ANNUAL REPORT

For the fiscal year ended December 31, 2015

SIGNAL ADVANCE, INC.

Texas	**8731**	**376-0373052**
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Number)	(IRS Employer Identification Number)

2520 County Road 81
Rosharon, Texas 77583
(713) 510-7445

(Address and telephone number of principal executive offices)

As of December 31, 2015, the registrant had 10,655,077 shares of common stock are issued and outstanding.

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PART I

Item 1. Description of Business

FORWARD-LOOKING STATEMENTS: The following discussion should be read in conjunction with our financial statements, including the notes thereto, appearing elsewhere in this annual report. This report may contain forward-looking statements which relate to future events or our future financial performance. These statements often can be identified by the use of terms such as "may," "will," "expect," "believe," "anticipate," "estimate," "plan," "approximate" or "continue," or the negative thereof. We intend that such forward-looking statements be subject to the safe harbors for such statements. We wish to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Any forward-looking statements represent management's best judgment as to what may occur in the future. However, forward-looking statements are subject to risks, uncertainties and important factors beyond our control that could cause actual results and events to differ materially from historical results of operations and events and those presently anticipated or projected. We disclaim any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statement or to reflect the occurrence of anticipated or unanticipated events. Unless the context requires otherwise, the terms 'Company,' 'SAI,' 'SA,' 'we,' 'our,' and 'us' refer to Signal Advance Inc., a Texas corporation formed on June 4, 1992. Our audited financial statements are stated in United States Dollars and are prepared in accordance with U.S. Generally Accepted Accounting Principles.

OVERVIEW: Signal Advance, Inc. (SAI) is a technology development firm that has been developing its proprietary Signal Advance Technology (SAT) which may significantly reduce signal detection delays associated with a variety of physical sensors and thereby improve performance in control, intervention, and/or signal transmission systems. The Company has developed and tested SA circuit designs and discrete circuit prototypes for a range of signal characteristics

CHALLENGE: In interventional medical devices or non-medical responsive control and signal transmission systems, delays in detection, processing and response to various signals negatively affects overall performance. For certain types of biomedical signals (e.g. heart, brain) the greater the delay in responding to anomalous signals, the more difficult it is to successfully intervene in order to contain or limit a pathological process such as cardiac fibrillation or an epileptic seizure. The earlier the intervention is initiated, the greater the probability of success. In non-medical applications (e.g. industrial process, equipment, engine control, military), control response signal transmission delays impact performance effecting safety, product yield, fuel efficiency and waste/emissions. In military applications, signal detection and response delays affect reaction effectiveness.

SOLUTION: In most electronic circuits, signal output is delayed relative to the input as it traverses the circuitry. When a signal is applied to an SA circuit the output signal is advanced in time relative to the input using the advance portion of the waveform and not depending on the wave velocity form of the signal that are conventionally used, thus the term 'Signal Advance'. In other words, the output signal emerges before the complete detection of the input signal.

The temporal advance achieved using SAT can potentially offset signal detection and processing delays and, thereby, improve response time. Further, we believe that SAT could be implemented in conjunction with other approaches (e.g. faster electronics) to further reduce these response delays to further improve performance. SAT may also enable the development of novel signal transmission, and control or interventional approaches.

Prototype SAT circuit designs were used to temporally-advance the detection of analog test signals and bioelectric (cardiac) signals in a dissertation study completed by Dr. Hymel (SAI Founder/president) at the University of Texas Health Science Center in the Texas Medical Center, Houston Texas. The study results were later published in a peer-reviewed feature article which appeared in the IEEE Circuits and Systems magazine.

MARKET: SAI identified multiple classes of sensors with signal characteristics which may be suitable for the application of SAT, and thus, a variety of potential licensing targets. The markets/industries include biomedical (e.g. cardiac rhythm management, neurostimulation) and commercial, industrial, communications, transportation and military applications (e.g. process control, signal transmission, engine control, vehicular/flight control, accident avoidance, and weaponry).

In interventional medical devices, SAT could reduce response delays and improve performance. The improved performance translates directly to increased value, providing a significant opportunity for revenue generation. Examples of non-biomedical applications include transportation, in which SAT could improve accident avoidance, safety/security, engine performance and vehicular control, and thus improve fuel economy and save lives. In high performance aircraft engines, SAT might increase stability, reduce stall margins improve performance and fuel efficiency. Industrial examples include improved compressor performance and increased petrochemical yields. In military applications, SAT could enhance response effectiveness.

The addressable markets are estimated to be in the billions of dollars. As with any new or disruptive technology, recognition and acceptance will gain momentum over time.

INTELLECTUAL PROPERTY: The following table lists the patent applications and issued patents:

Patent Office	**Patent or Appl. No.**	**Status**
United States	8452544	Issued May 2013
China	ZL 200880015288.2	Issued Nov. 2012
Mexico	MX/A/2009/00921	Issued Apr. 2014
Europe	EP 08 75 4879.8	Under Examination
India	3465/KOLNP/2009	Not yet examined

Additional patent submissions related to specific applications, SA circuit configurations, and signal processing techniques to improve signal fidelity are being drafted.

COMPETITION: Indirect competition exists as in the form of ever faster electronics used to improve signal detection and processing performance. In addition, alternate control strategies, (e.g. predictive feedback and feed-forward) are often used to improve performance but also have significant drawbacks. Faster electronics alone will reduce, but never eliminate, circuit delays. For a number of applications, some of these techniques may be adequate. SAT, used in conjunction with all of these methods, could further improve performance.

REVENUE GENERATION: While the addressable markets are in the billions, it is expected that many licensees will require exclusivity which would limit SAI to a single license in a given application area. Therefore, SAI will target multiple application areas to generate revenue. Revenue is generated by: 1) licensing intellectual property to product manufacturers, 2) consulting with licensees on implementation of the technology in target applications, and 3) participating in joint ventures.

MARKETING STRATEGY: To gain exposure and acceptance of SAT, the Company will participate in trade shows, present in scientific and technical meetings and publish application-specific articles. SAI's marketing approach includes the following steps: 1) identify application targets, 2) develop application-specific SAI circuitry, 3) demonstrate performance improvement, 4) protect the intellectual property, 5) approach target manufacturer(s) and 6) secure licensing/consulting agreements.

Target application selection is based on: 1) intervention/control impact, 2) signal characteristics, 3) market size, 4) supplier market share, 5) competition, and 6) regulations.

The initial approach is to identify applications and protect IP; then consult with market-specific clients to develop SAT for their specific application and demonstrate improved product performance. Later strategy will shift development costs to the client.

PROGRESS: The Company has developed proprietary Signal Advance technology which operates on broadband analog signals (over a specified frequency range) with little signal distortion. Prototype SA circuits have been developed for various application-specific signals and a number of SA circuit designs have been tested using a range of analog test signals. The company is located near the Texas Medical Center in Houston and has broad contacts in a number of its research institutions.

SAI has initiated collaborations with private entities and research institutions to implement SA circuitry in microelectronics (integrated circuitry), develop/refine SAT for biomedical applications and test for improved performance resulting from the use of SAT. The company expects to assume the costs to develop/refine SAT and its microelectronic implementation, as well as intellectual property protection. Projects related to the use of SA technology in specific biomedical applications are likely to be funded through research grants or take the form of joint ventures. The Company has initiated a relationship with technologists experienced in developing electronics for the Neural Training system to potentially improve brain function, specifically, cognition and memory. The initial target population is the elderly suffering from mild cognitive impairment. To that end, we have initiated a relationship with the Gerontology Dept. at the University of Texas Medical Branch (UTMB) in Galveston, Texas. In addition, the Company has established a relationship with a technology development firm for circuit prototyping and implementation in instrumentation for use in the oil and gas industry segments of the energy market with the goal of applying Signal Advance technology to improve sensor/instrument performance.

