this loan is a flat fee of $250. On April 17, 2017, the Company repaid this loan. In June 2017, the Company borrowed $74,043 from an American Express working capital line with 90 days maturity. The interest for this loan is a flat fee of $1,111. As of June 30, 2017, there were $66,000 available borrowings under the working capital line.

Interest expense related to loans from officers, directors and other related individuals amounted to $1,713 and $313 for the six month periods ended June 30, 2017 and 2016, respectively. There was no interest expense for the three months ended June 30, 2017 and 2016 related to loans from officers, directors and other related individuals as there were no loans outstanding during the three months ended June 30, 2017.

Total interest expense on notes payable amounted to $649,607 and $5,813 for the six months ended June 30, 2017 and 2016, respectively. Total interest expense amounted to $250 and $2,750 for the three months ended June 30, 2017 and 2016, respectively.

4. Income Taxes

The Company is not expected to have taxable income in 2017 and incurred a loss for the year ended December 31, 2016, and accordingly, no provision for federal income tax has been made in the accompanying financial statements. At June 30, 2017, the Company had available net operating loss carryforwards of approximately $4,260,600, expiring during various years through 2037.

A summary of the deferred tax asset using an approximate 34% tax rate is as follows:

Net operating loss	$ 1,449,000
Accounts receivable reserves	15,000
Inventory reserves	7,000
Stock compensation	291,000
Net deferred tax asset	1,762,000
Valuation allowance	(1,762,000)
Total	$ -

The net operating loss carryforwards could be subject to limitation in any given year in the event of a change in ownership as defined by IRC Section 382.

The difference between the statutory and the effective tax rate is primarily due to a change in valuation allowance on deferred taxes, as well as a permanent difference from the change in derivative liability. The Company has fully reserved the deferred tax asset resulting from available net operating loss carryforwards.

5. Stockholders' Equity

Common Stock

On April 1, 2016, the Company entered into two agreements with two consultants to provide services over a nine-month period in exchange for 2,300,000 shares of common stock. The Company calculated a fair value of $690,000 based on the market price of the shares on the date of the agreements. During the third quarter of 2016, the Company and the consultants renegotiated the agreements by extending the service requirement to December 31, 2017. For the six and three months ended June 30, 2017, the Company has recognized expense of $153,333 and $76,667, respectively, in connection with these agreements. For the six and three months ended June 30, 2016, the Company has recognized expense of $230,000. As of June 30, 2017 and December 31, 2016, the unamortized portion of these service agreements are $153,333 and $306,667, respectively.

During 2016, the Company purchased 325,000 shares of outstanding Company common stock through an exchange for a price per share of $0.23 to $0.29. During 2017, the Company purchased an additional 12,800 shares of outstanding Company common stock for a price per share of $0.24 to $0.26. As of the June 30, 2017, a total of 337,800 shares are being held by the Company valued at cost is $90,204 and are included in treasury stock in the consolidated balance sheet.

In January 2017, the Company issued 1,183,490 shares of common stock pursuant to a conversion of Immudyne PR equity contributions of $272,203 into equity of Immudyne, Inc. by the noncontrolling interest.

In January 2017, the Company issued 217,391 shares of common stock in relation to issuance of a $210,000 note payable.

In the first quarter of 2017, the Company commenced an offering to sell up to 4,000,000 shares of common stock at a price of $0.23 per share and warrants to purchase up to 2,000,000 shares of common stock excisable any time prior to the secondary anniversary of the issuance. The warrants are paired with the stock on the basis of one warrant for every two shares of stock purchased. During the first quarter of 2017, the Company received subscriptions in the amount of 2,817,156 shares and issued 1,408,578 warrants and proceeds in the amount of $647,944.

In March 2017, the Company issued 755,179 shares of common stock for the conversion of the outstanding balance of three notes payable totaling $499,802 (see Note 3).

On April 24, 2017, the Company, issued 217,390 shares of common stock pursuant to a stock subscription agreement and the Company issued 108,696 warrants with an exercise price of $0.40 per share for the stated consideration and satisfaction of obligation to pay $50,000 on the 180-day anniversary of the execution of the Sole and Exclusive License, Royalty, and Advisory Agreement dated September 1, 2016 with Pilaris Laboratories, LLC. The fair value of the shares and warrants issued were determined to be $131,103, of which $81,103 was included in general and administrative expense as loss on settlement of other payables.

During the second quarter of 2017 the Company received subscriptions in the amount of 110,000 shares and issued 55,000 warrants and proceeds in the amount of $25,300.

On June 1, 2017, the Company entered into an agreement with a consultant to provide services, with a six month term, and issued 125,000 shares of common stock as compensation. The shares were valued at $45,000 and the Company is recognizing the expense over the term of the agreement. For the three months ending June 30, 2017, $7,500 has been expensed and included in compensation and related expenses on the consolidated statement of operations.

5. Stockholders' Equity (continued)

Noncontrolling Interest

On April 1, 2016, the Company increased its ownership in Immudyne PR to 78.1667% decreasing the minority interest from 66.7% to 21.8333% resulting in a charge to noncontrolling interest and additional paid-in-capital of $91,612.

For the six months ended June 30, 2017 and 2016, the net loss of Immudyne PR attributed to the noncontrolling interest amounted to $68,924 and $2,516, respectively.

For the three months ended June 30, 2017, the net loss of Immudyne PR attributed to the noncontrolling interest amounted to $41,194. For the three months ended June 30, 2016, the net income of Immudyne PR attributed to the noncontrolling interest amounted to $43,594.

Service-Based Stock Options

In May 2016, the Company issued 175,000 service-based options valued at $40,829 to two consultants at exercise prices of $0.20 per share. The options are fully vested and expire in 10 years.

In July 2016, the Company issued 50,000 service-based options valued at $12,397 to a consultant with an exercise price of $0.20 per share. The options are fully vested and expire in 10 years.

In November 2016, the Company issued 50,000 service-based options valued at $9,980 to a consultant with an exercise price of $0.50 per share. The options are fully vested and expire in 2 years.

In February 2017, the Company issued 500,000 service-based options valued at $113,522 to a director with an exercise price of $0.20 per share. The options are fully vested and expire in 10 years.

Accordingly, stock based compensation expense for the six months ended June 30, 2017 and 2016 included $113,522 and $40,829, respectively, related to such service-based stock options. Stock based compensation expense for the three months ended June 30, 2017 and 2016 included $-0- and $40,829, respectively, related to such service-based stock options.

A summary of the outstanding service-based options are as follows:

	Number of Options
Balance at December 31, 2016	10,700,273
Issued	500,000
Balance at June 30, 2017	11,200,273

All outstanding options are exercisable and have a cashless exercise provision, and certain options provide for accelerated vesting provisions and modifications, as defined, if the Company is sold or acquired. The intrinsic value of service based options outstanding and exercisable at June 30, 2017 and December 31, 2016 amounted to $1,131,805 and $704,794, respectively.

5. Stockholders' Equity (continued)

Service-Based Stock Options (continued)

The significant assumptions used to determine the fair values of options issued in 2017, using the Black-Scholes option-pricing model are as follows:

Significant assumptions:	
Risk-free interest rate at grant date	1.49%
Expected stock price volatility	216.7%
Expected dividend payout	—
Expected option life-years	3 years
Weighted average grant date fair value	$ 0.24
Forfeiture rate	0%

The following is a summary of outstanding service-based options at June 30, 2017:

Exercise Price	Number of Options	Weighted Average Remaining Contractual Life
$0.10	1,380,273	1 year
$0.20 - $0.25	8,620,000	5 years
$0.40	1,200,000	5 years
Total	11,200,273	

Performance-Based Stock Options

Vested

The Company granted performance-based options to purchase 2,925,000 shares of common stock at exercise prices of $0.40. The options expire at various dates between 2021 and 2026 and are exercisable upon the Company achieving annual sales revenue of $5,000,000. During the year ended December 31, 2016, the Company cancelled 287,500 of these service-based options issued to two consultants, valued at $12,457.

The fair value of the vested performance-based options aggregated $120,867 and was expensed over the implicit service period commencing once management believed the performance criteria was expected to be met. During 2016, the Company met the performance criteria and accordingly, recorded stock based compensation expense of $38,867 and $77,733 for the three and six months ended June 30, 2016, respectively.

Unvested

The Company granted performance-based options to purchase 1,150,000 shares of common stock at exercise prices of $0.40 and $0.80. The options expire at various dates between 2021 and 2027 and are exercisable upon the Company achieving annual sales revenue of $5,000,000 and $10,000,000. During the year ended December 31, 2016, the Company cancelled 287,500 of these service-based options issued to two consultants, valued at $5,542.

The performance options exercisable upon the Company achieving annual sales revenue of $5,000,000 and $10,000,000 have an aggregate fair value of $85,608. As of June 30, 2017, no amounts have been expensed and the unearned compensation for all the performance based options is $85,608.

5. Stockholders' Equity (continued)

Warrants

The following is a summary of outstanding and exercisable warrants:

	Number of Shares	Weighted Average Exercise Price	Year of Expiration
Balance at December 31, 2016	1,954,891	$ 0.19	2017 - 2019
Issued	2,566,367	0.40	2019 - 2020
Balance at June 30, 2017	4,521,258	0.31	2017 - 2020

In September 2016, the Company issued 100,000 warrants with an exercise price of $0.50 per share, in relation to a sale of common stock. These warrants are fully vested and expire in two years.

In September 2016, the Company issued 100,000 warrants with exercise prices between $0.20 and $0.50 per share, for consulting services. These warrants are fully vested and expire in three years.

In December 2016, the Company issued 37,500 warrants with an exercise price of $0.50 per share, in relation to a sale of common stock. These warrants are fully vested and expire in two years.

In December 2016, the Company issued 217,391 warrants with an exercise price of $0.40 per share, in relation to an issuance of common stock. These warrants are fully vested and expire in two years.

In January 2017, the Company issued 591,745 warrants with an exercise price of $0.40 per share, in relation to an issuance of common stock for the conversion of an equity contribution into Immudyne PR by the noncontrolling interest. These warrants are fully vested and expire in two years.

In March 2017, the Company issued 403,348 warrants with an exercise price of $0.40 per share, in relation to an issuance of common stock for the conversion of debt. These warrants are fully vested and expire in two years.

In the first quarter of 2017, the Company issued 1,408,578 warrants with an exercise price of $0.40 per share, in relation to a sale of common stock. These warrants are fully vested and expire in two years.

In April 2017, the Company issued 55,000 warrants with an exercise price of $0.40 per share, in relation to a sale of common stock. These warrants are fully vested and expire in two years.

In April 2017, the Company issued 108,696 warrants with an exercise price of $0.40 per share, in relation to an issuance of common stock for conversion of a payable. These warrants are fully vested and expire in three years.

The fair value of warrants granted during the period ended June 30, 2017, was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

Expected volatility	127% - 215%
Risk free interest rate	1.24% - 2.14%
Expected dividend yield	-
Expected term (in years)	1.2 - 8.3
Weighted average grant date fair value	$0.12 - 0.30

As of June 30, 2017 and December 31, 2016, certain of the Company's stock options, stock warrants and convertible debt instruments were accounted for as derivative liabilities due to insufficient authorized shares of common stock to settle outstanding contracts. At June 30, 2017 and December 31, 2016, the Company estimated the fair value of these stock options, stock warrants and embedded conversion features using the Black-Scholes option pricing model ("Black-Scholes") to be $955,014 and $192,254, based on Level 2 valuation inputs.

5. Stockholders' Equity (continued)

Stock Based Compensation

The total stock based compensation expense related Service-Based Stock Options and Performance-Based Stock Options and Warrants amounted to $113,522 and $118,562 for the six months ended June 30, 2017 and 2016, respectively. For the three months ended June 30, 2017 and 2016, total stock based compensation amounted to $-0- and $79,695, respectively. Such amounts are included in compensation and related expenses in the accompanying statement of operations.

Common stock issued for services amounted to $160,833 and $230,000 for the six months ended June 30, 2017 and 2016, respectively. For the three months ended June 30, 2017 and 2016, common stock issued for services amounted to $84,167 and $-0-, respectively. Such amounts are included in compensation and related expenses in the accompanying statement of operations.

6. Royalties

The Company is subject to a royalty agreement based upon sales of certain hair care products. For the three months ended June 30, 2017, the Company recognized $12,112 in royalty expense related to this agreement. As of June 30, 2017, the $12,112 was included in accounts payable and accrued expenses in regards to this agreement. In addition, the Company shall pay a performance fee in relation to this agreement. In April 2017, the Company issued 217,390 shares of common stock and 108,696 warrants, pursuant to a subscription agreement, for the stated consideration and satisfaction of obligation to pay $50,000 of the performance fee (see Note 7).

7. Commitments and Contingencies

Leases

The Company leases a plant in Kentucky under an operating lease which expired on May 31, 2016. Management is currently discussing renewal lease options for the Kentucky plant and is operating on a month-to-month lease arrangement until a final agreement has been accepted. Monthly base rental payments are approximately $9,000. The Company's principal executive offices are in office space provided to us by the Company's President, Mr. McLaughlin, at the rate of $2,000 per month, which includes rents, utilities and other office related expenditures. This arrangement commenced as of January 1, 2016. In addition, Immudyne PR utilizes office space in Puerto Rico which is subleased from Justin Schreiber (President of Immudyne PR) and incurs expense of approximately $4,000 a month for this office space. Rent expense for the six month periods ended June 30, 2017 and 2016, was $74,100 and $43,900, respectively. Rent expense for the three month periods ended June 30, 2017 and 2016, was $38,039 and $27,284, respectively.

Employment and Consulting Agreements

The Company has entered into various agreements with officers, directors, employees and consultants that expire in one to five years. The agreements provide for annual compensation of up to $145,000 and the issuance of stock options, at exercise prices of $0.40 and $0.80, to purchase 4,400,000 shares of common stock issuable upon the Company's revenue exceeding $5,000,000 and $10,000,000, as defined. In addition, the agreements provide for bonus compensation to these individuals aggregating up to 15% (with no individual having more than 5%) of the Company's pretax income.

Restricted Stock and Options

The Company has entered into two agreements on April 1, 2016 with two consultants of Immudyne PR for business development, marketing and sales related services (the "Consultant Agreements"). The consultants are treated as employees for accounting purposes. Upon signing, each consultant was issued 1,000,000 restricted shares of Immudyne, Inc. common stock. In addition, each consultant shall receive an additional 150,000 restricted shares of Immudyne, Inc. common stock for each $500,000 distributed by Immudyne PR to the Company. For each consultant, the amount of shares to be issued by the Company to the consultants shall be capped at 1,500,000 restricted shares when Immudyne PR has transferred $5,000,000 to the Company, for a combined capped total of 3,000,000 restricted shares. For the three and six months ended June 30, 2017, -0- restricted shares of common stock have been issued related to these agreements. During 2016, 2,300,000 restricted shares of common stock were issued related to these agreements. The Company valued the shares at their grant date for a value of $0.30 per share for a total of $690,000 to be expensed over the estimated service period ending December 31, 2017.

In addition, the Consulting Agreements provided that each consultant shall receive a bonus of an additional 750,000 restricted shares of Immudyne, Inc. common stock, plus an option to buy 1,000,000 shares of Immudyne, Inc. common stock at $0.20/share (including a cashless exercise feature) when Immudyne PR has transferred to the Company at each of the following three (3) thresholds: $1,250,000, $2,000,000 and $3,000,000 for a total of 2,250,000 of restricted shares of Immudyne, Inc. common stock and options to purchase up to 3,000,000 shares of Immudyne, Inc. common stock at $0.20/share. As of June 30, 2017, no bonus shares have been issued and no options have been granted under these agreements.

7. Commitments and Contingencies (continued)

Sole and Exclusive License, Royalty, and Advisory Agreement

On September 1, 2016 Immudyne PR entered into a sole and exclusive license, royalty and advisory agreement with Pilaris Laboratories, LLC ("Pilaris") relating to Pilaris' PilarisMax shampoo formulation and conditioner. The term of the agreement will be the life of the US Patent held by Pilaris. As consideration for granting Immudyne PR this license, Pilaris will receive on quarterly basis, 10% of the net income collected by the licensed products based on the following formula: Net Income = total income – cost of goods sold – advertising and operating expenses directly related to the marketing of the licensed products. In addition, Immudyne PR shall pay Pilaris a performance fee of $50,000 on the 180-day anniversary of the agreement and an additional $50,000 performance fee on the 365-day anniversary of the agreement. For the three and six months ended June 30, 2017, the Company recognized expenses related to the performance fee in the amount of $25,000 and $83,333, respectively. In April 2017, the Company issued 217,390 shares of common stock and 108,696 warrants, pursuant to a subscription agreement, for the stated consideration and satisfaction of obligation to pay $50,000 on the 180-day anniversary of the execution of this agreement. As of June 30, 2017, the balance in accounts payable and accrued expenses is $33,333 expense related to this agreement.

