

Annual Report and Notice of Annual Meeting of Stockholders

September 12, 2017, 10:00 AM CDT

SOLICITATION OF PROXIES

The Board of Directors (the “Board”) of Signal Advance, Inc (the “Company”) is soliciting the accompanying proxy in connection with matters to be considered at the Annual Meeting of Stockholders (the “2017 Meeting”) to be held at our offices at 2520 County Road 81, Rosharon, Texas 77583 on Tuesday, September 12, 2017 at 10:00 AM CDT. The individuals named on the proxy card will vote all shares represented by proxies in the manner designated or, if no designation is made, they will vote as follows:

1. FOR each of the four (4) nominees named in this proxy statement for election to the Board;
2. FOR ratification of the selection of LBB and Associates, Ltd, as the Company’s independent registered public accounting firm for the Company’s fiscal year ending December 31, 2017;
3. FOR ratification of the Board of Directors’ actions and decisions since the last stockholders’ meeting, and
4. To approve the minutes of the previous annual stockholders’ meeting, and
5. In their best judgment with respect to any other matters that properly come to a vote at the 2016 Meeting. The individuals who act as proxies will not vote shares that are the subject of a proxy card on a particular matter if the proxy card instructs them to abstain from voting on that matter or to the extent the proxy card is marked to show that some of the shares represented by the proxy card are not to be voted on that matter.

Record Date Only stockholders of record at the close of business on August, 20, 2017 will be entitled to notice of or to vote at this 2017 Meeting or any adjournment of the 2017 Meeting. July 26, 2017 is the approximate date of distribution for this cover letter and notice of annual meeting of stockholders, proxy card, minutes of the previous stockholders’ meeting and a copy of our Annual Report for the year ended December 31, 2016.

Shares Outstanding and Voting Rights We have one class of voting stock outstanding: Common Stock, no par value (“Common Stock”). As of December 31, 2017, 12,407,342 shares of Common Stock were outstanding. Each outstanding share of Common Stock entitles the holder to one (1) vote.

A list of stockholders entitled to vote at the meeting will be available at the meeting, and for 10 days prior to the meeting, at our office at 2520 County Road 81, Rosharon, Texas 77583, between the hours of 9:00 a.m. and 4:00 p.m. local time.

Proxies and Voting Procedures Holders of Common Stock entitled to vote can vote their shares by completing and returning a proxy card pursuant to the directions on the proxy card. You can revoke your proxy at any time before it is exercised by timely delivery of a properly executed, later-dated proxy or by voting in person at the 2017 Meeting. All shares entitled to vote and represented by properly completed proxies received prior to the 2017 Meeting and not revoked will be voted at the 2017 Meeting in accordance with your instructions.

If your shares are registered directly in your name with Nevada Agency and Transfer Company, our transfer agent, you are considered a stockholder of record. As a stockholder of record at the close of business on August 20, 2017, you can vote in person at the 2017 Meeting or you can provide a proxy to be voted at the 2017 Meeting by signing and returning the enclosed proxy card pursuant to its instructions. If you submit a proxy card, we will vote your shares as you direct. If you submit a proxy card without giving specific voting instructions, those shares will be voted as recommended by the Board. If your shares are held in a stock brokerage account or otherwise by a nominee, you are considered the beneficial owner of those shares, and your shares are held in “street name”.

If you hold your shares in "street name", you will receive instructions from your broker or other nominee describing how to vote your shares. If you do not instruct your broker or other nominee how to vote such shares, they may vote your shares as they decide as to each matter for which they have discretionary authority under the applicable law. On those matters as to which those rules do not permit brokers or other nominees to vote in the absence of instructions from the account holder, the broker or other nominee will not vote the shares on the matter (this is a "broker non-vote").

All proxies must be received by the Company's Secretary on or before 10:00 am (CDT) on Friday, September 8, 2017. If you do not indicate your voting preferences, your shares will be voted as recommended by the Board. Complete, sign and date the proxy card you received and return by:

Mail: Mail or otherwise deliver your completed proxy to: Signal Advance, Inc.,

Attn: Corporate Secretary, 2520 County Road 81, Rosharon, Texas 77583.

