UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended February 28, 2015

Commission File Number 0-12305

REPRO MED SYSTEMS, INC.
(Exact Name of Registrant as Specified in its Charter)

NEW YORK	**13-3044880**
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification No.)
24 CARPENTER ROAD, CHESTER, NY	**10918**
(Address of Principal Executive Offices)	(Zip Code)

(845)-469-2042
Registrant's Telephone Number, Including Area Code

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: None

COMMON STOCK, $.01 PAR VALUE
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files.) Yes ☒ No ☐

Indicate by check mark if the disclosure of delinquent filers pursuant to Item 405 of Regulation S-K, is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a "large accelerated filer", an "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☒

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

Based on the closing sales price of August 31, 2014, the aggregate market value of the voting and nonvoting common equity held by non-affiliates of the registrant was $9,388,203.

The number of issued and outstanding shares of the registrant's common stock, $.01 par value was 38,006,667 at May 8, 2015, which excludes 2,340,625 shares of Treasury Stock.

REPRO MED SYSTEMS, INC.
FORM 10-K
INDEX

PART I

ITEM 1. BUSINESS

OUR BUSINESS

REPRO MED SYSTEMS, INC., ("REPRO MED," "RMS Medical Products," "RMS" or the "Company"), was incorporated in the State of New York in March of 1980. We design, manufacture, and market proprietary medical devices primarily for the ambulatory infusion market and emergency medical applications. The United States Food and Drug Administration (the "FDA") regulates these products. Our development and marketing focus is primarily concentrated on the FREEDOM60® Syringe Infusion System and accessories, RMS HIgH-Flo™ Subcutaneous Safety Needle Sets, and the RES-Q-VAC® Portable Medical Suction System.

OUR PRODUCTS

FREEDOM60 SYRINGE INFUSION SYSTEM

The FREEDOM60 Syringe Infusion System ("FREEDOM60"), comprised of the FREEDOM60 Syringe Infusion Pump and RMS Precision Flow Rate Tubing™, is designed for ambulatory medication infusions. For the home care patient, FREEDOM60 is an easy-to-use lightweight mechanical pump using a 60ml syringe, completely portable and maintenance free, with no batteries to replace. FREEDOM60 offers increased safety, greater reliability and an overall higher quality infusion. For the infusion professional, FREEDOM60 delivers accurate infusion rates and class-leading flow performance. For the home infusion provider, FREEDOM60 can be used in place of electronic and disposable pumps. FREEDOM60's lower acquisition and operating costs free up significant working capital for growing infusion businesses.

The FREEDOM60 operates in "dynamic equilibrium," that is, the pump finds and maintains a balance between what a patient's subcutaneous tissues are able to manage and what the pump infuses. This balance is created by a safe, limited, and controlled pressure, which adjusts the flow rate automatically to the patient's needs providing a reliable, faster, and more comfortable administration with fewer side effects for those patients. Electronic devices will increase infusion pressure while attempting to continue an infusion at the programmed rate, while the FREEDOM60 design maintains a safe constant pressure and thereby automatically reduces the flow rate as required, if problems of administration occur.

Ambulatory infusion pumps are most prevalent in the outpatient and home care market although we believe there is potential in the hospital setting as well. Applications for the FREEDOM60 include the infusion of specialized drugs such as Immunoglobulin G ("IgG"), pain control, and chemotherapy. We are expanding into intravenous antibiotics including the widely used yet challenging to administer Vancomycin, and beta lactams which require longer infusion times as a part of antimicrobial stewardship. We have also found a following for FREEDOM60 for use in treating thalassemia with the drug Desferal®. In Europe, we find additional success in using the FREEDOM60 for pain control, specifically post-operative epidural pain administration.

The FREEDOM60 provides a high-quality delivery to the patient at costs comparable to gravity-driven infusions and is designed for the home health care industry, patient emergency transportation, and for any time a low-cost infusion is required. We continue to meet milestones in building a product franchise with FREEDOM60 and the sale of RMS Precision Flow Rate Tubing. This positions us well to expand on the technology of dynamic equilibrium for other home infusion devices.

The FREEDOM60 use for treatment of primary immune deficiency diseases by administering IgG under the skin has continued to increase during the past year. The FREEDOM60 is the leading pump in the U.S. used to infuse immune globulin medicines such as Hizentra® and Gammagard® under the skin as a subcutaneous administration ("SCIg"). For patients with Primary Immunodeficiency, Multifocal Motor Neuropathy, Idiopathic thrombocytopenic purpura, and Chronic Inflammatory Demyelinating Polyneuropathy, this method has provided vastly improved quality of life with much fewer unpleasant side effects over the traditional intravenous route. There is evidence that indications for SCIg therapy will continue to expand to other disease states. The FREEDOM60 is an ideal system for this administration since the patient is able to self-medicate at home. The pump is easily configured for this application, and the FREEDOM60 is the lowest cost infusion system available in a heavily cost constrained market.