Legal Matters

In the normal course of business operations, the Company may become involved in various legal matters. At June 30, 2017, the Company's management does not believe that there are any potential legal matters that could have an adverse effect on the Company's financial position.

8. Related Party Transactions

During 2016, legal and business advisory services were provided to the Company by one of its directors. For the three and six months ended June 30, 2016 this director was compensated $3,000 and $9,000, respectively. No services were provided during the six months ended June 30, 2017.

During the six months ended June 30, 2017 and 2016, the Company's President received $14,000 and $14,000, respectively for reimbursement of home office expenditures, including rent, utilities and other related expenses for two offices. During the three months ended June 30, 2017 and 2016, the Company's President received $6,000 and $6,000, respectively for reimbursement of these expenses.

Immudyne, Inc. employs the wife of the President of the Company as an accountant and incurs $3,000 per month, plus an annual incentive bonus award equal to 0.5% of the Company's pre-tax earnings.

Immudyne PR utilizes BV Global Fulfillment, owned by the father of Immudyne PR's President, and incurred $32,160 and $42,556 for the three and six months ended June 30, 2017, respectively, for these services. During the three and six months ended June 30, 2016, Immudyne PR did not utilize BV Global Fulfillment.

Taggart International Trust ("Taggart"), a shareholder, provides credit card processing services through one or more merchant banks. Taggart did not receive any compensation for these services.

JLS Ventures LLC, owned by a shareholder, provides credit card processing services through one or more merchant banks. JLS Ventures LLC did not receive any compensation for these services.

JSDC, Inc., owned by a shareholder, provides credit card processing services through one or more merchant banks. JSDC, Inc. did not receive any compensation for these services.

Immudyne PR utilizes office space in Puerto Rico which is subleased from the President of Immudyne PR and incurs expense of approximately $4,000 a month for this office space.

9. Subsequent Events

The Company has evaluated subsequent events through the date these financial statements were issued.

In July 2017, the Company appointed Justin Schreiber and Stefan Galluppi to the Board of Directors.

In July 2017, the Company and JLS Ventures entered into a separate three year incentivized second amendment to Service Agreement effective July 1, 2017. As compensation, the Company issued 900,000 shares of common stock valued at $432,000. In addition, the Company issued performance based options that vest, in intervals, upon receipt by Immudyne, Inc. of cash from Immudyne PR within three years from the effective date of the agreement. Upon receipt of $4,000,000 of cash the Company will issue a ten year option to buy 1,500,000 shares at $0.25. Upon receipt of an additional $1,000,000, the Company will issue an additional ten year option to buy 1,500,000 shares at $0.25. Upon receipt of each additional $1,000,000, up to a total of $7,000,000, the Company will issue an additional ten year option to buy 1,500,000 shares at $0.35.

In July 2017, the Company and Brunilda McLaughlin entered into a three year employment agreement effective July 1, 2017. Upon signing as additional compensation, the Company issued a ten year option to buy 75,000 shares at $0.35.

In July 2017, the Company entered into a three year employment agreement with Mark McLaughlin (“McLaughlin”) as the Company’s President, Chief Executive Officer and to serve as a Director of the Company. McLaughlin will be entitled to receive an annual salary of $145,600, plus an annual cash bonus of $100,000 if the Company achieves $4,000,000 in pre-tax earnings plus, an additional cash bonus of $75,000 if the Company achieves $6,000,000 in pre-tax earnings. As additional compensation, the Company issued McLaughlin a ten year option to buy 750,000 shares at $0.35 vesting one-third or 250,000 shares upon signing, and 250,000 shares on July 1, 2018 and 250,000 shares on July 1, 2019. In addition, the Company issued McLaughlin performance based options to that vest, in intervals, upon the Company achieving pre-tax earnings of $4,000,000, the Company will issue a ten year option to buy 500,000 shares at $0.25; and upon the achievement of an additional $1,000,000 of pre-tax earnings, the Company will issue an additional ten year option to buy 500,000 shares at $0.25; and upon the achievement of each additional $1,000,000 of pre-tax earnings, up to a total of $7,000,000, the Company will issue an additional ten year option to buy 500,000 shares at $0.35.

In July 2017, the Company entered into two separate, three year director agreements with Anthony Bruzzese M.D. (“Bruzzese”) and John R. Strawn, Jr. (“Strawn”). Bruzzese and Strawn will be entitled to receive an annual retainer to be negotiated in good faith. Upon signing as additional compensation, the Company issued to both Bruzzese and Strawn a ten year option to buy 100,000 shares at $0.35. In addition, the Company issued both Bruzzese and Strawn performance based options to that vest, in intervals, upon the Company achieving pre-tax earnings of $4,000,000, the Company will issue a ten year option to buy 75,000 shares at $0.25; and upon the achievement of an additional $1,000,000 of pre-tax earnings, the Company will issue an additional ten year option to buy 75,000 shares at $0.25; and upon the achievement of each additional $1,000,000 of pre-tax earnings, up to a total of $7,000,000, the Company will issue an additional ten year option to buy 75,000 shares at $0.35.

In August 2017, the Company renewed the BV Global Services Agreement dated August 3, 2016 with BV Global Fulfillment, LLC (“BV Global”) for fulfillment services. Upon signing, as additional compensation, the Company issued to BV Global a ten year option to buy 50,000 shares at $0.35. In addition, the Company issued both Bruzzese and Strawn performance based options to that vest, in intervals, upon the Company achieving pre-tax earnings of $4,000,000, the Company will issue a ten year option to buy 62,500 shares at $0.25; and upon the achievement of an additional $1,000,000 of pre-tax earnings, the Company will issue an additional ten year option to buy 62,500 shares at $0.25; and upon the achievement of each additional $1,000,000 of pre-tax earnings, up to a total of $7,000,000, the Company will issue an additional ten year option to buy 62,500 shares at $0.35.

In August 2017, the Company entered into a Professional Service Agreement with Acorn Management Partners L.L.C. (“Acorn”) for financial advisory, strategic business planning and other investor relation services for a year of one year effective August 8, 2017. During the term of the Agreement, Acorn shall receive $7,500 cash monthly. As additional compensation, the Company shall issue within five (5) days of signing 100,000 shares of the Company’s common stock and upon each three (3) month period thereafter during the term of the Agreement an additional 100,000 shares of the Company’s common stock for a total of 400,000 shares of the Company’s common stock.

In July 2017, Mark McLaughlin, the Company’s President and Chief Executive Officer, exercised 1,500,000 warrants on a cashless basis and was issued 1,140,000 shares of common stock.

In July 2017, Mark McLaughlin exercised 1,000,000 options on a cashless basis and was issued 800,000 shares of common stock.

In July 2017, Mark McLaughlin exercised 339,473 options on a cashless basis and was issued 271,579 shares of common stock.

* * * * *

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

Overview

We are a health and wellness company that develops, manufactures, and markets innovative consumer products. We manufacture and market a proprietary and patent protected Yeast Beta Glucan that has been shown in clinical studies to support and regulate the human immune system. It has broad applications in skincare and as an immune support supplement. Our majority owned subsidiary is our digital marketing arm and is currently focused on marketing patented products for thicker and fuller hair and a skincare line containing our proprietary Yeast Beta Glucan ingredient.

We have performance based contracts with our sales and marketing executives, which allows us to continue to maintain a relatively low overhead. Our priority is to pursue opportunities to market our products and increase sales. We expect that a significant component of our selling, general and administration expenses going forward will consist of equipment leasing costs relating to improving our operating efficiencies, as well as conducting new studies which could open new markets. These aforementioned costs, along with the additional costs resulting from our operations as a public reporting company, could adversely impact our future results of operations. Additional significant factors that we believe will affect our operating results going forward are: (i) protection of our intellectual property rights; (ii) imposition of more stringent government regulations of our products; and (iii) marketing expenses.

In the 2016 fiscal year, we utilized third party entities to provide and increase credit card processing capacity and optimize corresponding rates and fees through one or more merchant bank accounts held by such entities. A majority of these entities providing these services are consolidated as variable interest entities ("VIEs") which received a one (1%) percent fee eliminated in consolidation of the net revenues processed and collected by such contractors from sales initiated by the Company. The remaining entities provided such services as independent contractors, the majority of which were considered related parties and no fee was paid. Upon receipt of funds by such contractors from their respective merchant banks, the Company required the prompt transfer of funds to Company controlled accounts. The Company reimbursed and/or advanced funds to such contractors for any deficit or charge related to returns, chargeback and other fees charged by such merchant bank. Some of the entities contracted to provide these services have been determined to be variable interest entities and consolidated in the Company's financial statements.

We historically have expended a significant amount of our funds on obtaining and protecting our patents, trade secrets and proprietary products. We rely on the patent and trademark protection laws in the U.S. to protect our intellectual property and maintain our competitive position in the marketplace. For several years, we were involved in complex litigation regarding patents and licenses critical to our products. In 2010, we prevailed on all major legal matters and reached favorable settlements. If additional litigation becomes necessary to protect our intellectual property rights, such litigation may be costly, divert our management's attention away from our core business and have a negative impact on our operations. Furthermore, there is no guarantee that litigation would result in an outcome favorable to us. In addition, yeast beta glucans are designated as GRAS under current FDA regulations. Future government regulations may prevent or delay the introduction or require the reformulation of our products. Some agencies, such as the FDA, could require us to remove a particular product from the market, delay or prevent the import of raw materials for the manufacture of our products or otherwise disrupt the marketing of our products. Any such government actions could result in additional costs to us, reduced growth prospects, lost sales from products that we are required to remove from the market and potential product liability litigation.

We have historically operated with limited capital and have funded operations in the past through the sales of our products and loans and advances from Mark McLaughlin, our President, and other directors, as well as from debt and equity financings. We plan on our operating business (in conjunction with proceeds from debt and equity financings completed in 2016 and early 2017) being able to fund our operations through 2017. However, if necessary, we may raise additional capital through a private placement of common stock, obtaining debt financing or from advances from our President and/or directors; however, no assurances can be made that we will be successful in our endeavors to raise additional capital. For additional information regarding these and other risks please see "Risk Factors" contained in our annual report for the fiscal year ended December 31, 2016.

Results of Operations

Three Months Ended June 30, 2017, compared to the Three Months Ended June 30, 2016

The following table sets forth the results of our operations for the periods indicated as a percentage of net sales:

	2017		2016	
	$	*% of Sales*	*$*	*% of Sales*
Net Sales	1,107,418		1,227,247	
Cost of sales	329,246	30%	700,977	57%
Gross profit	778,172	70%	526,270	43%
Operating expenses	(1,003,649)	(91)%	(679,902)	(55)%
Operating (Loss)	(225,477)	(20)%	(153,632)	(13)%
Change in fair value of derivative liability	922,022	83%	-	-%
Interest (expense)	(250)	-%	(2,750)	-%
Net Income (loss)	696,295	63%	(156,382)	(1 3)%
Net Income (loss) attributable to noncontrolling interests	(41,194)	(4)%	43,594)	4%
Net Income (loss) attributable to Immudyne, Inc.	737,489	67%	(199,976)	(16)%

Overall sales for the three months ended June 30, 2017 were $1.11 million, a decrease of 10% from $1.23 million for the same period in 2016. We consider this decrease in sales to have been minimal on a year over year basis and believe that the considerable time and Company resources we invested into the launch of our in-licensed patented hair loss shampoo, conditioner, and leave in foam during the first quarter of 2017 positively impacted our overall sales numbers for the quarter and support our belief that such sales will be a meaningful contributor to our revenues during the remainder of the 2017 fiscal year. Sales in our additives segment increased between periods at $0.45 million for the three months ended June 30, 2017 compared to $0.27 million for the same period in 2016, which we attribute to increased demand from our existing customers.

Cost of sales consists primarily of material costs, labor costs, marketing costs and related overhead directly attributable to the production of our products. Total cost of sales decreased 53% to $0.33 million in the second quarter of 2017 compared to $0.70 million for the same period in 2016. The decrease in our cost of sales was due to our focused shift to an internal marketing strategy which helped to reduce costs during the quarter from a year ago.

Gross profit increased 48% to $0.78 million in the second quarter of 2017 compared to $0.53 million for the same period in 2016. The increase in our gross profit was a result of the success of our in-licensed patented hair loss shampoo conditioner and leave-in foam, the increased demand for our additives and our shift to an internal marketing strategy, which decreased our overall cost of sales.

Gross profit as a percentage of sales increased to 70% in the second quarter of 2017 from 43% for the same period in 2016. Our increase in gross profit as a percentage of sales for the quarter was as a result of our shift to an internal marketing strategy and the change in the composition of our overall product sales.

Operating expenses consisted of general and administrative expense, compensation and related expense, marketing expenses and professional fees. Overall operating expenses increased 48% to $1.00 million in the second quarter of 2017 from $0.68 million for the same period in 2016. The increase in our operating expenses between the periods was attributable to our increased general and administrative expense which increased 337% to $0.35 million in the second quarter of 2017 from $0.08 million for the same period in 2016. Our increase in general and administrative expense was attributable to the shift to our internal marketing strategy, which also led to internal marketing expenses of $0.29 million for the second quarter of 2017. No such internal marketing expenses incurred during the same period in 2016. Compensation and related expense decreased 49% to $0.24 million in the second quarter of 2017 from $0.48 million for the same period in 2016. Professional fees decreased 3% to $0.12 million in the second quarter of 2017 and were in-line with our expectations.

Net income attributable to the Company in the second quarter of 2017 was approximately $0.74 million compared to net loss of $0.20 million for the same period in 2016. We consolidated the operations of our joint venture, Immudyne PR and reflected a non-controlling interest for 21.8333% of these operations. Net income attributable to the Company as a percentage of sales was 67% in the first quarter of 2017 compared to net loss as a percentage of sales of 16% for the same period in 2016. Our net income during the period was attributable to the decrease in the fair value of our derivative liability, which we incurred in the first quarter of 2017 due to our having insufficient authorized shares to satisfy outstanding derivative securities issued by the Company. We believe this derivative liability will no longer apply to us after we increase the number of our authorized shares, which we anticipate will occur during the third quarter of 2017.

Six Months Ended June 30, 2017, Compared to the Six Months Ended June 30, 2016

The following table sets forth the results of our operations for the periods indicated as a percentage of net sales:

	2017		**2016**	
	$	***% of Sales***	***$***	***% of Sales***
Net Sales	1,531,880		2,868,275	
Cost of sales	532,602	35%	2,038,919	71%
Gross profit	999,278	65%	829,356	29%
Operating expenses	(1,599,741)	(104)%	(1,088,084)	(38)%
Operating (Loss)	(600,463)	(39)%	(258,728)	(9)%
Change in fair value of derivative liability	873,830	(57)%	-	-%
Interest (expense)	(649,607)	(42)%	(5,813)	-%
Net (loss)	(376,240)	(25)%	(264,541)	(9)%
Net (loss) attributable to noncontrolling interests	(68,924)	(4)%	(2,516)	-%
Net (loss) attributable to Immudyne, Inc.	(307,316)	(20)%	(262,025)	(9)%

Overall sales for the six months ended June 30, 2017 were $1.53 million, a decrease of 47% from $2.87 million for the same period in 2016. Our decrease in sales was due to the fact that we invested considerable time and Company resources into the preparation for the launch of our in-licensed patented hair loss shampoo, conditioner, and leave in foam during the first quarter of 2017. This new product line has been successful to date, having been a meaningful contributor to our revenues in the second quarter of 2017. In addition, the shift to our internal marketing strategy during the first quarter of 2017 impacted our overall sales numbers for our finished products segment during that quarter, which decreased to $0.17 million. Sales in our additives segment increased between periods however to $0.70 million for the six months ended June 30, 2017 compared to $0.55 million for the same period in 2016 due to increased demand.

Cost of sales consists primarily of material costs, labor costs, marketing costs (in the 2016 period) and related overhead directly attributable to the production of our products. Total cost of sales decreased 74% to $0.53 million for the six months ended June 30, 2017 compared to $2.04 million for the same period in 2016. The decrease in our cost of sales was due to the shift to our internal marketing strategy.

Gross profit increased 20% to $1.00 million for the six months ended June 30, 2017, compared to $0.83 million for the same period in 2016. The increase in our gross profit was a result of the success of our in-licensed patented hair loss shampoo conditioner and leave-in foam, the increased demand for our additives and our shift to an internal marketing strategy, which decreased our overall cost of sales.

Gross profit as a percentage of sales increased to 65% for the six months ended June 30, 2017 from 29% for the same period in 2016. Our increase in gross profit as a percentage of sales for the quarter was as a result of our shift to an internal marketing strategy and the change in the composition of our overall product sales.

