

BioCorRx Inc. Major New Initiative and New Clinics to Drive Growth Higher

Rob Goldman
rob@goldmanresearch.com

December 17, 2014

BioCorRx Inc. (OTC:QB - BICX - \$0.0922)

Price Target: \$0.40

Rating: Speculative Buy

COMPANY SNAPSHOT

BioCorRx® Inc. is a healthcare solutions company on the leading edge of substance abuse addiction treatment. BioCorRx® developed the highly effective Start Fresh Program® which is sold to and used by addiction clinics across the U.S. The first component of the program consists of an outpatient implant procedure performed by a physician that delivers therapeutic levels of the drug Naltrexone, an opioid antagonist that significantly reduces physical cravings for alcohol and opioids, into the body. The second component is a one-on-one coaching program specifically tailored for the treatment of alcoholism and other substance abuse addictions.

KEY STATISTICS

Price as of 12/16/14	\$0.0922
52 Week High – Low	\$0.31 – \$0.07
Est. Shares Outstanding	145.4M
Market Capitalization	\$13.4M
3 Mo Avg Vol	98,000
Exchange	OTC:QB

COMPANY INFORMATION

BioCorRx Inc.

601 North Parkcenter Drive
Suite 103
Santa Ana, CA 92705
www.BioCorRx.com
Phone : 714.462.4880

IR Contact: SmallCapVoice.com, Inc.
512.267.2430

KEY TAKEAWAYS

Conclusion: The future launch of a new management company initiative with three of the leading and most successful healthcare marketing experts to the consumer industry is primed to serve as a major driver of growth in the next few years. This initiative should provide BICX with a unique position in its industry segment resulting in higher future margins and a substantially greater valuation. Plus, a major renewed clinical interest in alcohol addiction treatment should have a positive impact on the Company's stock. Therefore, we reiterate our Speculative Buy rating and note that as the complementary initiative's model begins to bear fruit, we could raise our \$0.40 price target higher.

New Initiative Overview

BICX has entered into an agreement with EROI, LLC which is comprised of a team of three healthcare management and marketing experts. The team consists of Ron Corvino, Joe Volpe, and John Ohanesian, the former CEO of Bosley, Inc. The team will assist BICX in acquiring, and subsequently managing and operating, a medical management company.

The medical management company will operate as a subsidiary of BioCorRx®, Inc. and oversee existing and future Start Fresh Clinics in certain regions across the U.S. Specific goals of the Start Fresh brand's national footprint include expansion management, clinic process streamlining, as well as the creation and implementation of effective marketing strategies.

A New Favorable Model

Once acquired or established, the medical management company will also create an additional revenue stream for BioCorRx®, Inc. through management fees. In fact, due to its structure, BICX will be able to generate greater revenue from other lines of business as well as higher sales per program sold via its planned, meaningful ownership stake in this entity. Moreover, this subsidiary could emerge as the largest revenue and profit driver for BioCorRx.

Leadership Is Key to Success

A quick overview of the entity's three management experts demonstrate tremendous success in experience in related fields which should translate into similar success for the future BioCorRx-owned management subsidiary.

John Ohanesian

Mr. Ohanesian has over two decades experience serving as Chief Executive Officer of multiple companies including Bosley, Inc., Cosmedica, LLC, and Aderans Research Institute, Inc. Mr. Ohanesian spent twenty years as President & CEO of Bosley, the world's largest and most experienced hair restoration expert, which has been widely considered the preeminent direct-to-consumer, advertising-driven, retail medicine organization. Mr. Ohanesian coordinated the sale of Bosley to Aderans Co., the world's largest wig manufacturer and distributor, along with the acquisition and merger of MHR, the second largest US-based hair restoration enterprise. Under Mr. Ohanesian's leadership, Bosley became a nationally recognized, household brand. The Company believes that Mr. Ohanesian's experience brings the leadership, financial, and operational skills required to drive the Start Fresh model.