Fax: Fax your completed proxy to (928) 441 5564.

Email: Scan or otherwise convert your completed proxy card into a format deliverable via email to:
info@signaladvance.com.

If any other matters are properly presented at the 2017 Meeting for consideration, including, among other things, consideration of a motion to adjourn the 2017 Meeting to another time or place, the individuals named as proxies and acting thereunder will have discretion to vote on those matters according to their best judgment to the same extent as the person delivering the proxy would be entitled to vote. If the 2017 Meeting is postponed or adjourned, your proxy will remain valid and may be voted at the postponed or adjourned meeting. You will still be able to revoke your proxy until it is voted. At the date this proxy statement went to press, we did not anticipate that any other matters would be raised at the 2017 Meeting.

Voting Requirements The presence, in person or by proxy, of the majority of the outstanding shares entitled to vote at the 2017 Meeting shall constitute a quorum, which is required in order to transact business at the 2017 Meeting. You may vote in favor or against any or all of the director nominees and/or proposals. You may also withhold your vote as to any or all of the nominees and/or proposals. The affirmative vote of a majority of the votes cast by the shares entitled to vote in the election at the 2016 Meeting, at which a quorum is present, is required for the election of directors. For purposes of the vote on this matter, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote, although each type of vote will count toward the presence of quorum.

Cost of Proxy Distribution and Solicitation The Company will pay the expenses of the preparation of the proxy materials and the solicitation by the Board of proxies. Proxies may be solicited on behalf of the Company in person or by telephone, e-mail, facsimile or other electronic means by directors, officers or employees of the Company, who will receive no additional compensation for soliciting. If required by the rules of the Securities and Exchange Commission (the "SEC"), we will reimburse brokerage firms and other custodians, nominees and fiduciaries for their expenses incurred in sending proxies and proxy materials to beneficial owners of Common Stock.

PROPOSAL 1 - ELECTION OF DIRECTORS

The Bylaws of the Company provide that the Board shall consist of not less than three (3) or more than five (5) members. Currently, the membership of the Board is set at four (4) and, at present, consists of four (4) members. Our Bylaws give the Board the authority to establish, increase or decrease the number of directors. We are recommending the following four (4) nominees for election at the 2017 Meeting to the Board are Chris Hymel, Richard Seltzer, Malcolm Skolnick and Ron Stubbers, all of whom currently serve on the Board and all of whom have advised the Company of their willingness to serve as a member of the Board if elected. You can find information about each of the nominees below under the Section entitled "Biographies of Director Nominees". There are no arrangements or understandings between the persons named as nominees for director at the 2017 Meeting and any other person pursuant to which such nominee was selected as a nominee.

If elected, the nominees will serve as directors until the Company's annual meeting of stockholders in 2016, or until their successors are elected and qualified. If a nominee declines to serve or becomes unavailable for any reason, the proxies may be voted for such substitute nominee as the proxy holders may designate.

THE BOARD RECOMMENDS THAT YOU VOTE "FOR" THE ELECTION OF EACH OF THE ABOVE NOMINEES FOR DIRECTOR

PROPOSAL 2 - TO RATIFY THE APPOINTMENT OF OUR INDEPENDENT AUDITORS

Recall that the Company filed a Form 15 with the Securities and Exchange Commission ("SEC") to voluntarily suspend its SEC reporting obligations. The Company may withdraw the Form 15 and continue SEC reporting at which time all delinquent reports must be filed within sixty (60) days of such notice. As such, the Company has retained its relationship with our current auditor LBB and Associates, LTD, LPP ("LBB") given the firm's familiarity with the Company.

During the Company's most recent audited fiscal years, and reviewed quarters, there were no disagreements (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) between the Company and LBB on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of LBB, would have caused it to make reference to the subject of such disagreements in connection with any report prepared by LBB, except that the financial statements of the Company expressed, in an explanatory paragraph, that "... the Company's operating losses raise substantial doubt about its ability to continue as a going concern." Further, there have been no reportable events (as described in Item 304(a)(1)(v) of Regulation S-K).