Operating expenses consisted of general and administrative expense, compensation and related expense, marketing expenses and professional fees. Overall operating expenses increased 47% to $1.60 million for the six months ended June 30, 2017 from $1.09 million for the same period in 2016. The increase in our operating expenses was attributable to our shift to an internal marketing strategy which resulted in an 168% increase in our general and administrative expense to $0.48 million for the six months ended June 30, 2017 from $0.18 million for the same period in 2016. This shift was also the cause of the incurrence of internal marketing expenses of $0.30 million during the six months ended June 30, 2017. No such expenses were incurred during the comparable 2016 period. Compensation and related expense decreased 16% to $0.60 million for the six months ended June 30, 2017 from $0.72 million for the same period in 2016. Professional fees increased 14% to $0.22 million in the first quarter of 2017 from approximately $0.19 million for the same period in 2016.

Net loss attributable to the Company in six months ended June 30, 2017, was approximately $0.31 million compared to net loss of $0.26 million for the same period in 2016. We consolidated the operations of our joint venture, Immudyne PR and reflected a non-controlling interest for 21.8333% of these operations. Net loss attributable to the Company as a percentage of sales was 20% in the first quarter of 2017 compared to net loss as a percentage of sales of 9% for the same period in 2016. Our net loss during the period was attributable to our increased operating expenses as we shifted to an internal marketing strategy and increased interest expense to service our debt incurred late in 2016 and early in 2017. We also experienced decreased sales during the first quarter of 2017 as we shifted company resources in efforts to launch our in-licensed patented hair loss shampoo, conditioner, and leave in foam, and to internal marketing strategies.

Liquidity and Capital Resources

Our principal demands for liquidity are to increase sales, purchase inventory and for sales distribution and general corporate purposes. We incurred negative operating cash flows to date in 2017 as well as in the 2016 and 2015 fiscal years. As a result, we have substantial doubt about our ability to continue as a going concern. Late in the 2016 fiscal year and early in 2017, the Company issued several 11% subordinated promissory notes to accredited investors for total borrowings of $200,000. Additionally, the Company borrowed $200,000 at 11% from an investor and borrowed $100,000 from an officer of the Company. Each of these borrowings have since been satisfied in full with a combination of repayment in cash and conversion of certain amounts outstanding to equity of the Company.

The Company also has access to a working capital line provided American Express, guaranteed by the Company's Chief Executive Officer, in the amount of $140,000 with a term of 60 to 90 days and interest at a flat fee of 1.5%. Additionally, in the six months ended June 30, 2017, the Company issued and sold 2,927,156 shares and 1,414,078 warrants to accredited investors in an offering pursuant to Regulation D and received proceeds in the amount of $673,245. We plan on our operating business (in conjunction with proceeds from debt and equity financings completed in 2016 and early 2017) being able to fund operations through 2017. However, if necessary, we may raise additional capital through a private placement of common stock, obtaining debt financing or from advances from our President and/or directors; however, no assurances can be made that we will be successful in our endeavors to raise additional capital.

There can be no assurance that required future financing can be successfully completed on a timely basis, or on terms acceptable to us. Any future issuance of equity securities could cause dilution to our shareholders. Any incurrence of indebtedness would increase our debt service obligations and would cause us to be subject to restrictive operating and financial covenants.

We had negative net working capital of $(433,689) at June 30, 2017, resulting in an increase from negative net working capital of $(361,725) at December 31, 2016. The ratio of current assets to current liabilities was .73 to 1 at June 30, 2017.

The following is a summary of cash provided by or used in each of the indicated types of activities during the six months ended June 30, 2017 and 2016:

	2017	2016
Cash provided by (used in):		
Operating activities	$ (512,569)	$ (76,662)
Financing activities	766,094	79,130

Net cash used by operating activities was $0.51 million for the six months ended June 30, 2017, compared to net cash used in operating activities of $0.08 million for the same period in 2016. The increase in the amount of cash used by our operating activities was due primarily to our overall net loss, product deposits and reduction of accounts payable and accrued expenses.

Net cash flows provided by financing activities was $0.77 million for the six months ended June 30, 2017, compared to net cash flows provided by financing activities of $0.08 million for the same period in 2016. Our increase in net cash flows provided by financing activities was primarily a result of the sale of our common stock and warrants in the first quarter of 2017.

Indebtedness

From time to time, our directors, officers and other related individuals have made short-term advances to us for our operating needs. Late in the 2016 fiscal year and early in 2017, the Company issued several 11% subordinated promissory notes to accredited investors for total borrowings of $200,000, borrowed $200,000 at 11% from an investor and borrowed $100,000 from an officer of the Company. Each of these borrowings have since been satisfied in full with a combination of repayment in cash and conversion of certain amounts outstanding to equity of the Company. We also have access to a $140,000 working capital line through American Express, guaranteed by the Company's Chief Executive Officer, at rates that are more favorable than those that Company has been able achieve previously.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements between us and any other entity that have, or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to shareholders.

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as stockholders' equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or research and development services with us.

Critical Accounting Policies

Our significant accounting policies are described more fully in Note 2 to our financial statements, which we believe are the most critical to aid you in fully understanding and evaluating this management discussion and analysis.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not applicable.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our Principal Executive Officer ("PEO"), who is also our Principal Financial Officer ("PFO"), of the design and effectiveness of our "disclosure controls and procedures" (as defined under Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based on this evaluation, our PEO/PFO concluded that as of the end of the period covered by this report, these disclosure controls and procedures were not effective. The conclusion that our disclosure controls and procedures were not effective was due to the presence of the following material weaknesses in disclosure controls and procedures which are indicative of many small companies with small staff: (i) inadequate segregation of duties and effective risk assessment as the Company had only one officer; (ii) insufficient written policies and procedures for accounting and financial reporting with respect to the requirements and application of both US GAAP and SEC Guidelines; and (iii) inadequate security and restricted access to computer systems including insufficient disaster recovery plans; and (iv) no written whistleblower policy. If and when sufficient funds are available, our PEO/PFO plans to implement appropriate disclosure controls and procedures to remediate these material weaknesses, including (i) appointing additional qualified personnel to address inadequate segregation of duties and ineffective risk management; (ii) adopt sufficient written policies and procedures for accounting and financial reporting and a whistle blower policy; and (iii) implement sufficient security and restricted access measures regarding our computer systems and implement a disaster recovery plan.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the quarter ended June 30, 2017, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We may become involved in various lawsuits and legal proceedings arising in the ordinary course of business. Litigation is subject to inherent uncertainties and an adverse result in these or other matters may arise from time to time that may have an adverse effect on our business, financial conditions or operating results. We are currently not aware of any such legal proceedings or claims that will have, individually or in the aggregate, a material adverse effect on our business, financial condition or operating results.

Item 1A. Risk Factors

You should consider carefully the factors discussed in the "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2016.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

On July 22, 2017, the Company appointed Justin Schreiber, President of Immudyne PR, and Stefan Gallupi, Chief Executive Officer of Immudyne, PR, directors of the Company. Each of Mr. Schreiber and Mr. Gallupi entered into customary director agreements with the Company, which are attached hereto as Exhibits 10.1 and 10.2, respectively. Mr. Schreiber and Mr. Gallupi have each engaged in certain transactions with the Company that have been disclosed pursuant to Item 404(a) of Regulation S-K under Item 13 of the Company's Annual Report on Form 10K for the fiscal year ended December 31, 2016. Such disclosures are hereby incorporated herein by reference.

On July 1, 2017, The Company amended its services agreement dated April 1, 2016 with JLS Ventures, LLC ("JLS"), as amended by that certain first amendment to services agreement dated December 31, 2016. Under the terms of this amendment the Company issued 900,000 shares of common stock to JLS valued at $432,000 upon execution of the amendment. In addition, the Company issued performance based options that vest, in intervals, based upon receipt by Immudyne, Inc. of cash from Immudyne PR within three years from the effective date of the agreement. Mr. Schreiber is the President and founder of JLS Ventures. The foregoing description of the amendment is qualified in its entirety by reference to the full text of the amendment, filed as Exhibit 10.3 hereto and incorporated herein by reference.

On July 1, 2017, the Company entered into a three-year employment agreement with Mark McLaughlin as the Company's President, Chief Executive Officer and to serve as a Director of the Company. McLaughlin will be entitled to receive an annual salary of $145,600, plus an annual cash bonus of $100,000 if the Company achieves $4,000,000 in pre-tax earnings and an additional cash bonus of $75,000 if the Company achieves $6,000,000 in pre-tax earnings. As additional compensation, the Company issued McLaughlin a ten -year option to buy 750,000 shares at $0.35 vesting one-third or 250,000 shares upon signing, and 250,000 shares on July 1, 2018 and 250,000 shares on July 1, 2019. In addition, the Company issued Mr. McLaughlin performance based options that vest, in intervals. Upon the Company achieving pre-tax earnings of $4,000,000, the Company will issue a ten year option to buy 500,000 shares at $0.25; upon the achievement of an additional $1,000,000 of pre-tax earnings, the Company will issue an additional ten year option to buy 500,000 shares at $0.25; and upon the achievement of each additional $1,000,000 of pre-tax earnings, up to a total of $7,000,000, the Company will issue an additional ten year option to buy 500,000 shares at $0.35.

In July 1, 2017, the Company entered into three-year director agreements with Anthony Bruzzese M.D. and John R. Strawn, Jr. Under the terms of these agreements, Messrs. Bruzzese and Strawn will be entitled to receive an annual retainer to be negotiated in good faith. Upon signing, as additional compensation, the Company issued to both each of Mr. Bruzzese and Mr. Strawn a ten-year option to buy 100,000 shares at $0.35. In addition, the Company issued each of Mr. Bruzzese and Mr. Strawn performance based options that vest, in intervals. Upon the Company achieving pre-tax earnings of $4,000,000, the Company will issue a ten year option to buy 75,000 shares at $0.25; and upon the achievement of an additional $1,000,000 of pre-tax earnings, the Company will issue an additional ten year option to buy 75,000 shares at $0.25; and upon the achievement of each additional $1,000,000 of pre-tax earnings, up to a total of $7,000,000, the Company will issue an additional ten year option to buy 75,000 shares at $0.35.

Item 6. Exhibits

See the Exhibit Index following the signature page to this Quarterly Report on Form 10-Q for a list of exhibits filed or furnished with this report, which Exhibit Index is incorporated herein by reference.

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.

IMMUDYNE INC.
(Registrant)

Date: August 14, 2017

By: /s/ Mark McLaughlin
Mark McLaughlin
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT INDEX

Exhibit No.	Document Description
10.1 †	Director Agreement with Justin Schreiber, dated July 24, 2017
10.2 †	Director Agreement with Stefan Gallupi, dated July 24, 2017
10.3 †	Second Amendment to Services Agreement by and between JLS Ventures, LLC and the Company, dated July 1, 2017
10.4 †	Employment agreement with Mark McLaughlin, dated July 1, 2017
10.5 †	Director Agreement with Anthony Bruzzese, dated July 1, 2017
10.6 †	Director Agreement with John Strawn, dated July 1, 2017
31.1 †	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1 ‡	Certifications of Principal Executive Officer and 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

† Filed herewith

‡ Furnished herewith

Exhibit 10.1

DIRECTOR AGREEMENT

This DIRECTOR AGREEMENT ("Agreement") is dated as of July 24, 2017, between IMMUDYNE, INC., a Delaware corporation (the "Company"), and Justin Schreiber ("Director"). The Company and the Director are hereinafter sometimes referred to collectively as the "Parties" and individually as a "Party."

WITNESSETH:

WHEREAS, the Company desires to engage, and the Director agrees to provide services to the Company, and

WHEREAS, the parties hereto desire to set forth the terms of Director's engagement with the Company;

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained, the Company and Director hereby agree as follows:

1. Engagement and Location. The Company hereby appoints Director, and Director hereby accepts engagement by the Company, on the terms and conditions hereinafter set forth. Given the Director's personal circumstances, and circumstances at the Company, Director shall not be required to relocate.

2. Director's Duties. Director will serve as a Director of the Company. Director's duties shall include those which are designated or assigned to him from time to time by the Board of Directors of the Company or the By-laws of the Company, provided those duties are of the type customarily discharged by a person holding the same or similar offices in a company of similar size and operations as the Company.

3. Term of Engagement. Subject to the provisions for termination hereof; the original term of this Agreement shall commence as of the date hereof and shall continue until June 30, 2020. Subsections 6(f) through 6(j) and Sections 7 through 20 of this Agreement shall survive termination hereof for any reason whatsoever.

4. Additional Benefits. Director shall be entitled to participate in or receive benefits under all benefit plans or programs generally available to directors of the Company to the extent that Director's position, tenure, salary, age, health and other qualifications make Director eligible to participate, subject to the rules and regulations applicable thereto.

5. Covenants of Director. For and in consideration of the engagement herein contemplated and the consideration paid or promised to be paid by the Company, Director does hereby covenant, agree and promise that during the term hereof, and thereafter to the extent specifically provided in this Agreement:

(a) Director will not actively engage, directly or indirectly, in any other business or venture that competes with the Company except at the direction or upon the written approval of the Company;

(b) Director will not engage, directly or indirectly, in the ownership, management, operation or control of, or employment by, any business of the type and character engaged in by the Company or any of its subsidiaries. Director may make personal investments in public companies, such as those made through or recommended by a stock broker;

(c) Director will truthfully and accurately make, maintain and preserve all records and reports that the Company may from time to time reasonably request or require;

(d) Director will obey all rules, regulations and reasonable special instructions applicable to Director, and will be loyal and faithful to the Company at all times, constantly endeavoring to improve Director's ability and knowledge of the business in an effort to increase the value of Director's services to the mutual benefit of the Parties;

(e) Director will make available to the Company any and all of the information of which Director has knowledge relating to the business of the Company or any of the Company's other subsidiaries and will make all suggestions and recommendations which Director feels will be of benefit to the Company;

(f) Director will fully account for all records or other property belonging to the Company of which Director has custody, and will deliver the same promptly whenever and however he may be reasonably directed to do so;

(g) Director recognizes that during the course of Director's engagement with the Company, Director has had and will have access to, and that there has been. and will be disclosed to him, information of a proprietary nature owned by the Company, including but not limited to records, customer and supplier lists and information, pricing information, data, formulae, design information and specifications, inventions, processes and methods, which is of a confidential or trade secret nature, and which has great value to the Company and is a substantial basis and foundation upon which the business of the Company is predicated. Director acknowledges that except for Director's engagement and the fulfillment of the duties assigned to Director, Director would not have had and would not have access to such information, and Director agrees that any and all confidential knowledge or information which may have been or may be obtained by or disclosed to Director in the course of Director's engagement with the Company, including but not limited to the information hereinabove set forth (collectively, the "Information"), will be held inviolate by Director, that Director will conceal the same from any and all other persons, including but not limited to competitors of the Company and its subsidiaries, and that Director will not impart the Information or any such knowledge acquired by Director as a director of the Company to anyone, either during Director's engagement by the Company or thereafter, except to employees, officers, directors or agents of the Company and its subsidiaries on a strict need-to-know basis in the performance of their duties for the Company or one of its subsidiaries. Director further agrees that during the term of this Agreement and thereafter, Director will not use the Information in competing with the Company, or in any other manner to Director's benefit and to the detriment of the Company or its subsidiaries;

(h) Director agrees that upon termination of Director's engagement hereunder Director will immediately surrender and turn over to the Company all books, records, forms, specifications, formulae, data, processes, papers and writings related to the business of the Company, and all other property belonging to the Company, together with all copies of the foregoing, it being understood and agreed that the same are the sole property, directly or indirectly, of the Company; and

(i) Director understands and acknowledges that the securities of the Company are publicly traded and subject to the Securities Act of 1933 and the Securities Exchange Act of 1934. As a result, Director acknowledges and agrees that (i) he is required under applicable securities laws to refrain from trading in securities of the Company while in possession of material nonpublic information and to refrain from. disclosing any material nonpublic information to anyone except as permitted by this Agreement in connection with the performance of Director's duties hereunder, and (ii) he will communicate to any person to whom he communicates any material nonpublic information that such information is material nonpublic information and that the trading and disclosure restrictions in clause (i) above also apply to such person.

7. Termination for Cause. The Company may terminate the engagement of Director if the Board of the Directors of the Company determines that Director has:

(a) materially breached any provision hereof or habitually neglected the duties which Director was required to perform under any provision of this Agreement;

(b) misappropriated funds or property of the Company or otherwise engaged in acts of dishonesty, fraud, misrepresentation or other acts of moral turpitude, even if not in connection with the performance of Director's duties hereunder, which could reasonably be expected to result in serious prejudice to the interests of the Company if Director were retained as a director;

(c) secured any personal profit not completely disclosed to and approved by the Company in connection with any transaction entered into on behalf of or with the Company or any affiliate of the Company;

(d) died, or become and remained incapacitated (either physically, mentally or otherwise) for a period of ninety (90) consecutive days such that Director is not able to substantially perform Director's duties hereunder; or

(e) failed to carry out and perform duties assigned to Director in accordance with the terms hereof in a manner acceptable to the Board of Directors of the Company after a written demand for substantial performance is delivered to Director which identifies the manner in which Director has not substantially performed Director's duties, and provided further that Director shall be given a reasonable opportunity to cure such failure.