In March, 2015, at the National Home Infusion Association Show in Phoenix, AZ, we introduced the FreedomEdge™ Syringe Infusion Pump ("FreedomEdge"). The FreedomEdge has all the trusted technology of the FREEDOM60 in a new, smaller package for use with 20ml or 30ml syringe sizes, utilizing our existing RMS Precision Flow Rate Tubing. The FreedomEdge is expected to appeal to IgG patients who do not need the larger dose capacity of the FREEDOM60 along with cephalosporin antibiotic infusion, deferoxamine administration, and foreign markets that prefer pumps with a smaller form factor.

RMS HIGH-FLO™ SUBCUTANEOUS SAFETY NEEDLE SETS

RMS HIgH-Flo Subcutaneous Safety Needle Sets ("HIgH-Flo") are designed for self-administration of medicine under the skin. Our needles feature unique design elements specific to subcutaneous self-administration, including a 5-bevel back-cut needle designed for more comfort and less tissue damage. Our needle set design permits drug flows which are the same or faster than those achieved with larger gauge needles currently on the market. This proprietary hydraulic engineering for compatibility with the FREEDOM60 and FreedomEdge, guarantees the sensitivity of the system's dynamic equilibrium.

Reflecting RMS' dedication to clinician safety, the sets' butterfly wing closures encase needles after use and help to protect against accidental needle stick injuries, an area of concern to the medical community. The sets are called safety needle sets to reflect this safety feature as an integral part of every set.

We expanded the range of HIgH-Flo sets available, including a 24 gauge set for very high flow rates, to meet the delivery demands of new drugs on the market such as Hyqvia®. HIgH-Flo sets are also being used in major clinical trials world-wide.

RES-Q-VAC® PORTABLE MEDICAL SUCTION

The RES-Q-VAC Portable Medical Suction System ("RES-Q-VAC") is a lightweight, portable, hand-operated suction device that removes fluids from a patient's airway by attaching the RES-Q-VAC pump to various proprietary sterile and non-sterile single-use catheters sized for adult and pediatric suctioning. The bottom-hinged one-hand operation makes it extremely effective and the product is generally found in emergency vehicles, hospitals, disaster kits, mass casualty trailers, and wherever portable aspiration is a necessity, including backup support for powered suction systems. Additional markets include nursing homes, hospice, sub-acute, dental and military applications. The Full Stop Protection® filter and disposable features of the RES-Q-VAC reduce the risk of exposing the health professional to human immunodeficiency virus ("HIV") or Tuberculosis ("TB") when suctioning a patient or during post treatment cleanup. All of the parts that connect to the pump are disposable.

A critical component and significant advantage of the RES-Q-VAC system is our Full Stop Protection® filter, a patented filtering system that both prevents leakage and overflow of the aspirated fluids, even at full capacity, and traps many air- and fluid-borne pathogens and potentially infectious materials within the sealable container. This protects users from potential exposure to disease and contamination. Full Stop Protection meets the requirement of the Occupational Safety and Health Administration ("OSHA") 'Occupational Exposure to Blood Borne Pathogens" Code of Federal Regulations 29 1910.1030. The Company has received a letter from OSHA confirming that the RES-Q-VAC with Full Stop Protection falls under the engineering controls of the blood borne pathogen regulation and that the product's use would fulfill the regulatory requirements.

Centers for Disease Control ("CDC") and World Health Organization continue to emphasize the importance of minimizing aerosol production during suctioning, in order to reduce the spread of pandemic and epidemic diseases such as Ebola and Influenza. At the current time, we believe that the RES-Q-VAC with Full Stop Protection is the only portable, hand-operated device to comply with CDC directives from 2003.

Hospitals are required under the Emergency Medical Treatment and Labor Act ("EMTALA") regulations to provide emergency treatment to patients anywhere in the primary facility and up to 250 yards away. The RES-Q-VAC ensures full compliance with these regulations and helps minimize unfavorable outcomes and potential lawsuits. We provide special hospital kits, which are fully stocked to meet all hospital applications, both adult and pediatric.

We continue actively pursuing a direct sales effort into the hospital market working with direct sales and several regional distributors in the respiratory market. We also work internationally with distributors who are well represented in the hospital and emergency markets.

SALES AND DISTRIBUTION

FREEDOM60 systems are sold domestically through both direct sales efforts concentrated on large national accounts and through a network of medical device distributors. Most of our sales are through distributors, one of which represents approximately 53% of our total revenue.

Internationally, we have FREEDOM60 distribution in Australia, Canada, Denmark, Estonia, Finland, France, Italy, Latvia, Lithuania, Norway, The Netherlands, Saudi Arabia, South Africa, Sweden and the United Kingdom. We believe that a single distributor in each country will be more predisposed to advertising, promoting, and building the product franchise, and we work closely with our distributors to promote our products. Since February 2014, we have employed a sales representative based in Sweden to expand our efforts to add distributors in other countries.

RES-Q-VAC is sold domestically and internationally by emergency medical device distributors in approximately 25 countries. These distributors generally sell to the end user and advertise these products in relevant publications and in their catalogs. We also sell directly to some physician offices, hospitals and other institutional customers. We market the hospital RES-Q-VAC system through regional distributors specializing in the hospital respiratory care market. We are expanding support in international markets where we believe RES-Q-VAC has higher potential.

