

HPEV, INC.  
Form 10-Q  
November 16, 2015

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

## **Form 10-Q**

(Mark One)

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

**For the quarterly period ended September 30, 2015**

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission file number: **000-53443**

## **COOL TECHNOLOGIES, INC.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of incorporation or  
organization)

**75-3076597**

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

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**8875 Hidden River Parkway, Suite 300**

**Tampa, FL**

(Address of principal executive offices)

**33637**

(Zip Code)

Registrant's telephone number, including area code: **(813) 975-7467**

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

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

Large accelerated filer "      Accelerated filer "      Non-accelerated filer "      Smaller reporting company x

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

As of November 9, 2015, there were 67,514,653 shares of common stock, \$0.001 par value, issued and outstanding.

**COOL TECHNOLOGIES, INC.**

**Table of Contents**

**Part I – FINANCIAL INFORMATION**

Item 1.	Financial Statements	4
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	15
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	18
Item 4.	Controls and Procedures	19

**Part II – OTHER INFORMATION**

Item 1.	Legal Proceedings	20
Item 1A.	Risk Factors	20
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	21
Item 3.	Defaults Upon Senior Securities	21
Item 5.	Other information	21
Item 6.	Exhibits	22

## CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements discuss matters that are not historical facts. Because they discuss future events or conditions, forward-looking statements may include words such as "anticipate," "believe," "estimate," "intend," "could," "should," "would," "may," "seek," "plan," "might," "will," "expect," "anticipate," "predict," "project," "forecast," "potential," "continue" negatives thereof or similar expressions. Forward-looking statements speak only as of the date they are made, are based on various underlying assumptions and current expectations about the future and are not guarantees. Such statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, level of activity, performance or achievement to be materially different from the results of operations or plans expressed or implied by such forward-looking statements.

We cannot predict all of the risks and uncertainties. Accordingly, such information should not be regarded as representations that the results or conditions described in such statements or that our objectives and plans will be achieved and we do not assume any responsibility for the accuracy or completeness of any of these forward-looking statements. These forward-looking statements are found at various places throughout this Quarterly Report on Form 10-Q and include information concerning possible or assumed future results of our operations, including statements about potential sales and revenues; acquisition or merger targets; business strategies; future cash flows; financing plans; plans and objectives of management; any other statements regarding future acquisitions, future cash needs, future operations, business plans and future financial results, and any other statements that are not historical facts.

These forward-looking statements represent our intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors. Many of those factors are outside of our control and could cause actual results to differ materially from the results expressed or implied by those forward-looking statements. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than we have described. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of the Quarterly Report on Form 10-Q. All subsequent written and oral forward-looking statements concerning other matters addressed in this Quarterly Report on Form 10-Q and attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this Quarterly Report on Form 10-Q.

Except to the extent required by law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, a change in events, conditions, circumstances or assumptions underlying such statements, or otherwise.

## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

## Cool Technologies, Inc. and subsidiary

## Condensed Consolidated Balance Sheets

	September 30, 2015 (Unaudited)	December 31, 2014
<b>ASSETS</b>		
Current assets:		
Cash	\$ 25,174	\$ 171,871
Prepaid expenses	68,730	57,018
Total current assets	93,904	228,889
Intangibles	147,572	139,800
Equipment, net	104,084	118,453
Total assets	\$ 345,560	\$ 487,142
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities:		
Accounts payable	\$ 1,335,489	\$ 529,736
Accrued liabilities – related party	611,093	489,535
Customer deposits – related party	400,000	400,000
Accrued payroll taxes	29,269	14,167
Debt, current portion	292,581	40,235
Derivative liability	73,326	--
Total current liabilities	2,741,758	1,473,673
Debt, long-term portion, net of debt discount	63,374	77,076
Total liabilities	2,805,132	1,550,749
Commitments and contingencies (Note 5)	--	--
Stockholders' equity (deficit):		
Preferred stock, \$.001 par value; 15,000,000 shares authorized; 136 and 140 shares issued and outstanding at September 30, 2015 and December 31, 2014, Respectively	--	--

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Common stock, \$.001 par value; 140,000,000 shares

authorized; 66,464,653 and 61,439,134 shares issued and

outstanding at September 30, 2015 and December 31, 2014, respectively	65,793	60,767
Additional paid-in capital	35,023,099	30,864,669
Common stock issuable	95,000	435,930
Common stock held in escrow	8,441	8,441
Accumulated deficit	(37,626,928)	(32,421,145)
Total deficit	(2,434,595)	(1,051,338)
Noncontrolling interest in subsidiary	(24,977)	(12,269)
Total stockholders' deficit	(2,459,572)	(1,063,607)
Total liabilities and stockholders' deficit	\$ 345,560	\$ 487,142

See accompanying notes to condensed consolidated financial statements.

**Cool Technologies, Inc. and subsidiary**  
**Condensed Consolidated Statements of Operations**  
**(Unaudited)**

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2015	2014	2015	2014
Revenues	\$ --	\$ --	\$ --	\$ --
Cost of revenues	--	--	--	--
Gross profit	--	--	--	--
<b>Operating expenses</b>				
Payroll and related expenses	198,787	278,425	612,325	765,786
Consulting	48,203	879,633	814,856	8,124,783
Professional fees	88,488	231,540	503,165	548,511
Research and development	150,398	500,808	717,988	936,221
General and administrative	490,056	809,006	1,441,376	11,198,714
Total operating expenses	975,932	2,699,412	4,089,710	21,574,015
Operating loss	(975,932)	(2,699,412)	(4,089,710)	(21,574,015)
<b>Other income (expense):</b>				
Interest expense, net	(7,080)	(2,403)	(11,655)	(11,652)
Change in fair value of derivative liability	2,324	--	2,324	--
Legal settlement – replacement warrants	--	--	(1,119,450)	--
Net loss	(980,688)	(2,701,815)	(5,218,491)	(21,585,667)
Less: Noncontrolling interest in net loss	(3,345)	(5,718)	(12,708)	(7,263)
Net loss to shareholders	\$ (977,343)	\$ (2,696,097)	\$ (5,205,783)	\$ (21,578,404)
<b>Net loss per common share:</b>				
Basic and diluted	\$ (0.01)	\$ (0.05)	\$ (0.08)	\$ (0.39)
<b>Weighted average common shares outstanding:</b>				
Basic and diluted	66,089,776	59,636,423	63,938,744	55,190,022

See accompanying notes to condensed consolidated financial statements.