Neither the Company, nor anyone on its behalf, consulted with LBB on any matters described in Item 304(a)(2) of Regulation S-K during the Company's most recent fiscal year or any prior period. A representative of LBB will not be present at the 2017 Meeting.

Stockholder ratification of the appointment of our independent auditors is not required by the Company's Bylaws or otherwise. However, we are submitting this proposal to the stockholders as a matter of good corporate practice. Approval of this proposal requires the affirmative vote of a majority of the votes represented at the 2017 Meeting and entitled to vote thereat. If the appointment of LBB is not ratified, the Board may reconsider the appointment. Even if the appointment is ratified, the Board in its discretion may direct the appointment of a different independent audit firm at any time during the year if it is determined that such change would be in best interests of the Company and its stockholders.

THE BOARD RECOMMENDS THAT YOU VOTE "FOR" THE RATIFICATION OF THE APPOINTMENT OF LBB AND ASSOCIATES, LTD, LLP, AS THE COMPANY'S INDEPENDENT AUDITORS FOR THE FISCAL YEAR 2017.

Audit and SEC Reporting Disclosures

Audit Fees – There were no fees billed during the fiscal year-ended for the December 31, 2016 for the audits of our financial statements, audit related fees, tax related fees or any other related fees.

Auditing Service Pre-approval Policies The policy of our Board is to pre-approve all audit and permissible non-audit services to be performed by the Company's independent auditors during the fiscal year. Under these procedures, the Board pre-approves both the type of services to be provided by our auditor and the estimated fees related to these services.

PROPOSAL 3 - RATIFICATION OF THE BOARD OF DIRECTORS' ACTIONS AND DECISIONS SINCE THE LAST STOCKHOLDER'S MEETING

Stockholders are being asked to ratify the actions and decisions of the Board of Directors since the last stock-holders' meeting.

THE BOARD RECOMMENDS THAT THE STOCKHOLDERS VOTE "FOR" RATIFICATION OF THE BOARD OF DIRECTORS' ACTION AND DECISIONS SINCE THE LAST STOCKHOLDERS' MEETING.

PROPOSAL 4 - APPROVAL OF THE MINUTES OF THE PREVIOUS ANNUAL SHAREHOLDERS' MEETING

Attached find a copy of the Minutes of the Previous Annual Shareholders' meeting held on June 27, 2014. The stock holders are being asked to review the attached Minutes and approve the Minutes of the last Annual Shareholders' Meeting.

THE BOARD RECOMMENDS THAT THE STOCKHOLDERS VOTE "FOR" APPROVAL OF THE MINUTES OF THE PREVIOUS ANNUAL SHAREHOLDERS' MEETING.

EXECUTIVE OFFICERS — BOARD OF DIRECTORS

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. There are no family relationships among our directors, executive officers, director nominees or significant employees. None of our Directors are independent per NASDAQ listing standards.

<u>Director/Officer</u>	<u>Age</u>	<u>Title</u>
Chris Hymel	59	Director, President/Treasurer (Nominee)
Malcolm Skolnick	81	Director, Secretary (Nominee)
Ron Stubbers	54	Director, Vice-President (Nominee)
Richard Seltzer	62	Director (Nominee)

BIOGRPAHIES OF DIRECTOR NOMINEES

CHRIS M. HYMEL, MEEE, PhD (President/Treasurer, Director) an experienced entrepreneur, founded the Company in 1992 and has served as a director and its President and Treasurer since its inception. Dr. Hymel previously founded a computer systems/network consulting and technology development firm, and later, a medical-legal firm which developed over 60 animations used in litigation support. He was also 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 Bachelor's and Master's 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. Under his leadership, the Company received first place in the 2011 Goradia Innovation Prize competition. Dr. Hymel was recognized as the 2012 Innovator of the Year by the Intellectual Property Section of the Oklahoma Bar Association and was also named the 2015 Inventor of the year by the State Bar of Texas Intellectual Property Section.