During the fiscal year, we have expanded our efforts to market both of our main product lines at national and international trade shows. We support shows attended by our primary customers such as MEDICA, EMS Today, National Home Infusion Association Conference, Infusion Nurses Society, European Society for Immunodeficiencies and the Immune Deficiency Foundation's regional meetings.

The table below presents our product mix for fiscal years 2015 and 2014 as a percentage of gross sales:

	FY 2015 Percentage of Gross Sales	FY 2014 Percentage of Gross Sales
Infusion Products	95.1%	91.7%
Suction Products	4.9%	8.3%

RAW MATERIALS

Raw materials, consisting of components, molded parts and tubing, essential to our business are purchased from numerous suppliers worldwide in the ordinary course of business. Although most of these materials are generally available, we may at times experience shortages of supply. In an effort to manage risk associated with raw materials supply, we work closely with suppliers to help ensure availability and continuity of supply while maintaining high quality and reliability. The company also seeks to develop new and alternative sources of supply where beneficial to its overall raw materials procurement strategy.

The Company also utilizes long-term supply contracts with some suppliers to help maintain continuity of supply and manage the risk of price increases. RMS is not always able to recover cost increases for raw materials through customer pricing due to contractual limits and market forces.

RESEARCH AND DEVELOPMENT

We recognize the importance of innovation and renovation to our long-term success and are focused on and committed to research and new product development activities. Our product development team engages in consumer research, product development, current product improvement and testing activities, and also leverages our development capabilities by partnering with a network of outside resources.

We recently completed development of the FreedomEdge, a smaller version of the FREEDOM60, and introduced it at the National Home Infusion Association show in Phoenix, AZ, in March, 2015. There is no assurance that this product, or any others under development, will result in net revenue or profit increases for the Company.

QUALITY ASSURANCE

RMS' success depends upon the quality of its products. Our quality management system plays an essential role in determining and meeting customer requirements, preventing defects, facilitating continuous improvement of the Company's processes, products and services, and assuring the safety and efficacy of the Company's products.

Each product that we market is required to meet specific quality standards, both in packaging and in product integrity and quality. If either of those is determined to be compromised at any time, we take corrective and preventive actions designed to ensure compliance with regulatory requirements and to meet customer expectations.

MARKETS

The domestic home infusion therapy market is comprised of approximately 4,500 sites of service, including local and national organizations, hospital-affiliated organizations, and national home infusion organizations, and produces approximately $9 - $11 billion in revenue annually*. With insurance reimbursement for medical devices in decline, we believe that there is a need for a low-cost, effective alternative to electronic and expensive disposable intravenous ("IV") administration devices for home care.

The ambulatory infusion market has been rapidly changing due to reimbursement issues. Insurance reimbursement has drastically reduced the market share of high-end electronic type delivery systems as well as high-cost disposable non-electric devices, providing an opportunity for the FREEDOM60. We believe market pressures have moved specialty pharmacies to consider alternatives to expensive electronic systems especially for new subcutaneous administrations, which usually cannot be done with gravity. For cost concerns, some patients have been trained to administer intravenous drugs through IV push where the drug is pushed into the vein directly from a syringe. This is a low-cost option but has been associated with complications and is considered by many to be a higher-risk procedure. Thus, the overall trend has been towards syringe pumps due to the low-cost of disposables.

There is evidence that indications for SCIg therapy will continue to expand to other disease states. Manufacturers of various IgG medications have conducted, and are in process of conducting, trials of their drugs for applications other than primary immune deficiency diseases. To the extent that these trials are successful and the FDA approves these new indications for use, we could see additional sales opportunities in the future.

*Ref: www.nhia.org/faqs.cfm and http://www.gao.gov/new.items/d10426.pdf

INSURANCE REIMBURSEMENT

There can be no assurance that Medicare will continue to provide reimbursement for the FREEDOM60. They may allow reimbursement for other infusion pumps that are currently in the market or new ones that may enter shortly, which could adversely affect our sales into this market.

In order to receive more favorable Medicare reimbursement for the FREEDOM60, we submitted a formal request for a Healthcare Common Procedures Coding System ("HCPCS") coding verification with the Statistical Analysis Durable Medical Equipment Regional Carrier ("SADMERC"). It was the determination that the Medicare HCPCS code(s) to bill the four Durable Medical Regional Carriers ("DMERC's") should be: "E0779 Ambulatory infusion pump, mechanical, reusable, for infusion 8 hours or greater." The new code significantly increases the reimbursement for the FREEDOM60 for billable syringe pump application approved by Medicare. Current approved uses under Medicare include among others, subcutaneous immune globulin, antivirals, antifungals, and chemotherapeutics.

Effects, if any, of the federal government's Public Law 111-148, The Patient Protection and Affordable Care Act, on reimbursements for infusion pumps and related supplies and services cannot be stated with certainty at this time.

We are also closely watching for the effects of the Medicare Home Infusion Site of Care Act of 2015, which intends to amend the Social Security Act to allow the home to be a covered infusion site of care for Medicare beneficiaries. If passed, it would take effect starting in 2016. Currently, it appears the bill would encourage greater utilization of home infusion, increasing the potential market for FREEDOM60.