**Cool Technologies, Inc. and subsidiary**  
**Condensed Consolidated Statements of Cash Flows**  
**(Unaudited)**

	<b>Nine months ended</b>	
	<b>September 30,</b>	
	<b>2015</b>	<b>2014</b>
<b>Operating Activities:</b>		
Net loss	\$ (5,218,491)	\$ (21,585,667)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock issued for services	571,207	596,750
Warrants issued for services	55,849	7,240,930
Legal settlement – replacement warrants	1,119,450	--
Employee stock options	981,000	9,944,000
Change in fair value of derivative liability	(2,324)	--
Amortization of debt discount	2,189	--
Depreciation expense	19,369	--
Changes in operating assets and liabilities:		
Prepaid expenses	(11,712)	(92,932)
Accounts payable	805,753	(131,842)
Accrued liabilities – related party	121,558	661,966
Customer deposits	--	400,000
Accrued payroll liabilities	15,102	3,739
Net cash used in operating activities	(1,541,050)	(2,963,056)
<b>Investing Activities:</b>		
Intangible assets	(7,772)	(24,921)
Equipment purchase	(5,000)	--
Net cash used in investing activities	(12,772)	(24,921)
<b>Financing Activities:</b>		
Proceeds from sale of common stock	1,095,020	3,426,652
Proceeds from debt	325,000	--
Payments on debt	(12,895)	--
Net cash provided by financing activities	1,407,125	3,426,652
Net (decrease) increase in cash	(146,697)	438,675
Cash, beginning of period	171,871	477,549
Cash, end of period	\$ 25,174	\$ 916,224
<b>Cash paid for:</b>		
Interest	\$ 5,219	\$ --

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Income taxes	\$	--	\$	--
Non-cash transaction:				
Reduction of stock issuable by issuing common stock	\$	410,950	\$	--
Derivative liability offset by debt discount		75,650		--

See accompanying notes to condensed consolidated financial statements.

**Cool Technologies, Inc. and subsidiary**

**Notes to Condensed Consolidated Financial Statements**

**(Unaudited)**

**Note 1 – Description of Business and Summary of Significant Accounting Policies**

*Description of Business*

Cool Technologies, Inc. and subsidiary, (we, us, our, the "Company" or "Cool Technologies") was incorporated in the State of Nevada in July 2002. In April 2014, we formed Ultimate Power Truck, LLC ("Ultimate Power Truck" or "UPT"), of which we own 95% and a shareholder of Cool Technologies owns 5%. We were formerly known as Bibb Corporation, as Z3 Enterprises, and as HPEV Inc. On August 20, 2015, we changed our name to Cool Technologies, Inc.

We have developed and intend to commercialize thermal dispersion technologies in various product platforms and a parallel power input gearbox, around which we have designed a mobile generator system that can be retrofit onto new and existing trucks. In preparation, we have applied for trademarks for one of our technologies and its acronym. We currently have two trademarks: HPEV and TEHPC. We believe that our proprietary technologies, including our patent portfolio and trade secrets, can help increase the efficiency and positively affect manufacturing cost structure in several large industries beginning with motors/generators and fleet vehicles. The markets for products utilizing our technology include consumer, industrial and military markets, both in the U.S. and worldwide.

Our technologies are divided into two distinct but complementary categories: heat dispersion technology and mobile electric power. As of September 30, 2015, we have five patents and seven patent applications pending in the area of composite heat structures, motors, and related structures, heat pipe architecture, applications (commonly referred to as "thermal" or "heat dispersion technology") and a parallel power vehicle platform. We intend to commercialize our patents by licensing our thermal technologies and applications to electric motor, pump and vehicle component manufacturers; and by licensing or selling a mobile electric power system powered by our proprietary gearing system to commercial vehicle and fleet owners.

*Basis of Presentation*

The accompanying condensed consolidated balance sheet as of December 31, 2014, has been derived from audited financial statements. The accompanying unaudited interim condensed consolidated financial statements have been prepared on the same basis as the annual audited financial statements and in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information and the rules and regulations of the Securities and Exchange Commission ("SEC") for interim financial statements. In the opinion of management, such unaudited information includes all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of this interim information. All intercompany transactions have been eliminated in consolidation. Noncontrolling interest represents the 5% third party ownership of our subsidiary, UPT. Operating results and cash flows for interim periods are not necessarily indicative of results that can be expected for the entire year. The information included in this report should be read in conjunction with our audited financial statements and

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notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2014.

### ***Going Concern***

The accompanying condensed consolidated financial statements have been prepared assuming we will continue as a going concern. We have incurred net losses of \$37,626,928 since inception and have not fully commenced operations, raising substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern is dependent on our ability to generate revenue, achieve profitable operations and repay our obligations when they come due. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of liabilities that might result from this uncertainty. As of the filing date of this Quarterly Report on Form 10-Q, management is negotiating additional funding arrangements to support completion of the initial phases of our business plan: to license its thermal technologies and applications, including submersible dry-pit applications; and to license and sell mobile generation retrofit kits (our Ultimate Power Truck business) driven by our proprietary gearing system. There can be no assurance, however, that we will be successful in raising additional financing and accomplishing these objectives.

**Accounting Policy**

*Derivative financial instruments* -- When we issue debt that contains a conversion feature, we first evaluate whether the conversion feature meets the requirements to be treated as a derivative: a) one or more underlyings, typically the price of the company's stock; b) one or more notional amounts or payment provisions or both, generally the number of shares upon conversion; c) no initial net investment, which typically excludes the amount borrowed; and d) net settlement provisions, which in the case of convertible debt generally means the stock received upon conversion can be readily sold for cash. There are certain scope exceptions from derivative treatment, but these typically exclude conversion features that provide for a variable number of shares.