For purposes of this section, no act, or failure to act, on the Director's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Company. Notwithstanding the foregoing, the Director shall not be deemed to have been terminated For Cause under subsection (a) without (i) reasonable notice to the Director setting forth the reasons for the Company's intention to Terminate For Cause, (ii) an opportunity for the Director, together with his counsel, to be heard before the Board of Directors, and (iii) delivery to the Director of a notice of termination from the Board of Directors of the Company, finding that, in the good faith opinion of the Board of Directors, the Director was guilty of conduct set forth above in clause (a) of the preceding sentence and specifying the particulars thereof in detail. In the event of termination of Director's engagement for cause, Director shall be entitled to retain the vested Options for shares which have not been previously purchased, compensation through the date of termination and reimbursement of expenses properly incurred but not yet reimbursed.

8. Covenant Not to Compete.· The Director recognizes that the Company has business good will and other legitimate business interests which must be protected in connection with and in addition to the Information, and therefore, in exchange for access to the Information, the specialized training and instruction which the Company will provide, the Company's agreement to engage the Director on the terms and conditions set forth herein, the Director agrees that during the term commencing with the date of engagement and ending three years after the date Director's engagement, Director will not, without the prior written consent of the Company, engage, directly or indirectly, in any business that competes with the Company or any of its subsidiaries in any territory in which the Company or any of its subsidiaries conducts business (determined as of the last date of Director's employment). It is mutually understood and agreed that if any of the provisions relating to the scope time or territory in this Section 8 are more extensive than is enforceable under applicable laws or are broader than necessary to protect the good will and legitimate business interests of the Company, then the Parties agree that they will reduce the degree and extent of such provisions by whatever minimal amount is necessary to bring such provisions within the am bit of enforceability under applicable law.

9. Injunctive Relief. The Parties acknowledge that the remedies at law for breach of Director's covenants contained in Sections 6 and 8 of the Agreement are inadequate, and they agree that the Company shall be entitled, at its election, to injunctive relief (without the necessity of posting bond against such breach or attempted breach), and to specific performance of said covenants in addition to any other remedies at law or equity that may be available to the Company.

10. Business Opportunities. For as long as the Director shall be engaged by the Company and thereafter with respect to any business opportunities learned about through Director's engagement by the Company, the Director agrees that with respect to any future business opportunity or other new and future business proposal which is offered to, or comes to the attention of, the Director and which is in any way related to or connected with, the business of the Company or its affiliates, the Company shall have the right to take advantage of such business opportunity or other business proposal for its own benefit. The Director agrees to promptly deliver notice to the Chairman of the Board of Directors or the Chief Executive Officer of the Company in writing of the existence of such opportunity or proposal, and the Director may take advantage of such opportunity only if the Company does not elect to exercise its right to take advantage of such opportunity and if the pursuit thereof would not otherwise violate any provision of this Agreement.

11. Right of Offset. To the extent permitted by applicable law, all amounts due and owing to Director hereunder shall be subject to offset by the Company to the extent of any damages incurred by Director's breach of this Agreement. Director acknowledges and agrees that but for the right of offset contained in this Agreement, the Company would not have hired Director nor entered into this Agreement.

12. Obligations of Director. The obligations of Director hereunder are personal and may not be transferred or delegated by Director.

13. Amendment and Waiver. This instrument contains the entire agreement of the Parties and supersedes and replaces any prior agreements between the Company or any affiliate and Director, which prior agreements (if any) are hereby terminated, effective as of the commencement date of this Agreement, by mutual agreement of the Parties. This Agreement may not be changed orally but only by written documents signed by the Party against whom enforcement of any waiver, change, modification, extension or discharge is sought; however, the amount of compensation to be paid to Director for services to be performed for the Company hereunder may be changed from time to time by the Parties by written agreement without in any other way modifying, changing or affecting this Agreement or the performance by Director of any of the duties for the Company. Any such written agreement shall be, and shall be conclusively deemed to be, a ratification and confirmation of this Agreement, except as expressly set forth in such written amendment. The waiver by any Party of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach thereof, nor of any breach of any other term or provision of this Agreement.

14. Notice. All notices and other communications hereunder shall be in writing and shall be deemed duly delivered (i) three business days after being received by registered or certified mail, return receipt requested, postage prepaid, or (ii) three business days after being sent for next business day delivery, fees prepaid, via a reputable nationwide overnight courier service, in the case of the Company, to its principal office address, and in the case of Director, to Director's residence address as shown on the records of the Company, or may be given by personal delivery thereof.

15. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be valid and enforceable under applicable law, but if any provision of this Agreement shall be invalid, unenforceable or prohibited by applicable law, then in lieu of declaring such provision invalid or unenforceable, to the extent permitted by law (a) the Parties agree that they will amend such provision to the minimal extent necessary to bring such provision within the ambit of enforceability, and (b) any court of competent jurisdiction may, at the request of either party, revise, reconstruct or reform such provision in a manner sufficient to cause it to be valid and enforceable.

16. Force Majeure. Neither of the Parties shall be liable to the other for any delay or failure to perform hereunder, which delay or failure is due to causes beyond the control of said Party, including, but not limited to: acts of God; acts of the public enemy; acts of the United States of America or any state, territory or political subdivision thereof or of the District of Columbia; fires; floods; epidemics, quarantine restrictions; strike or freight embargoes. Notwithstanding the foregoing provisions of this Section 18, in every case the delay or failure to perform must be beyond the control and without the fault or negligence of the Party claiming excusable delay.

17. Authority to Contract. The Company warrants and represents that it has full authority to enter into this Agreement and to consummate the transactions contemplated hereby and that this Agreement is not in conflict with any other agreement to which the Company is a party or by which it may be bound. The Company hereto further warrants and represents that the individuals executing this Agreement on behalf of the Company have the full power and authority to bind the Company to the terms hereof and have been authorized to do so in accordance with the Company's corporate organization.

18. Mediation. In the event of any dispute arising under or pursuant to this Agreement, the Parties agree to attempt to resolve the dispute in a commercially reasonable fashion before instituting any arbitration or litigation (with the exception of emergency injunctive relief as set forth in Paragraph 9). If the Parties are unable to resolve the dispute within thirty (30) days, then the Parties agree to mediate the dispute with a mutually agreed upon mediator in Houston, Texas. If the Parties cannot agree upon a mediator within ten (10) days after either party shall first request commencement of mediation, each party will select a mediator within five (5) days thereof, and those mediators shall select the mediator to be used. The mediation shall be scheduled within thirty (30) days following the selection of the mediator. If the mediation does not resolve the dispute, then Paragraph 20 shall apply. The Parties further agree that any applicable statute of limitations will be tolled for the period of time from the date mediation is requested until 14 days following the mediation.

19. Recovery of Litigation Costs. If any legal action or other proceeding is brought for the enforcement of this Agreement or any agreement or instrument delivered under or in connection with this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing Party or Parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

20. Arbitration. Any and all disputes or controversies whether of law or fact and of any nature whatsoever arising from or respecting this Agreement shall be decided by arbitration by the American Arbitration Association in accordance with its Commercial Rules except as modified herein.

(a) The arbitrator shall be elected as follows: in the event the Company and the Director agree on one arbitrator, the arbitration shall be conducted by such arbitrator. In the event the Company and the Director do not so agree, the Company and the Director shall each select one independent, qualified arbitrator and the two arbitrators so selected shall select the third arbitrator (the arbitrator(s) are herein referred to as the "Panel"). The Company reserves the right to object to any individual arbitrator who shall be employed by or affiliated with a competing organization.

(b) Arbitration shall take place at Houston, Texas, or any other location mutually agreeable to the Parties. At the request of either Party, arbitration proceedings will be conducted in the utmost secrecy; in such case all documents, testimony and records shall be received, heard and maintained by the arbitrators in secrecy, available for inspection only by the Company or the Director and their respective attorneys and their respective experts who shall agree in advance and in writing to receive all such information in secrecy until such information shall become generally known. The Panel shall be able to award any and all relief, including relief of an equitable nature, provided that punitive damages shall not be awarded. The award rendered by the Panel may be enforceable in any court having jurisdiction thereof.

(c) Reasonable notice of the time and place of arbitration shall be given to all Parties and any interested persons as shall be required by law.

21. Governing Law. This Agreement and the rights and obligations of the Parties shall be governed by and construed and enforced in accordance with the substantive laws (but not the rules governing conflicts of laws) of the State of Texas.

22. Multiple Counterparts. This Agreement may be executed in multiple counterparts each of which shall be deemed to be an original but all of which together shall constitute but one instrument.

Signature page to follow

EXECUTED as of the day and year first above set forth.

IMMUDYNE, INC.

By: /s/ Mark McLaughlin
President & Chief Executive Officer

DIRECTOR

By: /s/ Justin Schreiber
Justin Schreiber

Exhibit 10.2

DIRECTOR AGREEMENT

This DIRECTOR AGREEMENT ("Agreement") is dated as of July 24, 2017, between IMMUDYNE, INC., a Delaware corporation (the "Company"), and Stefan Galluppi ("Director"). The Company and the Director are hereinafter sometimes referred to collectively as the "Parties" and individually as a "Party."

WITNESSETH:

WHEREAS, the Company desires to engage, and the Director agrees to provide services to the Company, and

WHEREAS, the parties hereto desire to set forth the terms of Director's engagement with the Company;

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained, the Company and Director hereby agree as follows:

1. Engagement and Location. The Company hereby appoints Director, and Director hereby accepts engagement by the Company, on the terms and conditions hereinafter set forth. Given the Director's personal circumstances, and circumstances at the Company, Director shall not be required to relocate.

2. Director's Duties. Director will serve as a Director of the Company. Director's duties shall include those which are designated or assigned to him from time to time by the Board of Directors of the Company or the By-laws of the Company, provided those duties are of the type customarily discharged by a person holding the same or similar offices in a company of similar size and operations as the Company.

3. Term of Engagement. Subject to the provisions for termination hereof; the original term of this Agreement shall commence as of the date hereof and shall continue until June 30, 2020. Subsections 6(f) through 6(j) and Sections 7 through 20 of this Agreement shall survive termination hereof for any reason whatsoever.

4. Additional Benefits. Director shall be entitled to participate in or receive benefits under all benefit plans or programs generally available to directors of the Company to the extent that Director's position, tenure, salary, age, health and other qualifications make Director eligible to participate, subject to the rules and regulations applicable thereto.

5. Covenants of Director. For and in consideration of the engagement herein contemplated and the consideration paid or promised to be paid by the Company, Director does hereby covenant, agree and promise that during the term hereof, and thereafter to the extent specifically provided in this Agreement:

(a) Director will not actively engage, directly or indirectly, in any other business or venture that competes with the Company except at the direction or upon the written approval of the Company;

(b) Director will not engage, directly or indirectly, in the ownership, management, operation or control of, or employment by, any business of the type and character engaged in by the Company or any of its subsidiaries. Director may make personal investments in public companies, such as those made through or recommended by a stock broker;

(c) Director will truthfully and accurately make, maintain and preserve all records and reports that the Company may from time to time reasonably request or require;

(d) Director will obey all rules, regulations and reasonable special instructions applicable to Director, and will be loyal and faithful to the Company at all times, constantly endeavoring to improve Director's ability and knowledge of the business in an effort to increase the value of Director's services to the mutual benefit of the Parties;

(e) Director will make available to the Company any and all of the information of which Director has knowledge relating to the business of the Company or any of the Company's other subsidiaries and will make all suggestions and recommendations which Director feels will be of benefit to the Company;

(f) Director will fully account for all records or other property belonging to the Company of which Director has custody, and will deliver the same promptly whenever and however he may be reasonably directed to do so;

(g) Director recognizes that during the course of Director's engagement with the Company, Director has had and will have access to, and that there has been. and will be disclosed to him, information of a proprietary nature owned by the Company, including but not limited to records, customer and supplier lists and information, pricing information, data, formulae, design information and specifications, inventions, processes and methods, which is of a confidential or trade secret nature, and which has great value to the Company and is a substantial basis and foundation upon which the business of the Company is predicated. Director acknowledges that except for Director's engagement and the fulfillment of the duties assigned to Director, Director would not have had and would not have access to such information, and Director agrees that any and all confidential knowledge or information which may have been or may be obtained by or disclosed to Director in the course of Director's engagement with the Company, including but not limited to the information hereinabove set forth (collectively, the "Information"), will be held inviolate by Director, that Director will conceal the same from any and all other persons, including but not limited to competitors of the Company and its subsidiaries, and that Director will not impart the Information or any such knowledge acquired by Director as a director of the Company to anyone, either during Director's engagement by the Company or thereafter, except to employees, officers, directors or agents of the Company and its subsidiaries on a strict need-to-know basis in the performance of their duties for the Company or one of its subsidiaries. Director further agrees that during the term of this Agreement and thereafter, Director will not use the Information in competing with the Company, or in any other manner to Director's benefit and to the detriment of the Company or its subsidiaries;

(h) Director agrees that upon termination of Director's engagement hereunder Director will immediately surrender and turn over to the Company all books, records, forms, specifications, formulae, data, processes, papers and writings related to the business of the Company, and all other property belonging to the Company, together with all copies of the foregoing, it being understood and agreed that the same are the sole property, directly or indirectly, of the Company; and

(i) Director understands and acknowledges that the securities of the Company are publicly traded and subject to the Securities Act of 1933 and the Securities Exchange Act of 1934. As a result, Director acknowledges and agrees that (i) he is required under applicable securities laws to refrain from trading in securities of the Company while in possession of material nonpublic information and to refrain from. disclosing any material nonpublic information to anyone except as permitted by this Agreement in connection with the performance of Director's duties hereunder, and (ii) he will communicate to any person to whom he communicates any material nonpublic information that such information is material nonpublic information and that the trading and disclosure restrictions in clause (i) above also apply to such person.

7. Termination for Cause. The Company may terminate the engagement of Director if the Board of the Directors of the Company determines that Director has:

(a) materially breached any provision hereof or habitually neglected the duties which Director was required to perform under any provision of this Agreement;

(b) misappropriated funds or property of the Company or otherwise engaged in acts of dishonesty, fraud, misrepresentation or other acts of moral turpitude, even if not in connection with the performance of Director's duties hereunder, which could reasonably be expected to result in serious prejudice to the interests of the Company if Director were retained as a director;

(c) secured any personal profit not completely disclosed to and approved by the Company in connection with any transaction entered into on behalf of or with the Company or any affiliate of the Company;

(d) died, or become and remained incapacitated (either physically, mentally or otherwise) for a period of ninety (90) consecutive days such that Director is not able to substantially perform Director's duties hereunder; or

(e) failed to carry out and perform duties assigned to Director in accordance with the terms hereof in a manner acceptable to the Board of Directors of the Company after a written demand for substantial performance is delivered to Director which identifies the manner in which Director has not substantially performed Director's duties, and provided further that Director shall be given a reasonable opportunity to cure such failure.

For purposes of this section, no act, or failure to act, on the Director's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Company. Notwithstanding the foregoing, the Director shall not be deemed to have been terminated For Cause under subsection (a) without (i) reasonable notice to the Director setting forth the reasons for the Company's intention to Terminate For Cause, (ii) an opportunity for the Director, together with his counsel, to be heard before the Board of Directors, and (iii) delivery to the Director of a notice of termination from the Board of Directors of the Company, finding that, in the good faith opinion of the Board of Directors, the Director was guilty of conduct set forth above in clause (a) of the preceding sentence and specifying the particulars thereof in detail. In the event of termination of Director's engagement for cause, Director shall be entitled to retain the vested Options for shares which have not been previously purchased, compensation through the date of termination and reimbursement of expenses properly incurred but not yet reimbursed.

8. Covenant Not to Compete.· The Director recognizes that the Company has business good will and other legitimate business interests which must be protected in connection with and in addition to the Information, and therefore, in exchange for access to the Information, the specialized training and instruction which the Company will provide, the Company's agreement to engage the Director on the terms and conditions set forth herein, the Director agrees that during the term commencing with the date of engagement and ending three years after the date Director's engagement, Director will not, without the prior written consent of the Company, engage, directly or indirectly, in any business that competes with the Company or any of its subsidiaries in any territory in which the Company or any of its subsidiaries conducts business (determined as of the last date of Director's employment). It is mutually understood and agreed that if any of the provisions relating to the scope time or territory in this Section 8 are more extensive than is enforceable under applicable laws or are broader than necessary to protect the good will and legitimate business interests of the Company, then the Parties agree that they will reduce the degree and extent of such provisions by whatever minimal amount is necessary to bring such provisions within the am bit of enforceability under applicable law.

9. Injunctive Relief. The Parties acknowledge that the remedies at law for breach of Director's covenants contained in Sections 6 and 8 of the Agreement are inadequate, and they agree that the Company shall be entitled, at its election, to injunctive relief (without the necessity of posting bond against such breach or attempted breach), and to specific performance of said covenants in addition to any other remedies at law or equity that may be available to the Company.