VALIDATION/RECOGNITION:

Scientific: Prototype SA circuit design was tested using a range of simulated test signals as well as bioelectric (cardiac) signals. The results were reviewed and confirmed by University facility (including Ph.D. physicists and engineers). This study resulted in completion of a successful doctoral study, by the Company’s President, Dr. Hymel, at the University of Texas Health Science Center at Houston in the Texas Medical Center (2010);

Technical: A peer-reviewed feature article summarizing the technology, study results, and a broad range of potential SAT applications was published in the IEEE Circuits and Systems Magazine in 2011;

Commercial: SAI was awarded first place in the 2011 Goradia Innovation Prize competition. The selection was based on: 1) the commercial potential of the technology, 2) the soundness of the business plan, 2) the potential for job growth within the region, and 4) the likelihood of significant long-term success.

Innovation: For the intellectual property underlying Signal Advance technology, Dr. Chris M. Hymel, the Company's Founder and President was named the 2012 Innovator of the Year, by the Intellectual Property Section of the Oklahoma Bar Association. In addition, the State Bar of Texas, Intellectual Property Section, named Dr. Hymel, the 2015 Inventor of the Year.

REVENUE GENERATION: The Company plans to continue to refine and develop SAT, demonstrate improved performance in targeted applications, pursue related intellectual property protection and begin to commercialize the technology through licensure. SA technology is in the development and early commercialization stage. To date, the Company has not yet sold any products or licensed the technology, is not yet profitable, currently lacks sufficient capital to generate revenue or operate the business in a profitable manner and has not generated sufficient revenues to fund planned R&D, marketing and intellectual protection in the near-term. SAI continues to rely upon capital investment to cover the projected costs of executing the Company's business plan and effectively commercialize its proprietary Signal Advance technology.

BROAD RISKS AFFECTING THE COMPANY: The Company is subject to numerous risks, which are more fully discussed in the section of this prospectus entitled 'Risk Factors'. Some of the more significant risks included the following:

- The Company is undercapitalized and has limited liquidity.
- The Company is in the development/early commercialization stage.
- The technology is novel and thus requires recognition and acceptance in various markets.
- If the Company does not successfully license its technology, it may never achieve profitability.
- As a result of the industry competition, the Company may not gain enough market share to be profitable.
- If the Company fails to protect its proprietary technology, its competitive position may be impaired.
- There will be a limited trading market for the Company's common stock
- The market price of our common stock may fluctuate significantly and may decline.

EMERGING GROWTH COMPANY STATUS: The Company qualifies as an 'emerging growth company' as defined in Section 2(a)(19) of the Securities Act of 1933 and, as such, is allowed to provide in this report more limited disclosures than an issuer that would not so qualify. Furthermore, for as long as we remain an emerging growth company, we will qualify for certain limited exceptions from investor protection laws such as the Sarbanes-Oxley Act of 2002 and the Investor Protection and Securities Reform Act of 2010. Unlike other public companies, SAI is not required to:

- provide an auditor's attestation report on management's assessment of the effectiveness of our system of internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002;
- comply with any new requirements adopted by the Public Company Accounting Oversight Board (PCAOB), requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer;
- comply with any new audit rules adopted by the PCAOB after April 5, 2012, unless the Securities and Exchange Commission determines otherwise;
- provide certain disclosure regarding executive compensation required of larger public companies; or
- obtain shareholder approval of any golden parachute payments not previously approved.

We will cease to be an 'emerging growth company' upon the earliest of:

- When we have $1.0 billion or more in annual revenues;
- When we have at least $700 million in market value of our common units held by non-affiliates;
- When we issue more than $1.0 billion of non-convertible debt over a three-year period; or
- The last day of the fiscal year following the fifth anniversary of our initial public offering.

In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We are electing to take advantage of the extended transition period, and as a result, we will not be required to comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies.

CORPORATE INFORMATION: Our principal executive offices are located at 2520 County Road 81, Rosharon, Texas 77583. Our website is www.signaladvance.com.

Item 2. Description of Property

We do not own any real estate or other properties.

Item 3. Legal Proceedings

We know of no legal proceedings to which we are a party or to which any of our property is the subject which are pending, threatened or contemplated or any unsatisfied judgments against us.

Item 4. Submission of Matters to a Vote of Security Holders

None.

PART II

Item 5. Market for Common Equity and Related Stockholder Matters

MARKET INFORMATION: On April 15, 2016, the Company filed a Form 15 with the Securities and Exchange Commission ("SEC") to voluntarily suspend its SEC reporting obligations. The Company is eligible to suspend the SEC reporting obligations by filing a Form 15 under Section 12(h) of the Act as it currently has fewer than 300 shareholders of record. The Company anticipates the registration of its common stock may be terminated 90 days after such filing per SEC regulations at which time, the Company's securities will no longer trade on the OTC Bulletin Board, however, they may be eligible for quotation on the Pink Sheets.

The Company's Board of Directors considered a number of factors in making this decision, including the low liquidity of the stock, the ongoing costs of continuing fulfillment of the reporting obligations and the demands on management to comply with the reporting requirements. The Company believes that the time and expense of complying with the reporting obligations outweighs the benefits received by the Company by continuing to fulfill these obligations. Management plans to focus its time and resources on further development and commercialization of its proprietary technology in order to drive business performance and shareholder value. The Company has the right to withdraw the Form 15 and continue SEC reporting at which time all delinquent reports must be filed within sixty (60) days of such notice.

Trading in stocks quoted on the pink Sheets is often thin and is characterized by wide fluctuations in trading prices due to many factors that may be unrelated to a company's operations or business prospects. We cannot assure you that there will be a market in the future for our common stock. Pink Sheet securities are not listed or traded on the floor of an organized national or regional stock exchange. Instead, Pink Sheet securities transactions are conducted through a telephone and computer network connecting dealers in stocks. Pink Sheet issuers are traditionally smaller companies that do not meet the financial and other listing requirements of a regional or national stock exchange.

NUMBER OF HOLDERS: As of December 31, 2015, the 10,655,077 issued and outstanding shares of common stock were held by a total of 177 shareholders of record.

DIVIDENDS: No cash dividends were paid on our shares of common stock during the fiscal years ended December 31, 2015 and 2014. We have not paid any cash dividends since our inception and do not foresee declaring any cash dividends on our common stock in the foreseeable future.

RECENT SALES OF UNREGISTERED SECURITIES:

During the year ended December 31, 2014, the Company made the following Common Stock issuances:

1) 121,667 shares of common stock to various individuals for cash proceeds of $156,500;
2) 145,000 shares of the Company's common stock valued at $145,000 to repay $145,000 of the related party line of credit.
3) 461,334 shares of common stock valued at $627,001 to five consultants in exchange for services.
4) 25,000 shares of common stock valued at $25,000 to members of the Board of Directors in exchange for services.

During the year ended December 31, 2015, the Company made the following Common Stock issuances:

1) 281,667 shares of common stock valued at $158,550 to consultants in exchange for services.
2) 70,000 shares of common stock valued at $36,000 to Officers and Members of the Board of Directors in exchange for services.
3) 230,000 shares of common stock valued at $145,000 to partially repay the line of credit - shareholder balance.

These issuances of unregistered shares were exempt pursuant to Section 4(2) of the Securities Act as these were privately negotiated transactions in which there was no advertising and no commissions paid. Accordingly, the stock certificates representing these shares were issued with restrictive legends indicating that the shares have not been registered and may not be traded until registered or otherwise exempt from registration.

