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

FORM 10-Q

(Mark One)

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

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

or

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

For the transition period from ____________ to _____________

Commission File Number: **000-55151**

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

Nevada	**20-8241820**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
8700 East Vista Bonita, Suite 260 **Scottsdale, AZ**	**85255**
(Address of principal executive offices)	(Zip Code)

(800) 560-9198
(Registrant's telephone number, including area code)

None
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 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 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 [ ] (Do not check if a smaller reporting company)	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]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of November 13, 2015: 52,615,450 shares of Common Stock.

SPINDLE, INC.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

SPINDLE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	SEPTEMBER 30, 2015	DECEMBER 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 171,446	$ 169,807
Restricted cash	1,500	20,000
Accounts receivable, net	30,474	82,393
Prepaid expenses and other short-term receivables	167,944	87,428
Inventory	108,381	100,647
Total current assets	479,745	460,275
Property and equipment, net	18,227	22,145
Intangible assets, net	3,231,138	1,673,736
Asset held for sale - Residual contract revenue, net of accumulated amortization of $0 and $147,324, respectively	-	441,970
Deposits	4,382	3,382
Goodwill	5,306,205	5,306,205
Total other assets	8,559,952	7,447,438
TOTAL ASSETS	$ 9,039,697	$ 7,907,713
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 292,938	$ 578,610
Advances	215,000	215,000
Deferred revenue	3,291	-
Accrued liabilities - related party	870,379	681,655
Notes payable - related party, net of discount of $0 and $55, respectively	172,162	172,108
Total current liabilities	1,553,770	1,647,373
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.001 par value. 50,000,000 shares authorized; none issued and outstanding at September 30, 2015 and December 31, 2014	-	-
Common stock, $0.001 par value. 300,000,000 shares authorized; 51,965,116 and 42,068,773 shares issued and outstanding as of September 30, 2015 and December 31, 2014, respectively	51,965	42,069
Common stock authorized and unissued; 27,853 and 107,853 shares as of September 30, 2015 and December 31, 2014, respectively	408	108
Additional paid-in capital	24,760,616	21,470,580
Accumulated deficit	(17,327,062)	(15,252,417)
Total stockholders' equity	7,485,927	6,260,340
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 9,039,697	$ 7,907,713

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

SPINDLE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	THE THREE MONTHS ENDED SEPTEMBER 30,		THE NINE MONTHS ENDED SEPTEMBER 30,	
	2015	2014	2015	2014
Revenue:				
Sales revenue	$ 133,591	$ 200,478	$ 426,872	$ 676,351
Cost of revenue	51,593	50,677	145,516	243,683
Gross profit	81,998	149,801	281,356	432,668
Expenses:				
Depreciation and amortization	125,470	152,809	415,082	437,324
Promotional and marketing	5,493	21,425	30,949	90,879
Consulting	114,000	353,397	274,580	1,593,784
Salaries and wages (including share-based compensation)	246,683	569,900	1,387,235	2,303,200
Directors fees	41,100	44,839	123,600	129,839
Professional fees	46,583	79,641	288,480	851,385
General and administrative	50,189	63,193	169,562	488,278
Total operating expenses	629,518	1,285,204	2,689,488	5,894,689
Net operating loss	(547,520)	(1,135,403)	(2,408,132)	(5,462,021)
Other income (expense):				
Gain on sale of assets	(30)	-	373,124	-
Other expense	(38,522)	-	(38,522)	-
Interest expense	(143)	-	(1,059)	-
Interest expense - related party	-	(338)	(54)	(1,606)
Total other income (expense)	(38,695)	(338)	333,489	(1,606)
Loss before provision for income taxes	(586,215)	(1,135,741)	(2,074,643)	(5,463,627)
Provision for income taxes	-	-	-	-
Net loss	$ (586,215)	$ (1,135,741)	$ (2,074,643)	$ (5,463,627)
Weighted average number of common shares outstanding - basic and diluted	50,941,747	38,922,980	45,768,336	37,682,150
Net (loss) per share - basic and fully diluted	$ (0.01)	$ (0.03)	$ (0.05)	$ (0.14)

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

SPINDLE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	THE NINE MONTHS ENDED SEPTEMBER 30,	
	2015	**2014**
Operating activities		
Net loss	$ (2,074,643)	$ (5,463,627)
Adjustments to reconcile net loss to net cash used in operating activities:		
Shares issued for services	375,771	1,710,553
Shares issued for officer compensation	20,250	586,725
Depreciation and amortization	414,599	437,324
Gain on sale of residual asset	(373,124)	-
Amortization of debt discount - related party	54	2,611
Share-based compensation	1,021,484	447,805
Decrease in allowance for doubtful accounts	-	(1,717)
Changes in operating assets and liabilities:		
Decrease in accounts receivable	51,919	97,462
(Increase) decrease in prepaid expenses	17,213	128,271
Increase in inventory	(7,734)	(48,240)
Decrease in deposits and other assets	17,500	1,842
Increase in accounts payable and accrued expenses	(285,674)	303,888
Increase in deferred revenue	3,291	-
(Decrease) increase in expenses - related party	(271,276)	166,341
Decrease in accrued interest - related party	-	(5,019)
Net cash used in operating activities	(1,090,372)	(1,635,781)
Investing activities		
Acquisition of intellectual property	-	(501,367)
Sale of residual assets	753,710	-
Additions to capitalized software development	(296,699)	(370,130)
Net cash provided by (used in) investing activities	457,011	(871,497)
Financing activities		
Net proceeds from advances	460,000	-
Net proceeds for notes payable - related party	-	45,000
Proceeds from issuance of common stock	175,000	1,895,000
Net cash provided by financing activities	635,000	1,940,000
Net increase (decrease) in cash and cash equivalents	1,639	(567,278)
Cash - beginning	169,807	700,323
Cash - ending	$ 171,446	$ 133,045
Supplemental disclosures		
Interest paid	$ 1,059	$ -
Taxes paid	$ -	$ -
Non-cash transactions		
Shares issued for services	$ 375,771	$ 1,710,553
Shares issued for officer compensation	$ 20,250	$ 586,725
Shares issued for prepaid expenses	$ 34,729	$ 259,292
Shares issued for accounts payable	$ 300,000	$ 165,979
Shares issued for acquisitions	$ -	$ 3,004,861
Options and shares issued for share based compensation expense	$ 1,021,484	$ 447,805
Shares issued for trademark and licenses	$ 1,610,000	$ -

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

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"), and applicable rules and regulations of the Securities and Exchange Commission ("SEC") regarding interim financial reporting. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. As such, these interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014.

These statements reflect all adjustments, consisting of normal recurring adjustments and accruals, which, in the opinion of management, are necessary for fair presentation of the information contained therein. Operating results for interim periods are not necessarily indicative of results to be expected for the full year.