If the conversion feature within convertible debt meets the requirements to be treated as a derivative, we estimate the fair value of the derivative liability using the Black-Scholes Option Pricing Model upon the date of issuance. If the fair value of the derivative liability is higher than the face value of the convertible debt, the excess is immediately recognized as interest expense. Otherwise, the fair value of the derivative liability is recorded as a liability with an offsetting amount recorded as a debt discount, which offsets the carrying amount of the debt. The derivative liability is revalued at the end of each reporting period and any change in fair value is recorded as a change in fair value in the condensed consolidated statement of operations. The debt discount is amortized through interest expense over the life of the debt. Derivative instrument liabilities and the host debt agreement are classified on the balance sheet as current or non-current based on whether settlement of the derivative instrument could be required within twelve months of the balance sheet date.

**Recently Issued Accounting Pronouncements**

We have evaluated the other recent accounting pronouncements through ASU 2015-16 and believe that none of them will have a material effect on our financial statements.

**Note 2 – Equipment**

Equipment consists of the following:

	September 30, 2015	December 31, 2014
Test vehicles	\$ 124,687	\$ 124,687
Other	5,000	--
	129,687	124,687
Less: accumulated depreciation	(25,603)	(6,234)
	\$ 104,084	\$ 118,453

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Depreciation expense for the nine months ended September 30, 2015 and 2014, respectively, was \$19,369 and zero.

### **Note 3 – Customer deposits – Related party**

These represent advance payments of \$400,000 received on orders that have not yet been fulfilled, with companies controlled by the individual who is the 5% owner of UPT and a shareholder.

**Note 4 – Debt**

Debt consists of the following:

	September 30, 2015	December 31, 2014
Note payable – officer	\$ 22,910	\$ 22,910
Note payable – UPT minority owner	250,000	--
Test vehicle financing	81,506	94,401
Convertible debt	75,000	--
	429,416	117,311
Debt discount	(73,461)	--
	355,955	117,311
Less: current portion	292,581	40,235
Long-term portion	\$ 63,374	\$ 77,076

The note payable – officer is non-interest bearing and is due on demand, payable to the Secretary of Cool Technologies.

The note payable – UPT minority owner is with the 5% owner of UPT. The terms of the note have not been finalized.

In October 2014, we entered into financing agreements for the purchase of test vehicles, bearing interest at 5.99% payable monthly over five years, collateralized by the vehicles.

On September 15, 2015, we entered into a convertible debt agreement (the "Convertible Debt") with an unrelated individual, bearing interest at 10%, with principal and interest payable on September 15, 2017. We may borrow up to \$250,000 under the Convertible Debt. At the Convertible Debt holder's option, a portion or all of the unpaid principal and interest may be converted into shares of our common stock at the lesser of \$0.305 per share or 65% of the volume weighted average price during the five consecutive trading days immediately preceding the applicable conversion date. We determined that the conversion feature meets the requirements for derivative treatment and have recorded a Derivative liability and a corresponding debt discount on the condensed consolidated balance sheet. We estimated the fair value of the Derivative liability of \$75,650 and \$73,326, respectively, on September 15, 2015 and September 30, 2015.

The following summarizes the Black-Scholes assumptions used to estimate the fair value of the derivative liability at the date of issuance and the revaluation date:

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	September 15,	September 30,
	2015	2015
Volatility	112%	112%
Risk-free interest rate	0.8%	0.6%
Expected life (years)	2.0	2.0
Dividend yield	--	--



Future contractual maturities of debt are as follows:

<b>Year ending December 31,</b>	
2015	\$ 277,340
2016	18,410
2017	94,563
2018	20,788
2019	18,315
	\$ 429,416

#### **Note 5 – Commitments and Contingencies**

On December 12, 2012, we concluded negotiations on a debt settlement agreement by and among the Company, Phoenix Productions and Entertainment Group ("PPEG"), Action Media Group, LLC ("Action Media") and Spirit Bear Limited ("Spirit Bear") (PPEG and Action Media collectively, the "Debt Holders"). The Debt Holders were to return to escrow a total of 4,676,000 shares of our common stock. 3,676,000 of these shares were returned and cancelled on January 14, 2013, following our filing a registration statement with the SEC on January 11, 2013. The remaining 1,000,000 shares will be purchased by the Company or a nominee of the Company at \$0.40 per share (or \$400,000) at the rate of \$10,000 per month commencing within 90 days of the Company achieving \$1,000,000 in gross revenues for products or services from business operations. PPEG and Action Media will divide the \$400,000 on a pro rata basis, based on each company's respective amount of debt forgiven. The historical cost of the shares held in escrow are reflected in equity on the balance sheets as common stock held in escrow.

Effective June 1, 2015, we executed a First Amendment to Settlement Agreement (the "Amendment") with Spirit Bear and the parties identified as the assignees of Spirit Bear who are signatories to the Amendment, which amends certain provisions of our original Settlement Agreement with Spirit Bear. In accordance with the terms of the Amendment, Jay Palmer, Carrie Dwyer and Donica Holt, the Spirit Bear holdover directors, tendered their resignation from the Board of Directors of the Company. Spirit Bear also agreed that it will no longer have any rights to appoint nominees to the Board of Directors. Pursuant to the Amendment, the Company agreed to file a registration statement on Form S-1 covering an aggregate of 14,028,385 shares of common stock, preferred stock and warrants on behalf of Spirit Bear and its assignees no later than July 15, 2015, which was filed with the SEC on July 15, 2015. A representative of Spirit Bear agreed that the obligation to register the shares on a Form S-1 need only include shares of common stock and shares of common stock issuable upon conversion of the Preferred Stock and exercise of the warrants held by Spirit Bear and its assignees. The Company agreed to issue replacement warrants for certain previously-issued warrants, which will be canceled in connection with the replacement issuance. Within 10 business days of June 1, 2015, the parties agreed to dismiss all of the pending litigation between and among them. On August 28, 2015, the parties filed a stipulation to dismiss the direct claims of the Company against Spirit Bear and of Spirit Bear against the Company in the Nevada Lawsuit. By order dated September 1, 2015, and filed September 2, 2015, the court ordered dismissal of all direct claims in the Nevada Lawsuit.