PURCHASE OF OUR EQUITY SECURITIES BY OFFICERS AND DIRECTORS: None.

OTHER STOCKHOLDER MATTERS: None.

Item 6. Selected Financial Data

Not applicable to smaller reporting companies.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our financial statements, including the notes thereto, appearing elsewhere in this annual report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Our audited financial statements are stated in United States Dollars and are prepared in accordance with United States Generally Accepted Accounting Principles.

RESULTS OF OPERATIONS

We have incurred recurring losses to date. Our financial statements have been prepared assuming that we will continue as a going concern and, accordingly, do not include adjustments relating to the recoverability and realization of assets and classification of liabilities that might be necessary should we be unable to continue in operation.

Our auditors have issued a going concern opinion as the Company has generated insufficient revenues to fund planned R&D, marketing and intellectual protection in the near-term. SAI will continue to rely on capital investment to cover the projected costs to execute the Company's business plan and commercialize its proprietary signal advance technology. We expect we will require additional capital to meet our long term operating requirements. We expect to raise additional capital through, among other things, the sale of equity or debt securities. There is no assurance that the Company will be able to raise sufficient capital which would require operations to be scaled back accordingly.

The majority of the Company's resources have historically been devoted to technology development and protection of its proprietary technology. During the year ended December 31, 2015 and 2014, significant resources have been allocated to the commercialization of our proprietary technology and raising the capital required to successfully execute our business plan. The Company is pursuing consulting work which is either directly related to SA technology development or may lead to a potential future collaboration.

The Company has begun development of a Neural Training system, a part of the growing Digital Brain Health market. Neural training, shown to improve brain function, relies to the detection and analysis of bioelectric signal from the brain (EEG's) to assess and adjust the individualized training protocols. The Company plans to implement its proprietary Signal Advance technology to offset the delays associated with the detection and analyses of EEG's in order to improve training efficiency and efficacy. The Company has established relationships with technologists experienced in developing the required electronics and are negotiating a joint venture agreement between the parties.

In addition, the Company has established relationships with a consulting firm with thirty (30) years experience in control system and instrumentation used in the oil and gas industry with the goal of applying Signal Advance technology to improve sensor/instrument performance and has begun discussions with instrument manufacturers.

The Company's Founder and President, Dr. Chris M. Hymel, was recognized as the 2015 Inventor of the Year by the State Bar of Texas, Intellectual Property Section. Selection was based on the intellectual property (patent) underlying Signal Advance technology, potential contribution of the invention to society and impact on Texas economy.

INCOME: No revenues were recognized in the years ended December 31, 2015 or 2014.

EXPENSES: Expenses are classified into the following six broad categories: 1) General and Administrative, 2) Sales and Marketing, 3) Intellectual Property 4) Professional Services, 5) Research and Development and 6) Depreciation, SAI has engaged consultants to accomplish its goals over the last two years. Given sufficient capital, the majority of these consultants have expressed interest in working full-time for the Company. Professional Services includes expenses for such services as legal, accounting/auditing, transfer agent, investor and public relations, video/graphics, securities/reporting, engineering and director's fees.

Expense decreases seen in year ended December 31, 2015, relative to the preceding fiscal year reflect decreased costs associated with 1) accounting, audits and reporting in fulfillment of reporting requirements with the Securities and Exchange Commission, 2) public and investor relations and, 3) sales/marketing efforts related general commercialization of the Company's proprietary technology. The Company continues to seek capital to fund on-going efforts related to in scientific, technical and commercial validation, business development and focused its resources on development of specific applications for our proprietary technology.

The Company continues to incur expenses related to the on-going prosecution of our patent application in Europe and maintenance of our patents in the U.S., China and Mexico. In fiscal year ended December 31, 2015 resources continued to be applied to intellectual property protection including: 1) responses to preliminary searches and initial office actions from the European Patent Office (EPO) including preparation and submission of amendments and additional disclosures and renewal fees. Patents have been issued in China (Nov. 2012), the U.S. (May 2013) and Mexico (Apr. 2014).

All costs associated with intellectual property (IP) protection have been expensed. IP expenses totaled $7,190 and $8,911, in year ended December 31, 2015 and 2014, respectively. Further discussion regarding the intellectual property can be found in Note B – Intellectual Property, of the Financial Statements).

Increased research and development expenses reflect the Company's efforts related application of our proprietary technology in a specific biomedical application as well as on-going efforts related to in scientific, technical and commercial validation related to applications in the oil and gas and transportation markets.

Expenses for fiscal years ended December 31, 2014 and 2013 were as follows:

	2015	2014
General and Administrative	32,417	27,988
Intellectual Property	7,190	8,911
Professional Services	153,905	292,118
Research and Development	81,300	34,000
Depreciation	1,570	1,851

Comprehensive loss: Includes an unrealized loss on "Long-term Investment" of $21,438 in the year ended December 31, 2015.

LIQUIDITY AND CAPITAL RESOURCES

CURRENT ASSETS: As of December 31, 2015, the Company had cash and cash equivalents of $6,258. These assets are used as working capital to execute the Company's business plan. As such, the Company requires additional capital through debt or equity financing to fund operations over the next 12 months.

Fixed assets (office/laboratory equipment) were $3,953 and $4,730, as of December 31, 2015 and 2014, respectively.

Change in fair value for a "Long-term Investment" was an unrealized loss of $21,438 in the year ended December 31, 2015.

LIABILITIES: Liabilities include a Line of Credit provided by the Company’s President which totaled $4,704 and $10,769 as of December 31, 2015 and 2014, respectively. In the year ended 2015, $109,113 of the debt was converted to equity issued to the Company’s President.

SHAREHOLDERS' EQUITY: The accumulated deficit totaled $ 5,375,578 and $5,052,829 for years ended December 31, 2015 and 2014, respectively. The shares issued and outstanding as of years ended December 31, 2015 and 2014, totaled 10,655,077 and 10,273,410, respectively.

OFF-BALANCE SHEET TRANSACTIONS: There are no off-balance sheet items, all transactions are in U.S. dollars, and SAI is not currently subject to currency fluctuations or similar market risks.

SIGNIFICANT ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS: The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

AVAILABLE FOR SALE SECURITIES: The Company holds certain investments that are treated as available-for-sale securities (FASB ASC 320-10-25) and stated at their fair market values. All investments are available for current operations and are classified as other assets in the balance sheet. Unrealized holding gains and losses are included as a component of other comprehensive income (loss) until realized (FASB ASC 320-35-1). Realized gains and losses are included in 'Other Income (Loss)' in the income statement.

RESEARCH AND DEVELOPMENT: Research and development expenses are expensed as incurred until technological feasibility can be determined. Upfront and milestone payments made to third parties in connection with research and development collaborations are expensed as incurred up to the point of regulatory approval, marketability, licensing, lease, or sale when the net present value and useful life is able to be determined. Costs associated with intellectual property protection have been expensed until such time as the useful can be determined, at which time, amounts capitalized will be included in intangible property, less the net of accumulated amortization.

REVENUE RECOGNITION: Revenue is not be recognized until it is realized or realizable and earned. An extended discussion regarding the sources of revenue expected as well as how revenue from these sources will be recognized can be found under the section entitled 'Revenue Recognition' of the Financial Statements.

PROPERTY AND EQUIPMENT: Fixed Assets (land, buildings and equipment) are carried at cost less accumulated depreciation. Depreciation is based on the estimated service lives of depreciable assets and is depreciated using the straight line method. In the case of disposals, assets and related depreciation are removed from the accounts, and the net amounts, less proceeds from disposal, are included in income.