There have been no changes to the Company's significant accounting policies in the preparation of our interim reports and related notes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents
We consider cash and cash equivalents to include all stable, highly liquid investments with maturities of three months or less.

Restricted cash
The Company maintains a restricted cash balance totaling $1,500 as part of its operating requirements in a non-interest-bearing account that currently does not exceed federally insured limits.

Concentration of credit risk
The Company primarily transacts its business with one financial institution. The amount on deposit in that one institution may from time to time exceed the federally-insured limit.

Use of estimates
The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates.

Revenue recognition
Revenue is derived on a per message/notification basis through the Company's patented technologies and a modular, adaptable platform designed to create multi-channel messaging gateways for all types of connected devices. The Company also earns revenue for services, such as programming, licensure on Software as a Service ("SaaS") basis, and on a performance basis, such as when a client acquires a new customer through our platform. Revenue is recognized in accordance with Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition in Financial Statements," as revised by SAB No. 104. As such, the Company recognizes revenue when persuasive evidence of an arrangement exists, title transfer has occurred, the price is fixed or readily determinable, and collectability is probable. Sales are recorded net of sales discounts.

Accounts receivable
Accounts receivable is reported at the customers' outstanding balances, less any allowance for doubtful accounts. Interest is not accrued on overdue accounts receivable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Allowance for doubtful accounts

An allowance for doubtful accounts on accounts receivable is charged to operations in amounts sufficient to maintain the allowance for uncollectible accounts at a level management believes is adequate to cover any probable losses. Management determines the adequacy of the allowance based on historical write-off percentages and information collected from individual customers. Accounts receivable are charged off against the allowance when collectability is determined to be permanently impaired.

Inventory

Inventories consist of merchandise held for sale in the ordinary course of business, including cost of freight and other miscellaneous acquisition costs, and are stated at the lower of cost or market. The Company records a write-down for inventories which have become obsolete or are in excess of anticipated demand or net realizable value. The Company performs a detailed review of inventory each period that considers multiple factors including demand forecasts, market conditions, product life cycle status, product development plans and current sales levels. If future demand or market conditions for the Company's products are less favorable than forecasted or if unforeseen changes negatively affect the utility of the Company's inventory, it may be required to record additional write-downs, which would negatively affect gross margins in the period when the write-downs are recorded. If actual market conditions are more favorable, the Company may have higher gross margins when products incorporating inventory that were previously written down are sold.

Property and equipment

Property and equipment are stated at cost. Major renewals and improvements are charged to the asset accounts while replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed. At the time property and equipment are retired or otherwise disposed of, the asset and related accumulated depreciation accounts are relieved of the applicable amounts. Gains or losses from retirements or sales are credited or charged to income.

Depreciation is computed on the straight-line and accelerated methods for financial reporting and income tax reporting purposes based upon the following estimated useful lives:

Computer software	3 years
Computer hardware	5 years
Office furniture	7 years

Goodwill

The Company accounts for goodwill in accordance with ASC Topic 805-30-25, "Accounting for Business Combinations" ("ASC Topic 805-30-25") and ASC Topic 350-20-35, "Accounting for Goodwill - Subsequent Measurement" ("ASC Topic 350-20-35").

ASC Topic 805-30-25 requires that the acquirer recognize goodwill as of the acquisition date as the excess of the fair value of the consideration transferred over the fair value of the net acquisition-date amounts of the identifiable assets and liabilities assumed.

ASC Topic 350-20-35 requires that goodwill acquired in a purchase and determined to have an indefinite useful life is not amortized, but instead tested for impairment annually or more frequently when events or circumstances indicate that the carrying value of a reporting unit more likely than not exceeds its fair value. The Company's annual goodwill impairment testing date is December 31 of each year. The Company first assesses qualitative factors to determine whether it's necessary to perform the two-step goodwill impairment test. Impairment is the condition that exists when the carrying amount of goodwill exceeds its implied fair value. If the qualitative assessment results in an indication that it's more likely than not that the fair value of a reporting unit is less than its carrying amount, then a quantitative assessment must be performed. Management has determined that the Company has one reporting unit for purposes of testing goodwill.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Goodwill, continued
The quantitative analysis involves estimating the fair value of its reporting unit utilizing a combination of valuation methods including market capitalization, the income approach and cash flows. Income and cash flow forecasts were used in the evaluation of goodwill based on management's estimate of future performance. If goodwill is determined to be impaired as a result of this analysis, an impairment loss is recorded equal to the difference between the asset's carrying value and fair value. The Company recorded an impairment to its goodwill for the year ended December 31, 2014 as further discussed in Note 9.

Capitalized software development costs
The Company capitalizes internal software development costs subsequent to establishing technological feasibility of a software application. Capitalized software development costs represent the costs associated with the internal development of the Company's software applications. Amortization of such costs is recorded on a software application-by-application basis, based on the greater of the proportion of current year sales to the total of current and estimated future sales for the applications or the straight-line method over the remaining estimated useful life of the software application. The Company continually evaluates the recoverability of capitalized software costs and will charge to operations amounts that are deemed unrecoverable for projects it abandons.

Stock-based compensation
The Company accounts for stock-based payments to employees in accordance with ASC 718, "Stock Compensation" ("ASC 718"). Stock-based payments to employees include grants of stock, grants of stock options and issuance of warrants that are recognized in the consolidated statement of operations based on their fair values at the date of grant.

The Company accounts for stock-based payments to non-employees in accordance with ASC 505-50, "Equity-Based Payments to Non-Employees." Stock-based payments to non-employees include grants of stock, grants of stock options and issuances of warrants that are recognized in the consolidated statement of operations based on the value of the vested portion of the award over the requisite service period as measured at its then-current fair value as of each financial reporting date. The Company calculates the fair value of option grants and warrant issuances utilizing the Binomial pricing model. The amount of stock-based compensation recognized during a period is based on the value of the portion of the awards that are ultimately expected to vest. ASC 718 requires forfeitures to be estimated at the time stock options are granted and warrants are issued to employees and non-employees, and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The term "forfeitures" is distinct from "cancellations" or "expirations" and represents only the unvested portion of the surrendered stock option or warrant.