COMPETITION

The FREEDOM60

Competition for the FREEDOM60 for IgG includes electrically powered infusion devices, which are more costly and can create high pressures during delivery, which can cause complications for the administration of IgG. However, there can be no assurance that other companies, including those with greater resources, will not enter the market with competitive products which will have an adverse effect on our sales.

There is the potential for new drugs to enter the market which might change the market conditions for devices such as the FREEDOM60 and RMS HIgH-Flo Subcutaneous Safety Needle Sets (e.g. Hyaluronidase, which can facilitate absorption of IgG, making multiple site infusions unnecessary). We believe dynamic equilibrium (the principle behind the FREEDOM60) is ideal for new drug combinations, and that they might increase the size of the subcutaneous market, but there can be no assurance that newer drugs will have the same needs and requirements as the current drugs being used.

We are currently involved in legal proceedings with a competitor who has been offering accessories that can be used with the FREEDOM60 (see Item 3 – Legal Proceedings).

The RES-Q-VAC

We believe that the RES-Q-VAC is currently the performance leader for manual, portable suction instruments. In the emergency market, the primary competition is the V-VAC™ from Laerdal Medical. The V-VAC™ is more difficult to use, cannot suction infants, and cannot be used while wearing heavy gloves such as in chemical warfare or in the extreme cold. Another competitor is the Ambu® Res-Cue Pump™, a lower-cost product similar to our design, made in China. We believe that the product is not as well made, as ergonomic, nor as versatile, and may not be purchased by the military segment of the market due to lines of supply concerns. We believe that Full Stop Protection substantially separates the RES-Q-VAC from competitive units, which tend to leak fluid when becoming full or could pass airborne pathogens during use. There is a heightened concern from health care professionals concerning exposure to disease and we believe the RES-Q-VAC provides improved protection for these users.

GOVERNMENT REGULATION

Full Stop Protection meets the requirement of OSHA described below. The Company has received a letter from OSHA confirming that the RES-Q-VAC with Full Stop Protection falls under the engineering controls of the blood borne pathogen regulation and that the products use would fulfill the regulatory requirements.

OSHA 29 Code of Federal Regulations 1910.1030 - Occupational Exposure to Blood borne Pathogens requires that employers of "... emergency medical technicians, paramedics, and other emergency medical service providers; fire fighters, law enforcement personnel, and correctional officers ... must consider and implement devices that are appropriate [to contain blood borne pathogens], commercially available and effective." These first responders risk exposure to serious disease, and the employers may risk OSHA violations and lawsuits if they fail to consider protective measures such as our Full Stop Protection for RES-Q-VAC. The Company has received a letter from OSHA indicating that RES-Q-VAC meets the intent of this regulation.

The FDA governs the development and manufacturing of all medical products. The FDA requires us to register our manufacturing facility, list our devices, file notice of intent to market new products, track the locations of certain products and to report any incidents of death or serious injury relating to the products with the FDA. We could become subject to civil and criminal penalties and/or recall seizure or injunctions if we fail to comply with regulations of the FDA.

We are required to comply with federal, state, and local environmental laws; however, there is no significant effect of compliance on capital expenditures, earnings, or competitive position. We do not use significant amounts of hazardous materials in the assembly of these products.

Periodically we are subject to inspections and audits by FDA inspectors and could be impacted by adverse findings. The last quality review by the FDA was in July 2012, which included, among other items, a review of complaints, quality controls, and documentation. The FDA inspection did not find any violations and no citations were issued.

The Company is International Organization for Standardization ("ISO") 13845:2003 certified.

MANUFACTURING

The Company's employees perform at the Company's facility electromechanical assembly, calibration, pre- and post-assembly quality control inspection and testing, and final packaging for all products. Products are assembled using molded plastic parts acquired from several U.S. vendors and two suppliers located in Taiwan. We also have a contractor, operating in Nicaragua, which makes certain subassemblies that we subsequently incorporate into final products in our Chester, NY, facility. The availability of parts has not been a problem. The cost and time required to fabricate molds to manufacture parts can slow the development of new products and might temporarily limit supply if we determine it is advisable to seek alternate sources of supply for existing products. Our policy has been to have multiple vendors as suppliers, where practicable, that also offer mold-building capabilities as a service.

EMPLOYEES

As of February 28, 2015, we had 75 full time employees.

The Company carries insurance on the life of Andrew Sealfon, Chief Executive Officer, providing a death benefit of $3.1 million.

PATENTS AND TRADEMARKS

We have filed and received U.S. protection for many of our products and, in some cases where it was no longer deemed economically beneficial, we have allowed certain patent protections to lapse. The patent position of small companies is highly uncertain and involves complex legal and factual questions. Consequently, there can be no assurance that patent applications relating to products or technology will result in patents being granted or that, if issued, the patents will afford protection against competitors with similar technology. Furthermore, some patent licenses held may be terminated upon the occurrence of certain events or become non-exclusive after a specified period. There can be no assurance that we will have the financial resources necessary to enforce any patent rights we may hold.