10. Business Opportunities. For as long as the Director shall be engaged by the Company and thereafter with respect to any business opportunities learned about through Director's engagement by the Company, the Director agrees that with respect to any future business opportunity or other new and future business proposal which is offered to, or comes to the attention of, the Director and which is in any way related to or connected with, the business of the Company or its affiliates, the Company shall have the right to take advantage of such business opportunity or other business proposal for its own benefit. The Director agrees to promptly deliver notice to the Chairman of the Board of Directors or the Chief Executive Officer of the Company in writing of the existence of such opportunity or proposal, and the Director may take advantage of such opportunity only if the Company does not elect to exercise its right to take advantage of such opportunity and if the pursuit thereof would not otherwise violate any provision of this Agreement.

11. Right of Offset. To the extent permitted by applicable law, all amounts due and owing to Director hereunder shall be subject to offset by the Company to the extent of any damages incurred by Director's breach of this Agreement. Director acknowledges and agrees that but for the right of offset contained in this Agreement, the Company would not have hired Director nor entered into this Agreement.

12. Obligations of Director. The obligations of Director hereunder are personal and may not be transferred or delegated by Director.

13. Amendment and Waiver. This instrument contains the entire agreement of the Parties and supersedes and replaces any prior agreements between the Company or any affiliate and Director, which prior agreements (if any) are hereby terminated, effective as of the commencement date of this Agreement, by mutual agreement of the Parties. This Agreement may not be changed orally but only by written documents signed by the Party against whom enforcement of any waiver, change, modification, extension or discharge is sought; however, the amount of compensation to be paid to Director for services to be performed for the Company hereunder may be changed from time to time by the Parties by written agreement without in any other way modifying, changing or affecting this Agreement or the performance by Director of any of the duties for the Company. Any such written agreement shall be, and shall be conclusively deemed to be, a ratification and confirmation of this Agreement, except as expressly set forth in such written amendment. The waiver by any Party of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach thereof, nor of any breach of any other term or provision of this Agreement.

14. Notice. All notices and other communications hereunder shall be in writing and shall be deemed duly delivered (i) three business days after being received by registered or certified mail, return receipt requested, postage prepaid, or (ii) three business days after being sent for next business day delivery, fees prepaid, via a reputable nationwide overnight courier service, in the case of the Company, to its principal office address, and in the case of Director, to Director's residence address as shown on the records of the Company, or may be given by personal delivery thereof.

15. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be valid and enforceable under applicable law, but if any provision of this Agreement shall be invalid, unenforceable or prohibited by applicable law, then in lieu of declaring such provision invalid or unenforceable, to the extent permitted by law (a) the Parties agree that they will amend such provision to the minimal extent necessary to bring such provision within the ambit of enforceability, and (b) any court of competent jurisdiction may, at the request of either party, revise, reconstruct or reform such provision in a manner sufficient to cause it to be valid and enforceable.

16. Force Majeure. Neither of the Parties shall be liable to the other for any delay or failure to perform hereunder, which delay or failure is due to causes beyond the control of said Party, including, but not limited to: acts of God; acts of the public enemy; acts of the United States of America or any state, territory or political subdivision thereof or of the District of Columbia; fires; floods; epidemics, quarantine restrictions; strike or freight embargoes. Notwithstanding the foregoing provisions of this Section 18, in every case the delay or failure to perform must be beyond the control and without the fault or negligence of the Party claiming excusable delay.

17. Authority to Contract. The Company warrants and represents that it has full authority to enter into this Agreement and to consummate the transactions contemplated hereby and that this Agreement is not in conflict with any other agreement to which the Company is a party or by which it may be bound. The Company hereto further warrants and represents that the individuals executing this Agreement on behalf of the Company have the full power and authority to bind the Company to the terms hereof and have been authorized to do so in accordance with the Company's corporate organization.

18. Mediation. In the event of any dispute arising under or pursuant to this Agreement, the Parties agree to attempt to resolve the dispute in a commercially reasonable fashion before instituting any arbitration or litigation (with the exception of emergency injunctive relief as set forth in Paragraph 9). If the Parties are unable to resolve the dispute within thirty (30) days, then the Parties agree to mediate the dispute with a mutually agreed upon mediator in Houston, Texas. If the Parties cannot agree upon a mediator within ten (10) days after either party shall first request commencement of mediation, each party will select a mediator within five (5) days thereof, and those mediators shall select the mediator to be used. The mediation shall be scheduled within thirty (30) days following the selection of the mediator. If the mediation does not resolve the dispute, then Paragraph 20 shall apply. The Parties further agree that any applicable statute of limitations will be tolled for the period of time from the date mediation is requested until 14 days following the mediation.

19. Recovery of Litigation Costs. If any legal action or other proceeding is brought for the enforcement of this Agreement or any agreement or instrument delivered under or in connection with this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing Party or Parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

20. Arbitration. Any and all disputes or controversies whether of law or fact and of any nature whatsoever arising from or respecting this Agreement shall be decided by arbitration by the American Arbitration Association in accordance with its Commercial Rules except as modified herein.

(a) The arbitrator shall be elected as follows: in the event the Company and the Director agree on one arbitrator, the arbitration shall be conducted by such arbitrator. In the event the Company and the Director do not so agree, the Company and the Director shall each select one independent, qualified arbitrator and the two arbitrators so selected shall select the third arbitrator (the arbitrator(s) are herein referred to as the "Panel"). The Company reserves the right to object to any individual arbitrator who shall be employed by or affiliated with a competing organization.

(b) Arbitration shall take place at Houston, Texas, or any other location mutually agreeable to the Parties. At the request of either Party, arbitration proceedings will be conducted in the utmost secrecy; in such case all documents, testimony and records shall be received, heard and maintained by the arbitrators in secrecy, available for inspection only by the Company or the Director and their respective attorneys and their respective experts who shall agree in advance and in writing to receive all such information in secrecy until such information shall become generally known. The Panel shall be able to award any and all relief, including relief of an equitable nature, provided that punitive damages shall not be awarded. The award rendered by the Panel may be enforceable in any court having jurisdiction thereof.

(c) Reasonable notice of the time and place of arbitration shall be given to all Parties and any interested persons as shall be required by law.

21. Governing Law. This Agreement and the rights and obligations of the Parties shall be governed by and construed and enforced in accordance with the substantive laws (but not the rules governing conflicts of laws) of the State of Texas.

22. Multiple Counterparts. This Agreement may be executed in multiple counterparts each of which shall be deemed to be an original but all of which together shall constitute but one instrument.

EXECUTED as of the day and year first above set forth.

IMMUDYNE, INC.

By: /s/ Mark McLaughlin

DIRECTOR

By: /s/ Stefan Gallupi

Exhibit 10.3

SECOND AMENDMENT TO SERVICES AGREEMENT

THIS AGREEMENT (this "Agreement") is made as of July 1, 2017 (the "Effective Date") by and between **JLS Ventures, LLC** , a Puerto Rico limited liability company ("JLS") and **ImmuDyne, Inc.,** a corporation with a place of business 50 Spring Meadow Road, Mt. Kisco, NY 10549 ("Company").

WHEREAS, the Parties entered into the Services Agreement dated April 1, 2016, and the First Amendment To Services Agreement dated December 31, 2016, and now the Parties desire to enter into this separate three year incentivized Second Amendment to Services Agreement for the mutual benefit of the Parties;

NOW THEREFORE, it is agreed that the following additional compensation and performance conditions of the Services Agreement are contained in this Second Amendment. It is clearly understood by the Parties that the following are each one time issuances, and that the milestones of actual cash to Immudyne Inc. listed below must be achieved during the three year term (from July 1, 2017 to June 30, 2020) of this Agreement:

1. The Company shall issue 900,000 shares of IMMD common stock to JLS upon execution of this Agreement.

2. Upon receipt by Immudyne, Inc. of $4,000,000 in actual cash from Immudyne PR to Immudyne, Inc., JLS shall be issued a (one-time only) ten year option to buy 1,500,000 shares of Immudyne, Inc. at $0.25 (including a cashless exercise feature). It is understood by the Parties that the total issuance (regarding this $4,000,000 milestone) is capped at a total of 1,500,000 options.

3. Upon receipt by Immudyne, Inc. of $5,000,000 in actual cash from Immudyne PR to Immudyne, Inc., JLS shall be issued a (one-time only) ten year option to buy 1,500,000 shares of Immudyne, Inc. at $0.25 (including a cashless exercise feature). It is understood by the Parties that the total issuance (regarding this $5,000,000 milestone) is capped at a total of 1,500,000 options.

4. Upon receipt by Immudyne, Inc. of $6,000,000 in actual cash from Immudyne PR to Immudyne, Inc., JLS shall be issued a (one-time only) ten year option to buy 1,500,000 shares of Immudyne, Inc. at $0.35 (including a cashless exercise feature). It is understood by the Parties that the total issuance (regarding this $6,000,000 milestone) is capped at a total of 1,500,000 options.

5. Upon receipt by Immudyne, Inc. of $7,000,000 in actual cash from Immudyne PR to Immudyne, Inc., JLS shall be issued a (one-time only) ten year option to buy 1,500,000 shares of Immudyne, Inc. at $0.35 (including a cashless exercise feature). It is understood by the Parties that the total issuance (regarding this $7,000,000 milestone) is capped at a total of 1,500,000 options.

All other terms of the Services Agreement and the First Amendment to the Services Agreement remain in effect, and to the extent not superseded by this Agreement, are incorporated into this Agreement by reference.

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all such counterparts shall together constitute one and the same document. This Agreement may be executed via facsimile or electronic signature, and each such facsimile copy, electronic signature or counterpart shall be deemed an original.

JLS Initials _____ Company Iznitials _____

The parties represent and warrant that, on the date first written above, they are authorized to enter into this Agreement in its entirety and duly bind their respective principals by their signatures below.

EXECUTED as of the date first written above.

JLS Ventures, LLC ("JLS")

By: /s/ Justin Schreiber
Title: President

Date signed: 7/14/2017

Immudyne, Inc. ("Company")

By: /s/ Mark McLaughlin
Title: President and Chief Executive Officer

Date signed: 7/14/2017

JLS Initials _____ Company Initials _____

Exhibit 10.4

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT ("Agreement") is made effective as of July 1, 2017 (the "New Effective Date"), by and between IMMUDYNE, INC., a Delaware corporation (the "Company"), and Mark McLaughlin, an individual and resident of the State of New York (the "Executive").

The Company and the Executive are hereinafter sometimes referred to collectively as the "Parties" and individually as a "Party."

WITNESSETH:

WHEREAS, the Company desires to employ, and the Executive agrees to work in the employ of the Company;

WHEREAS, the Parties hereto desire to set forth the terms of Executive's employment with the Company; and

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained, the Company and Executive hereby agree as follows:

1. Employment and Location. The Company hereby employs Executive, and Executive hereby accepts employment by the Company, on the terms and conditions hereinafter set forth. Given the Executive's personal circumstances, and circumstances at the Company, Executive shall not be required to relocate.

2. Executive's Duties. Executive will serve as President and Chief Executive Officer of the Company, and serve as a Director of the Company. Executive's duties shall include those which are designated or assigned to him from time to time by the Board of Directors of the Company or the By-laws of the Company, provided those duties are of the type customarily discharged by a person holding the same or similar offices in a company of similar size and operations as the Company. Executive shall devote his entire time, attention and energy to the business of the Company and shall diligently pursue its best interests.

3. Term of Employment. Subject to the provisions for termination hereof; the original term of this Agreement shall commence as of the date of the Original Effective Date and shall continue for a term of three (3) years. Subsections 6(f) through 6(j) and Sections 7 through 20 of this Agreement shall survive termination hereof for any reason whatsoever.

4. Compensation. For all services rendered by Executive hereunder on behalf of the Company, and the covenants and agreements of Executive set forth herein (including without limitation the covenant not to compete set forth in Section 8 hereof), the Company agrees to pay to Executive, and Executive agrees to accept, the following compensation:

a) An annual salary of $145,600.00; and

(b) An annual bonus of $100,000 if the Company achieves $4,000,000 in Pre-Tax Earnings, payable within 90 days after the end of each semi-annual fiscal year ended after the effective date of this Agreement. “Pre-Tax Earnings” shall mean earnings of the Company determined prior to payment or deduction of federal or state income taxes, determined in accordance with generally accepted accounting principles, consistently applied;

(c) An additional annual bonus of $75,000 if the Company achieves $6,000,000 in Pre-Tax Earnings, payable within 90 days after the end of each semi-annual fiscal year ended after the effective date of this Agreement;

(d) A ten year option for 750,000 shares of Common Stock of the Company, such shares purchasable or exercisable on a cashless basis at an exercise price of $0.35 (thirty-five cents) per share, with the option for 250,000 shares vesting upon signing, the option for 250,000 shares vesting on July 1, 2018, and the option for 250,000 shares vesting on July 1, 2019;

(e) Upon Immudyne, Inc. achieving $4,000,000 in Pre-Tax Earnings, a ten year fully vested option for 500,000 shares of Common Stock of the Company, such shares purchasable or exercisable on a cashless basis at an exercise price of $0.25 (twenty-five cents) per share. It is understood by the Parties that the total issuance (regarding this $4,000,000 milestone described above) is capped at a total of an option for 500,000 shares;

(f) Upon Immudyne, Inc. achieving $5,000,000 in Pre-Tax Earnings, a ten year fully vested option for another 500,000 shares of Common Stock of the Company, such shares purchasable or exercisable on a cashless basis at an exercise price of $0.25 (twenty-five cents) per share. It is understood by the Parties that the total issuance (regarding this $5,000,000 milestone described above) is capped at a total of an option for 500,000 shares;

(g) Upon Immudyne, Inc. achieving $6,000,000 in Pre-Tax Earnings, a ten year fully vested option for another 500,000 shares of Common Stock of the Company, such shares purchasable or exercisable on a cashless basis at an exercise price of $0.35 (thirty-five cents) per share. It is understood by the Parties that the total issuance (regarding this $6,000,000 milestone described above) is capped at a total of an option for 500,000 shares;

(h) Upon Immudyne, Inc. achieving $7,000,000 in Pre-Tax Earnings, a ten year fully vested option for another 500,000 shares of Common Stock of the Company, such shares purchasable or exercisable on a cashless basis at an exercise price of $0.35 (thirty-five cents) per share. It is understood by the Parties that the total issuance (regarding this $7,000,000 milestone described above) is capped at a total of an option for 500,000 shares;

(i) If the Company is prevented from issuing any of options or the stock due to pending litigation, or for any other reason, then the expiration date(s) will commence (or recommence, if applicable) when the Company's options or the stock relating thereto are no longer subject to current litigation, or any other contingency prohibiting the Company from issuing said options or stock. All shares resulting from the exercise of options shall have the same rights as all other shares of the Company's capital stock. Further, if the Company should split its stock prior to the granting or exercise of said options, then the options shall be split in a similar manner and the exercise price shall be adjusted to prevent any dilution or increase in Executive's interest in the Company's stock once the options are granted or exercised. Lastly, Executive or his Estate will have the right to assign all his options, and the rights to his options. Executive's options and the rights to his future options do not terminate with his death. The options may be exercised by his heirs and his assigns and their heirs;

(j) Annual paid vacation of four weeks; and

(k) Prompt reimbursement of all reasonable expenses incurred by Executive in the performance of Executive's duties during the term of this Agreement, subject to the presentation of appropriate vouchers and receipts in accordance with the Company's policies.

5. Additional Benefits. Executive shall be entitled to participate in or receive benefits under all benefit plans (including health insurance for himself and his family) and other programs generally available to employees of the Company to the extent that Executive's position, tenure, salary, age, health and other qualifications make Executive eligible to participate, subject to the rules and regulations applicable thereto.