The Company estimates forfeiture rates for all unvested awards when calculating the expense for the period. In estimating the forfeiture rate, the Company monitors both stock option and warrant exercises as well as employee termination patterns. The resulting stock-based compensation expense for both employee and non-employee awards is generally recognized as compensation under ASC Topic 505-50, In accordance with ASC 505-50, the cost of stock-based compensation is measured at the grant date based on the value of the award and is recognized over the vesting period. The value of the stock-based award is determined using the Binomial or Black-Scholes option-pricing models, whereby compensation cost is the excess of the fair value of the award as determined by the pricing model at the grant date or other measurement date over the amount that must be paid to acquire the stock.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Loss per share
The Company reports earnings (loss) per share in accordance with ASC Topic 260-10, "Earnings per Share." Basic earnings (loss) per share is computed by dividing income (loss) available to common shareholders by the weighted average number of common shares available. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. Diluted earnings (loss) per share has not been presented since the effect of the assumed conversion of warrants and debt to purchase common shares would have an anti-dilutive effect. Potential common shares as of September 30, 2015 that have been excluded from the computation of diluted net loss per share amounted to 3,368,750 shares and include 600,000 warrants and 2,768,750 options. Of the 2,768,750 potential common shares that could be issued upon the exercise of the options at September 30, 2015, 817,916 had not vested. Potential common shares as of September 30, 2014 that were excluded from the computation of diluted net loss per share amounted to 4,343,500 shares and include 250,000 warrants and 4,093,500 options. Of the 4,343,500 potential common shares that could be issued upon the exercise of the options at September 30, 2014, 1,770,556 had not vested.

Recent accounting pronouncements
In August 2014, the FASB issued ASU 2014-15 - *Presentation of Financial Statements - Going Concern* (*Subtopic 205-40),* related to the disclosures around going concern. The new standard provides guidance around management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. Early adoption is permitted.

In May 2014, the FASB issued ASU 2014-09 - Revenue from Contracts with Customers (Topic 606), amended the existing accounting standards to achieve consistent application of revenue recognition. The amendments are based on the principle that revenue should be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Additionally, the standard requires reporting companies to also disclose the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. In July 2015, the FASB agreed to delay the effective date of this amendment by one year, accordingly, the Company is required to adopt the amendments in the first quarter of 2018. The amendments may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of initial application. Early adoption is permitted, but not before the original effective date of the amendment.

The Company is currently evaluating the impact of these pronouncements.

NOTE 3 - GOING CONCERN

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As shown in the accompanying financial statements, the Company has incurred a net loss of ($586,215) and ($2,074,644) for the three and nine months ended September 30, 2015, respectively, and has an accumulated deficit of ($17,327,062). The Company incurred a net loss of ($1,135,741) and ($5,463,627) for the three and nine months ended September 30, 2014, respectively, and had an accumulated deficit of ($11,794,023).

In order to continue as a going concern, the Company will need, among other things, additional capital resources. The Company is significantly dependent upon its ability, and will continue to attempt, to secure equity and/or additional debt financing. The Company has recently issued debt securities and may conduct an offering of its equity securities to raise proceeds to finance its plan of operation. There are no assurances that the Company will be successful and without sufficient financing it would be unlikely for the Company to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue in existence. These conditions raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments that might arise from this uncertainty.

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	SEPTEMBER 30, 2015	DECEMBER 31, 2014
Due from customers	$ 41,724	$ 93,643
Less allowance for bad debts	(11,250)	(11,250)
Total accounts receivable, net	$ 30,474	$ 82,393

NOTE 5 - PREPAID EXPENSES AND DEPOSITS

On January 23, 2013, the Company entered into a public relations consulting agreement for a term of two years. The Company renewed the agreements in both 2014 and 2015, and as of September 30, 2015, authorized the issuance of 250,000 shares for the annual agreement period at a fair value of $132,500. As a result, $93,854 was recorded to consulting expense related to the service for the nine months ended September 30, 2015. The remaining prepaid balance at September 30, 2015 totaled $38,646.

NOTE 6 - FIXED ASSETS

Fixed assets consisted of the following at:

	SEPTEMBER 30, 2015	DECEMBER 31, 2014
Office furniture & equipment	$ 30,540	$ 32,895
Less: accumulated depreciation	(12,313)	(10,750)
Total fixed assets, net	$ 18,227	$ 22,145

NOTE 7 - INTANGIBLE ASSETS

Intangible Assets consisted of the following at:

	September 30, 2015 Gross	Accumulated Amortization	September 30, 2015 Net
Capitalized software costs	$ 2,479,339	$ (923,306)	$ 1,556,033
License agreements	690,000	-	690,000
Trademarks	920,000	-	920,000
Domain names	85,000	(19,895)	65,105
Total intellectual property, net	$ 4,174,339	$ (943,201)	$ 3,231,138

	December 31, 2014 Gross	Accumulated Amortization	December 31, 2014 Net
Capitalized software costs	$ 2,182,640	$ (582,017)	$ 1,600,623
License agreements	69,808	(69,808)	-
Trademarks	-	-	-
Domain names	85,000	(11,887)	73,113
Total intellectual property, net	$ 2,337,448	$ (663,712)	$ 1,673,736

NOTE 7 - INTANGIBLE ASSETS, CONTINUED

On May 26, 2015, the Company entered into a loyalty agreement with Help Worldwide, Inc. ("HWW"). The loyalty agreement provides that, upon the terms and subject to the conditions set forth therein, the Company will join the HWW network and become a licensed Loyalty Program Operator ("LPO") to enable the delivery of a Yowza!! Points program for consumers and merchants in the Yowza!! program. Additionally, HWW will build a Yowza!! branded Rewards Mall for the redemption of Yowza!! Points. Consideration payable to HWW for the LPO was 3,000,000 unregistered shares of the Company's common stock (the "Common Stock"), which was issued directly to HWW. Pursuant to the Agreement, the Company and HWW will bundle their respective products to create a bundled package that will combine and co-brand the features of both parties' products (the "Bundled Package"). HWW will promote the Bundled Package including the co-branded mobile application to 30 million consumers. The consideration paid to HWW for the Bundled Package ("Trademark") is 4,000,000 unregistered shares of the Company's Common Stock which was issued directly to HWW. The aggregate consideration paid to HWW for the Agreement was 7,000,000 (the "Closing Share Consideration") shares of unregistered Common Stock.

On May 26, 2015, the Company entered into a loyalty agreement with HWW as described in Note 7 in exchange for the trademark valued at $920,000 in exchange for 4,000,000 shares of Common Stock.

NOTE 8 - RESIDUAL CONTRACTS

On December 31, 2012, the Company acquired the residual income stream of Parallel Solutions Inc. ("PSI"). This revenue was perpetual, provided that the vendor's contract with PSI was not terminated. The calculations for the value associated with anticipated new income resulting from the acquired PSI residual contracts was determined based on PSI's residual revenue stream for the period from November of 2011 to October 2012 of $535,722 and historical PSI's termination rates of nil. The Company used the lowest industry standard multiple of (1.1) to determine the fair value of the contractual revenue stream as of the date of acquisition which was estimated to be $589,294.