Ron Corvino

Mr. Corvino is a seasoned media and marketing executive who has launched and led four direct marketing agencies. He is also considered an expert in understanding and evaluating health related lead generation companies. He was Co-Founder and President of Integrated Media Solutions, one of the nation's largest direct response media agencies whose clients included Bosley, Inc., Cancer Treatment Centers of America, Clear Choice Dental, and Laser Spine Institute. In 2011, Integrated Media Solutions was acquired by MDC Partners Inc. ([MDCA](#)). Prior to his experience with Integrated Media Solutions, Mr. Corvino was president and a founder of two specialized marketing companies with combined billings over \$650 million. In 1996 Mr. Corvino and his partners sold these two companies, Media Incorporated and Media Direct Partners, to Interpublic Group of Cos. ([IPG](#)). After the sale, Mr. Corvino joined Interpublic and co-founded Western Trading, which became the exclusive media-trading arm of Initiative Media, a global media agency. Over the course of his career, he has built and sold a total of four companies and has managed over one thousand employees in those combined companies. He has also worked closely with over 200 companies, many of which relied on him to restructure and streamline their operations.

Joseph Volpe

Mr. Volpe has twenty years of experience in the direct-to-consumer self-elective medical procedures marketplace and most recently served as Principal and COO of Integrated Media Solutions. Mr. Volpe has also been directly involved with the growth of four major businesses; Lexi International/AEGIS, 800 Direct/CYBEREP, GB Data Systems, Journal of Longevity and Integrated Media Solutions. The Company believes that Mr. Volpe's expertise in the areas of conversion strategy development and integration by media channel, data mining for new customer acquisition and retention, increasing conversion rates, increasing profitability, and company culture oversight will be highly beneficial to the Start Fresh Brand.



BioCorRx Inc. (OTCQB - BICX)

Key Terms of the Agreement

EROI, LLC has been providing services to the Company relating to locating and acquiring a medical management company since early December. EROI will assist the Company in presentations and promotional opportunities and in managing the operations of the medical management company, once acquired. As compensation for the services, the Company has agreed to issue a total of 9,000,000 shares of the Company's common stock. The shares will be issued in tranches, as the milestones designated in the Agreement are met. As certain milestones are met, the group will also receive an ownership interest, not to exceed 15%, in the medical management company. For services provided in managing the operations of the medical management company, the medical management company will pay \$30,000 per month.

At this stage, we project that a medical management company could be acquired or formed in 1Q15 with meaningful Start Fresh Program® revenue to occur mid-year 2015. Once a deal is executed we will produce a pro forma model reflecting both the current clinic model and the new subsidiary. These figures will likely represent much greater revenue growth than our current model, along with a faster path to overall profitability, even if ownership in the new entity requires future financial contributions to be reflected below the operating line. With the aid of this new venture, BioCorRx's Start Fresh Program is well-positioned to emerge as the go-to addiction treatment program of choice.

Core Business Hitting On All Cylinders

Separately, BICX's core business is performing well. In fact, as of early December 2014, 10 clinics now offer the Start Fresh Program® as compared with one for all of 2013. The new clinic is strategically located in Oklahoma City, is owned and operated by multiple, wholly-owned subsidiaries of Start Fresh Midwest Holdings, LLC, which consist of common majority owners of Fresh Start Private Midwest, LLC who purchased the territory in a transaction completed in June 2014. The group currently operates a Start Fresh clinic in Nebraska.

The population of Oklahoma is nearly 4 million people, with around 600,000 residing in Oklahoma City alone. The city is also within a short driving distance to many parts of Texas including Dallas, which boasts a population of approximately 1.2 million people. According to the Centers for Disease Control, Oklahoma ranks as one of the highest states for prescription drug overdose deaths in the nation. Therefore, bringing the Start Fresh Program to this new area should positively impact many families while creating a broader revenue stream for BioCorRx, Inc.

Clinical Territories and Reach Continue to Expand

To date, BioCorRx's unique program can be found in the following locations:

- Santa Ana, California
- Walnut Creek, California
- Fresno, California

BioCorRx Inc. (OTCQB - BICX)

- Scottsdale, Arizona
- Norwalk, Connecticut
- Las Vegas, Nevada

- Omaha, Nebraska
- Oklahoma City, OK
- Skokie, IL
- Atlanta, GA

Renewed Clinical Interest in Varied Alcohol Addiction Treatments

In our view, BioCorRx® could benefit from a renewed clinical desire to promote the use of varied treatments for alcohol addiction beyond the traditional 12 step programs. In fact, a just released article in *The Wall Street Journal* highlights and promotes the use of prescriptions such as Naltrexone as an adjunct to current treatment options. http://www.wsj.com/articles/a-prescription-to-end-drinking-1418687580?mod=WSJ_hp_EditorsPicks

Investors should note that the Company's Start Fresh Program® used by the clinics above already includes an outpatient surgical implantation of Naltrexone in combination with the Company's life coaching program in order to maximize results. Therefore, as more attention on the treatment of alcohol addiction to millions of Americans occurs, this pure-play's innovative approach should enjoy broader awareness and attention as well.