MALCOLM SKOLNICK, PhD, JD (Secretary, Director) 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 public 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 (UTHSC). In addition to his service as a Department Chair in the Medical School and professorial duties, Dr. Skolnick directed the UTHSC Office of Technology Management, overseeing the University's activities in protecting and licensing its technology portfolio. He also headed the 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. Dr. Skolnick 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, BS, MBA, (Vice-President, Director) 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, JD, LL.M (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 continues 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.

CORPORATE GOVERNANCE AND BOARD MEMBERS

Family Relationships There are no family relationships by and between or among the Directors or other officers. None of our Directors or officers is a director or executive officer of any company that files reports with the SEC except as set forth in the “Biographies of Director Nominees” section above.

Election of Directors and Officers Directors hold office until the next succeeding annual meeting and the election/qualification of their respective successors. Officers are elected annually by our Board and hold office at the discretion of our Board. Our Bylaws permit our Board to fill any vacancy and such director may serve until the next annual meeting of stockholders and the due election and qualification of their successor.

Legal Proceedings To the knowledge of management, no director, executive officer or affiliate of the Company or owner of record or beneficially of more than 5% of the Company's common stock is a party adverse to the Company or has a material interest adverse to the Company in any legal proceeding.

To the knowledge of management, during the past five years, no present or former director, executive officer, affiliate or person presently nominated to become a director or an executive officer of the Company:

(1) Filed a petition under the federal bankruptcy laws or any state insolvency law, nor had a receiver, fiscal agent or similar officer appointed by a court for the business or property of such person, or any partnership in which he or she was a general partner at or within two years before the time of such filing, or any corporation or business association of which he or she was an executive officer at or within two years before the time of such filing;

(2) Was convicted in a criminal proceeding or named the subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);

(3) Was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him or her from or otherwise limiting his or her involvement in any type of business, commodities, securities or banking activities;

(4) Was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any Federal or State authority barring, suspending or otherwise limiting him or her for more than 60 days from engaging in, or being associated with any person engaging in, any type of business, commodities, securities or banking activities;

(5) Was found by a court of competent jurisdiction in a civil action or by the SEC to have violated any federal or state securities law, and the judgment in such civil action or finding by the SEC has not been subsequently reversed, suspended, or vacated.

Promoters and Control Persons None.

Board Leadership and Role in Risk Oversight Our Board recognizes that the leadership structure and combination or separation of the President and Chairman roles is driven by the needs of the Company at any point in time. The Company has no policy requiring combination or separation of leadership roles and our governing documents do not mandate a particular structure. This has allowed our Board the flexibility to establish the most appropriate structure for the Company at any given time.

The Board oversees our stockholders' interest in the long-term health and the overall success of the Company and its financial strengths. The full Board is actively involved in overseeing risk management for the Company done so in part through discussion and review of our business, financial and corporate governance practices and procedures. The Board, as a whole, reviews the risks confronted by the Company with respect to its operations and financial condition, and establishes limits of risk tolerance with respect to the Company's activities.

Meetings of the Board and Stockholder Communications Our Board conducted all of its business and approved all corporate action during the fiscal year ended December 31, 2016 and from January 1, 2017 to present, by the unanimous consent of its members, in the absence of formal board meetings. Holders of the Company's securities can send communications to the Board via mail or telephone to the Secretary at the Company's principal executive offices. The Company has not yet established a policy with respect to Board members' attendance at the annual meetings. A stockholder who wishes to communicate with our Board may do so by directing a written request addressed to our President at the address appearing on the first page of this proxy statement.

Code of Business Conduct and Ethics Policy We have adopted a Code of Business Conduct and Ethics that applies to our employees, officers and directors that was provided to the SEC as Exhibit 14.1 with Registration Statement submitted November 18, 2013 (avail. at <http://www.sec.gov/search/search.htm>).