Additionally, on February 20, 2015, the Court issued its preliminary approval to the derivative action settlement agreement (the "DASA"), which would lead to the ultimate dismissal of the derivative suit also filed by Spirit Bear in the same action. The Court has scheduled a fairness hearing for November 20, 2015, to consider giving its final approval to the DASA. No shareholder filed any objections to the DASA by April 30, 2015, which was the deadline established by the Court for filing objections. On October 22, 2015, however, Peak Finance, LLC ("Peak Finance") filed a Motion to Intervene in the action seeking, among other things, approval to file a new derivative Complaint in this matter. The Company has opposed this Motion.

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On August 31, 2015, the Company received notice of a summons in the matter styled Peak Finance, Derivatively on Behalf of Nominal Defendant, HPEV, Inc. v. Hassett, et al., No. 2:15-cv-01590-GMN-CWH, filed in the United States District Court for the District of Nevada (the "Peak Finance Claim"). Plaintiff Peak Finance, LLC ("Peak Finance") alleges that certain members of the Company's Board of Directors and officers caused a misleading proxy statement to issue and breached alleged fiduciary duties from and after June 18, 2013. Peak Finance further alleges that its claim is related to the Spirit Bear Lawsuit described above. The Company has not determined that there is any merit to the allegations, and has decided to submit the claims to an Independent Director Committee consisting of Directors Christopher McKee, Richard J. "Dick" Schul, and Donald Bowman for their review and consideration. Additionally, on September 28, 2015, the Company filed a motion to dismiss the initial Complaint filed by Peak Finance. On October 22, 2015, rather than oppose the motion to dismiss, Peak Finance filed an amended complaint in this case in addition to the Motion to Intervene in the pending Spirit Bear litigation set forth above. On November 9, 2015, the Company filed a new motion to dismiss the first amended complaint filed by Peak Finance on October 22, 2015. No hearing is presently scheduled on this matter.

From time to time, we may be a party to other legal proceedings. Management currently believes that the ultimate resolution of these other matters, if any, and after consideration of amounts accrued, will not have a material adverse effect on our consolidated results of operations, financial position, or cash flow.

### **Note 6 – Equity**

#### *Common Stock*

On August 19, 2015, the stockholders voted to increase the number of authorized shares of common stock from 100,000,000 shares to 140,000,000 shares.

In the nine months ended September 30, 2015, we received \$40,020 for shares of our common stock; however, the shares were not issued as of September 30, 2015, and are included in Common stock issuable within the equity section of the condensed consolidated balance sheet.

In February, 2014, we entered into an agreement whereby we may sell up to \$10,000,000 of our common stock to Lincoln Park Capital Fund LLC ("Lincoln Park") from time to time, subject to certain limitations, over a 36-month period, under a registration statement with respect to 4,671,785 shares of our common stock, which was declared effective by the SEC on July 3, 2014. The credit facility with Lincoln Park was mutually terminated as of April 23, 2015.

**Note 7 – Share-based payments**

Amounts recognized as expense in the consolidated statements of operations related to share-based payments are as follows:

	<b>Nine months ended</b>	
	<b>September 30,</b>	
	<b>2015</b>	<b>2014</b>
Nonemployee common stock	\$ 571,207	\$ 596,750
Nonemployee warrants	55,849	7,240,930
Legal settlement – replacement warrants	1,119,450	--
Employee stock options	981,000	9,944,000
<b>Total share-based expense charged against income</b>	<b>\$ 2,727,506</b>	<b>\$ 17,781,680</b>
<b>Impact on net loss per common share:</b>		
Basic and diluted	\$ (0.04)	\$ (0.32)

***Nonemployee common stock******UPT management agreement***

In July, 2014, we entered into an agreement with the company managing the operations of UPT, whereby we would issue common stock under the following conditions:

<b>Condition</b>	<b>Number of Shares</b>
UPT recognizes \$100 million of revenue or a change in control	500,000
UPT recognizes \$100 million of revenue	150,000
	650,000

As of September 30, 2015 and from the date of the agreement, meeting these conditions was not deemed probable, so no expense was recognized under this agreement and no common stock was issued.

***Investor relations agreement***

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In June, 2014, we entered into an agreement with a company, which subsequently became a shareholder, to provide investor relations services. Under the terms of this agreement we agreed to issue 60,000 shares of common stock each quarter through May 2015, for a total of 240,000 shares. As of September 30, 2015, we have recognized the expense for all of the shares under the agreement. During the nine months ended September 30, 2015, we recorded expense at fair value of \$61,200 for 120,000 shares. 60,000 remained unissued as of September 30, 2015, and are included in Common stock issuable within the equity section of the condensed consolidated balance sheet.

*Financial advisory agreements*

During the quarter ended June 30, 2015, we entered into separate agreements with three companies, which subsequently became shareholders, to provide financial advisory services, including developing, studying and evaluating a financing plan, strategic and financial alternatives, and merger and acquisition proposals. Under the terms of the agreements, we agreed to issue an aggregate of 333,332 shares of common stock each month through June 2016, as services were delivered, for a total of 5,000,000 shares over the term of the agreements. These agreements may be canceled by either party with a 30 day notice. During the three months ended June 30, 2015, we recorded expense at fair value of \$510,007 for the issuance of 1,000,013 shares. If the services are provided and the agreements are not canceled, an additional 3,999,987 shares remain to be issued. During the quarter ended September 30, 2015, however, at management's request no services were provided, and no stock was earned or issued under these agreements.

*Other*

During the quarter ended September 30, 2015, we issued no other shares of common stock in exchange for services.

*Nonemployee common stock warrants -- Fully-vested upon issuance*

In July 2015, we issued 69,333 fully-vested warrants, with an exercise price of \$0.40 per share and a life of 5 years, in exchange for financing advisory services. In June 2015, we issued 25,000 fully-vested warrants, with an exercise price of \$0.70 per share and a life of four years, in exchange for financing advisory services.