INCOME TAXES: The Company takes an asset and liability approach to financial accounting and reporting for income taxes. The difference between the financial statement and tax basis of assets and liabilities is determined annually. Deferred income tax assets and liabilities are computed for those differences that have future tax consequences using the currently enacted tax laws and rates that apply to the periods in which they are expected to affect taxable income. Valuation allowances are established, if necessary, to reduce the deferred tax asset to the amount that will assure full realization, As of December 31, 2014, the Company recorded a valuation allowance that reduced its deferred tax assets to zero.

CONCENTRATIONS OF CREDIT RISK: Significant concentrations of credit risk consist primarily of investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities can occur in the near term and that each change could materially affect the amounts reported in the financial statement.

IMPAIRMENT: The Company amortizes intangible assets over their estimated useful lives unless such lives are deemed indefinite. Amortized intangible assets are tested for impairment based on undiscounted cash flows, and, if impaired, written down to fair value based on either discounted cash flows or appraised values. Intangible assets with indefinite lives are tested annually for impairment and written down to fair value as required.

NET EARNINGS PER SHARE: Basic earnings per share is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding for the period.

PLAN OF OPERATION AND FUNDING

We anticipate that required working capital will continue to be funded through a combination of our existing funds and further issuances of securities. Working capital requirements will likely to increase in line with the business growth. Existing working capital, further advances, debt instruments, and firm commitments are expected to be adequate to fund our operations over the next three months. We have no lines of credit or other bank financing arrangements. Generally, we have financed operations to date through the proceeds of the private placement of equity and debt instruments. In connection with our business plan, management anticipates additional increases in operating expenses and capital expenditures relating to: i) technology development, ii) marketing and commercialization, and iii) intellectual property protection. We intend to finance these expenses with further issuances of securities, and debt issuances. Thereafter, we expect we will need to raise additional capital and generate revenues to meet long-term operating requirements.

Additional issuances of equity or convertible debt securities will result in dilution to our current shareholders. Further, such securities might have rights, preferences or privileges senior to our common stock. Additional financing may not be available upon acceptable terms, or at all. If adequate funds are not available or are not available on acceptable terms, we may not be able to take advantage of prospective new business endeavors or opportunities, which could significantly and materially restrict our business operations.

MATERIAL COMMITMENTS:

The Company currently leases office space, from its president, on a month to month basis at a rate of $700 per month. Rental expense amounted to $8,400 for the years ended December 31, 2015 and 2014.

PURCHASE OF SIGNIFICANT EQUIPMENT: Contingent on available funding we anticipate purchasing $30,000 on equipment during the next twelve months.

GOING CONCERN

The independent auditors' report accompanying our Financial Statements for the year ended December 31, 2014 contain an explanatory paragraph expressing substantial doubt about our ability to continue as a going concern. In our opinion the “Going Concern” will continue to apply to the Company in the near-term. The financial statements have been prepared "assuming that we will continue as a going concern," which contemplates that we will realize our assets and satisfy our liabilities and commitments in the ordinary course of business.

Item 8. Financial Statements and Supplementary Data

SIGNAL ADVANCE, INC.

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Years Ended December 31, 2015 and 2014

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Signal Advance, Inc.
Balance Sheets
As of December 31, 2015 and 2014
(Unaudited)

		2015		2014
ASSETS				
Current Assets				
Cash or Cash Equivalent	$	6,258	$	37,177
Total Current Assets		6,258		37,177
Property and Equipment, net		3,953		4,730
Total Property and Equipment, net		3,953		4,730
Other Assets				
Long-Term Investments		0		21,438
Total Other Assets		0		21,438
TOTAL ASSETS	$	10,211	$	63,345
LIABILITIES & SHAREHOLDERS' EQUITY (DEFICIT)				
Liabilities				
Line of Credit - Shareholder		4,704		10,769
Total Liabilities		4,704		10,769
Shareholders' Equity (Deficit)				
Common Stock - $0 par value				
100,000,000 shares authorized				
- shares issued and outstanding				
10,273,410 as of December 31, 2014				
10,655,077 as of December 31, 2015				
Additional Paid-In Capital		5,381,085		5,130,335
Retained Earnings		(5,077,759)		(4,262,879)
Net Income		(297,819)		(814,880)
Total Equity		5,507		52,576
TOTAL LIABILITIES & SHAREHOLDERS’ EQUITY (DEFICIT)	$	10,211	$	63,345

See Accompanying Notes to the Financial Statements

Signal Advance, Inc.
Statements of Operations
Years Ended December 31, 2015 and 2014
(Unaudited)

		2015		2014
Revenue	$	-	$	-
Cost of Revenue		-		-
Gross Profit		-		-
Expense				
General & Administrative	$	32,417	$	27,988
Sales/Marketing		-		450,000
Intellectual Property		7,190		8,911
Professional Services		153,905		292,118
Research & Development		81,300		34,000
Depreciation		1,570		1,851
Total Expense		276,381		814,867
Net Loss		(276,381)		(814,867)
Components of Comprehensive Income (Loss):				
Unrealized Loss on Long-term Investment		21,438		13
Comprehensive Loss	$	(297,819)	$	(814,880)
Loss per Share - basic and diluted	$	(0.03)	$	(0.08)
Shares Outstanding - basic and diluted		10,655,077		10,273,410

See Accompanying Notes to the Financial Statements

Signal Advance, Inc.
Statements of Cash Flow
Years Ended December 31, 2015 and 2014
(Uaudited)

	2015	2014
OPERATING ACTIVITIES		
Net Income	$ (297,819)	$ (814,880)
Adjustments to reconcile Net Income to net cash provided by operations:		
Depreciation	1,570	1,851
Stock Compensation	250,750	797,001
Impairment on Long-Term Investment	21,438	0
Net cash provided by Operating Activities	(24,062)	(16,028)
INVESTING ACTIVITIES		
Purchase of property and Equipment	(793)	(2,668)
Available for Sale Securities	-	13
Net cash provided by Investing Activities	(793)	(2,655)
FINANCING ACTIVITIES		
Proceeds from Sale of Common Stock	-	156,500
Line of Credit - Shareholder, net	(6,065)	(112,137)
Net cash provided by Financing Activities	(6,065)	44,363
Net cash increase for period	(30,919)	25,680
Cash at beginning of period	37,177	11,497
Cash at end of period	$ 6,258	$ 37,177
Supplemental Disclosure		
Interest Paid	$ 3,758	$ 2,221
Non-Cash Transactions		
Unrealized Loss on Available for Sale Securities	$ 0	$ 13
Repayment of Line of Credit-Shareholder in Common Stock	$ 109,113	$ 145,000

See Accompanying Notes to the Financial Statements

Signal Advance, Inc.
Statements of Changes in Shareholders' Equity (Deficit)
Years Ended December 31, 2015 and 2014
(Unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Gain (Loss)	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount				
Balance as of December 31, 2013	9,520,409		$ 4,176,834	$ (24,917)	$ (4,237,962)	$ (86,045)
Shares issued for cash	121,667	-	156,500	-	-	156,500
Shares issued for services	486,334	-	652,001	-	-	652,001
Shares issued for payment of related party line of credit	145,000	-	145,000	-	-	145,000
Net Other Comprehensive Loss	-	-	-	(13)	-	(13)
Net Loss					(814,867)	(814,867)
Balance as of December 31, 2014	10,273,410	-	$ 5,130,335	$ (24,930)	$ (5,052,829)	$ 52,576
Shares issued for services	199,517	-	141,638	-	-	141,638
Shares issued for payment of related party line of credit	182,150	-	109,113	-	-	109,113
Net Other Comprehensive Loss	-	-	-	(21,438)	-	(21,438)
Net Loss					(276,381)	(276,381)
Balance as of December 31, 2015	10,655,077	-	$ 5,381,085	$ (46,368)	$ (5,329,210)	$ 5,507

See Accompanying Notes to the Financial Statements

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS AND ORGANIZATION: Signal Advance, Inc. (the Company) was incorporated in Texas on June 4, 1992, is an engineering product and procedure development and consulting firm focused on the development of applications for emerging technologies. The Company has significant experience in computer technology, distributed information systems, and data acquisition and analysis systems, as well as, medical education, intellectual property protection and medical-legal litigation support. The Company has focused its resources on the improvement of signal detection systems through the development and refinement of its proprietary "Signal Advance" technology which has potential application in a wide range of medical applications, as well as applications outside of biomedicine.