ITEM 1A. RISK FACTORS

Not applicable.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTY

We currently rent a masonry and steel frame building erected on 3.27 acres of land located at 24 Carpenter Road, Chester, New York 10918. This facility is used as our headquarters and for manufacturing operations.

Currently, we are in year sixteen of a twenty-year lease and are responsible for all repairs, maintenance, and upkeep of the space occupied. The terms of the lease call for monthly lease payments of $11,042, and we contribute payments of 65% of the building's annual property taxes, amounting to $47,652 for the year ended February 28, 2015.

We also lease 2,500 square feet of warehouse space in a nearby industrial park on a year-to-year basis. In Fiscal 2015, we paid $22,834 in rent and common charges for this space.

The Company owns a residence adjacent to our facility for use as additional office and research and development space. We paid cash for the property in the amount of $0.2 million.

ITEM 3. LEGAL PROCEEDINGS

We commenced a declaratory judgment action in 2013 to establish the invalidity and non-infringement of claims of a patent of a competitor that alleged that our needle sets would infringe. The defendant answered the complaint and asserted various counterclaims that we believe are without merit. We have filed unfair competition claims against the competitor. The parties are proceeding with discovery in the case.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

We are authorized to issue 50,000,000 shares of Common Stock, $.01 par value. As of February 28, 2015, 38,006,667 shares were issued and outstanding and there were approximately 1,018 stockholders of record.

Our Common Stock is traded in the over-the-counter market. The following table sets forth the high and low closing bid quotations for the Common Stock, as reported by Nasdaq.com, for the periods indicated. These quotations do not include retail mark-up, markdown, or commission and may not represent actual transactions.

	High	Low
2015 QUARTER ENDED		
February 28, 2015	$ 0.49	$ 0.38
November 30, 2014	$ 0.42	$ 0.29
August 31, 2014	$ 0.36	$ 0.23
May 31, 2014	$ 0.25	$ 0.16
2014 QUARTER ENDED		
February 28, 2014	$ 0.23	$ 0.18
November 30, 2013	$ 0.24	$ 0.20
August 31, 2013	$ 0.24	$ 0.20
May 31, 2013	$ 0.25	$ 0.20

ITEM 6. SELECTED FINANCIAL DATA

Not applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Annual Report on Form 10-K contains certain "forward-looking" statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) and information relating to us that are based on the beliefs of the management, as well as assumptions made by management and information currently available.

Our actual results may vary materially from the forward-looking statements made in this report due to important factors such as uncertainties associated with future operating results, unpredictability related to Food and Drug Administration regulations, introduction of competitive products, limited liquidity, reimbursement related risks, government regulation of the home health care industry, success of the research and development effort, expanding the market of FREEDOM60, availability of sufficient capital to continue operations and dependence on key personnel. When used in this report, the words "estimate," "project," "believe," "may," "will," "anticipate," "intend," "expect" and similar expressions are intended to identify forward-looking statements. Such statements reflect current views with respect to future events based on currently available information and are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. These statements involve risks and uncertainties with respect to the ability to raise capital to develop and market new products, acceptance in the marketplace of new and existing products, ability to penetrate new markets, our success in enforcing and obtaining patents, obtaining required Government approvals and attracting and maintaining key personnel that could cause the actual results to differ materially. Our actual results, performance and achievements could differ materially from those expressed or implied in these forward-looking statements. The Company does not undertake any obligation to release publicly any revision to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

INDUSTRY TRENDS

The healthcare industry has seen huge changes in reimbursement and medical insurance during the past decade. In the U.S., the Affordable Health Care Act was created in part to address the rising costs of medical care and ensure greater efficacy of treatments. One trend that is significantly impacting the costs of health care is moving treatments out of the hospital and into the home. Our products are specifically designed for home care infusions, and we expect this trend towards home care infusions to continue and to accelerate.

In Europe, governments have recognized that the increases in health care costs are unsustainable, and are moving towards home care health services as quickly as possible. Thus we expect the home care infusion market to continue to expand worldwide.

While many countries are attempting to reduce reimbursement and simply lower costs, there is also a trend towards proving efficacy. In the U.S., when patients require additional treatments for the same illness, the responsibility falls back onto the health care provider who must pick up the cost of any additional treatments. We believe that health systems which consider the outcomes of the treatment will find that our infusion systems are not only cost effective but also have proven favorable outcomes.

KEY PERFORMANCE INDICATORS

Management reviews and analyzes several key performance indicators in order to manage our business and assess quality of, potential variability of, our earnings and cash flows. These key performance indicators include:

- Net Sales – which is an indicator of our overall business growth:
- Gross Profit – is a key factor in the relative strength of our products as gross profits enable us to generate cash to maintain marketing support and research and development, and therefore improve market share;
- Operating Expenses – outright and as a percentage of net sales, which is an indicator of the efficiency of our business and our ability to manage to our business plan.

FISCAL YEAR END

The Company's fiscal year end is February 28.