*Nonemployee common stock warrants -- Service and performance conditions*

*UPT management agreement*

In July, 2014, we entered into a three year agreement with the company managing the operations of UPT, whereby we would issue common stock warrants under the following conditions:

<b>Vesting Condition</b>	<b>Category</b>	<b>Number of Warrants</b>
Fully vest upon UPT generating \$1 million of revenue	Performance	350,000
45,945 warrants for every \$3 million of revenue generated by UPT up to \$100 million	Performance	1,530,000

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60,000 warrants for every three months of completed service managing UPT	Service	720,000
		2,600,000

The common stock warrants have a three year life and an exercise price of \$1.00 per share. The grant date fair value was \$2,586,000. As of September 30, 2015 and since the date of the agreement, we have not deemed it probable that the performance conditions will be met, so no expense was recognized and no common stock warrants vested. During the nine months ended September 30, 2015, 180,000 of the common stock warrants under the service condition vested with the passage of time and we recognized expense of \$48,868.

### *Financing advisory services*

In March, 2014, we entered into an agreement with a company, which is also a shareholder, to provide financing advisory services, in return for 400,000 common stock warrants having a five year life and an exercise price of \$2.50, with vesting in March, 2015 upon satisfactory performance under the agreement. As of December 31, 2014, we deemed it probable that the vesting conditions would be met. Accordingly, during the year ended December 31, 2014, we recognized estimated expense of \$200,379. As of March 31, 2015, the service conditions were met and the award was re-valued at \$179,964, resulting in a reduction in expense of \$20,415 during the quarter ended March 31, 2015.

*Summary*

The following summarizes the status of our nonvested common stock warrants with performance and service conditions as of September 30, 2015, and changes during the period then ended:

	<b>Number of Warrants</b>	<b>Weighted-average Grant Date Fair Value</b>
Nonvested, December 31, 2014	2,880,000	\$ 0.98
Vested	(580,000)	0.99
Nonvested, September 30, 2015	2,300,000	\$ 0.99

The following summarizes the Black-Scholes assumptions used to estimate the fair value of warrants with performance and service conditions during the nine months ended September 30, 2015:

Volatility	112 – 184%
Risk-free interest rate	0.9 – 1.4 %
Expected life (years)	3.0 – 5.0
Dividend yield	--

***Legal settlement – Replacement warrants***

Under the First Amendment to Settlement Agreement (the "Amendment") with Spirit Bear, we agreed to issue replacement warrants for certain previously-issued warrants (see Note 5). The 7,000,000 previously-issued warrants were issued in 2012, had exercise prices ranging from \$0.35 to \$0.75 per warrant, and expiration dates from April 2015 to April 2017. All of the replacement warrants have an exercise price of \$0.25, while 6,000,000 expire in January 2017 and 1,000,000 expire in December 2015.

When a replacement equity instrument is issued, expense is recorded if the fair value of the new instruments is greater than the fair value of the original instruments. We recorded expense of \$1,119,450 associated with the replacement warrants. The following summarizes the Black-Scholes assumptions used to estimate the fair value of the previously-issued warrants and the replacement warrants:

	<b>Previously-issued</b>	<b>Replacement</b>
Volatility	245 – 245%	173%
Risk-free interest rate	0.6 – 0.3 %	0.1 – 0.7 %

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Expected life (years)	2.0 – 4.5	0.6 – 1.8
Dividend yield	--	--



**Employee stock options – Fully-vested**

We granted no additional fully-vested options during the nine months ended September 30, 2015.

**Employee stock options – Market-based**

We granted no additional options that vest upon the achievement of certain stock prices during the nine months ended September 30, 2015. No additional non-vested market-based options vested during the quarter ended September 30, 2015.

**Note 8 – Net Loss per Share**

Basic net loss per share is computed by dividing net loss by the weighted-average number of common shares outstanding during the reporting period. Diluted net loss per share is computed similarly to basic loss per share, except that it includes the potential dilution that could occur if dilutive securities are exercised.

The following table presents a reconciliation of the denominators used in the computation of net loss per share – basic and diluted:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2015	2014	2015	2014
Net loss available for stockholders	\$ (977,343)	\$ (2,696,097)	\$ (5,205,783)	\$ (21,578,404)
Weighted average outstanding shares of common stock	66,089,776	59,636,423	63,938,744	55,190,022
Dilutive effect of stock options and warrants	--	--	--	--
Common stock and equivalents	66,089,776	59,636,423	63,938,744	55,190,022
Net loss per share – Basic and diluted	\$ (0.01)	\$ (0.05)	\$ (0.08)	\$ (0.39)

Outstanding stock options and common stock warrants are considered anti-dilutive because we are in a net loss position. Management has agreed to not exercise their stock options until the number of authorized shares has been increased.

**Note 9 – Subsequent Events**

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On October 9, 2015, we entered into two promissory notes with unrelated individuals, with principal and interest payable of \$400,000 on March 31, 2016. We received cash of \$350,000, with the \$50,000 representing an original issue discount, or interest.

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

### General Discussion and Outlook

Cool Technologies, Inc., (we, us, our, the "Company" or "Cool Technologies") was incorporated in the State of Nevada on July 22, 2002. We were formerly known as Bibb Corporation, Z3 Enterprises and HPEV, Inc. On August 20, 2015, we changed our name to Cool Technologies, Inc. We have developed and intend to commercialize thermal dispersion technologies in various product platforms and a parallel power input gearbox, around which we have designed a mobile generator system that can be retrofit onto new and existing trucks. In preparation, we have applied for trademarks for one of our technologies and its acronym. The Company currently has two trademarks: HPEV and TEHPC.

We believe that our proprietary technologies, including our patent portfolio and trade secrets, can help increase the efficiency and positively impact the manufacturing cost structure in several large industries beginning with motor/generator and fleet vehicles. The markets for products utilizing our technology include consumer, industrial and military markets, both in the U.S. and worldwide. As of September 30, 2015, we have five patents and seven patent applications pending in the area of composite heat structures, motors, and related structures, heat pipe architecture, applications (commonly referred to as "thermal" or "heat dispersion technology") and a parallel power vehicle platform. We intend to commercialize our patents by licensing our thermal technologies and applications to electric motor, pump and vehicle component manufacturers; and by licensing or selling a mobile electric power system powered by our proprietary gearing system to commercial vehicle and fleet owners.