The costs incurred in acquiring intellectual property assignments as well as the pursuit of domestic and international patent and trademark protection are expensed (included as "Intellectual Property" under expenses on the Statements of Operations for the years ended December 31, 2015, and 2014. These costs include expenses to prepare and prosecute patent applications and protect the IP, include filing and issuance fees, fees for consultants, experts, advisors, patent attorneys, including foreign associates, patent applications, claims and other amendments, responses to office actions, etc. Any patent infringement case may hinder the Company's ability to generate revenues.

CASH AND CASH EQUIVALENTS: The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

INTANGIBLE ASSETS OR LONG LIVED ASSETS: The Company anticipates amortizing intangible assets over their estimated useful lives unless such lives are deemed indefinite. Amortized intangible assets are tested for impairment based on undiscounted cash flows, and, if impaired, written down to fair value based on either discounted cash flows or appraised values. Intangible assets with indefinite lives are tested annually for impairment and written down to fair value as required. No impairment of intangible assets has been identified during any of the periods presented.

USE OF ESTIMATES IN FINANCIAL STATEMENT PREPARATION: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. The Company's financial statements include amounts and all adjustments that, in the opinion of management and based on management's best estimates and judgments, are necessary to make the financial statement not misleading. Actual results could differ from those estimates.

AVAILABLE FOR SALE SECURITIES: The Company holds certain investments that are treated as available-for-sale securities (FASB ASC 320-10-25) and stated at their fair market values. All investments are available for current operations and are classified as other assets in the balance sheet. Unrealized holding gains and losses are included as a component of other comprehensive income (loss) until realized (FASB ASC 320-35-1). Realized gains and losses are included in 'Other Income (Loss)' in the income statement.

INVESTMENTS IN A LIMITED LIABILITY COMPANY: The Company held a minor investment (3%) in a Limited Liability Company (LLC). The equity method of accounting for investments in general partnerships is generally appropriate for accounting by limited partners for their investments in limited partnerships. The Company's interest is sufficiently minor as a limited partner that the Company has virtually no influence over the operating and financial policies of the LLC. As such, accounting for the investment using the cost method is appropriate. Under the cost method, income recognized by the investor is limited to distributions received, except that distributions that exceed the investor's share of earnings after the date of the investment are applied to reduce the carrying value of the investment (FASB-ASC 970-323-25).

Adjustments are made for impairment annually based on an impairment analysis per ASC 350-20-65-1 where the Company compares whether the fair value of the investment is less than its carrying amount which would result in impairment. The Company has recognized impairment as the LLC has discontinued operation, and no commercial activity is anticipated in the foreseeable future. As such, an adjustment for impairment was made during the year ended December 30, 2015 for the entire carrying value of $21,438.

RESEARCH AND DEVELOPMENT: Research and development costs are expensed as incurred until technological feasibility can be determined (FASB ASC 730-10-25). Upfront and milestone payments made to third parties in connection with research and development collaborations are expensed as incurred up to the point of regulatory approval, marketability, licensing, lease, or sale when the net present value and useful life is able to be determined. Payments made to third parties subsequent to the aforementioned events will be capitalized. Amounts capitalized for such payments will be included in other intangibles, less the net of the accumulated amortization, once their useful lives can be determined.

REVENUE RECOGNITION: The Company revenues are generated by: 1) Providing consulting services; 2) Licensing intellectual property; and 3) Providing consulting services to licensees to facilitate implementation. Revenue is not recognized until it is realized or realizable and earned. The Company recognizes as revenue the fees charged clients as referenced below when 1) persuasive evidence of an arrangement exists, 2) the fees charged as royalties and/or for services are substantially fixed or determinable during the period in which services are provided or royalties are collected, 3) the Company and its clients understand the specific nature and terms of the agreed upon transactions, and 4) collectability is reasonable assured after services have been rendered, or according to a royalty payment schedule.

Consulting Revenue - For revenues generated by providing engineering, scientific and medical/legal consulting services. Services are charged at an hourly rate and clients are charged and revenue is recognized monthly.

License Revenue - As part of the Company's business model and as a result of the Company's on-going investment in research and development, the Company plans to license and sell the rights to certain of its intellectual property (IP) including internally developed patents, trade secrets and technological know-how.

The typical license will call for a non-refundable initiation fee, escalating minimum royalties to be paid before a given product is marketed, and continuing royalties based on gross sales once marketing has begun. The license will also include a set amount of time for consulting. Licensees will also be required to participate in patent maintenance and defense.

Certain transfers of IP to third parties may be licensing/royalty-based, transaction-based, or other forms of transfer. Licensing/royalty-based fees involve transfers in which the company earns the income over time, as a lump-sum payment or the amount of income is not fixed or determinable until the licensee sells future related products (i.e., variable royalty, based upon licensee's revenue). Accordingly, following delivery and or legal conveyance of rights to the aforementioned IP to the client, and following inception of the license term, revenue is recognized in a manner consistent with the nature of the transaction and the earnings process.

Combined License/Consulting Revenue - in certain circumstances the license agreement will also include consulting services to facilitate the use of the Company's IP, in which case the arrangement may include multiple deliverables. If the client is dependent on the consulting services of the Company to bring value to the license then the license and consulting services will be considered a single unit of accounting. If, however, the license has value to the client, independent of the consulting services provided by the Company, then each deliverable has value on a standalone basis. As such each delivered item or items shall be considered a separate unit of accounting (FASB ASC 605-25).

Alternatively, license terms may contain a citation of milestones of achievement by the licensee. Each milestone may be tied to an increase in the minimum royalty. For example, biomedical milestones may include completion of animal trials, submission and then approval of 510K applications or pre-market approval by the FDA. Each licensee pursuing a biomedical application will be expected to develop its own clinical data to secure such pre-market notification (510k) or approval. Under these circumstances, the deliverable, or unit of accounting, consideration may be contingent on the substantive achievement of one or more milestones. As such, revenue is recognized in its entirety in the period in which the milestone is achieved (FASB ASC 605-28).

During the years ended December 31, 2015 and 2014, the Company recognized no revenue.

PROPERTY AND EQUIPMENT: Fixed Assets (land, buildings and equipment) are carried at cost less accumulated depreciation. Depreciation is based on the estimated service lives of depreciable assets and is provided using the straight line method. In the case of disposals, assets and related depreciation are removed from the accounts, and the net amounts, less proceeds from disposal, are included in income.

INCOME TAXES: The Company takes an asset and liability approach to financial accounting and reporting for income taxes. The difference between the financial statement and tax basis of assets and liabilities is determined annually. Deferred income tax assets and liabilities are computed for those differences that have future tax consequences using the currently enacted tax laws and rates that apply to the periods in which they are expected to affect taxable income. Valuation allowances are established, if necessary, to reduce the deferred tax asset to the amount that will assure full realization (FASB ASC 740). As of December 31, 2015, the Company recorded a valuation allowance that reduced its deferred tax assets to zero.