RESULTS OF OPERATIONS

Fiscal Year Ended February 28, 2015 compared to Fiscal Year Ended February 28, 2014

Net Sales

The following table summarizes our net sales for the years ended February 28, 2015 and 2014:

	Year Ended February 28,		Change from Prior Year		% of Sales	
	2015	2014	$	%	2015	2014
Sales						
Domestic	$ 9,089,413	$ 6,975,173	$ 2,114,240	30.3%	80.8%	80.2%
International	2,155,247	1,723,679	431,568	25.0%	19.2%	19.8%
Total	$ 11,244,660	$ 8,698,852	$ 2,545,808	29.3%		

Net sales for the year ended February 28, 2015, increased 29.3% to $11.2 million up from $8.7 million for the same period last year. Both our domestic and international markets grew each at a strong pace, 30.3% and 25.0% respectively.

Our infusion products, which include the FREEDOM60 Syringe Infusion System ("FREEDOM60") and RMS HIgH-Flo Subcutaneous Safety Needle Sets drove this increase. We have concentrated the majority of our efforts in our infusion product lines, specifically towards subcutaneous immune globulin ("SCIG") applications in both domestic and international markets. We anticipate sales to continue to increase as the SCIG market continues to develop and as we work on new enhancements to the FREEDOM60 that we believe will expand this market even further. In addition, we expect many of the SCIG providers and others will see benefit in using the FREEDOM60 system for additional uses, such as antibiotics, chemotherapeutics, and pain medications.

Gross Profit

Our gross profit for the years ended February 28, 2015 and 2014 is as follows:

	Year Ended February 28,		Change from Prior Year	
	2015	2014	$	%
Gross Profit	$ 6,687,699	$ 5,310,078	$ 1,377,621	25.9%
Stated as a Percentage of Net Sales	59.5%	61.0%		

Gross profit increased $1.4 million or 25.9% in 2015, as compared to 2014, driven by higher net sales. Gross profit as a percentage of net sales was down 1.5 basis points compared to 2014, mostly due to higher salary and related costs on the production line.

Cost of goods sold increased $1.2 million due to higher salary and related costs in production to meet the increased unit sales volume, increases in prices of raw materials, and a shift in product mix to somewhat less profitable items.

Selling, general and administrative and Research and development

Our selling, general and administrative expenses and research and development costs for the years ended February 28, 2015 and 2014 are as follows:

	Year Ended February 28,		Change from Prior Year	
	2015	2014	$	%
Selling, general and administrative	$ 4,788,279	$ 3,851,298	$ 936,981	24.3%
Research and development	468,154	218,150	250,004	114.6%
	$ 5,256,433	$ 4,069,448	$ 1,186,985	29.2%
Stated as a Percentage of Net Sales	46.7%	46.8%		

Selling, general and administrative expenses increased to $4.8 million in Fiscal 2015, up 24.3% from $3.9 million last year. Of the $0.9 million increase, $0.6 million is due to salary related increases relating to our expansion in our international region and our increase in sales and marketing resources in our corporate offices to support company-wide initiatives to maintain our customer base and increase sales both domestically and internationally for both the FREEDOM60 and RMS HIgH-Flo Subcutaneous Safety Needle Sets. There was also an increase in non-recurring consulting fees of $0.2 million related to operational improvements and an increase in legal fees of $0.1 million related to our litigation with a competitor.

Research and development expenses increased to $0.5 million, up $0.3 million or 114.6% from $0.2 million in fiscal 2014, primarily due to an increase in staff, and regulatory and laboratory services associated with investigation and development of new products. There can be no assurance that our research and development will result in commercially successful products, but we believe that such efforts have been useful in helping us to maintain our competitive position, increase revenue from our existing customer base and expand our market reach.

Depreciation and amortization

Depreciation and amortization expense increased by 21.9% up to $0.3 million in fiscal 2015 compared with $0.2 million in fiscal 2014 as a result of continued investment in capital assets and patents.

Net Income

	Year Ended February 28,		Change from Prior Year	
	2015	2014	$	%
Net Profit	$ 753,117	$ 703,429	$ 49,688	7.1%
Stated as a Percentage of Net Sales	6.7%	8.1%		

Our net income for the fiscal year ended 2015 was $0.8 million, $0.1 million or 7.1% higher than fiscal 2014. This increase is due to an increase of $2.5 million in net sales, offset by an increase in cost of goods sold of $1.2 million due to higher salary and related costs in production to meet the increased volume of unit sales, increases in raw materials and a shift in product mix. Further offsetting net sales were increased selling, general and administrative expenses and research and development costs of $1.2 million, most of which was salary and related expenses associated with our efforts to expand internationally and to increase our resources in our selling and marketing departments, as well as increased legal fees of $0.1 million to defend ourselves in a lawsuit against a competitor and higher consulting fees of $0.2 million related to operational improvements. We also had an increase in foreign exchange losses of $0.1 million as a result of the sustained decline in the value of the Euro relative to the U.S. dollar over the last three quarters of the fiscal year.

LIQUIDITY AND CAPITAL RESOURCES

Our principal source of liquidity is our cash of $2.6 million as of February 28, 2015, and positive cash flows from operations. Our principal source of operating cash inflows is from sales of our products to customers. Our principal cash outflows relate to the purchase and production of inventory and related costs, selling, general and administrative expenses, research and development costs, capital expenditures and patent costs.