On June 4, 2015, the Company entered into an agreement to sell the PSI residual income stream for a purchase price of $753,740. As a result of this transaction, $373,124 was recorded as a gain on sale of assets for the nine months ended September 30, 2015. As of September 30, 2015, the Company has received $678,366 of the purchase price and the balance of $75,374 is recorded to short-term receivables.

	SEPTEMBER 30, 2015	DECEMBER 31, 2014
Residual contracts	$ --	$ 589,294
Less: accumulated amortization	--	(147,324)
Total residual contracts, net	$ --	$ 441,970

NOTE 9 - GOODWILL

	SEPTEMBER 30, 2015	DECEMBER 31, 2014
Goodwill	$ 5,976,198	$ 5,976,198
Less: accumulated impairment loss	(669,993)	(669,993)
Total goodwill, net	$ 5,306,205	$ 5,306,205

NOTE 9 - GOODWILL, CONTINUED

In connection with the acquisition on March 20, 2013, the Company assumed certain liabilities and acquired substantially all of the assets of MeNetwork. The Company recorded goodwill related to this acquisition of $2,679,970. During its annual evaluation of goodwill, the Company determined that the carrying amount of goodwill related to MeNetwork, exceeded its fair value. As a result, the Company recorded an impairment loss, to other expense, of $669,993 during the year ended December 31, 2014. This charge reflects the impact of partially sun-setting assets acquired from MeNetwork in conjunction with the Company's integration of Yowza!!

In connection with the acquisition (as further described in Note 14) on January 3, 2014, the Company assumed certain liabilities and acquired substantially all of the assets of Yowza!!. The Company recorded goodwill related to this acquisition of $3,296,228. During its annual evaluation of goodwill, the Company determined that the fair value of goodwill exceeded its carrying amount and as a result no impairment charge was recorded.

NOTE 10 - NOTES PAYABLE - RELATED PARTY

On December 15, 2011, the Company issued a Promissory Note ("Note") to a director of the Company formalizing various advances previously received from the director in the amount of $51,300 and allowing for future advances of up to $250,000. The note is non-interest bearing, unsecured and matured on December 15, 2014. The Company imputed interest at a rate of 2% per annum and recorded a discount in the amount of $10,640. In connection with one of the previous advances in the amount of $25,000, the Company issued warrants to purchase up to 250,000 shares of the Company's common stock at a price per share of $1.00 resulting in an additional discount of $17,709. The total discount attributable to the Note totaled $28,349 and is being amortized to interest expense over the term of the note. During the three and nine months ended September 30, 2015, the Company has not made any payments on the Note. As of September 30, 2015, this Note has not been repaid in accordance with the terms of the note and the Company is process of negotiating new terms on the unpaid balance.

On June 30, 2014, the Company recorded a $100,000 note payable to a director of the Company. The note is non-interest bearing and unsecured. The Company imputed interest at a rate of 2% per annum and recorded a discount in the amount of $110.

During the three and nine months ended September 30, 2015, interest expense of $0 and $54, related to amortization of the discount and interest on the unpaid notes was recorded, respectively.

NOTE 11 - STOCKHOLDERS' EQUITY

During the three months ended September 30, 2015, the Company issued 1,000,000 shares of its common stock as payment for previously accrued legal fees. The estimated fair value of these shares totaled $250,000 which was recorded as a reduction to accounts payable.

During the three months ended September 30, 2015, the Company authorized the issuance of 6,666 shares of common stock valued at $12,265 to an employee as compensation for services. The Company also issued 350,000 shares of its common stock to one of its directors as compensation for a one-year consulting agreement. 50,000 shares were issued to other consultants and advisors in regard to services provided.

NOTE 12 - WARRANTS AND OPTIONS

On November 14, 2011, the Company issued warrants to purchase shares of the Company's common stock to a related-party in conjunction with a promissory note. The warrant holder was granted the right to purchase 250,000 shares of common stock of the Company for an aggregate purchase price of $250,000 or $1.00 per share. The aggregate fair value of the warrants totaled $387,500 based on the Black Scholes Merton pricing model using the following estimates: 2.75% risk free rate, 65% volatility and expected life of the warrants of 10 years.

NOTE 12 - WARRANTS AND OPTIONS, CONTINUED

On October 29, 2012, our stockholders approved the 2012 Stock Incentive Plan (the "Plan") that governs equity awards to our management, employees, directors and consultants. On November 7, 2013, our stockholders approved an amendment to the Plan which increased the total authorized amount of common stock issuable under the Plan from 3,000,000 to 6,000,000 shares.

On March 11, 2015, the Board of Directors approved a private placement offering (the "Offering") comprised of a unit (the "Unit"). Each Unit consists of one share of the Company's common stock and one three-year warrant to purchase one share of the Company's common stock. During the nine months ended September 30, 2015, the Company sold 350,000 units under this offering.

The following is a summary of the status of all of the Company's stock warrants and options as of September 30, 2015:

	Number of Warrants and Options	*Weighted-Average Exercise Price*	*Weighted Average Remaining Contractual Life (in years)*
Outstanding at December 31, 2013	2,976,000		
Granted	2,392,500	-	
Exercised	-	-	
Forfeited/Cancelled	(1,657,666)	-	
Outstanding at December 31, 2014	3,710,834	$ 0.534	7.09
Exercisable at December 31, 2014	2,368,334	$ 0.553	6.33
Outstanding at December 31, 2014	3,710,834		
Granted	441,250	-	
Exercised	-	-	
Forfeited/Cancelled	(816,667)	-	
Outstanding at September 30, 2015	3,335,417	$ 0.537	7.03
Exercisable at September 30, 2015	2,550,834	$ 0.549	6.79

NOTE 13 - BUSINESS ACQUISITIONS

Yowza!! Transaction

The Company completed the Yowza!! Transaction on January 3, 2014. This transaction was accounted for as a business combination. As such, the Company has allocated the purchase price in accordance with ASC Topic 850-30 as previously described in the Company's significant accounting policies. Consideration was determined as follows:

	Fair Value of Consideration Transferred
Cash paid to Yowza!!, net of cash acquired	$ 500,000
Fair value of Company's shares issued	3,004,860
Cash paid to extinguish debt, net of cash acquired	(13,632)
	$ 3,491,228

NOTE 13 - BUSINESS ACQUISITIONS, CONTINUED

The fair value of our shares issued in connection with the Yowza!! Transaction was determined to be $1.83, which was the fair value of the shares on the closing date of the acquisition.

The Company's allocation of the purchase price is as follows:

Net assets acquired:		
Cash	$	1,368
Accounts receivable		2,928
Software development costs		200,000
Trademarks		10,000
Net liabilities assumed:		
Accounts payable		(15,000)
Goodwill		3,291,932
Total purchase price	$	3,491,228

Catalyst Business Development, Inc. Transaction

We entered into an asset purchase agreement on September 14, 2015 to purchase certain assets from Catalyst Business Development, Inc. ("CBD") and Antone Biondo. Consideration for the assets is expected to be 300,000 shares of the Company's restricted common stock. The transaction is expected to close in the 4th quarter of 2015.