Committees of the Board of Directors We do not presently have a separately constituted audit committee, compensation committee, nominating committee, executive committee or any other committees of our board of directors. Our Board does not believe that it is necessary to have such committees because it believes the functions of such committees can be adequately performed by the Board. We have not adopted any procedures by which security holders may recommend nominees to our Board.

Audit Committee Financial Expert Not applicable, as we do not presently have an audit committee.

Director Independence None of the current nominees will be considered "Independent".

Executive Compensation In the annual report (attached), the Company provides compensation disclosure that satisfies the requirements that apply 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 the year ending December 31, 2016. Other than as set forth below in that report regarding the Company's President, Chris M. Hymel, PhD, no executive officer's total annual compensation exceeded \$100,000 during our last fiscal period.

The Company entered into a consulting agreement with Dr. Chris M. Hymel, the Company President, whereby his annual compensation was \$108,000 per year in 2016 (paid in the form of equity), plus limited reimbursement of professional development and medical 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.

Other than as described above, all other directors and executive officers received no more than \$5,000 compensation in the same period, also in the form of equity in exchange for their services. No executive officers received a bonus or deferred compensation. 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 result in payments to any such person due to 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, but 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.

SECURITY OWNERSHIP OF CERTIAN BENEFICIAL OWNERS

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. Of the presently issued shares of common stock, all but 500,000 shares 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, 2016, 12,407,342 shares had been issued to 180 shareholders.

The following table sets forth the number of shares of common stock that are beneficially owned as of June 30, 2016 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.

<u>Name of Beneficial Owner</u>	<u>Title of Class</u>	<u>Amount/Nature of Beneficial Ownership(1)</u>	<u>Percent of Class</u>
Chris Hymel, Officer/Director	Common	5,641,530	45.5%
Cede and Co.	Common	1,547,251	12.5%
Malcolm Skolnick, Officer/Director	Common	338,334	2.7%
Ron Stubbers, Officer/Director	Common	286,250	2.3%
Richard C. Seltzer, Director	Common	314,765	2.5%
Officers/Directors as a group (4 total)	Common	6,580,879	53.0%
Officers/Directors & >5% Shareholders	Common	8,128,130	65.5%

Certain Relationships and Related Transactions The Company owed its President, Dr. Hymel, \$12,380 as of December 31, 2016, in the form of an unsecured short-term loan. The note is due on demand and carries a simple interest of 2.5% 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 through an assignment agreement with its President in exchange for equity (common stock).

Other than the President's compensation and 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.

ANNUAL REPORT TO STOCKHOLDERS, STOCKHOLDER COMMUNICATIONS

Thank you for your continued support. Management is pleased to provide an update on the recent developments, milestones achieved, and to discuss our vision for the Company's future. We continue to be very enthused about our accomplishments, the opportunities ahead of us, and the difference we can make in people's lives through our patented and disruptive technologies. Our technology continues to have the potential to transform a variety of industries.

Public Trading

Although our company's stock price over the last two (2) years has declined significantly from a high of \$2.25/share, the fundamentals of the Company have not changed and we continue to add value by pursuing additional patents and developing specific applications for our proprietary technology. We believe that our company is worth much more than its current market valuation.

The expenses of continued audits of our financial reports and SEC reporting far exceeded any benefit derived leading Management to voluntarily suspend reporting. We are able to resume SEC reporting by filing all of the "back" audited reports. Signal Advance, Inc. financial reports continue to be posted on our website at www.signaladvance.com, under the "Investors" section.

"Going Private"

Having discontinued SEC reporting, the Company has "gone dark" but remains a public, not private, Company. We are considering the following two options:

- 1) wait until Signal Advance, Inc. begins to generate revenue and, if in the shareholders' best interest, resume SEC reporting and once again allow our stock be publicly traded, or
- 2) "sell/transfer our public shell" to another company that wants to trade publicly and return to being a private Company.

As the current market value of our stock does not accurately reflect the actual value of the Company and has severely limited our ability to raise capital, going private may be in our best interest in the near-term.