We believe that as of February 28, 2015, cash on hand and cash expected to be generated from future operating activities will be sufficient to fund our operations, including further research and development and capital expenditures for the next 12 months. We believe the FREEDOM60® continues to find a solid following in the SCIG market and this market is expected to continue to increase both domestically and internationally. We continued to experience an increase in sales during the year ending February 28, 2015.

RMS HIgH-Flo™ Subcutaneous Safety Needle Sets have clearance for sale in Europe, Canada and the U.S. We believe that the RMS administration sets represent an improvement in performance and safety over competitive devices on the market. We believe we have sufficient resources to continue marketing the needle sets domestically and internationally.

Cash Flows

The following table summarizes our cash flows:

	Year Ended February 28, 2015	Year Ended February 28, 2014
Net cash provided by operating activities	$ 826,099	$ 954,388
Net cash used in investing activities	(744,981)	(218,005)
Net cash provided by (used in) financing activities	248,719	(439,306)

Operating Activities

Net cash provided by operating activities of $0.8 million for the fiscal year ended February 28, 2015, was primarily attributable to our net income of $0.8 million, non-cash charges of $0.3 million for depreciation and amortization of long lived tangible and intangible assets, $0.1 million of deferred compensation costs and a decrease in accounts receivable of $0.1 million, offset mostly by increased inventory levels of $0.4 million. Net cash provided by operating activities of $1.0 million for the fiscal year ended February 28, 2014 was primarily attributable to our net income of $0.7 million, non-cash charges of $0.2 million for depreciation and amortization of long lived tangible and intangible assets, $0.1 million of deferred compensation costs and decreased inventory levels of $0.3 million, offset by an increase in accounts receivable of $0.6 million.

Investing Activities

Our net cash used in investing activities of $0.7 million for the fiscal year ended February 28, 2015, was primarily attributable to capital expenditures related to purchases of manufacturing equipment and tooling, installation of a new clean room and patent costs. Our net cash used in investing activities of $0.2 million for the fiscal year ended February 28, 2014, was primarily attributable to capital expenditures and patent costs.

Financing Activities

Net cash provided by financing activities of $0.2 million for the fiscal year ended February 28, 2015, was primarily attributable to the sale of securities. Net cash used in financing activities of $0.4 million for the fiscal year ended February 28, 2014, was primarily the result of payment of a note payable to related parties. The note was paid in full in May 2013.

Lease commitments

We currently lease a masonry and steel frame building erected on 3.27 acres of land located at 24 Carpenter Road, Chester, New York 10918. This facility is used as our headquarters and for manufacturing operations. We are in year sixteen of a twenty-year lease and are responsible for all repairs, maintenance, and upkeep of the space occupied. The terms of the lease call for a monthly lease payment of $11,042 per month. We also contribute payments of 65% of the building's annual property taxes, amounting to $47,652 for the year ended February 28, 2015.

We also lease warehouse space in a nearby industrial park on a year-to-year basis. In fiscal 2015, we paid $22,834 in rent and common charges for this space.

ACCOUNTING POLICIES

Preparation in conformity with accounting principles generally accepted in the United States ("GAAP") requires us to make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes. These estimates are based on our best knowledge of current events and actions we may undertake in the future. Estimates used in accounting are, among other items, allowance for excess and obsolete inventory, useful lives for depreciation and amortization of long lived assets, contingencies and allowances for doubtful accounts. Actual results may ultimately differ from our estimates, although we do not generally believe such differences would materially affect the financial statements in any individual year.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09—Revenue from Contracts with Customers. The ASU clarifies the principles for recognizing revenue and develops a common revenue standard for U.S. GAAP and International Financial Reporting Standards (''IFRS'') that removes inconsistencies and weaknesses in revenue requirements, provides a more robust framework for addressing revenue issues, improves comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets, provides more useful information to users of the financial statements through improved disclosure requirements and simplifies the preparation of financial statements by reducing the number of requirements to which an entity must refer. The amendments in this update are effective for the annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Full or modified retrospective adoption is required and early application is not permitted. The Company is assessing the impact of the adoption of the ASU on its financial statements, disclosure requirements and methods of adoption.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders
Repro Med Systems, Inc.
Chester, New York

We have audited the accompanying balance sheet of Repro Med Systems, Inc. as of February 28, 2015, and the related statements of operations, stockholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Repro Med Systems, Inc. as of February 28, 2015, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

/s/ McGrail, Merkel, Quinn & Associates, P.C.