6. Covenants of Executive. For and in consideration of the employment herein contemplated and the consideration paid or promised to be paid by the Company, Executive does hereby covenant, agree and promise that during the term hereof, and thereafter to the extent specifically provided in this Agreement:

(a) Executive will not actively engage, directly or indirectly, in any other business or venture that competes with the Company except at the direction or upon the written approval of the Board of Directors of the Company;

(b) Executive will not engage, directly or indirectly, in the ownership, management, operation or control of, or employment by, any business of the type and character engaged in by the Company or any of its subsidiaries. Executive may make personal investments in public companies, such as those made through or recommended by a stock broker;

(c) Executive will truthfully and accurately make, maintain and preserve all records and reports that the Company may from time to time reasonably request or require;

(d) Executive will obey all rules, regulations and reasonable special instructions applicable to Executive, and will be loyal and faithful to the Company at all times, constantly endeavoring to improve Executive's ability and knowledge of the business in an effort to increase the value of Executive's services to the mutual benefit of the Parties;

(e) Executive will make available to the Company any and all of the information of which Executive has knowledge relating to the business of the Company or any of the Company's other subsidiaries and will make all suggestions and recommendations which Executive feels will be of benefit to the Company;

(f) Executive will fully account for all money, records, goods, wares and merchandise or other property belonging to the Company of which Executive has custody, and will pay over and deliver the same promptly whenever and however he may be reasonably directed to do so;

(g) Executive recognizes that during the course of Executive's previous and current employment with the Company, Executive has had and will have access to, and that there has been, and will be disclosed to him, information of a proprietary nature owned by the Company, including but not limited to records, customer and supplier lists and information, pricing information, data, formulae, design information and specifications, inventions, processes and methods, which is of a confidential or trade secret nature, and which has great value to the Company and is a substantial basis and foundation upon which the business of the Company is predicated. Executive acknowledges that except for Executive's employment and the fulfillment of the duties assigned to Executive, Executive would not have had and would not have access to such information, and Executive agrees that any and all confidential knowledge or information which may have been or may be obtained by or disclosed to Executive in the course of Executive's employment with the Company, including but not limited to the information hereinabove set forth (collectively, the "Information"), will be held inviolate by Executive, that Executive will conceal the same from any and all other persons, including but not limited to competitors of the Company and its subsidiaries, and that Executive will not impart the Information or any such knowledge acquired by Executive as an officer, director or employee of the Company to anyone, either during Executive's employment by the Company or thereafter, except to employees or agents of the Company and its subsidiaries on a strict need-to-know basis in the performance of their duties as employees or agents of the Company or one of its subsidiaries. Executive further agrees that during the term of this Agreement and thereafter, Executive will not use the Information in competing with the Company, or in any other manner to Executive's benefit or to the detriment of the Company or its subsidiaries;

(h) Executive agrees that upon termination of Executive's employment hereunder Executive will immediately surrender and turn over to the Company all books, records, forms, specifications, formulae, data, processes, papers and writings related to the business of the Company, and all other property belonging to the Company, together with all copies of the foregoing, it being understood and agreed that the same are the sole property, directly or indirectly, of the Company;

(i) Executive agrees that all ideas, concepts, processes, discoveries, devices, machines, tools, materials, designs, improvements, inventions and other things of value (hereinafter collectively referred to as "intangible rights"), whether patentable or not, which are conceived, made, invented or suggested either by Executive alone or in collaboration with others during the term of Executive's employment, and whether or not during regular working hours, shall be promptly disclosed in writing to the Company and shall be the sole and exclusive property of the Company. Executive hereby assigns all of Executive's right, title and interest in and to all such intangible rights to the Company and its successors or assigns. In the event that any of said intangible rights shall be deemed by the Company to be patentable or otherwise able to be registered under any federal, state or foreign law, Executive further agrees that at the request and expense of the Company, he will execute all documents and do all things necessary, advisable or proper to obtain patents therefore or registration thereof; and to vest in the Company full title thereto; and

(j) Executive understands and acknowledges that the securities of the Company are publicly traded and subject to the Securities Act of 1933 and the Securities Exchange Act of 1934. As a result, Executive acknowledges and agrees that (i) he is required under applicable securities laws to refrain from trading in securities of the Company while in possession of material nonpublic information and to refrain from. disclosing any material nonpublic information to anyone except as permitted by this Agreement in connection with the performance of Executive's duties hereunder, and (ii) he will communicate to any person to whom he communicates any material nonpublic information that such information is material nonpublic information and that the trading and disclosure restrictions in clause (i) above also apply to such person.

7. Termination of Employment for Cause. The Company may terminate the employment of Executive if the Board of the Directors of the Company determines that Executive has:

(a) Materially breached any provision hereof or habitually neglected the duties which Executive was required to perform under any provision of this Agreement;

(b) Misappropriated funds or property of the Company or otherwise engaged in acts of dishonesty, fraud, misrepresentation or other acts of moral turpitude, even if not in connection with the performance of Executive's duties hereunder, which could reasonably be expected to result in serious prejudice to the interests of the Company if Executive were retained as an employee;

(c) Secured any personal profit not completely disclosed to and approved by the Company in connection with any transaction entered into on behalf of or with the Company or any affiliate of the Company;

(d) Died, or become and remained incapacitated (either physically, mentally or otherwise) for a period of ninety (90) consecutive days such that Executive is not able to substantially perform Executive's duties hereunder; or

(e) Failed to carry out and perform duties assigned to Executive in accordance with the terms hereof in a manner acceptable to the Board of Directors of the Company after a written demand for substantial performance is delivered to Executive which identifies the manner in which Executive has not substantially performed Executive's duties, and provided further that Executive shall be given a reasonable opportunity to cure such failure.

For purposes of this section, no act, or failure to act, on the Executive's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Company. Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated For Cause under subsection (a) without (i) reasonable notice to the Executive setting forth the reasons for the Company's intention to Terminate For Cause, (ii) an opportunity for the Executive, together with his counsel, to be heard before the Board of Directors, and (iii) delivery to the Executive of a notice of termination from the Board of Directors of the Company, finding that, in the good faith opinion of the Board of Directors, the Executive was guilty of conduct set forth above in clause (a) of the preceding sentence and specifying the particulars thereof in detail. In the event of termination of Executive's employment for cause, Executive shall be entitled to retain the vested options for shares which have not been previously purchased, salary through the date of termination and reimbursement of expenses properly incurred but not yet reimbursed.

8. Covenant Not to Compete.· The Executive recognizes that the Company has business good will and other legitimate business interests which must be protected in connection with and in addition to the Information, and therefore, in exchange for access to the Information, the specialized training and instruction which the Company will provide, the Company's agreement to employ the Executive on the terms and conditions set forth herein, and the promotion and advertisement by the Company of Executive's skill, ability and value in the Company's business, the Executive agrees that during the term commencing with the date of employment and ending three years after the date Executive's employment, Executive will not, without the prior written consent of the Company, engage, directly or indirectly, in any business that competes with the Company or any of its subsidiaries in any territory in which the Company or any of its subsidiaries conducts business (determined as of the last date of Executive's employment). It is mutually understood and agreed that if any of the provisions relating to the scope, time or territory in this Section 8 are more extensive than is enforceable under applicable laws or are broader than necessary to protect the good will and legitimate business interests of the Company, then the Parties agree that they will reduce the degree and extent of such provisions by whatever minimal amount is necessary to bring such provisions within the ambit of enforceability under applicable law.

9. Injunctive Relief. The Parties acknowledge that the remedies at law for breach of Executive's covenants contained in Sections 6 and 8 of the Agreement are inadequate, and they agree that the Company shall be entitled, at its election, to injunctive relief (without the necessity of posting bond against such breach or attempted breach), and to specific performance of said covenants in addition to any other remedies at law or equity that may be available to the Company.

10. Business Opportunities. For as long as the Executive shall be employed by the Company and thereafter with respect to any business opportunities learned about during the time of Executive's employment by the Company, the Executive agrees that with respect to any future business opportunity or other new and future business proposal which is offered to, or comes to the attention of, the Executive and which is in any way related to or connected with, the business of the Company or its affiliates, the Company shall have the right to take advantage of such business opportunity or other business proposal for its own benefit. The Executive agrees to promptly deliver notice to the Chairman of the Board of Directors or the Chief Financial Officer of the Company in writing of the existence of such opportunity or proposal, and the Executive may take advantage of such opportunity only if the Company does not elect to exercise its right to take advantage of such opportunity and if the pursuit thereof would not otherwise violate any provision of this Agreement.

11. Right of Offset. To the extent permitted by applicable law, all amounts due and owing to Executive hereunder shall be subject to offset by the Company to the extent of any damages incurred by Executive's breach of this Agreement. Executive acknowledges and agrees that but for the right of offset contained in this Agreement, the Company would not have hired Executive nor entered into this Employment Agreement.

12. Obligations of Executive. The obligations of Executive hereunder are personal and may not be transferred or delegated by Executive.

13. Amendment and Waiver. This Agreement may not be changed orally but only by written documents signed by the Party against whom enforcement of any waiver, change, modification, extension or discharge is sought; however, the amount of compensation to be paid to Executive for services to be performed for the Company hereunder may be changed from time to time by the Parties by written agreement without in any other way modifying, changing or affecting this Agreement or the performance by Executive of any of the duties of his employment with the Company. Any such written agreement shall be, and shall be conclusively deemed to be, a ratification and confirmation of this Agreement, except as expressly set forth in such written amendment. The waiver by any Party of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach thereof, nor of any breach of any other term or provision of this Agreement.

14. Notice. All notices and other communications hereunder shall be in writing and shall be deemed duly delivered (i) three business days after being received by registered or certified mail, return receipt requested, postage prepaid, or (ii) three business days after being sent for next business day delivery, fees prepaid, via a reputable nationwide overnight courier service, in the case of the Company, to its principal office address, and in the case of Executive, to Executive's residence address as shown on the records of the Company, or may be given by personal delivery thereof.

15. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be valid and enforceable under applicable law, but if any provision of this Agreement shall be invalid, unenforceable or prohibited by applicable law, then in lieu of declaring such provision invalid or unenforceable, to the extent permitted by law (a) the Parties agree that they will amend such provision to the minimal extent necessary to bring such provision within the ambit of enforceability, and (b) any court of competent jurisdiction may, at the request of either party, revise, reconstruct or reform such provision in a manner sufficient to cause it to be valid and enforceable.

16. Force Majeure. Neither of the Parties shall be liable to the other for any delay or failure to perform hereunder, which delay or failure is due to causes beyond the control of said Party, including, but not limited to: acts of God; acts of the public enemy; acts of the United States of America or any state, territory or political subdivision thereof or of the District of Columbia; fires; floods; epidemics, quarantine restrictions; strike or freight embargoes. Notwithstanding the foregoing provisions of this Section 16, in every case the delay or failure to perform must be beyond the control and without the fault or negligence of the Party claiming excusable delay.

17. Authority to Contract. The Company warrants and represents that it has full authority to enter into this Agreement and to consummate the transactions contemplated hereby and that this Agreement is not in conflict with any other agreement to which the Company is a party or by which it may be bound. The Company hereto further warrants and represents that the individuals executing this Agreement on behalf of the Company have the full power and authority to bind the Company to the terms hereof and have been authorized to do so in accordance with the Company's corporate organization.

18. Mediation. In the event of any dispute arising under or pursuant to this Agreement, the Parties agree to attempt to resolve the dispute in a commercially reasonable fashion before instituting any arbitration or litigation (with the exception of emergency injunctive relief as set forth in Paragraph 9). If the Parties are unable to resolve the dispute within thirty (30) days, then the Parties agree to mediate the dispute with a mutually agreed upon mediator in Houston, Texas. If the Parties cannot agree upon a mediator within ten (10) days after either party shall first request commencement of mediation, each party will select a mediator within five (5) days thereof, and those mediators shall select the mediator to be used. The mediation shall be scheduled within thirty (30) days following the selection of the mediator. If the mediation does not resolve the dispute, then Paragraph 20 shall apply. The Parties further agree that any applicable statute of limitations will be tolled for the period of time from the date mediation is requested until 14 days following the mediation.

19. Recovery of Litigation Costs. If any legal action or other proceeding is brought for the enforcement of this Agreement or any agreement or instrument delivered under or in connection with this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing Party or Parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

20. Arbitration. Any and all disputes or controversies whether of law or fact and of any nature whatsoever arising from or respecting this Agreement shall be decided by arbitration by the American Arbitration Association in accordance with its Commercial Rules except as modified herein.

(a) The arbitrator shall be elected as follows: in the event the Company and the Executive agree on one arbitrator, the arbitration shall be conducted by such arbitrator. In the event the Company and the Executive do not so agree, the Company and the Executive shall each select one independent, qualified arbitrator and the two arbitrators so selected shall select the third arbitrator (the arbitrator(s) are herein referred to as the "Panel"). The Company reserves the right to object to any individual arbitrator who shall be employed by or affiliated with a competing organization.

(b) Arbitration shall take place at Houston, Texas, or any other location mutually agreeable to the Parties. At the request of either Party, arbitration proceedings will be conducted in the utmost secrecy; in such case all documents, testimony and records shall be received, heard and maintained by the arbitrators in secrecy, available for inspection only by the Company or the Executive and their respective attorneys and their respective experts who shall agree in advance and in writing to receive all such information in secrecy until such information shall become generally known. The Panel shall be able to award any and all relief, including relief of an equitable nature, provided that punitive damages shall not be awarded. The award rendered by the Panel may be enforceable in any court having jurisdiction thereof.

(c) Reasonable notice of the time and place of arbitration shall be given to all Parties and any interested persons as shall be required by law.

21. Governing Law. This Agreement and the rights and obligations of the Parties shall be governed by and construed and enforced in accordance with the substantive laws (but not the rules governing conflicts of laws) of the State of Texas.

22. Multiple Counterparts. This Agreement may be executed in multiple counterparts each of which shall be deemed to be an original but all of which together shall constitute but one instrument.

23. Prior Employment Agreements. The Company represents and warrants to Executive, and Executive represents and warrants to the Company, that Executive and the Company have fulfilled all of the terms and conditions of all prior employment agreements to which Executive may be or has been a party.

EXECUTED as of the day and year first above set forth.

IMMUDYNE, INC.	EXECUTIVE
By: /s/ John Strawn	/s/ Mark McLaughlin
John R. Strawn, Jr., Esq.	Mark McLaughlin
Chairman of the Compensation Committee	

Exhibit 10.5

DIRECTOR AGREEMENT

This DIRECTOR AGREEMENT ("Agreement") is dated as of July 1, 2017, between IMMUDYNE, INC., a Delaware corporation (the "Company"), and Anthony Bruzzese M.D. ("Director"). The Company and the Director are hereinafter sometimes referred to collectively as the "Parties" and individually as a "Party."

WITNESSETH:

WHEREAS, the Company desires to engage, and the Director agrees to provide services to the Company, and

WHEREAS, the parties hereto desire to set forth the terms of Director's engagement with the Company;

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained, the Company and Director hereby agree as follows:

1 . Engagement and Location. The Company hereby appoints Director, and Director hereby accepts engagement by the Company, on the terms and conditions hereinafter set forth. Given the Director's personal circumstances, and circumstances at the Company, Director shall not be required to relocate.

2 . Director's Duties. Director will serve as a Director of the Company and as a member of the Compensation and Audit Committees. Director's duties shall include those which are designated or assigned to him from time to time by the Board of Directors of the Company or the By-laws of the Company, provided those duties are of the type customarily discharged by a person holding the same or similar offices in a company of similar size and operations as the Company.

3 . Term of Engagement. Subject to the provisions for termination hereof; the original term of this Agreement shall commence as of the date hereof and shall continue for a term of three (3) years. Subsections 6(f) through 6(j) and Sections 7 through 20 of this Agreement shall survive termination hereof for any reason whatsoever.

4 . Compensation. For all services rendered by Director hereunder on behalf of the Company, and the covenants and agreements of Director set forth herein (including without limitation the covenant not to compete set forth in Section 8 hereof), the Company agrees to pay to Director, and Director agrees to accept, the following compensation:

(a) an annual retainer to be negotiated and agreed upon when the Company has the financial wherewithal to pay such a retainer;

(b) a ten year, fully vested option for 100,000 shares of Common Stock of the Company, such shares purchasable or exercisable on a cashless basis at an exercise price of $0.35 (thirty-five) per share; and

(c) Upon lmmudyne, Inc. achieving $4,000,000 in Pre-Tax Earnings, a ten year fully vested option for 75,000 shares of Common Stock of the Company, such shares purchasable or exercisable on a cashless basis at an exercise price of $0.25 (twenty-five cents) per share. "Pre-Tax Earnings" shall mean earnings of the Company determined prior to payment or deduction of federal or state income taxes, determined in accordance with generally accepted accounting principles, consistently applied. It is understood by the Parties that the total issuance (regarding this $4,000,000 milestone described above) is capped at a total of an option for 75,000 shares;

(d) Upon lmmudyne, Inc. achieving $5,000,000 in Pre-Tax Earnings, a ten year fully vested option for another 75,000 shares of Common Stock of the Company, such shares purchasable or exercisable on a cashless basis at an exercise price of $0.25 (twenty-five cents) per share. It is understood by the Parties that the total issuance (regarding this $5,000,000 milestone described above) is capped at a total of an option for 75,000 shares;

(e) Upon lmmudyne, Inc. achieving $6,000,000 in Pre-Tax Earnings, a ten year fully vested option for another 75,000 shares of Common Stock of the Company, such shares purchasable or exercisable on a cashless basis at an exercise price of $0.35 (thirty-five cents) per share. It is understood by the Parties that the total issuance (regarding this $6,000,000 milestone described above) is capped at a total of an option for 75,000 shares;

(f) Upon lmmudyne, Inc. achieving $7,000,000 in Pre-Tax Earnings, a ten year fully vested option for another 75,000 shares of Common Stock of the Company, such shares purchasable or exercisable on a cashless basis at an exercise price of $0.35 (thirty-five cents) per share. It is understood by the Parties that the total issuance (regarding this $7,000,000 milestone described above) is capped at a total of an option for 75,000 shares;

(g) If the Company is prevented from issuing any of options or the stock due to pending litigation, or for any other reason, then the expiration date(s) will commence (or recommence, if applicable) when the Company's options or the stock relating thereto are no longer subject to current litigation, or any other contingency prohibiting the Company from issuing said options or stock. All shares resulting from the exercise of options shall have the same rights as all other shares of the Company's capital stock. Further, if the Company should split its stock prior to the granting or exercise of said options, then the options shall be split in a similar manner and the exercise price shall be adjusted to prevent any dilution or increase in Director's interest in the Company's stock once the options are granted or exercised. Lastly, Director or his Estate will have the right to assign all his options, and the rights to his options. Director's options and the rights to his future options do not terminate with his death. The options may be exercised by his heirs and his assigns and their heirs; and

(h) Prompt reimbursement of all reasonable expenses incurred by Director in the performance of Director's duties during the term of this Agreement, subject to the presentation of appropriate vouchers and receipts in accordance with the Company's policies.