We continue to consider offers to acquire our public entity. To do so, we would transfer the current assets, liabilities, etc., of the Company into a new private company in which shareholders would receive their pro-rata percentage of the equity, and thus, continue to own the same percentage of the Company that was previously owned. The new private Company may retain a small percentage of the new company acquiring our public entity. As a non-reporting Company, the net amount we would expect to receive is estimated at about \$100,000. While the details of such a transaction would still need to be negotiated, a merger, in which the public entity is essentially sold, could provide necessary capital to fund on-going technology development and commercialization efforts.

Any firm interested in acquiring our shell, would require the transfer of a majority of shares currently issued and outstanding (held by our existing shareholders on their trading market). In order to transfer our shares to the any acquiring company, each shareholder would be required to surrender their stock, in exchange for shares in the new private entity

Intellectual Property

Patents have been issued in the U.S., China, Mexico and Europe. For a nine month period after the publication of the European patent grant in January 2017, a notice could be filed opposing the patent grant. Based on available funds as well as each country's per capita income and healthcare spending, we validated intellectual property protection in the France, Germany, Ireland, Italy, Spain, Switzerland (and Liechtenstein) and the United Kingdom. Annual renewal fees for the European countries and China, totaling just under \$4,000, were paid March, 2017. The India patent application is under examination of our patent application and we have responded to their first office action.

Capital Investment

The fundamentals of the Company have not changed. An independent valuation of the Company, by First Principals, Inc., concluded that the technology was worth over \$10 million based on only two biomedical applications. This valuation was completed prior to the issuance of our first patent in 2013. We have continued to add value by developing specific applications for our proprietary technology, expanding our patent portfolio and pursuing new patents.

The current market price for our stock presents an incredible opportunity to obtain additional shares at a very low price, essentially “averaging down” the cost per share of your investment.

Recall that no shares were registered by the Company, only for “selling shareholders”. As such, shares acquired in the public market are being purchased from other shareholders, not the Company. . In our opinion, Signal Advance, Inc. meets all of the Qualifying Small Business (QSB) requirements. As such, the Company’s stock may qualify as Section 1202 stock, providing a significant potential tax benefit (100% credit) with respect to capital gains. For long-term investors (5 year minimum), acquiring shares directly from the Company as opposed to the public market may be in their best interest due to the potential capital gains credits. The Company cannot, however, provide tax advice and Management advises consultation with a qualified tax expert.

Neural Training Project

Given recent capital constraints, The Company has focused on a single commercial application - developing a personalized Neural Training (NT) delivery system in which we plan to incorporate our proprietary technology. The NT delivery system incorporates an electroencephalographic (EEG) sensor to detect brainwaves, analyzes the EEG signals and outputs sensory (audio/visual) and direct neurostimulation based on the individual’s brain activity.

The Company has made significant progress toward the goal of integrating the Neural Training hardware and software currently used for research into an integrated delivery unit that is easy to use and can be self-administered. Neurofeedback or therapy systems typically found in clinics include a number of components including a computer system and software packages costing \$4,000-5,000 and require specialized training to setup and operate – making low-cost, self-administration impractical.

The goal for the first generation commercial product is to integrate all of these components into a single delivery unit and simplify its operation. This system will detect brainwaves wirelessly and employ a Smartphone “App” to analyze the brainwaves and deliver auditory and visual stimulation to the user via “smart” phones, tablets or computers. The system will eventually integrate sensory (audio and visual) as well as direct stimulation modes, multiple brainwave sensors, implement Signal Advance technology to reduce EEG detection delays to improve efficacy and employ proprietary algorithms to adjust the training stimuli in real-time.

The initial Neural Training products will be commercialized as a training product. Therapeutic applications will target 1) memory, cognition, and maintenance of independence for elderly subjects to help maintain their independence and 2) as an adjunct to cancer therapy to reduce stress and anxiety as well as improve immune function. These applications, however, will require FDA approval. We have established collaborations with gerontologist and neurologists to pursue research to demonstrate the benefits of individualized Neural Training in these applications. The project is being developed as a joint venture under Biodyne Development, LLC (www.bdvco.com) in which the Company owns a majority position.