CONCENTRATIONS OF CREDIT RISK: Financial instruments which potentially subject the Company to significant concentrations of credit risk consist primarily of investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities can occur in the near term and that each change could materially affect the amounts reported in the financial statement.

GOING CONCERN: The Company is currently conducting operations. However, it has not yet generated sufficient operating revenue to fund its development activities to date. As such, the Company has relied on funding by the Company's President and the sale of its common stock. There is a substantial doubt that the Company will generate sufficient revenues in future years to meet its operating cash requirements. Accordingly, the Company's ability to continue operations in the short-term depends on its success in obtaining equity or debt financing in an amount sufficient to support its operations. This could raise doubt as to its ability to continue as a going concern. The financial statements do not include any adjustments that might result from this uncertainty.

NOTE B - INTELLECTUAL PROPERTY

Intellectual property protection is being pursued for the specifically identifiable intellectual property (IP) termed Signal Advance technology. The patents are filed in the name of the inventor, Chris M. Hymel, Ph.D., the Company President and assigned by Dr. Hymel (Assignor) to the Company (Assignee) under an Intellectual Property Assignment Agreement. The following table lists the patent applications and issued patents and their respective status:

Patent Office	**Patent or Appl. No.**	**Status**
United States	8452544	Issued May 2013
China	ZL 200880015288.2	Issued Nov. 2012
Europe	EP 08 75 4879.8	Under examination
Mexico	MX/A/2009/00921	Issued Apr. 2014
India	3465/KOLNP/2009	Not yet examined

Additional patent submissions related to specific applications, Signal Advance circuit configurations, and signal processing techniques are in preparation.

The IP derives from an assignment of the IP in the form of a patent application filed with the United States Patent and Trademark Office as well as any patents which issue as a result of U.S. and related international patent applications.

As ASSIGNEE, the Company is responsible for:

1) funding and executing activities required for any regulatory approval, development, implementation and commercialization;
2) introducing assigned products which incorporate the patent pending or patented technology to the commercial market;

3) make its best efforts to: a) develop and market assigned products and services, and, b) increase and extend the commercialization of assigned products, and
4) commence the advertising and marketing assigned products not later than 24 months following the granting of the patent

The assignment was privately negotiated between the Company's President, Dr. Hymel (Assignor) and the remaining members of the board of directors for the Company (Assignee). Consideration to acquire the IP rights, in the form of equity (specifically 1,525,000 shares of SAI common stock, to date) was expensed as the assignment is considered a transaction between entities under common control (FASB ASC 805-50-30-5,6). The value of the common stock issued in exchange for the equity was based on the most recent private sales of stock (FASB ASC 505-50-30-6). In addition, royalties are payable to Assignor on net sales and/or license fees as follows: a) <$10M: 6%; b) $10-$25M: 8%, and c)>$25M: 10%. Assignor's remedy for non-payment is the termination of the assignment.

NOTE C - AVAILABLE FOR SALE SECURITIES

Approximate cost and fair value of available for sale securities (acquired January 10, 2011) as of December 31, 2015 and 2014 are as follows:

		Cost Gross	Gain(Loss)	Fair Value
Equity Securities Available for Sale	December 31, 2015	$25,000	$(25,000)	-
Equity Securities Available for Sale	December 31, 2014	$25,000	$(25,000)	-

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2015 and 2014 are summarized as follows:

	2015	2014
Cost / Basis	125,679	124,887
Accumulated depreciation	(121,726)	(120,156)
Total property and equipment, net	3,953	4,730

Depreciation expense during the years ended December 31, 2015 and 2014 were $1,570 and $1,851, respectively.

NOTE E - INCOME TAXES

The Company follows ASC 740-10-50 “Accounting for Income Taxes.” Deferred income taxes reflect the net effect of (a) temporary difference between carrying amounts of assets and liabilities for financial purposes and the amounts used for income tax reporting purposes, and (b) net operating loss carry-forwards. No net provision for refundable Federal income tax has been made in the accompanying statement of loss because no recoverable taxes were paid previously. Similarly, no deferred tax asset attributable to the net operating loss carry-forward has been recognized, as it is not deemed likely to be realized.

The provision for refundable federal income tax consists of the following for the periods ending:

	December 31, 2015	December 31, 2014
Federal income tax benefit attributed to:		
Net operating loss	297,819	814,880
Valuation allowance	(297,819)	(814,880)
Net benefit	-	-

The cumulative tax effect at the expected rate of 35% of significant items comprising our net deferred tax amount is as follows:	December 31, 2015	December 31, 2014
Deferred tax attributed:		
Net operating loss carryover	1,881,452	1,777,216
Less: change in valuation allowance	(1,881,452)	(1,777,216)
Net deferred tax asset	-	-

At December 31, 2015, the Company had an unused net operating loss carry-forward approximating $5,375,578 that is available to offset future taxable income; the loss carry-forward will start to expire in 2028.

Note F - LINE OF CREDIT - SHAREHOLDER

The President has loaned funds to the Company under the terms of a Line of Credit Promissory Note negotiated with, and approved by, the Board of Directors. The line of credit is due on demand, unsecured, and bears interest at 2.5% per quarter.

During the year ended December 31, 2015, the Company repaid $109,113 of the loan payable with 182,150 shares of the Company’s common stock. As of December 31, 2015, the remaining balance payable was $4,704 including accrued interest of $3,758.

NOTE G - FACILITIES LEASE

The Company currently leases office space, from its president, on a month to month basis at a rate of $700 per month. Rental expense amounted to $8,400 for the years ended December 31, 2015 and 2014.

NOTE H – EQUITY

In the year ended December 31, 2014, the Company made the following Common Stock issuances:

1) 121,667 shares of common stock to various individuals for cash proceeds of $69,750;
2) 145,000 shares of the Company's common stock valued at $145,000 to repay the related party line of credit.
3) 461,334 shares of common stock valued at $627,001 to five consultants in exchange for services.
4) 25,000 shares of common stock valued at $25,000 to members of the Board of Directors in exchange for services.

In the year ended December 31, 2015, the Company made the following Common Stock issuances:

1) 81,667 shares of common stock valued at $40,000 to six consultants in exchange for services.
2) 245,000 shares of the Company's common stock valued at $15,250 to repay the related party line of credit.
3) 55,000 shares of common stock valued at $30,750 to three members of the Board of Directors in exchange for services.

Subsequent to December 31, 2015, the Company issued 200,000 shares of common stock valued at $70,000 to a consultant in exchange for services.

Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A(T). Controls and Procedures

MANAGEMENT'S REPORT ON DISCLOSURE CONTROLS AND PROCEDURES: Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that compliance with the policies or procedures may deteriorate. Management evaluated the effectiveness of the Company's internal control over financial reporting as of December 31, 2015 using the criteria established in 'Internal Control - Integrated Framework' (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Management concluded that the Company's disclosure controls and procedures over financial reporting were not effective as of December 31, 2015 based on material weaknesses listed below.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OF FINANCIAL REPORTING: Management is also responsible for establishing and maintaining adequate internal control over financial reporting. In its assessment of the effectiveness of internal control over financial reporting as of December 31, 2015, based on the above referenced guidelines, the Company determined that there were control deficiencies that constituted material weaknesses, as listed below.

1) We do not have an Audit Committee - While not being legally obligated to have one, management believes that such a committee, including a financial expert member, is an important entity level control over the Company's financial statement. Currently, the Board of Directors acts as the Audit Committee, and does not include an independent member to provide the necessary oversight over management's activities.