5. Additional Benefits. Director shall be entitled to participate in or receive benefits under all benefit plans or programs generally available to directors of the Company to the extent that Director's position, tenure, salary, age, health and other qualifications make Director eligible to participate, subject to the rules and regulations applicable thereto.

6. Covenants of Director. For and in consideration of the engagement herein contemplated and the consideration paid or promised to be paid by the Company, Director does hereby covenant, agree and promise that during the term hereof, and thereafter to the extent specifically provided in this Agreement:

(a) Director will not actively engage, directly or indirectly, in any other business or venture that competes with the Company except at the direction or upon the written approval of the Company;

(b) Director will not engage, directly or indirectly, in the ownership, management, operation or control of, or employment by, any business of the type and character engaged in by the Company or any of its subsidiaries. Director may make personal investments in public companies, such as those made through or recommended by a stock broker;

(c) Director will truthfully and accurately make, maintain and preserve all records and reports that the Company may from time to time reasonably request or require;

(d) Director will obey all rules, regulations and reasonable special instructions applicable to Director, and will be loyal and faithful to the Company at all times, constantly endeavoring to improve Director's ability and knowledge of the business in an effort to increase the value of Director's services to the mutual benefit of the Parties;

(e) Director will make available to the Company any and all of the information of which Director has knowledge relating to the business of the Company or any of the Company's other subsidiaries and will make all suggestions and recommendations which Director feels will be of benefit to the Company;

(f) Director will fully account for all records or other property belonging to the Company of which Director has custody, and will deliver the same promptly whenever and however he may be reasonably directed to do so;

(g) Director recognizes that during the course of Director's engagement with the Company, Director has had and will have access to, and that there has been. and will be disclosed to him, information of a proprietary nature owned by the Company, including but not limited to records, customer and supplier lists and information, pricing information, data, formulae, design information and specifications, inventions, processes and methods, which is of a confidential or trade secret nature, and which has great value to the Company and is a substantial basis and foundation upon which the business of the Company is predicated. Director acknowledges that except for Director's engagement and the fulfillment of the duties assigned to Director, Director would not have had and would not have access to such. information, and Director agrees that any and all confidential knowledge or information which may have been or may be obtained by or disclosed to Director in the course of Director's engagement with the Company, including but not limited to the information hereinabove set forth (collectively, the "Information"), will be held inviolate by Director, that Director will conceal the same from any and all other persons, including but not limited to competitors of the Company and its subsidiaries, and that Director will not impart the Information or any such knowledge acquired by Director as a director of the Company to anyone, either during Director's engagement by the Company or thereafter, except to employees, officers, directors or agents of the Company and its subsidiaries on a strict need-to-know basis in the performance of their duties for the Company or one of its subsidiaries. Director further agrees that during the term of this Agreement and thereafter, Director will not use the Information in competing with the Company, or in any other manner to Director's benefit and to the detriment of the Company or its subsidiaries;

(h) Director agrees that upon termination of Director's engagement hereunder Director will immediately surrender and tum over to the Company all books, records, forms, specifications, formulae, data, processes, papers and writings related to the business of the Company, and all other property belonging to the Company, together with all copies of the foregoing, it being understood and agreed that the same are the sole property, directly or indirectly, of the Company; and

(i) Director understands and acknowledges that the securities of the Company are publicly traded and subject to the Securities Act of 1933 and the Securities Exchange Act of 1934. As a result, Director acknowledges and agrees that (i) he is required under applicable securities laws to refrain from trading in securities of the Company while in possession of material nonpublic information and to refrain from. disclosing any material nonpublic information to anyone except as permitted by this Agreement in connection with the performance of Director's duties hereunder, and (ii) he will communicate to any person to whom he communicates any material nonpublic information that such information is material nonpublic information and that the trading and disclosure restrictions in clause (i) above also apply to such person.

7. Termination for Cause. The Company may terminate the engagement of Director if the Board of the Directors of the Company determines that Director has:

(a) materially breached any provision hereof or habitually neglected the duties which Director was required to perform under any provision of this Agreement;

(b) misappropriated funds or property of the Company or otherwise engaged in acts of dishonesty, fraud, misrepresentation or other acts of moral turpitude, even if not in connection with the performance of Director's duties hereunder, which could reasonably be expected to result in serious prejudice to the interests of the Company if Director were retained as a director;

(c) secured any personal profit not completely disclosed to and approved by the Company in connection with any transaction entered into on behalf of or with the Company or any affiliate of the Company;

(d) died, or become and remained incapacitated (either physically, mentally or otherwise) for a period of ninety (90) consecutive days such that Director is not able to substantially perform Director's duties hereunder; or

(e) failed to carry out and perform duties assigned to Director in accordance with the terms hereof in a manner acceptable to the Board of Directors of the Company after a written demand for substantial performance is delivered to Director which identifies the manner in which Director has not substantially performed Director's duties, and provided further that Director shall be given a reasonable opportunity to cure such failure.

For purposes of this section, no act, or failure to act, on the Director's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Company. Notwithstanding the foregoing, the Director shall not be deemed to have been terminated For Cause under subsection (a) without (i) reasonable notice to the Director setting forth the reasons for the Company's intention to Terminate For Cause, (ii) an opportunity for the Director, together with his counsel, to be heard before the Board of Directors, and (iii) delivery to the Director of a notice of termination from the Board of Directors of the Company, finding that, in the good faith opinion of the Board of Directors, the Director was guilty of conduct set forth above in clause (a) of the preceding sentence and specifying the particulars thereof in detail. In the event of termination of Director's engagement for cause, Director shall be entitled to retain the vested Options for shares which have not been previously purchased, compensation through the date of termination and reimbursement of expenses properly incurred but not yet reimbursed.

8. Covenant Not to Compete.· The Director recognizes that the Company has business good will and other legitimate business interests which must be protected in connection with and in addition to the Information, and therefore, in exchange for access to the Information, the specialized training and instruction which the Company will provide, the Company's agreement to engage the Director on the terms and conditions set forth herein, the Director agrees that during the term commencing with the date of engagement and ending three years after the date Director's engagement, Director will not, without the prior written consent of the Company, engage, directly or indirectly, in any business that competes with the Company or any of its subsidiaries in any territory in which the Company or any of its subsidiaries conducts business (determined as of the last date of Director's employment). It is mutually understood and agreed that if any of the provisions relating to the scope time or territory in this Section 8 are more extensive than is enforceable under applicable laws or are broader than necessary to protect the good will and legitimate business interests of the Company, then the Parties agree that they will reduce the degree and extent of such provisions by whatever minimal amount is necessary to bring such provisions within the am bit of enforceability under applicable law.

9. Injunctive Relief. The Parties acknowledge that the remedies at law for breach of Director's covenants contained in Sections 6 and 8 of the Agreement are inadequate, and they agree that the Company shall be entitled, at its election, to injunctive relief (without the necessity of posting bond against such breach or attempted breach), and to specific performance of said covenants in addition to any other remedies al law or equity that may be available to the Company.

10. Business Opportunities. For as long as the Director shall be engaged by the Company and thereafter with respect to any business opportunities learned about through Director's engagement by the Company, the Director agrees that with respect to any future business opportunity or other new and future business proposal which is offered to, or comes to the attention of, the Director and which is in any way related to or connected with, the business of the Company or its affiliates, the Company shall have the right to take advantage of such business opportunity or other business proposal for its own benefit. The Director agrees to promptly deliver notice to the Chairman of the Board of Directors or the Chief Executive Officer of the Company in writing of the existence of such opportunity or proposal, and the Director may take advantage of such opportunity only if the Company does not elect to exercise its right to take advantage of such opportunity and if the pursuit thereof would not otherwise violate any provision of this Agreement.

11. Right of Offset. To the extent permitted by applicable law, all amounts due and owing to Director hereunder shall be subject to offset by the Company to the extent of any damages incurred by Director's breach of this Agreement. Director acknowledges and agrees that but for the right of offset contained in this Agreement, the Company would not have hired Director nor entered into this Agreement. ·

12. Obligations of Director. The obligations of Director hereunder are personal and may not be transferred or delegated by Director.

13. Amendment and Waiver . This instrument contains the entire agreement of the Parties and supersedes and replaces any prior agreements between the Company or any affiliate and Director, which prior agreements (if any) are hereby terminated, effective as of the commencement date of this Agreement, by mutual agreement of the Parties. This Agreement may not be changed orally but only by written documents signed by the Party against whom enforcement of any waiver, change, modification, extension or discharge is sought; however, the amount of compensation lo be paid to Director for services to be performed for the Company hereunder may be changed from time to time by the Parties by written agreement without in any other way modifying, changing or affecting this Agreement or the performance by Director of any of the duties for the Company. Any such written agreement shall be, and shall be conclusively deemed to be, a ratification and confirmation of this Agreement, except as expressly set forth in such written amendment. The waiver by any Party of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach thereof, nor of any breach of any other term or provision of this Agreement.

14. Notice. All notices and other communications hereunder shall be in writing and shall be deemed duly delivered (i) three business days after being received by registered or certified mail, return receipt requested, postage prepaid, or (ii) three business days after being sent for next business day delivery, fees prepaid, via a reputable nationwide overnight courier service, in the case of the Company, to its principal office address, and in the case of Director, to Director's residence address as shown on the records of the Company, or may be given by personal delivery thereof.

15. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be valid and enforceable under applicable law, but if any provision of this Agreement shall be invalid, unenforceable or prohibited by applicable law, then in lieu of declaring such provision invalid or unenforceable, to the extent permitted by law (a) the Parties agree that they will amend such provision to the minimal extent necessary to bring such provision within the ambit of enforceability, and (b) any court of competent jurisdiction may, at the request of either party, revise, reconstruct or reform such provision in a manner sufficient to cause it to be valid and enforceable.

16. Force Majeure. Neither of the Parties shall be liable to the other for any delay or failure to perform hereunder, which delay or failure is due to causes beyond the control of said Party, including, but not limited to: acts of God; acts of the public enemy; acts of the United States of America or any state, territory or political subdivision thereof or of the District of Columbia; fires; floods; epidemics, quarantine restrictions; strike or freight embargoes. Notwithstanding the foregoing provisions of this Section 18, in every case the delay or failure to perform must be beyond the control and without the fault or negligence of the Party claiming excusable delay.

17. Authority to Contract. The Company warrants and represents that it has full authority to enter into this Agreement and to consummate the transactions contemplated hereby and that this Agreement is not in conflict with any other agreement to which the Company is a party or by which it may be bound. The Company hereto further warrants and represents that the individuals executing this Agreement on behalf of the Company have the full power and authority to bind the Company to the terms hereof and have been authorized to do so in accordance with the Company's corporate organization.

18. Mediation. In the event of any dispute arising under or pursuant to this Agreement, the Parties agree to attempt to resolve the dispute in a commercially reasonable fashion before instituting any arbitration or litigation (with the exception of emergency injunctive relief as set forth in Paragraph 9). If the Parties are unable to resolve the dispute within thirty (30) days, then the Parties agree to mediate the dispute with a mutually agreed upon mediator in Houston, Texas. If the Parties cannot agree upon a mediator within ten (10) days after either party shall first request commencement of mediation, each party will select a mediator within five (5) days thereof, and those mediators shall select the mediator to be used. The mediation shall be scheduled within thirty (30) days following the selection of the mediator. If the mediation does not resolve the dispute, then Paragraph 20 shall apply. The Parties further agree that any applicable statute of limitations will be tolled for the period of time from the date mediation is requested until 14 days following the mediation.

19. Recovery of Litigation Costs. If any legal action or other proceeding is brought for the enforcement of this Agreement or any agreement or instrument delivered under or in connection with this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing Party or Parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

20. Arbitration. Any and all disputes or controversies whether of law or fact and of any nature whatsoever arising from or respecting this Agreement shall be decided by arbitration by the American Arbitration Association in accordance with its Commercial Rules

except as modified herein.

(a) The arbitrator shall be elected as follows: in the event the Company and the Director agree on one arbitrator, the arbitration shall be conducted by such arbitrator. In the event the Company and the Director do not so agree, the Company and the Director shall each select one independent, qualified arbitrator and the two arbitrators so selected shall select the third arbitrator (the arbitrator(s) are herein referred to as the "Panel"). The Company reserves the right to object to any individual arbitrator who shall be employed by or affiliated with a competing organization.

(b) Arbitration shall take place at Houston, Texas, or any other location mutually agreeable to the Parties. At the request of either Party, arbitration proceedings will be conducted in the utmost secrecy; in such case all documents, testimony and records shall be received, heard and maintained by the arbitrators in secrecy, available for inspection only by the Company or the Director and their respective attorneys and their respective experts who shall agree in advance and in writing to receive all such information in secrecy until such information shall become generally known. The Panel shall be able to award any and all relief, including relief of an equitable nature, provided that punitive damages shall not be awarded. The award rendered by the Panel may be enforceable in any court having jurisdiction thereof.

(c) Reasonable notice of the time and place of arbitration shall be given to all Parties and any interested persons as shall be required by law.

21. Governing Law. This Agreement and the rights and obligations of the Parties shall be governed by and construed and enforced in accordance with the substantive laws (but not the rules governing conflicts of laws) of the State of Texas.

22. Multiple Counterparts. This Agreement may be executed in multiple counterparts each of which shall be deemed to be an original but all of which together shall constitute but one instrument.

23. Prior Agreements. The Company represents and warrants to Director, and Director represents and warrants to the Company, that Director and the Company have fulfilled all of the terms and conditions of all prior agreements to which Director may be or has

been a party.

EXECUTED as of the day and year first above set forth.

IMMUDYNE, INC.

/s/ Mark McLaughlin

DIRECTOR

/s/ Anthony Bruzzese

Exhibit 10.6

DIRECTOR AGREEMENT

This DIRECTOR AGREEMENT ("Agreement") is dated as of July 1, 2017, between IMMUDYNE, INC., a Delaware corporation (the "Company"), and John R. Strawn Jr. ("Director"). The Company and the Director are hereinafter sometimes referred to collectively as the "Parties" and individually as a "Party."