NOTE 14 - SUBSEQUENT EVENTS

The Company's management has reviewed all material events through the date of this report in accordance with ASC 855-10 ("Subsequent Events"). In November, 2015, 300,000 shares of the Company's restricted common stock were issued in consideration for the assets of Catalyst Business Development, Inc. The Company believes there are no other material subsequent events to report.

Special Note of Caution Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q (the "*Quarterly Report")* contains forward-looking statements about Spindle Inc.'s (*"SPDL*," "*we*," "*us*," or the "*Company*") business, financial condition and prospects that reflect management's assumptions and beliefs based on information currently available. We can give no assurance that the expectations indicated by such forward-looking statements will be realized. If any of our management's assumptions should prove incorrect, or if any of the risks and uncertainties underlying such expectations should materialize, Spindle's actual results may differ materially from those indicated by the forward-looking statements. You should not place undue reliance on these forward-looking statements

The key factors that are not within our control and that may have a direct bearing on operating results include, but are not limited to, whether our services are accepted in the marketplace, our ability to expand our customer base, managements' ability to raise capital in the future, the retention of key employees and changes in the regulation of our industry.

There may be other risks and circumstances that management may be unable to predict. When used in this Quarterly Report, words such as, "*believes," "expects," "intends," "plans," "anticipates," "estimates"* and similar expressions are intended to identify forward-looking statements, although there may be certain forward-looking statements not accompanied by such expressions.

Forward-looking statements express expectations of future events. All forward-looking statements are inherently uncertain as they are based on various expectations and assumptions concerning future events and they are subject to numerous known and unknown risks and uncertainties that could cause actual events or results to differ materially from those projected. Due to these inherent uncertainties, the investment community is urged not to place undue reliance on forward-looking statements. In addition, we undertake no obligations to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to projections over time.

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

Forward-Looking Statements

This Quarterly Report on Form 10-Q (the "*Quarterly Report")* contains forward-looking statements about Spindle Inc.'s (*"SPDL*," "*we*," "*us*," or the "*Company*") business, financial condition and prospects that reflect management's assumptions and beliefs based on information currently available. We can give no assurance that the expectations indicated by such forward-looking statements will be realized. If any of our management's assumptions should prove incorrect, or if any of the risks and uncertainties underlying such expectations should materialize, Spindle's actual results may differ materially from those indicated by the forward-looking statements. You should not place undue reliance on these forward-looking statements

The key factors that are not within our control and that may have a direct bearing on operating results include, but are not limited to, whether our services are accepted in the marketplace, our ability to expand our customer base, managements' ability to raise capital in the future, the retention of key employees and changes in the regulation of our industry.

There may be other risks and circumstances that management may be unable to predict. When used in this Quarterly Report, words such as, *"believes," "expects," "intends," "plans," "anticipates," "estimates"* and similar expressions are intended to identify forward-looking statements, although there may be certain forward-looking statements not accompanied by such expressions.

The forward-looking statements are made as of the date of this report. We undertake no obligation to publicly update or revise any forward-looking statements included in this Quarterly Report.

Overview

We were originally incorporated in the State of Nevada on January 8, 2007 as "Coyote Hills Golf, Inc." We were previously an online retailer of golf-related apparel, equipment and supplies, however, we generated minimal revenues from that line of business. With our acquisition of Spindle Mobile, Inc. in December 2011, we became a commerce-centric company with three primary customers: 1) individual consumers (buyers); 2) individual businesses (merchants or sellers); 3) third party resellers, such as advertising and content media companies, and merchant services providers and other resellers. We generate revenue under the Spindle product line through our patented cloud-based payment processes. We believe that our secure payments process as well as coupons, offers and loyalty programs and open consumer feedback about the products consumers purchase from the merchants we serve creates trust between consumers and merchants. We provide the platform for the secure movement of funds between these parties as well as provide to brands, merchants, and institutions the conversion tools necessary to deliver a seamless frictionless finance system.

We grow our business through acquisitions and we expect to continue to expand in this manner.

On December 31, 2012 (the "PSI Acquisition Closing Date"), pursuant to that certain Asset Purchase Agreement (the "PSI Agreement") by and between us and Parallel Solutions Inc., a Nevada corporation ("PSI"), we acquired substantially all of the assets used in connection with Parallel's business of facilitating electronic payment processing services to merchants (the "PSI Assets"), assumed certain specified liabilities. On June 4, 2015 the Company entered into an agreement to sell the PSI residual income stream for a purchase price of $753,740.

On January 3, 2014 (the "Yowza Closing Date"), the Company acquired substantially all of the assets of Yowza International Inc. (renamed Y Dissolution, Inc.) ("Yowza!!) used in connection with its business of providing retail coupons through a mobile application (the "Yowza Assets"), and assumed certain liabilities of Yowza!! in an amount equal to $15,000 for consideration equal to (1) $500,000 in cash paid to Yowza!! and certain creditors and holders of outstanding promissory notes issued by Yowza!! and (2) an aggregate of 1,642,000 unregistered shares of our common stock (the "Aggregate Share Consideration"), issuable to the holders of Yowza!!'s outstanding capital stock. Ten percent of the Aggregate Share Consideration was issued to certain executive management members and advisors of Yowza!! in accordance with consulting or employment agreements and subject to certain vesting provisions.

In addition, an aggregate of 197,052 shares of common stock (the "Indemnification Escrow"), representing approximately 12% of the Aggregate Share Consideration, was deposited in escrow for a period of one year from the Yowza Closing Date for the purpose of satisfying Yowza!!'s indemnification obligations under the Asset Purchase Agreement, and for any necessary accounts receivable adjustment after the Yowza Closing Date. The Yowza!! Indemnification Escrow was released on January 12, 2015 and the escrow has been terminated.

Because our operating expenses exceed our revenues, we have relied primarily on sales of our securities and loans from related parties to fund our operations. We will continue to require substantial funds to support our operations and carry out our business plan. Our working capital requirements and the cash flow provided by future operating activities, if any, will vary greatly from quarter to quarter, depending on the volume of business during the period and payment terms with our channel partners. We may not be successful in raising additional funds as needed or if successful we may not be able to raise funds on terms that are favorable to us. We cannot guarantee that we will ever be profitable. As a result, our independent registered accounting firm has expressed doubt about our ability to continue as a going concern.

Our potential revenue streams are relatively new and have only recently begun to contribute materially to our operations. As a result, we are unable to forecast future revenue. Our management is hopeful that as our base of operations continues to grow, we will see a corresponding increase in licensing and transactional revenue.