2) We did not maintain appropriate cash controls - Due to accounting resource limitations, as of December 31, 2015, the Company has not maintained sufficient internal controls over financial reporting for the cash process based on the failure to segregate cash handling and accounting functions, and the lack of the requirement for dual signatures on the Company's bank accounts. Alternatively, the effects of poor cash controls were mitigated by the fact that the Company had limited transactions in their bank accounts.

3) We did not implement appropriate information technology controls - As at December 31, 2015, the Company retains copies of all financial data and material agreements and periodically make backups of the Company's data; however there is no formal procedure or evidence of normal backup of the Company's data or off-site storage of data in the event of theft, misplacement, or loss due to unmitigated factors.

As such, the Company concluded that these control deficiencies resulted in a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis by the company's internal controls. As a result of the material weaknesses described above, management has concluded that the Company did not maintain effective internal control over financial reporting as of December 31, 2015 based on criteria established in Internal Control - Integrated Framework (1992) issued by COSO.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING: There has been no change in our internal control over financial reporting identified in connection with our evaluation we conducted of the effectiveness of our internal control over financial reporting as of December 31, 2015, that occurred subsequent to the evaluation that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART III

Item 10. Directors, Executive Officers, Promoters and Control Persons of the Company

DIRECTORS AND EXECUTIVE OFFICERS: The following table sets forth the names, positions and ages of the current SAI Directors and Officers. Directors are elected during the annual shareholders' meeting and serve for one year and until their successors are elected and qualify. Officers are elected by our board of directors and their terms of office are at the discretion of our board. None of our Directors is independent per NASDAQ listing standards.

Director/Officer	Age	Position/Office
Chris Hymel	58	Director, President/Treasurer
Malcolm Skolnick	80	Director, Secretary
Ron Stubbers	53	Director, Vice-President
Richard Seltzer	61	Director

All directors hold office until the next annual meeting of the shareholders of the Company and until their successors have been duly elected and qualified. The Company's Bylaws provide that the Board of Directors will consist of no less than three members.

BIOGRAPHIES:

Chris M. Hymel, Ph.D. (President/Treasurer, Director): served as a director and its President and Treasurer since its inception. Dr. Hymel previously founded a computer systems/networking consulting and development firm and, later, a medical-legal firm which developed over 60 animations used in litigation support. He also served on the board of a non-profit corporation, Educational Enrichment Center through 2009. Professional experience also includes technology development at the University of Texas, Neurophysiology Research Center, including the development of proprietary neurostimulation, signal generation and data acquisition systems, and control systems engineering for Shell Oil & Shell Development Companies and Johnson Controls, Inc. Dr. Hymel holds a doctorate in biomedical sciences from the University of Texas Health Science Center, Houston as well as bachelors and masters degrees in electrical engineering from Texas A&M University. Dr. Hymel holds multiple patents and has authored a number of scientific / technical publications. Dr. Hymel developed the proprietary Signal Advance technology and successfully demonstrated temporally advanced detection of a range of analog (including bioelectric) signals in his doctorate research completed at the University of Texas Health Science Center in August 2010.

Malcolm Skolnick (Secretary, Director): Dr. Skolnick received his Ph.D. in physics from Cornell University and J.D. from the University of Houston Law Center. He retired in 2008 after ten years as a Director, President/CEO of CytoGenix, Inc., a publicly traded, development stage biotechnology firm in Houston Texas. Prior to joining CytoGenix, Dr. Skolnick, a tenured professor, held academic positions in the Medical School, the Graduate School of Biomedical Sciences and the School of Public Health (SPH) of the University of Texas Health Science Center, Houston (UT Health). In addition to his service as a Department Chair in the Medical School and professorial duties, Dr. Skolnick directed the UT Health Office of Technology Management, overseeing the University's activities in protecting and licensing its technology portfolio.

Dr. Skolnick headed the UT Health Neurophysiology Research Center and served as principal investigator of several clinical trials in pain management, smoking cessation and reduction of withdrawal symptoms in drug addiction. He also serves as Director and Vice President of the Southwest Health Technology Foundation, Resolution Forum, Inc., Responsible Community Design International, Inc., and Hudson Forest Homeowners' Association. He has served as an expert witness in intellectual property, product liability, and accident reconstruction matters. Dr. Skolnick is a registered patent attorney, patented inventor and is licensed to practice law in the State of Texas. In addition to his service on various corporate boards, since his retirement from CytoGenix, Inc., he has been active in patent prosecution and licensing for selected clients and has been an invited lecturer at several local universities.

Ron A, Stubbers (Vice-President, Director): Mr. Stubbers has been developing and manufacturing electronic biomedical devices for over 20 years, much of it while VP of Engineering and VP of Operations for Neuroscan, Inc. and its successor Compumedics, USA from 1991-2003, and aDEPtas, Inc. and its successor InGeneron, Inc. from 2004-Present. His experience includes development and production of medical devices ranging from neurostimulation systems to EEG acquisition and analysis systems. He has also worked in the areas of product design and manufacturing engineering, quality, regulatory and technical support for startup companies. Mr. Stubbers has managed corporate ISO/EN/QSR quality management systems requirements and compliance and European CE and FDA 510K Class II as well as other regulatory approvals for world-wide medical device distribution. Mr. Stubbers received his bachelor's degree in electrical engineering from the University of Idaho in 1985, completed graduate coursework at the University of Texas, Graduate School of Biomedical Sciences and at Rice University, and completed his MBA at the University of Houston (2013).

Richard C. Seltzer (Director): Mr. Seltzer received his J.D. from South Texas College of Law in 1981 and his LL.M. in Taxation from the University of Florida in 1982. Mr. Seltzer has been in private practice for more than thirty years representing both established and startup businesses in acquisitions and mergers, financial and tax issues, contractual matters, shareholder disputes, real estate acquisitions and general business litigation in Texas State Courts. His practice includes arranging viable capital infusions for ongoing businesses, negotiating business and real estate related contracts. He has handled the licensing of proprietary information for a non-profit organization in Texas. He also continues to successfully represent numerous taxpayer corporations and individuals before the Internal Revenue Service, including both its Appellate and Collection Divisions as well as representing taxpayers for matters filed with the U.S. Tax Court. For more than fifteen years Mr. Seltzer has been a frequent invited speaker covering general business topics at the People's Law School in conjunction with the University of Houston Law School. He is also an approved mediator in the State of Texas having received his certification in 2008.

Mr. Seltzer has continued to serve as a member of the Board of Directors of Bridges to Life, a nonprofit organization in Houston, since 2003. He was appointed in 2011 as a member of the Board of Directors of STARBASE, Inc., a federally funded educational program working in conjunction with the Department of Defense and the National Guard that works with upper elementary school students particularly interested in math, science, engineering and technology related programs. In addition, Mr. Seltzer serves on the Boards of Directors of the following Texas corporations: Atlas Management, Inc. (appointed in 2000), Innovative Tooling and Accessories, Inc. (appointed in 2007), Intuitec, Inc. (appointed in 2003), Milsob Properties, Inc. (appointed in 2008). He has also served on the Board of Directors of Delta Shaver Company, Inc., a Delaware corporation since 2011.

AUDIT COMMITTEE: We do not have an audit committee financial expert, as the cost related to retaining a financial expert at this time is prohibitive. Further, our President has the requisite financial experience and knowledge, thus, we believe the services of a financial expert are not warranted.

SIGNIFICANT EMPLOYEES: We have no employees other than our directors/officers of which only the President/Treasurer devotes full time to company matters. Others devote time as needed. We intend to hire employees on an as needed basis.

FAMILY RELATIONSHIPS: There are no family relationships among our directors, executive officers, director nominees or significant employees.