The patents and patents-pending cover heat pipe architecture(s) and their applications, a parallel power platform and a parallel power gearing system. Additionally, we believe that the technology enhances the lifespan and effectiveness of many types of heat-producing mechanical equipment including vehicle components. Our thermal technology delivers the power density of a water-cooled motor or generator in a totally enclosed and nearly maintenance free enclosure. We project that our patent-pending Radial Vent Thermal technology can increase power density in several classes of motor enclosure ratings including Open, WPI (Weather Protected I) and WPII (Weather Protected II) enclosures by up to 20%. The parallel power platform enables vehicles, regardless of their fuel type (diesel, gas, CNG, LNG, fuel cell and battery operated), to alternate between two sources of power and forms the basis of an electric load assist delivered to the engine. The parallel power input gearing unit enables vehicles to run an on-board generator to deliver mobile electric power.

We intend to license heat pipe technology to manufacturers of electric motors, electric generators, as well as manufacturers of vehicle parts, such as brakes, resistors and calipers. In Mobile Generation, we have nearly completed the development of our 25 kilowatt ("kW") demonstration vehicle and we intend to commercialize the product through retrofit on several vehicle platforms during 2015. We also intend to develop and commercialize Mobile Generation in power output ranges from 25kW up to 200kW in 2016. The demonstration vehicles will be used to showcase the effectiveness of the technology, generate data and as a marketing tool to generate orders. The target markets include public utilities, commercial and fleet vehicles, including heavy duty pick-up trucks, and other work vehicles. We have executed product development agreements with two multi-national manufacturers. We are currently negotiating with a number of fleet owners and manufacturers to install our Mobile Generation system in their work vehicles. We opened our UPT headquarters in May 2014 in Largo, Florida, to service the state's west coast and Port Tampa Bay.

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We generated our first Mobile Generation order during the quarter ended June 30, 2014, and received a partial deposit in advance of completing the sale. We currently expect to begin to generate revenue in the first half of 2016. There can be no assurances that we will be able to do so in this timeframe, or at all. Currently, we primarily incur expenses to commercialize our products, which include costs for research and development, professional fees and general operations.

At a Special Meeting of Stockholders on August 19, 2015, stockholders voted to change our name from HPEV, Inc. to "Cool Technologies, Inc." and increase the number of authorized shares of our common stock from 100,000,000 shares to 140,000,000 shares. The stockholders also elected four new directors.

**Results of Operations**

The following table sets forth, for the periods indicated, condensed consolidated statements of operations data. The table and the discussion below should be read in conjunction with the accompanying condensed consolidated financial statements and the notes thereto, appearing elsewhere in this report.

	<b>Three months ended September 30,</b>		<b>Change</b>	<b>%</b>
	<b>2015</b>	<b>2014</b>		
Revenues	\$ --	\$ --	N/A	N/A
<b>Operating expenses</b>				
Payroll and related expenses	198,787	278,425	\$ (79,638)	(29)%
Consulting	48,203	879,633	(831,430)	(95)%
Professional fees	88,488	231,540	(143,052)	(62)%
Research and development	150,398	500,808	(350,410)	(70)%
General and administrative	490,056	809,006	(318,950)	(39)%
Total operating expenses	975,932	2,699,412	(1,723,480)	(64)%
Interest expense, net	(7,080)	(2,403)	(4,677)	195%
Change in fair value of derivative liability	2,324	--	2,324	N/A
Net loss	(980,688)	(2,701,815)	1,721,127	(64)%
Less: Noncontrolling interest	(3,345)	(5,718)	2,373	(42)%
Net loss to shareholders	\$ (977,343)	\$ (2,696,097)	\$ 1,718,754	(64)%

	<b>Nine months ended September 30,</b>		<b>Change</b>	<b>%</b>
	<b>2015</b>	<b>2014</b>		
Revenues	\$ --	\$ --	N/A	N/A
<b>Operating expenses</b>				
Payroll and related expenses	612,325	765,786	\$ (153,461)	(20)%
Consulting	814,856	8,124,783	(7,309,927)	(90)%
Professional fees	503,165	548,511	(45,346)	(8)%
Research and development	717,988	936,221	(218,233)	(23)%
General and administrative	1,441,376	11,198,714	(9,757,338)	(87)%
Total operating expenses	4,089,710	21,574,015	(17,484,305)	(81)%
Interest expense, net	(11,655)	(11,652)	(3)	--%
Change in fair value of derivative liability	2,324	--	2,324	N/A

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Legal settlement – replacement warrants	(1,119,450)	--	(1,119,450)	N/A
Net loss	(5,218,491)	(21,585,667)	16,367,176	(76)%
Less: Noncontrolling interest	(12,708)	(7,263)	(5,445)	75%
Net loss to shareholders	\$ (5,205,783)	\$ (21,578,404)	\$ 16,372,621	(76)%

***Revenues***

During the three and nine months ended September 30, 2015 and 2014, and since inception, we have not generated any revenues.

***Operating Expenses***

Payroll and related expenses decreased for the three and nine months ended September 30, 2015 compared to 2014, due to bonuses paid to management in 2014 for meeting milestones in their compensation agreements related to fundraising and filing patents. Consulting expense decreased primarily due to a reduction in share-based payments for fundraising and other consulting during the three months ended September 30 from \$844,990 in 2014 to \$23,962 in 2015, and for the nine months ended September 30 from \$7,837,680 in 2014 to \$627,056 in 2015. Professional fees remained relatively flat during the periods reported. Research and development decreased as we focus our efforts transitioning our technology to the point of generating revenue. General and administrative expense (a) decreased due to a reduction in employee stock option expense for the three months ended September 30 from \$394,000 in 2014 to \$327,000 in 2015, and for the nine months ended September 30 from \$9,944,000 in 2014 to \$981,000 in 2015; and (b) decreased due to managing cash expenditures, primarily associated with promoting the company and travel.

***Other Income and Expense***

Interest expense in 2015 relates primarily to our vehicle financing, while in 2014 it related to interest on unpaid invoices for services. The change in fair value of derivative liability reflects the change in fair value of the conversion feature embedded in the convertible debt agreement we entered into in September 2015. The legal settlement expense in 2015 represents the difference between the value of the original warrants and the replacement warrants issued to Spirit Bear Ltd. ("Spirit Bear") under the First Amendment to Settlement Agreement with Spirit Bear.