Results of Operations

Revenues and Cost of Sales

Revenues from ongoing operations are expected to be derived from our patented conversion and networked payment processes under the Spindle product line and licensing of our intellectual property. During the three and nine months ended September 30, 2015, the Company generated $133,591 and $426,872 in revenues, respectively, from its payment and transactional platform. The cost of sales, which are comprised of equipment cost of goods sold, web hosting fees, merchant and interchange fees, and commissions paid to the independent sales agents, for the three and nine months ended September 30, 2015 were $51,593 and $145,516, respectively. This compares to revenues during the three and nine months ended September 30, 2014 of $200,478 and $676,351, respectively, and cost of sales of $50,677 and $243,683, respectively. Gross profit during the three and nine months ended September 30, 2015 was $81,998 and $281,356, respectively. Gross profit during the three and nine months ended September 30, 2014, was $149,801 and $432,668, respectively.

The period-over-period decrease in revenues and gross profit is mainly due to management's decision to focus the majority of resources over the past year on platform integration and the Yowza!! application development at the expense of short-term revenue generation. The sale of the PSI residual asset also contributed the decline in revenue. The PSI residual asset revenue was $213 and $170,378 for the three and nine months ended September 30, 2015, respectively, compared to $154,226 and $561,527 for the three and nine months ended September 30, 2014, respectively.

The decision to embed new and innovative features in the Company's software platform, along with the increased complexities of integrating the Yowza!! platforms, delayed the Company's sales efforts. Management also reviewed the profitability of all of the Company's customer relationships, which resulted in the strategic cancellation of contracts that did not generate positive cash flow to the Company. Management believes that the full technology platform development has now reached the stage where the Company can begin to aggressively sell its solutions to the market. Management expects to see increases in licensing and transactional revenue in future quarters by bringing the full platform to market more quickly than would have otherwise been possible, and in a much more methodical and strategic manner.

EBITDA

We define Adjusted EBITDA as consolidated operating income before depreciation, amortization of intangible assets, stock-based compensation, and special charges. We use Adjusted EBITDA to evaluate the underlying performance of our business, and a summary of Adjusted EBITDA, reconciling U.S. GAAP amounts (i.e., items reported in accordance with U.S. GAAP) to Adjusted EBITDA amounts (i.e., items included within Adjusted EBITDA as defined directly above) for the fiscal quarters ended September 30, 2015 and 2014 follows:

	For the Three Months Ended September 30,									
	2015			2014			GAAP Change		Adjusted EBITDA Change	
	GAAP	Adjustments	Adjusted EBITDA	GAAP	Adjustments	Adjusted EBITDA	$	%	$	%
Revenue										
Sales income	$ 133,591		$ 133,591	$ 200,478		$ 200,478	$(66,887)	-33%	$(66,887)	-33%
Cost of sales	51,593		51,593	50,677		50,677	916	2%	916	2%
Gross profit	81,998		81,998	149,801		149,801	(67,803)	-45%	(67,803)	-45%
Expenses										
Depreciation and amortization	125,470	(125,470)	-	152,809	(152,809)	-	(27,339)	-18%	-	0%
Promotional and marketing	5,493	-	5,493	21,425		21,425	(15,933)	-74%	(15,933)	-74%
Consulting	114,000	(51,625)	62,375	353,397	(319,750)	33,647	(239,397)	-68%	28,728	85%
Salaries and wages (including equity compensation)	246,683	(29,612)	217,071	569,900	(196,095)	373,805	(323,217)	-57%	(156,734)	-42%
Directors fees	41,100	(41,100)	-	44,839	(44,839)	-	(3,739)	-8%	-	0%
Professional fees	46,583	-	46,583	79,641	-	79,641	(33,058)	-42%	(33,058)	-42%
General and administrative	50,189		50,189	63,193		63,193	(13,003)	-21%	(13,003)	-21%
Total operating expenses	629,518	(247,807)	381,711	1,285,204	(713,493)	571,711	(655,686)	-51%	(190,000)	-33%
Net Operating Loss / Adjusted EBITDA	**$(547,520)**	**$ 247,807**	**$ (299,713)**	**$(1,135,403)**	**$ 713,493**	**$(421,910)**	**$ 587,883**	-52%	**$ 122,197**	**29%**

	For the Nine Months Ended September 30,									
	2015			2014			GAAP Change		Adjusted EBITDA Change	
	GAAP	Adjustments	Adjusted EBITDA	GAAP	Adjustments	Adjusted EBITDA	$	%	$	%
Revenue										
Sales income	$ 426,872		$ 426,872	$ 676,351		$ 676,351	$(249,479)	-37%	$(249,479)	-37%
Cost of sales	145,516		145,516	243,683		243,683	(98,167)	-40%	(98,167)	-40%
Gross profit	281,356		281,356	432,668		432,668	(151,312)	-35%	(151,312)	-35%
Expenses										
Depreciation and amortization	415,082	(415,082)	-	437,324	(437,324)	-	(22,242)	-5%	-	0%
Promotional and marketing	30,949	-	30,949	90,879		90,879	(59,930)	-66%	(59,930)	-66%
Consulting	274,580	(173,396)	101,184	1,593,784	(1,436,625)	157,159	(1,319,204)	-83%	(55,975)	-36%
Salaries and wages (including equity compensation)	1,387,235	(646,294)	740,941	2,303,200	(1,034,529)	1,268,671	(915,965)	-40%	(527,730)	-42%
Directors fees	123,600	(123,600)	-	129,839	(129,839)	-	(6,239)	-5%	-	0%
Professional fees	288,480	(11,000)	277,480	851,385	(581,324)	270,061	(562,905)	-66%	7,419	3%
General and administrative	169,562		169,562	488,278	(8,000)	480,278	(318,716)	-65%	(310,716)	-65%
Total operating expenses	2,689,488	(1,369,372)	1,320,116	5,894,689	(3,627,641)	2,267,048	(3,205,201)	-54%	(946,932)	-42%
Net Operating Loss / Adjusted EBITDA	**$(2,408,132)**	**$ 1,369,372**	**$(1,038,760)**	**$(5,462,021)**	**$ 3,627,641**	**$(1,834,380)**	**$ 3,053,889**	-56%	**$ 795,620**	**43%**

- represents a value greater than 100% change

We have presented Adjusted EBITDA above because we believe it conveys useful information to investors regarding our operating results. We believe it provides an additional way for investors to view our operations, when considered with both our U.S. GAAP results and the reconciliation to net income (loss). By including this information, we can provide investors with a more complete understanding of our business. Specifically, we present Adjusted EBITDA as supplemental disclosure because of the following:

- We believe Adjusted EBITDA is a useful tool for investors to assess the operating performance of our business without the effect of interest, income taxes, and other non-operating expenses as well as depreciation and amortization which are non-cash expenses;
- We believe that it is useful to provide investors with a standard operating metric used by management to evaluate our operating performance; and
- We believe that the use of Adjusted EBITDA is helpful to compare our results to other companies.