Item 11. Executive Compensation

We are providing compensation disclosure that satisfies the requirements applicable to emerging growth companies, as defined in the JOBS Act. The summary compensation table below shows certain compensation information paid for services rendered in all capacities to us by our principal executive officer and by each other executive officer whose total annual salary and bonus exceeded $100,000 during years ended December 31, 2015 and 2014. Other than as set forth below, no executive officer's total annual compensation exceeded $100,000 during our last fiscal period.

SUMMARY COMPENSATION TABLE:

Name & Position	Year or Period	Salary	Bonus	Stock Awards (1)	Options Awards	Non-Equity Incentive Plan Compensation	Non-Qualified Deferred Compensation Earnings	All Other Compensation (2)	Total
C Hymel Pre./Treas	2015	0	0	$108,000	0	0	0	$ 3,064	$111,064
C Hymel Pres/Treas	2014	0	0	$108,000	0	0	0	$ 2,210	$110,210

(1) Non-cash compensation: Equity issued for services rendered

(2) Reimbursement of medical and professional development expenses

SAI entered into a consulting agreement with Dr. Chris M. Hymel, the Company President, whereby he was compensated at $108,000 per year in 2015 and 2014, plus limited reimbursement of medical and professional development expenses. Dr. Hymel is expected to devote essentially full-time (at least 40 hours/week) on activities related to the Company. The term of the agreement is year-to-year but may be terminated by giving one month's notice. Eligible medical and professional development expenses are either paid or reimbursed in cash and annual compensation for services rendered has been in the form of equity, specifically common stock, for years ended December 31, 2015 and 2014.

In year ending December 31, 2015, Mr. Stubbers received $12,750 in the form of equity (common stock) in exchange for services. In additional, in the same period, Mr. Seltzer and Dr. Skolnick each received $9,000 in the form of equity (common stock) in exchange for services. Other than as described above, all directors and executive officers received well under than $15,000 compensation in the form of equity (common stock) in exchange for their services. No executive officers received a bonus or deferred compensation.

Other Executive Officer Compensation (to date):

Outstanding Equity Awards:	None
Option Exercises/Stock Vested Table:	None
Pension Benefits Table:	None
Non-qualified Deferred Compensation Table:	None
All Other Compensation Table:	None
Perquisites Table:	None

There are no employment contracts, compensatory plans or arrangements (except as referenced above for the Company President), including payments to be received from the Company with respect to any executive officer of the Company which would in any way result in payments to any such person because of his or her resignation, retirement or other termination of employment with the Company or its subsidiaries, any change in control of the Company or a change in the person's responsibilities following a change in control of the Company. Nor are there any agreements or understandings for any director or officer to resign at the request of another person. None of the Company's directors or executive officers is acting on behalf of or will act at the direction of any other person.

COMPENSATION PURSUANT TO PLANS: There is no retirement, pension, profit sharing, or other plan covering any of our officers and directors. The Company has adopted no formal stock option plans for our officers, directors and/or employees. SAI reserves the right to adopt one or more stock options plans in the future. Presently, there is no plan to issue additional equity in the Company or options to acquire the same to our officers, directors or their affiliates or associates except for compensation of Director and Officers as described previously.

CORPORATE GOVERNANCE: Currently, the Company has no formal Audit or Compensation Committee.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The Company is authorized to issue 100,000,000 shares of common stock, with no par value. Holders of common stock are entitled to one vote per share on all matters subject to shareholder vote. The common stock has no cumulative, preemptive or other subscription rights. All of the presently issued shares of common stock are fully paid and non-assessable. The Board of Directors may declare dividends payable to holders of common stock out of legally available funds. If the Company is liquidated or dissolved, holders of shares of common stock will be entitled to share ratably in any assets of the Company remaining after satisfaction of all of its liabilities. As of December 31, 2015, 10,655,077 shares had been issued to 177 shareholders of record.

The following table sets forth the number of shares of common stock that are beneficially owned as of December 31, 2015 by (i) each person known by us to be the beneficial owner of more than 5% of the outstanding shares of our common stock, (ii) each of our directors and executive officers, (iii) all officers and directors as a group and, (iv) all officers and directors and each person known by us to be the beneficial owner of more than 5% of the outstanding shares of our common stock as a group. The persons and entities named in the table have sole voting and sole investment power with respect to the shares set forth opposite the stockholder's name, subject to community property laws, where applicable.

Name of Beneficial Owner	Title of Class	Amount/Nature of Beneficial Ownership(1)	Percent of Class (5)
Chris Hymel, Director/Officer(2,4)	Common	4,401,530	41.3%
Ray and Tricia Corkran(3,4)	Common	767,950	7.2%
Malcolm Skolnick, Director/Officer(2,4)	Common	323,334	32.0%
Ron Stubbers, Director/Officer(2,4)	Common	286,250	2.7%
Richard C. Seltzer, Director(2)	Common	188,500	1.8%
Officers/Directors as a group (5 total)	Common	5,199,614	48.8%
Officers/Directors & Shareholders owning > 5% as a group (6 total)	Common	5,967,564	56.0%

(1) Beneficial ownership is determined in accordance with SEC rules, and includes any shares as to which the stockholder has sole or shared voting power or investment power. Any indication herein, regarding beneficial ownership, is not an admission, on the part of the stockholder, that he, she or it is a direct or indirect beneficial owner of those shares.
(2) The address for all Directors/Officers: 2520 CR 81, Rosharon, TX 77583
(3) The address for the Corkrans: 321 Grand Ranch Lane, Friendswood, TX 77546
(4) Includes shares held by spouses and minor children.
(5) The percent of class based on 10,655,077 shares common stock issued and outstanding as of December 31, 2015.

Item 13. Certain Relationships and Related Transactions, and Director Independence

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS:

The Company owes its President, Chris M Hymel, $4,704 as of December 31, 2015, in the form of an unsecured loan (Line of Credit). The note is due on demand and bears 2.5% interest per quarter. The Company currently leases office space, from its President, on a month to month basis at a rate of $700 per month. The Company obtained rights to the intellectual property though an assignment agreement with its President (discussed in greater detail in Note B - Intellectual Property of the Financial Statements.

Other than the President's compensation, related transactions, discussed previously, since the company's inception, there has not been, nor is there currently proposed, any transaction or series of similar transactions with related parties to which the Company was or will be a party:

1) In which the amount involved exceeds $120,000; and
2) In which any director, executive officer, shareholder who beneficially owns 5% or more of SAI common stock, or any member of their immediate family, had or will have a direct or indirect material interest.

DIRECTOR INDEPENDENCE The Company has not established its own definition for determining whether its directors and nominees for directors are 'independent' nor has it adopted any other standard of independence employed by any national securities exchange or inter-dealer quotation system. None of the Company's current directors are considered independent as determined by the NASDAQ listing standards.

Item 14. Principal Accountant Fees and Services

As of the date of this report, the Company has incurred approximately $17,600 in fees to our principal independent accountants for professional services rendered in connection with the reviews and audits of our financial statements for the year ended December 31, 2014 and the three month periods ended September 31, 2014 and 2015, the six month period ended June 30, 2014 and 2015 and the nine month period ended March 31, 2014 and 2015.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: March 24, 2015 **SIGNAL ADVANCE, INC.**

By: */s/ Chris M. Hymel*

Chris M. Hymel, President/Treasurer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and as of the dates indicated.

SIGNATURE	TITLE	DATE
/s/ Chris M. Hymel Chris M. Hymel	Chairman: Board of Directors, President and Treasurer (Principal Executive, Financial and Accounting Officer)	March 24, 2015
/s/ Malcolm H. Skolnick Malcolm H. Skolnick	Member: Board of Directors, Secretary	March 24, 2015
/s/ Richard C. Seltzer Richard C. Seltzer	Member of the Board of Directors	March 24, 2015