***Net Loss and Noncontrolling interest***

Since we have incurred losses since inception, we have not recorded any income tax expense or benefit. Accordingly, our net loss is driven by our operating and other expenses. Noncontrolling interest represents the 5% third-party ownership in UPT, which is subtracted to calculate Net loss to shareholders.

***Liquidity and Capital Resources***

We have historically met our liquidity requirements primarily through the public sale and private placement of equity securities, debt financing, and exchanging common stock warrants and options for professional and consulting services. At September 30, 2015, we had cash and cash equivalents of \$25,174.

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Working capital is the amount by which current assets exceed current liabilities. We had negative working capital of \$2,647,854 and \$1,244,784, respectively, at September 30, 2015 and December 31, 2014. The decrease in working capital was due to an increase in accounts payable, amounts due to related parties, and incurring debt to finance vehicles and for working capital purposes.

On September 15, 2015, we entered into a convertible debt agreement (the "Convertible Debt") with an unrelated individual, bearing interest at 10%, with principal and interest payable on September 15, 2017. We may borrow up to \$250,000 under the Convertible Debt. At the Convertible Debt holder's option, a portion or all of the unpaid principal and interest may be converted into shares of our common stock at the lesser of \$0.305 per share or 65% of the volume weighted average price during the five consecutive trading days immediately preceding the applicable conversion date. As of September 30, 2015, we had borrowed \$75,000.

We executed an agreement on February 19, 2014, with Lincoln Park Capital Fund, LLC ("Lincoln Park"), which gave us the right to sell to Lincoln Park up to \$10,000,000 in shares of our common stock, subject to certain limitations, over a 36-month period, under a registration statement with respect to 4,671,785 shares of our common stock, which was declared effective by the SEC on July 3, 2014. The credit facility with Lincoln Park was mutually terminated as of April 23, 2015.

Separate from the above agreement, in April 2015, we entered into a subscription agreement with Lincoln Park, pursuant to which Lincoln Park agreed to purchase 555,556 shares of common stock and five-year warrants to purchase 555,556 shares of common stock, for cash proceeds of \$225,000 at an exercise price of \$0.60 per share, net of \$25,000 retained by Lincoln Park for expenses. The warrants contain a cashless exercise provision.

We currently have no off-balance sheet arrangements.



**Cash Flows**

Our cash flows from operating, investing and financing activities were as follows:

	<b>Nine months ended</b>	
	<b>September 30,</b>	
	<b>2015</b>	<b>2014</b>
Net cash used in operating activities	\$ (1,541,050)	\$ (2,963,056)
Net cash used in investing activities	(12,772)	(24,921)
Net cash provided by financing activities	1,407,125	3,426,652

Net cash used in operating activities decreased primarily due to deferring payment to vendors and management. Our investing activity relates to purchasing equipment in 2015 the development of patents in both years. Cash provided by financing activities was limited by our trying to settle our lawsuit with Spirit Bear, and borrowing \$325,000 in 2015.

Management believes the Company's funds are insufficient to provide for its projected needs for operations for the next 12 months. We will need additional funding to support product development and working capital needs. We hope to raise additional funds by selling our equity securities; however, there can be no assurance that we will be able to raise such additional financing.

**Going Concern**

We have incurred net losses of \$37,626,928 since inception and have not fully commenced operations, raising substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern is dependent on our ability to generate revenue, achieve profitable operations and repay our obligations when they come due.

**Critical Accounting Estimates**

Our condensed consolidated financial statements and the accompanying notes have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires management to make estimates, judgments and assumptions that affect reported amounts of assets, liabilities, and expenses. We continually evaluate the accounting policies and estimates used to prepare the condensed consolidated financial statements. The estimates are based on historical experience and assumptions believed to be reasonable under current facts and circumstances. Actual amounts and results could differ from these estimates made by management. Certain accounting policies that require significant management estimates and are deemed critical to our results of operations and financial position are discussed in our Annual Report on Form 10-K for the year ended December 31, 2014 in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

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

#### **Item 4. Controls and Procedures**

Our management does not expect that our internal controls over financial reporting will prevent all errors and all fraud. Control systems, no matter how well conceived and managed, can provide only reasonable assurance that the objectives of the control system are met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake.

Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

#### ***Evaluation of Disclosure Controls and Procedures***

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, as of September 30, 2015, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended. Based on this evaluation, our principal executive officer and principal financial officer have concluded that, based on the material weaknesses discussed below, our disclosure controls and procedures were not effective as of such date to ensure that information required to be disclosed by us in reports filed or submitted under the Securities Exchange Act were recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Act Commission's rules and forms and that our disclosure controls are not effectively designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act is accumulated and communicated to management, including our principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our internal controls are not effective for the following reasons, (1) there are no entity level controls, because of the limited time and abilities of the Company's five officers, (2) there is no separate audit committee, and (3) we have not implemented adequate system and manual controls. As a result, the Company's internal controls have inherent weaknesses, which may increase the risks of errors in financial reporting under current operations and accordingly are not effective as evaluated against the criteria set forth in the Internal Control – Integrated Framework issued by the committee of Sponsoring Organizations of the Treadway Commission (1992 version). Based on our evaluation, our management concluded that our internal controls over financial reporting were not effective as of September 30, 2015.

Going forward, we intend to evaluate our processes and procedures and, where practicable, implement changes in order to have more effective controls over financial reporting.