Even though we believe Adjusted EBITDA is useful for investors, it does have limitations as an analytical tool. Thus, we strongly urge investors not to consider this metric in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. Some of these limitations are:

- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect cash requirements for such replacements;
- Adjusted EBITDA does not reflect income or other taxes or the cash requirements to make any tax payments; and
- Other companies, including companies in our industry, may calculate Adjusted EBITDA differently, thereby potentially limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should not be considered a measure of discretionary cash available to us to invest in the growth of our business or as a measure of performance in compliance with U.S. GAAP. We compensate for these limitations by relying primarily on our U.S. GAAP results and providing Adjusted EBITDA only as supplemental information.

Operating Expenses

In the course of our operations, we incur operating expenses composed largely of general and administrative costs and professional fees. General and administrative expenses are essentially the cost of doing business, and encompass, without limitation, the following: research and development; licenses; taxes; general office expenses, such as postage, supplies and printing; rent; utilities; bank charges; and other miscellaneous expenditures not otherwise classified. Accounting fees include: auditing by our independent registered public accountants, bookkeeping, tax preparation fees for filing Federal and State income tax returns and other accounting-specific consulting services. Professional fees include: transfer agent fees for printing stock certificates; consulting costs for marketing and advertising; general business development; legal fees; and costs related to the preparation and submission of reports and information or proxy statements with the SEC.

For the three and nine months ended September 30, 2015, we incurred operating expenses in the amount of $629,518 and $2,689,488, respectively, as compared to $1,285,204 and $5,894,689 for the three and nine months ended September 30, 2014, respectively. The main differences in the periods are related to lower consulting fees, professional fees and salaries and wages in 2015 than in 2014. Much of the higher costs in 2014 were related to the Yowza!! acquisition. We have also implemented several cost-savings programs, including reduced payroll, and we remain focused on controlling expenses, while we continue to develop and grow revenues and Yowza!! We expect operating expenses to increase at a rate directly proportional to our growth.

Interest Income and Other Expense

During the three and nine months ended September 30, 2015, we recognized interest expense of $143 and $1,113, respectively. This compares to $338 and $1,606 in interest expense for the three and nine months ended September 30, 2014, respectively.

During the three and nine months ended September 30, 2015, we recorded $38,522 as other expense, which is related to the write-off of a vendor license that will not be used, and amounts from customers that are determined non-recoverable.

Net Losses

We have experienced net losses in all periods since our inception. Our net loss for the three and nine months ended September 30, 2015 was $586,215 and $2,074,643, respectively. Net losses are attributable to the Company's acquisition and development of Yowza!!, ongoing Payment Card Services (PCI) certifications and maintenance, extensive internal software development, and deployment of the Company's initial suite of payment products. During the three and nine months ended September 30, 2014, we incurred a net loss of $1,135,741 and $5,463,627, respectively.

We anticipate incurring ongoing operating losses and cannot predict when, if at all, we may expect these losses to plateau or narrow.

Liquidity and Capital Resources

As of September 30, 2015, we had $171,446 of cash on hand, which is exclusive of $1,500 of restricted cash. Our management believes this amount is not sufficient to maintain our operations for at least the next 12 months. We are actively pursuing opportunities to raise additional capital through sales of our equity and/or debt securities for cash. We cannot assure you that any financing can be obtained or, if obtained, that it will be on reasonable terms. As such, our principal accountants have expressed doubt about our ability to continue as a going concern because we have limited operations and have not fully commenced planned principal operations.

Cash used in operating activities during the nine months ended September 30, 2015 was $1,090,372 compared to $1,635,781 of cash used in operations during the comparable period ended September 30, 2014. The decrease in the use of cash for operating activities is primarily the result of the Company's management of its cash spend during the continued development of the Yowza!! integration and non-cash expenses recognized in net loss, such as stock based compensation. We also realized a gain on the strategic sale of the PSI residual asset of $373,124 in the second quarter of the year. We expect our use of cash to increase at a rate in direct proportion to our growth.

During the nine months ended September 30, 2015, net cash provided by investing activities totaled $457,011, of which $753,710 was realized in a sale of the PSI residual asset, offset by $296,699 of labor costs related to continuing software development. During the comparable nine-month period ended September 30, 2014, net cash used by investing activities totaled $871,497, of which $501,367 was utilized in the acquisition of Yowza!! and $370,130 was attributable to labor costs related to software development.

During the nine months ended September 30, 2015, net cash provided by financing activities totaled $635,000 comprised of $175,000 which was received from investors purchasing shares of our common stock and $460,000 in advances received from related parties. In comparison, during the nine months ended September 30, 2014, financing activities provided $1,940,000, comprised of $1,895,000 which was received from investors purchasing shares of our common stock, $100,000 which was classified as a note payable from a related party, offset by $55,000 in debt repayment to related parties.

This report discusses our financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of the financial statements requires us 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. On an on-going basis, we evaluate our estimates and judgments, including those related to revenue recognition, recoverability of intangible assets, and contingencies and litigation. We base our estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The most significant accounting estimates inherent in the preparation of our consolidated financial statements include estimates as to the appropriate carrying value of certain assets and liabilities which are not readily apparent from other sources, primarily the valuation of intangible assets. The methods, estimates and judgments we use in applying these most critical accounting policies have a significant impact on the results we report in our consolidated financial statements.

Critical Accounting Policies

Certain accounting policies and estimates are particularly important to the understanding of our financial position and results of operations and require the application of significant judgment by our management or can be materially affected by changes from period to period in economic factors or conditions that are outside of our control. As a result, they are subject to an inherent degree of uncertainty. In applying these policies, our management uses their judgment to determine the appropriate assumptions to be used in the determination of certain estimates. Those estimates are based on our historical operations, our future business plans and projected financial results, the terms of existing contracts, our observance of trends in the industry, information provided by our customers and information available from other outside sources, as appropriate. Please see Note 2 to our financial statements for a more complete description of our significant accounting policies.

Intangible assets and software development costs

Management regularly reviews property, equipment, intangibles and other long-lived assets for possible impairment. This review occurs annually, or more frequently if events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. If there is indication of impairment, then management prepares an estimate of future cash flows expected to result from the use of the asset and its eventual disposition. If these cash flows are less than the carrying amount of the asset, an impairment loss is recognized to write down the asset to its estimated fair value. Management believes that the accounting estimate related to impairment of the Company's property and equipment, is a "critical accounting estimate" because: (1) it is highly susceptible to change from period to period because it requires management to estimate fair value, which is based on assumptions about cash flows and discount rates; and (2) the impact that recognizing an impairment would have on the assets reported on our balance sheet, as well as net income, could be material. Management's assumptions about cash flows and discount rates require significant judgment because actual revenues and expenses have fluctuated in the past and are expected to continue to do so.