Recal that the Company has much of the requisite expertise “in-house” to develop with product. Consider the following expertise/experience:

Ron Stubbers, BSEE, MBA – developed direct neurostimulation systems and 256 channel EEG systems including auditory and visual evoked potential stimulators; He also assisted in the development of Signal Advance circuitry for specific applications;

Malcolm Skolnick, PhD, JD – Registered Patent Attorney, former Director of the Neurophysiology Research Center at UT Health (Houston) conducting neurostimulation research targeting pain suppression and reduction of addiction withdrawal symptoms; later using neuro-therapy to treat crack-cocaine addicts;

Harold Russell, PhD - developed and field tested EEG-driven light and sound stimulation applied to children with ADD/ADHD in a Dept. of Educ. funded study resulting in IQ increases averaging 9.3 points.

Chris M. Hymel, PhD - developed direct neurostimulation systems for pain suppression used in both animal sensory studies and human addiction studies as well as data acquisition system showing signal propagation within the brain and the impact of neurostimulation on brain evoked potentials; Dr. Hymel later developed Signal Advance technology earning a doctorate for its application to bio-electric signals.

Michael Watson (electronics technologist) – our newest addition to the team, has spent the last 30+ years developing and “field hardening” electronic systems for multiple industries and applications.

Although we still have a lot of hard work ahead, our projects are generating excitement and promise. As I reflect on how far we've come over the past year and how much further we'll go in the next one, I remain excited and optimistic. On behalf of the entire Signal Advance management team, I would like to again thank you for your continued support. We strongly believe we have the motivation, expertise, and strategic approach necessary to create the future we envision and we look forward to reporting on our progress as we continue to execute our business plans. If you have questions, comments or concerns, please contact us at the following email address: info@signaladvance.com.

We intend to announce preliminary voting results at the 2017 Meeting, and publish final results within 4 days of the 2017 Meeting. You may obtain a copy of this and other reports, free of charge by:

Mail: Signal Advance, Inc., 2520 County Road 81, Rosharon, Texas 77583
Telephone: (713) 510 7445 (SIGL)
Fax: (928) 441 5564
Email: info@signaladvance.com

Stockholders may obtain information relating to their own share ownership by contacting the Company's stock transfer agent:

Nevada Agency and Transfer Company
50 West Liberty, Suite 880, Reno, Nevada 89501
(775) 322-0626

OTHER MATTERS

The notice of meeting provides for the election of directors, ratification of the selection of independent auditors, ratification of the action of the Board of Directors' actions and decisions since the last stockholders' meeting, approval of the minutes of the previous annual stockholders' meeting, and for the transaction of such other business, as may properly come before the meeting. As of the date of this proxy statement, the Board of Directors does not intend to present to the meeting any other business, and it has not been informed of any business intended to be presented by others. However, if any other matters properly come before the meeting, the persons named in the enclosed proxy will take action and vote proxies, in accordance with their judgment of such matters. Action may be taken on the business to be transacted at the meeting on the date specified in the notice of meeting or on any date or dates to which such meeting may be adjourned.

STOCKHOLDER PROPOSALS FOR THE 2018 ANNUAL MEETING

Any stockholder who intends to present a proposal at the 2018 Annual Meeting of Stockholders must ensure that the proposal is submitted pursuant to Rule 14a-8 under the Securities Exchange Act of 1934 and received by the Corporate Secretary of the Company: 1) not later than January 1, 2017; or, 2) if the date of next year's annual meeting is moved more than 30 days before or after the anniversary date of this year's meeting, the deadline for inclusion of proposals in our proxy statement is instead 120 days before we begin to print and mail our proxy materials for next year's meeting.

By Order of the Board of Directors

A handwritten signature in black ink that reads "Malcolm Skolnick". The signature is written in a cursive style with a distinct dot over the 'i' in "Skolnick".