#### ***Changes in Internal Control over Financial Reporting***

There have been no changes in our internal control over financial reporting during the last quarterly period covered by this report that have materially affected, or are reasonably likely to affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

#### *Spirit Bear Ltd.*

Effective May 1, 2015, we executed a First Amendment to Settlement Agreement (the "Amendment") with Spirit Bear and the parties identified as the assignees of Spirit Bear who are signatories to the Amendment, which amends certain provisions of the Settlement Agreement. In accordance with the terms of the Amendment, Jay Palmer, Carrie Dwyer and Donica Holt, the Spirit Bear holdover directors, tendered their resignation from the Board of Directors of the Company. Spirit Bear also agreed that it will no longer have any rights to appoint nominees to the Board of Directors. Pursuant to the Amendment, the Company agreed to file a registration statement on Form S-1 covering an aggregate of 14,845,072 shares of common stock, preferred stock and warrants on behalf of Spirit Bear and its assignees no later than July 15, 2015, which was filed with the SEC on July 15, 2015. A representative of Spirit Bear agreed that the obligation to register the shares on a Form S-1 need only include shares of common stock and shares of common stock issuable upon conversion of the Preferred Stock and exercise of the warrants held by Spirit Bear and its assignees. The Company agreed to issue replacement warrants for certain previously-issued warrants, which will be canceled in connection with the replacement issuance. Within 10 business days of June 1, 2015, the parties agreed to dismiss all of the pending litigation between and among them. On August 28, 2015, the parties filed a stipulation to dismiss the direct claims of the Company against Spirit Bear and of Spirit Bear against the Company in the Nevada Lawsuit. By order dated September 1, 2015, and filed September 2, 2015, the court ordered dismissal of all direct claims in the Nevada Lawsuit.

Additionally, on February 20, 2015, the Court issued its preliminary approval to the derivative action settlement agreement (the "DASA"), which would lead to the ultimate dismissal of the derivative suit also filed by Spirit Bear in the same action. The Court has scheduled a fairness hearing for November 20, 2015, to consider giving its final approval to the DASA. No shareholder filed any objections to the DASA by April 30, 2015, which was the deadline established by the Court for filing objections. On October 22, 2015, however, Peak Finance, LLC ("Peak Finance") filed a Motion to Intervene in the action seeking, among other things, approval to file a new derivative Complaint in this matter. The Company has opposed this Motion.

#### *SEC Subpoena*

On September 18, 2013, separate and distinct from the settlement of the lawsuit discussed above, the SEC served the Company with a subpoena entitled In the Matter of HPEV, Inc. The subpoena requested documents relating to several matters, including Spirit Bear, Robert Olins and all of their respective affiliates. Although the Company has not heard anything further concerning the investigation, the Company continues to comply with the subpoena, providing documents in its possession to the SEC on a rolling basis.

#### *U.S. District Court, District of Nevada*

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On August 31, 2015, the Company received notice of a summons in the matter styled Peak Finance, LLC, Derivatively on Behalf of Nominal Defendant, HPEV, Inc. v. Hassett, et al., No. 2:15-cv-01590-GMN-CWH, filed in the United States District Court for the District of Nevada (the "Peak Finance Claim"). Plaintiff Peak Finance, LLC ("Peak Finance") alleges that certain members of the Company's Board of Directors and officers caused a misleading proxy statement to issue and breached alleged fiduciary duties from and after June 18, 2013. Peak Finance further alleges that its claim is related to the Spirit Bear Lawsuit described above. The Company has not determined that there is any merit to the allegations, and has decided to submit the claims to an Independent Director Committee consisting of Directors Christopher McKee, Richard J. "Dick" Schul, and Donald Bowman for their review and consideration. Additionally, on September 28, 2015, the Company filed a motion to dismiss the initial Complaint filed by Peak Finance. On October 22, 2015, rather than oppose the motion to dismiss, Peak Finance filed an amended complaint in this case in addition to the Motion to Intervene in the pending Spirit Bear litigation set forth above. On November 9, 2015, the Company filed a new motion to dismiss the first amended complaint filed by Peak Finance on October 22, 2015. No hearing is presently scheduled on this matter.

### **Item 1A. Risk Factors**

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

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

On July 23, 2015, we issued an aggregate of 866,666 shares and a five-year warrant to purchase an aggregate of 866,666 shares of our common stock at an exercise price of \$0.40 per share to six accredited investors in a private offering. We received an aggregate of \$260,000 as consideration for the sale of such securities. The warrants may be exercised on a cashless basis.

On July 29, 2015, we issued 142,857 shares and a five-year warrant to purchase 142,857 shares of our common stock at an exercise price of \$0.40 per share to an accredited investor in a private offering. We received \$50,000 as consideration for the sale of such securities. The warrants may be exercised on a cashless basis.

On July 29, 2015, we issued 62,500 shares and a five-year warrant to purchase 62,500 shares of our common stock at an exercise price of \$0.47 per share to an accredited investor in a private offering. We received \$25,000 as consideration for the sale of such securities. The warrants may be exercised on a cashless basis.

On August 12, 2015, Spirit Bear converted four shares of preferred stock in exchange for 200,000 shares of common stock.

We issued warrants for our common stock to accredited investors in exchange for services during the three months ended September 30, 2015, as follows:

<b>Date</b>	<b>Quantity</b>	<b>Exercise Price</b>	<b>Life (Years)</b>
July 2015	69,333	\$ 0.40	5.0
September 2015	60,000	1.00	3.0

On September 15, 2015, we entered into a convertible debt agreement (the "Convertible Debt") with an unrelated individual, bearing interest at 10%, with principal and interest payable on September 15, 2017. We may borrow up to \$250,000 under the Convertible Debt. At the Convertible Debt holder's option, a portion or all of the unpaid principal and interest may be converted into shares of our common stock at the lesser of \$0.305 per share or 65% of the volume weighted average price during the five consecutive trading days immediately preceding the applicable conversion date. As of September 30, 2015, we had borrowed \$75,000.

None of the above issuances involved any underwriters, underwriting discounts or commissions, or any public offering and we believe we are exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof and/or Regulation D promulgated thereunder.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 5. Other Information**

None.

21



**Item 6. Exhibits**

31.1 Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer.

31.2 Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer.

32.1 Chief Executive Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Chief Financial Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

101 XBRL Interactive Data Files

22

**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.

**Cool Technologies, Inc.**

Dated: November 16, 2015

By: */s/ Timothy Hassett*  
Timothy Hassett  
Chief Executive Officer  
(Principal Executive Officer)

Dated: November 16, 2015

By: */s/ Quentin Ponder*  
Quentin Ponder  
Chief Financial Officer  
(Principal Financial and Accounting Officer)