The Company reviews the carrying value of intangible assets for impairment whenever events and circumstances indicate that the carrying value may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to the amount by which the carrying value exceeds the fair value. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition and other economic factors.

Revenue recognition

The Company recognizes revenue when all of the following conditions are satisfied: (1) there is persuasive evidence of an arrangement; (2) the service has been provided to the customer; (3) the amount of fees to be paid by the customer is fixed or determinable; and (4) the collection of our fees is probable.

Sales related to long-term contracts for services (such as engineering, product development and testing) extending over several years are accounted for under the percentage-of-completion method of accounting. Sales under these contracts are recorded based on the ratio of actual costs incurred to total estimated costs expected to be incurred related to the contract under the cost-to-cost method utilizing budgeted milestones or tasks as designated per each contract. Anticipated losses on contracts are recognized in full in the period in which losses become probable and estimable.

For all other sales of products or services the Company recognizes revenues based on the terms of the customer agreement. The customer agreement takes the form of either a contract or a customer purchase order and each provides information with respect to the product or service being sold and the sales price. If the customer agreement does not have specific delivery or customer acceptance terms, revenue is recognized at the time of shipment of the product to the customer.

Stock-Based Compensation

The Company records stock based compensation in accordance with the guidance in ASC Topic 718 which requires the Company to recognize expense related to the fair value of its employee stock option awards. This eliminates accounting for share-based compensation transactions using the intrinsic value and requires instead that such transactions be accounted for using a fair-value-based method. The Company recognizes the cost of all share-based awards on a graded vesting basis over the vesting period of the award.

Reclassifications

Certain reclassifications have been made to the prior years' financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or retained earnings.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of September 30, 2015

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISKS.

This item is not applicable as we are a smaller reporting company.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in company reports filed or submitted under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported, within the periods specified in the SEC's rules and forms. Disclosure controls and procedures include without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

We conducted an evaluation, with the participation of our Chief Executive Officer (principal executive officer) and Interim Chief Financial Officer (interim principal financial officer), of the effectiveness of our disclosure controls and procedures as of September 30, 2015. Due to the Company's limited resources and number of employees, there is limited segregation of duties which leads to the irregular review of various reconciliation and control procedures. Based on that evaluation, our Chief Executive Officer and Interim Chief Financial Officer concluded that as of September 30, 2015, our disclosure controls and procedures were ineffective as a result of limited resources and personnel resulting in a lack of segregation of duties.

In order to address these concerns, the Company has taken remediation steps including hiring a new Chief Financial Officer and additional staff.

Changes in internal controls over financial reporting

There have been no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15 (f) under the Exchange Act) during the quarter ended September 30, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

None.

ITEM 1A. RISK FACTORS.

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2014, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may eventually prove to materially adversely affect our business, financial condition and/or operating results.

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

During the three months ended September 30, 2015, the Company authorized the issuance of:

- 1,000,000 shares of its common stock valued at $250,000 to a vendor as payment of fees;

- 6,666 shares of common stock valued at $12,267 to an employee as compensation for services.

- 350,000 shares of common stock valued at $59,500 to a member of our Board of Directors in relation to a one-year consulting agreement. As of September 30, 2015, these shares were unissued.

- 50,000 shares of its common stock valued at $9,600 to consultants and advisors. As of September 30, 2015, these shares were unissued.

The Company relied on Section 4(a)(2) of the Securities Act of 1933 for issuing the above securities, inasmuch as the offers and sales were made solely to accredited investors and there was no form of general solicitation or general advertising relating to the offer.

We have never declared cash dividends, nor do we intend to declare cash dividends in the foreseeable future. We plan to retain our cash to finance the continuing development of the business. Future cash dividends, if any, will depend upon financial condition, results of operations, capital requirements, compliance with certain restrictive debt covenants, as well as other factors considered relevant by our Board of Directors.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

Exhibit No.	Description
2.1	Asset Purchase Agreements, dated December 2, 2011, by and by and between Coyote Hills Golf, Inc., a Nevada corporation, Spindle Mobile, Inc., Mitch Powers, Stephanie Erickson, and Kamiar Khatami [(2)]
3.1	Articles of Incorporation, as amended[(1)]
3.2	By-Laws[(1)]
31.1	Rule 13a-14(a) / 15d-14(a) Certifications of the Chief Executive Officer
31.2	Rule 13a-14(a) / 15d-14(a) Certifications of the Chief Financial Officer
32.1	Certification under Section 906 of the Sarbanes-Oxley Act (18 U.S.C. Section 1350)
101.INS	XBRL Instance*
101.SCH	XBRL Taxonomy Extension Schema*
101.CAL	XBRL Taxonomy Extension Calculation*
101.DEF	XBRL Taxonomy Extension Definition*
101.LAB	XBRL Taxonomy Extension Label*
101.PRE	XBRL Taxonomy Extension Presentation *

*Filed Herewith

+ Indicates a management contract or compensatory plan.

(1) Incorporated by reference to the registrant's Form 10 Registration Statement filed with the Securities and Exchange Commission on February 25, 2014.

(2) Incorporated by reference to the Current Report on Form 8-K filed by the registrant with the Securities and Exchange Commission on December 6, 2011.

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.

SPINDLE, INC.
(Registrant)

Signature	Title	Date
/s/ William Clark William Clark	Chief Executive Officer, Principal Executive Officer	November 16, 2015
/s/ John Devlin John Devlin	Interim Chief Financial Officer, Interim Principal Financial Officer	November 16, 2015

<u>Certification of Principal Executive Officer</u>
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
and Securities and Exchange Commission Release 34-46427

I, William Clark, certify that:

1. I have reviewed this report on Form 10-Q of Spindle, 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: November 16, 2015

<u>/s/ William Clark</u>
William Clark
Chief Executive Officer
(Principal Executive Officer)

<u>Certification of Principal Financial Officer</u>
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
and Securities and Exchange Commission Release 34-46427

I, John M. Devlin, certify that:

1. I have reviewed this report on Form 10-Q of Spindle, 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):

    c. 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

    d. 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: November 16, 2015

<u>/s/ John M. Devlin</u>
John M. Devlin
Interim Chief Financial Officer
(Interim Principal Financial Officer)

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

In connection with the report of Spindle, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, the undersigned, certify to the best of our knowledge, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ William Clark
William Clark
Chief Executive Officer

/s/ John M. Devlin
John M. Devlin
Interim Chief Financial Officer

November 16, 2015