By: Malcolm Skolnick
Corporate Secretary

Rosharon, Texas

August 27, 2017



SHAREHOLDER PROXY FORM

Instructions

1. Your name and address

On the envelope appears your name and address as it appears on the Company's share register. If this information is incorrect, please mark the box and make the correction on the form. Please note that you cannot change ownership of your securities using this form.

2. Appointment of a proxy

If you wish to appoint the Chairman of the meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the meeting, please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the meeting will be your proxy. A proxy need not be a security holder of the Company.

3. Votes on items of business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4. Appointment of a second proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning the Company's Share Registry or you may copy this form.

To appoint a second proxy you must:

- on each of the first and second proxy form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

5. Signing instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint holding: where the holding is in more than one name, all of the security holders should sign.
- Power of attorney: to sign under power of attorney, a copy of the executed power of attorney should accompany this form. If this proxy form is signed under power of attorney, the attorney hereby states that no notice of revocation of the power of attorney has been received.
- Companies: this form must be signed by a duly authorized officer of the Company. This officer must also indicate the office held. If a representative of the corporation other than an officer is to attend the meeting, a copy of a corporate resolution authorizing the representative to act on behalf of the corporation should accompany this form.

Submission of a proxy

This proxy form (and any power of attorney under which it is signed) must be received at the address given below no later than 10:00 am, Friday, September 8, 2017. Any proxy form received after that time will not be valid for the scheduled meeting. Documents may be lodged by U.S. mail, other delivery method, facsimile or via electronic mail to Signal Advance, Inc. If delivered by electronic mail, the completed/signed form must be scanned or otherwise converted to a format that is deliverable electronically.

Mailing Address: Signal Advance, Inc., Attn: Corporate Secretary, 2520 County Road 81, Rosharon, Texas 77583

Electronic Mail: info@signaladvance.com

Facsimile No.: 928 441 5564

[] Name Address/Contact Information (Please X box if the information has changed)

Name(s): _____

Street: _____ City: _____

State: _____ Zip or Postal Code: _____ Country: _____

Phone Number: _____ Email Address(se): _____

SHAREHOLDER PROXY FORM

Please inform the company of your intent to attend the annual shareholders' meeting or complete this proxy form and deliver same to Signal Advance, Inc. per the instructions on the back of this form. The cut-off time is 10:00 am, Friday, September 8, 2016. For all inquiries, please contact the company at 713 510 7445.

Mark this box with an "X" if you have made any changes to your address and provide your new address in the space provided on the reverse side of this form.

Appointment of proxy

I/We, shareholder(s) of Signal Advance, Inc. and entitled to attend and vote hereby appoint: The Chairman of the meeting (please mark the box with an "X") or

Write the name of the person you are appointing if other than the Chairman of the meeting.

Or failing the person named, or if no person is named, the Chairman of the meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual Shareholders Meeting of Signal Advance, Inc., to be held at 2520 County Road 81, Rosharon, Texas 77583, at 10:00am, Tuesday, September 12, 2017 and continuing through any adjournment of that meeting.

Resolutions:

- | | For | Against | Abstain* |
|--|-----|---------|----------|
| 1. To Elect Members of the Board of Directors: | | | |
| Chris Hymel | [] | [] | [] |
| Richard Seltzer | [] | [] | [] |
| Ron Stubbers | [] | [] | [] |
| Malcolm Skolnick | [] | [] | [] |
| 2. To ratify the appointment of LBB and Associates, LTD, LLP as the Company's independent registered public accountant for fiscal year 2016..... | [] | [] | [] |
| 3. To ratify all proceedings of the corporation and actions of the Officers since the last shareholders' meeting | [] | [] | [] |
| 4. To approve minutes of previous annual shareholders' meeting..... | [] | [] | [] |

SIGN HERE - this section must be signed in accordance with the instructions for your directions to be followed.

Authorized Signature

Authorized Signature (if held jointly)

Date

Printed Contact Name

Printed Contact Name

Telephone Number

For _____ Office Held: _____
(if shares are held as a custodian or in the name of a business entity)