WITTNESSETH:

WHEREAS, the Company desires to engage, and the Director agrees to provide services to the Company, and

WHEREAS, the parties hereto desire to set forth the terms of Director's engagement with the Company;

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained, the Company and Director hereby agree as follows:

1. Engagement and Location. The Company hereby appoints Director, and Director hereby accepts engagement by the Company, on the terms and conditions hereinafter set forth. Given the Director's personal circumstances, and circumstances at the Company, Director shall not be required to relocate.
2. Director's Duties. Director will serve as a Director of the Company and as Chairman of the Compensation and Audit Committees. Director's duties shall include those which are designated or assigned to him from time to time by the Board of Directors of the Company or the By-laws of the Company, provided those duties are of the type customarily discharged by a person holding the same or similar offices in a company of similar size and operations as the Company.
3. Term of Engagement. Subject to the provisions for termination hereof; the original term of this Agreement shall commence as of the date hereof and shall continue for a term of three (3) years. Subsections 6(f) through 6(j) and Sections 7 through 20 of this Agreement shall survive termination hereof for any reason whatsoever.
4. Compensation. For all services rendered by Director hereunder on behalf of the Company, and the covenants and agreements of Director set forth herein (including without limitation the covenant not to compete set forth in Section 8 hereof), the Company agrees to pay to Director, and Director agrees to accept, the following compensation:

(a) An annual retainer to be negotiated and agreed upon when the Company has the financial wherewithal to pay such a retainer;

(b) A ten year, fully vested option for 100,000 shares of Common Stock of the Company, such shares purchasable or exercisable on a cashless basis at an exercise price of $0.35 (thirty-five) per share; and

(c) Upon lmmudyne, Inc. achieving $4,000,000 in Pre-Tax Earnings, a ten year fully vested option for 75,000 shares of Common Stock of the Company, such shares purchasable or exercisable on a cashless basis at an exercise price of $0.25 (twenty-five cents) per share. "Pre-Tax Earnings" shall mean earnings of the Company determined prior to payment or deduction of federal or state income taxes, determined in accordance with generally accepted accounting principles, consistently applied. It is understood by the Parties that the total issuance (regarding this $4,000,000 milestone described above) is capped at a total of an option for 75,000 shares;

(d) Upon lmmudyne, Inc. achieving $5,000,000 in Pre-Tax Earnings, a ten year fully vested option for another 75,000 shares of Common Stock of the Company, such shares purchasable or exercisable on a cashless basis at an exercise price of $0.25 (twenty-five cents) per share. It is understood by the Parties that the total issuance (regarding this $5,000,000 milestone described above) is capped at a total of an option for 75,000 shares;

(e) Upon lmmudyne, Inc. achieving $6,000,000 in Pre-Tax Earnings, a ten year fully vested option for another 75,000 shares of Common Stock of the Company, such shares purchasable or exercisable on a cashless basis at an exercise price of $0.35 (thirty-five cents) per share. It is understood by the Parties that the total issuance (regarding this $6,000,000 milestone described above) is capped at a total of an option for 75,000 shares;

(f) Upon lmmudyne, Inc. achieving $7,000,000 in Pre-Tax Earnings, a ten year fully vested option for another 75,000 shares of Common Steele of the Company, such shares purchasable or exercisable on a cashless basis at an exercise price of $0.35 (thirty-five cents) per share. It is understood by the Parties that the total issuance (regarding this $7,000,000 milestone described above) is capped at a total of an option for 75,000 shares;

(g) If the Company is prevented from issuing any of options or *the* stock due to pending litigation, or for any other reason, then the expiration date(s) will commence (or recommence, if applicable) when the Company's options or the stock relating thereto are no longer subject to current litigation, or any other contingency prohibiting *the* Company from issuing said options or stock. Alt shares resulting from the exercise of options shall have the same rights as all other shares of the Company's capital stock. Further, if the Company should split its stock prior to the granting or exercise of said options, then the options shall be split in a similar manner and the exercise price shalt be adjusted to prevent any dilution or increase in Director's interest in the Company's stock once the options are granted or exercised. Lastly, Director or his Estate will have the right to assign all his options, and the rights to his options. Director's options and the rights to his future options do not terminate with his death. The options may be exercised by his heirs and his assigns and their heirs; and

(h) Prompt reimbursement of all reasonable expenses incurred by Director in the performance of Director's duties during the term of this Agreement, subject to the presentation of appropriate vouchers and receipts in accordance with the Company's policies.

5. Additional Benefits. Director shall be entitled to participate in or receive benefits under all benefit plans or programs generally available to directors of the Company to the extent that Director's position, tenure, salary, age, health and other qualifications make Director eligible to participate, subject to the rules and regulations applicable thereto.

6. Covenants of Director. For and in consideration of the engagement herein contemplated and the consideration paid or promised to be paid by the Company, Director does hereby covenant, agree and promise that during the term hereof, and thereafter to the extent specifically provided in this Agreement:

   (a) Director will not actively engage, directly or indirectly, in any other business or venture that competes with the Company except at the direction or upon the written approval of the Company;

   (b) Director will not engage, directly or indirectly, in the ownership, management, operation or control of, or employment by, any business of the type and character engaged in by the Company or any of its subsidiaries. Director may make personal investments in public companies, such as those made through or recommended by a stock broker;

   (c) Director will truthfully and accurately make, maintain and preserve all records and reports that the Company may from time to time reasonably request or require;

   (d) Director will obey all rules, regulations and reasonable special instructions applicable to Director, and will be loyal and faithful to the Company at all times, constantly endeavoring to improve Director's ability and knowledge of the business in an effort to increase the value of Director's services to the mutual benefit of the Parties;

   (e) Director will make available to the Company any and all of the information of which Director has knowledge relating to the business of the Company or any of the Company's other subsidiaries and will make all suggestions and recommendations which Director feels will be of benefit to the Company;

   (f) Director will fully account for all records or other property belonging to the Company of which Director has custody, and will deliver the same promptly whenever and however he may be reasonably directed to do so;

   (g) Director recognizes that during the course of Director's engagement with the Company, Director has had and will have access to, and that there has been. and will be disclosed to him, information of a proprietary nature owned by the Company, including but not limited to records, customer and supplier lists and information, pricing information, data, formulae, design information and specifications, inventions, processes and methods, which is of a confidential or trade secret nature, and which has great value to the Company and is a substantial basis and foundation upon which the business of the Company is predicated. Director acknowledges that except for Director's engagement and the fulfillment of the duties assigned to Director, Director would not have had and would not have access to such information, and Director agrees that any and all confidential knowledge or information which may have been or may be obtained by or disclosed to Director in the course of Director's engagement with the Company, including but not limited to the information hereinabove set forth (collectively, the "Information"), will be held inviolate by Director, that Director will conceal the same from any and all other persons, including but not limited to competitors of the Company and its subsidiaries, and that Director will not impart the Information or any such knowledge acquired by Director as a director of the Company to anyone, either during Director's engagement by the Company or thereafter, except to employees, officers, directors or agents of the Company and its subsidiaries on a strict need-to-know basis in the performance of their duties for the Company or one of its subsidiaries. Director further agrees that during the term of this Agreement and thereafter, Director will not use the Information in competing with the Company, or in any other manner to Director's benefit and to the detriment of the Company or its subsidiaries;

   (h) Director agrees that upon termination of Director's engagement hereunder Director will immediately surrender and tum over to the Company all books, records, forms, specifications, formulae, data, processes, papers and writings related to the business of the Company, and all other property belonging to the Company, together with all copies of the foregoing, it being understood and agreed that the same are the sole property, directly or indirectly, of the Company; and

   (i) Director understands and acknowledges that the securities of the Company are publicly traded and subject to the Securities Act of 1933 and the Securities Exchange Act of 1934. As a result, Director acknowledges and agrees that (i) he is required under applicable securities laws to refrain from trading in securities of the Company while in possession of material nonpublic information and to refrain from. disclosing any material nonpublic information to anyone except as permitted by this Agreement in connection with the performance of Director's duties hereunder, and (ii) he will communicate to any person to whom he communicates any material nonpublic information that such information is material nonpublic information and that the trading and disclosure restrictions in clause (i) above also apply to such person.

7. Termination for Cause. The Company may terminate the engagement of Director if the Board of the Directors of the Company determines that Director has:

   (a) Materially breached any prov1smn hereof or habitually neglected the duties which Director was required to perform under any provision of this Agreement;

   (b) Misappropriated funds or property of the Company or otherwise engaged in acts of dishonesty, fraud, misrepresentation or other acts of moral turpitude, even if not in connection with the performance of Director's duties hereunder, which could reasonably be expected to result in serious prejudice to the interests of the Company if Director were retained as a director;

   (c) Secured any personal profit not completely disclosed to and approved by the Company in connection with any transaction entered into on behalf of or with the Company or any affiliate of the Company;

   (d) Died, or become and remained incapacitated (either physically, mentally or otherwise) for a period of ninety (90) consecutive days such that Director is not able to substantially perform Director's duties hereunder; or

   (e) Failed to carry out and perform duties assigned to Director in accordance with the terms hereof in a manner acceptable to the Board of Directors of the Company after a written demand for substantial performance is delivered to Director which identifies the manner in which Director has not substantially performed Director's duties, and provided further that Director shall be given a reasonable opportunity to cure such failure.

   For purposes of this section, no act, or failure to act, on the Director's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Company. Notwithstanding the foregoing, the Director shall not be deemed to have been terminated For Cause under subsection (a) without (i) reasonable notice to the Director setting forth the reasons for the Company's intention to Terminate For Cause, (ii) an opportunity for the Director, together with his counsel, to be heard before the Board of Directors, and (iii) delivery to the Director of a notice of termination from the Board of Directors of the Company, finding that, in the good faith opinion of the Board of Directors, the Director was guilty of conduct set forth above in clause (a) of the preceding sentence and specifying the particulars thereof in detail. In the event of termination of Director's engagement for cause, Director shall be entitled to retain the vested Options for shares which have not been previously purchased, compensation through the date of termination and reimbursement of expenses properly incurred but not yet reimbursed.

8. Covenant Not to Compete.· The Director recognizes that the Company has business good will and other legitimate business interests which must be protected in connection with and in addition to the Information, and therefore, in exchange for access to the Information, the specialized training and instruction which the Company will provide, the Company's agreement to engage the Director on the terms and conditions set forth herein, the Director agrees that during the term commencing with the date of engagement and ending three years after the date Director's engagement, Director will not, without the prior written consent of the Company, engage, directly or indirectly, in any business that competes with the Company or any of its subsidiaries in any territory in which the Company or any of its subsidiaries conducts business (determined as of the last date of Director's employment). It is mutually understood and agreed that if any of the provisions relating to the scope time or territory in this Section 8 are more extensive than is enforceable under applicable laws or are broader than necessary to protect the good will *and* legitimate business interests of the Company, then the Parties agree that they will reduce the degree and extent of such provisions by whatever minimal amount is necessary to bring such provisions within the am bit of enforceability under applicable law.

9. Injunctive Relief. The Parties acknowledge that the remedies at law for breach of Director's covenants contained in Sections 6 and 8 of the Agreement are inadequate, and they agree that the Company shall be entitled, at its election, to injunctive relief (without the necessity of posting bond against such breach or attempted breach), and to specific performance of said covenants in addition to any other remedies at law or equity that may be available to the Company.

10. Business Opportunities. For as long as the Director shall be engaged by the Company and thereafter with respect to any business opportunities learned about through Director's engagement by the Company, the Director agrees that with respect to any future business opportunity or other new and future business proposal which is offered to, or comes to the attention of, the Director and which is in any way related to or connected with, the business of the Company or its affiliates, the Company shall have the right to take advantage of such business opportunity or other business proposal for its own benefit. The Director agrees to promptly deliver notice to the Chairman of the Board of Directors or the Chief Executive Officer of the Company in writing of the existence of such opportunity or proposal, and the Director may take advantage of such opportunity only if the Company does not elect to exercise its right to take advantage of such opportunity and if the pursuit thereof would not otherwise violate any provision of this Agreement.

11. Right of Offset. To the extent permitted by applicable law, all amounts due and owing to Director hereunder shall be subject to offset by the Company to the extent of any damages incurred by Director's breach of this Agreement. Director acknowledges and agrees that but for the right of offset contained in this Agreement, the Company would not have hired Director nor entered into this Agreement.

12. Obligations of Director. The obligations of Director hereunder are personal and may not be transferred or delegated by Director.

13. Amendment and Waiver . This instrument contains the entire agreement of the Parties and supersedes and replaces any prior agreements between the Company or any affiliate and Director, which prior agreements (if any) are hereby terminated, effective as of the commencement date of this Agreement, by mutual agreement of the Parties. This Agreement may not be changed orally but only by written documents signed by the Party against whom enforcement of any waiver, change, modification, extension or discharge is sought; however, the amount of compensation to be paid to Director for services to be performed for the Company hereunder may be changed from time to time by the Parties by written agreement without in any other way modifying, changing or affecting this Agreement or the performance by Director of any of the duties for the Company. Any such written agreement shall be, and shall be conclusively deemed to be, a ratification and confirmation of this Agreement, except as expressly set forth in such written amendment. The waiver by any Party of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach thereof, nor of any breach of any other term or provision of this Agreement.

14. Notice. All notices and other communications hereunder shall be in writing and shall be deemed duly delivered (i) three business days after being received by registered or certified mail, return receipt requested, postage prepaid, or (ii) three business days after being sent for next business day delivery, fees prepaid, via a reputable nationwide overnight courier service, in the case of the Company, to its principal office address, and in the case of Director, to Director's residence address as shown on the records of the Company, or may be given by personal delivery thereof.

15. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be valid and enforceable under applicable law, but if any provision of this Agreement shall be invalid, unenforceable or prohibited by applicable law, then in lieu of declaring such provision invalid or unenforceable, to the extent permitted by law (a) the Parties agree that they will amend such provision to the minimal extent necessary to bring such provision within the ambit of enforceability, and (b) any court of competent jurisdiction may, at the request of either party, revise, reconstruct or reform such provision in a manner sufficient to cause it to be valid and enforceable.

16. Force Majeure. Neither of the Parties shall be liable to the other for any delay or failure to perform hereunder, which delay or failure is due to causes beyond the control of said Party, including, but not limited to: acts of God; acts of the public enemy; acts of the United States of America or any state, territory or political subdivision thereof or of the District of Columbia; fires; floods; epidemics, quarantine restrictions; strike or freight embargoes. Notwithstanding the foregoing provisions of this Section 18, in every case the delay or failure to perform must be beyond the control and without the fault or negligence of the Party claiming excusable delay.

17. Authority to Contract. The Company warrants and represents that it has full authority to enter into this Agreement and to consummate the transactions contemplated hereby and that this Agreement is not in conflict with any other agreement to which the Company is a party or by which it may be bound. The Company hereto further warrants and represents that the individuals executing this Agreement on behalf of the Company have the full power and authority to bind the Company to the terms hereof and have been authorized to do so in accordance with the Company's corporate organization.

18. Mediation. In the event of any dispute arising under or pursuant to this Agreement, the Parties agree to attempt to resolve the dispute in a commercially reasonable fashion before instituting any arbitration or litigation (with the exception of emergency injunctive relief as set forth in Paragraph 9). If the Parties are unable to resolve the dispute within thirty (30) days, then the Parties agree to mediate the dispute with a mutually agreed upon mediator in Houston, Texas. If the Parties cannot agree upon a mediator within ten (10) days after either party shall first request commencement of mediation, each party will select a mediator within five (5) days thereof, and those mediators shall select the mediator to be used. The mediation shall be scheduled within thirty (30) days following the selection of the mediator. If the mediation does not resolve the dispute, then Paragraph 20 shall apply. The Parties further agree that any applicable statute of limitations will be tolled for the period of time from the date mediation is requested until fourteen (14) days following the mediation.

19. Recovery of Litigation Costs. If any legal action or other proceeding is brought for the enforcement of this Agreement or any agreement or instrument delivered under or in connection with this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing Party or Parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

20. Arbitration. Any and all disputes or controversies whether of law or fact and of any nature whatsoever arising from or respecting this Agreement shall be decided by arbitration by the American Arbitration Association in accordance with its Commercial Rules except as modified herein.

    (a) The arbitrator shall be elected as follows: in the event the Company and the Director agree on one arbitrator, the arbitration shall be conducted by such arbitrator. In the event the Company and the Director do not so agree, the Company and the Director shall each select one independent, qualified arbitrator and the two arbitrators so selected shall select the third arbitrator (the arbitrator(s) are herein referred to as the "Panel"). The Company reserves the right to object to any individual arbitrator who shall be employed by or affiliated with a competing organization.

    (b) Arbitration shall take place at Houston, Texas, or any other location mutually agreeable to the Parties. At the request of either Party, arbitration proceedings will be conducted in the utmost secrecy; in such case all documents, testimony and records shall be received, heard and maintained by the arbitrators in secrecy, available for inspection only by the Company or the Director and their respective attorneys and their respective experts who shall agree in advance and in writing to receive all such information in secrecy until such information shall become generally known. The Panel shall be able to award any and all relief, including relief of an equitable nature, provided that punitive damages shall not be awarded. The award rendered by the Panel may be enforceable in any court having jurisdiction thereof.

    (c) Reasonable notice of the time and place of arbitration shall be given to all Parties and any interested persons as shall be required by law.

21. Governing Law. This Agreement and the rights and obligations of the Parties shall be governed by and construed and enforced in accordance with the substantive laws (but not the rules governing conflicts of laws) of the State of Texas.

22. Multiple Counterparts. This Agreement may be executed in multiple counterparts each of which shall be deemed to be an original but all of which together shall constitute but one instrument.

23. Prior Agreements. The Company represents and warrants to Director, and Director represents and warrants to the Company, that Director and the Company have fulfilled all of the terms and conditions of all prior agreements to which Director may be or has

been a party.

EXECUTED as of the day and year first above set forth.

IMMUDYNE, INC.

/s/ Mark McLaughlin

DIRECTOR

/s/ John Strawn

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302(a)
OF THE SARBANES-OXLEY ACT OF 2002

I, Mark McLaughlin, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2017, of Immudyne, 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

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

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

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

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

Date: August 14, 2017

By: /s/ Mark McLaughlin
Mark McLaughlin
(Principal Executive Officer and
Principal Financial Officer)

Exhibit 32.1

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

I, Mark McLaughlin, hereby certify that, to the best of my knowledge, the Quarterly Report on Form 10-Q of Immudyne, Inc. for the quarterly period ended June 30, 2017, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Immudyne Inc.

Date: August 14, 2017

By: /s/ Mark McLaughlin
Mark McLaughlin
(Principal Executive Officer and
Principal Financial Officer)