Recent Trading History For BICX

(Source: www.Stockta.com)





BioCorRx Inc. (OTCQB - BICX)

Senior Analyst: Robert Goldman

Rob Goldman founded Goldman Small Cap Research in 2009 and has over 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

Analyst Certification

I, Robert Goldman, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

Disclaimer

This *Opportunity Research* report was prepared for informational purposes only.

Goldman Small Cap Research, (a division of Two Triangle Consulting Group, LLC) produces research via two formats: *Goldman Select Research* and *Goldman Opportunity Research*. The *Select* format reflects the Firm's internally generated stock ideas along with economic and stock market outlooks. *Opportunity Research* reports, updates and Microcap Hot Topics articles reflect sponsored (paid) research but can also include non-sponsored micro cap research ideas that typically carry greater risks than those stocks covered in the *Select Research* category. It is important to note that while we may track performance separately, we utilize many of the same coverage criteria in determining coverage of all stocks in both research formats. Research reports on profiled stocks in the *Opportunity Research* format typically have a higher risk profile, and may offer greater upside. In July 2014, *Goldman Small Cap Research* was compensated by the Company in the amount of \$6400 for a research subscription service. All information contained in this report was provided by the Company via filings, press releases or its website, or through our own due diligence. Our analysts are responsible only to the public, and are paid in advance to eliminate pecuniary interests, retain editorial control, and ensure independence. Analysts are compensated on a per report basis and not on the basis of his/her recommendations.

Goldman Small Cap Research is not affiliated in any way with Goldman Sachs & Co.

The information used and statements of fact made have been obtained from sources considered reliable but we neither guarantee nor represent the completeness or accuracy. *Goldman Small Cap Research* did not make an independent investigation or inquiry as to the accuracy of any information provided by the Company, or other firms. *Goldman Small Cap Research* relied solely upon information provided by the Company through its filings, press releases, presentations, and through its own internal due diligence for accuracy and completeness. Such information and the opinions expressed are subject to change without notice. A *Goldman Small Cap Research* report or note is not intended as an offering, recommendation, or a solicitation of an offer to buy or sell the securities mentioned or discussed.

This report does not take into account the investment objectives, financial situation, or particular needs of any particular person. This report does not provide all information material to an investor's decision about whether



BioCorRx Inc. (OTCQB - BICX)

or not to make any investment. Any discussion of risks in this presentation is not a disclosure of all risks or a complete discussion of the risks mentioned. Neither *Goldman Small Cap Research*, nor its parent, is registered as a securities broker-dealer or an investment adviser with FINRA, the U.S. Securities and Exchange Commission or with any state securities regulatory authority.

ALL INFORMATION IN THIS REPORT IS PROVIDED "AS IS" WITHOUT WARRANTIES, EXPRESSED OR IMPLIED, OR REPRESENTATIONS OF ANY KIND. TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, *TWO TRIANGLE CONSULTING GROUP, LLC* WILL NOT BE LIABLE FOR THE QUALITY, ACCURACY, COMPLETENESS, RELIABILITY OR TIMELINESS OF THIS INFORMATION, OR FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT MAY ARISE OUT OF THE USE OF THIS INFORMATION BY YOU OR ANYONE ELSE (INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, LOSS OF OPPORTUNITIES, TRADING LOSSES, AND DAMAGES THAT MAY RESULT FROM ANY INACCURACY OR INCOMPLETENESS OF THIS INFORMATION). TO THE FULLEST EXTENT PERMITTED BY LAW, *TWO TRIANGLE CONSULTING GROUP, LLC* WILL NOT BE LIABLE TO YOU OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY, OR OTHER THEORY WITH RESPECT TO THIS PRESENTATION OF INFORMATION.

For more information, visit our Disclaimer: www.goldmanresearch.com