Scranton, Pennsylvania
May 8, 2015

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
Repro Med Systems, Inc.
Chester, New York

We have audited the accompanying balance sheet of Repro Med Systems, Inc. as of February 28, 2014, and the related statements of operations, stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Repro Med Systems, Inc. as of February 28, 2014, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ Radin, Glass & Co., LLP

New York, New York
May 29, 2014

REPRO MED SYSTEMS, INC.
BALANCE SHEETS

	February 28, 2015	February 28, 2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 2,557,235	$ 2,227,398
Certificates of deposit	259,789	258,590
Accounts receivable less allowance for doubtful accounts of $29,865 and $26,450 for February 28, 2015, and February 28, 2014, respectively	1,623,695	1,744,813
Inventory	1,226,636	818,723
Prepaid expenses	240,688	245,767
TOTAL CURRENT ASSETS	5,908,043	5,295,291
Property and equipment, net	1,161,432	839,059
Patents, net of accumulated amortization of $134,552 and $119,436 at February 28, 2015 and February 28, 2014, respectively	180,558	43,305
Other Assets	31,140	31,053
TOTAL ASSETS	$ 7,281,173	$ 6,208,708
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Deferred capital gain - current portion	$ 22,481	$ 22,481
Accounts payable	243,217	246,622
Accrued expenses	304,041	263,465
Accrued payroll and related taxes	121,917	72,976
Accrued income tax liability	—	166,358
Total Current Liabilities	691,656	771,902
Deferred capital gain - less current portion	67,454	89,936
Deferred tax liability	248,607	155,000
Total Liabilities	1,007,717	1,016,838
STOCKHOLDERS' EQUITY		
Common stock, $0.01 par value, 50,000,000 shares authorized, 40,347,292 and 38,936,667 shares issued; 38,006,667 and 36,661,667 shares outstanding at February 28, 2015, and February 28, 2014, respectively	403,473	389,367
Additional paid-in capital	3,855,188	3,512,294
Retained earnings	2,237,076	1,483,959
	6,495,737	5,385,620
Less: Treasury stock, 2,340,625 shares and 2,275,000 shares at February 28, 2015, and February 28, 2014, respectively, at cost	(166,281)	(142,000)
Less: Deferred compensation cost	(56,000)	(51,750)
TOTAL STOCKHOLDERS' EQUITY	6,273,456	5,191,870
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 7,281,173	$ 6,208,708

The accompanying notes are an integral part of these Financial Statements.

REPRO MED SYSTEMS, INC.
STATEMENTS OF OPERATIONS

	For the years ended	
	February 28, 2015	**February 28, 2014**
NET SALES	$ 11,244,660	$ 8,698,852
Cost of goods sold	4,556,961	3,388,774
Gross Profit	6,687,699	5,310,078
OPERATING EXPENSES		
Selling, general and administrative	4,788,279	3,851,298
Research and development	468,154	218,150
Depreciation and amortization	283,875	232,959
Total Operating Expenses	5,540,308	4,302,407
Net Operating Profit	1,147,391	1,007,671
Non-Operating Expense/(Income)		
Interest expense	512	4,547
Loss on foreign currency exchange	77,966	97
Interest and other income	(5,623)	(7,426)
INCOME BEFORE TAXES	1,074,536	1,010,453
Income Tax Expense	321,419	307,024
NET INCOME	$ 753,117	$ 703,429
NET INCOME PER SHARE		
Basic	$ 0.02	$ 0.02
Diluted	$ 0.02	$ 0.02
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING		
Basic	37,634,064	36,661,667
Diluted	37,634,064	36,661,667

The accompanying notes are an integral part of these Financial Statements.

REPRO MED SYSTEMS, INC.
STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED FEBRUARY 28, 2015 AND FEBRUARY 28, 2014

	Common Stock		Additional Paid-in	Retained	Treasury	Deferred Compensation	Total Stockholders'
	Shares	Amount	Capital	Earnings	Stock	Cost	Equity
BALANCE, FEBRUARY 28, 2013	38,936,667	$ 389,367	$ 3,512,294	$ 780,530	$ (142,000)	$ (183,600)	$ 4,356,591
Amortization of deferred compensation cost	—	—	—	—	—	131,850	131,850
Net income for the year ended February 28, 2014	—	—	—	703,429	—	—	703,429
BALANCE, FEBRUARY 28, 2014	38,936,667	389,367	3,512,294	1,483,959	(142,000)	(51,750)	5,191,870
Issuance of common stock for employee stock awards	420,000	4,200	79,800	—	—	(84,000)	—
Issuance of common stock	1,000,000	10,000	263,000	—	—	—	273,000
Cancellation of Unvested common Stock	(9,375)	(94)	94	—	—	—	—
Purchase of treasury common stock	—	—	—	—	(24,281)	—	(24,281)
Amortization of deferred compensation cost	—	—	—	—	—	79,750	79,750
Net income for the year ended February 28, 2015	—	—	—	753,117	—	—	753,117
BALANCE, FEBRUARY 28, 2015	40,347,292	$ 403,473	$ 3,855,188	$ 2,237,076	$ (166,281)	$ (56,000)	$ 6,273,456

The accompanying notes are an integral part of these Financial Statements.

REPRO MED SYSTEMS, INC.
STATEMENTS OF CASH FLOWS

	For the Years Ended	
	February 28, 2015	**February 28, 2014**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 753,117	$ 703,429
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of deferred compensation cost	79,750	131,850
Depreciation and amortization	283,875	232,959
Deferred capital gain - building lease	(22,482)	(22,478)
Deferred taxes	93,607	(49,000)
Loss on disposal of fixed assets	281	—
Allowance for returns and doubtful accounts	7,366	3,638
Changes in operating assets and liabilities:		
Decrease (Increase) in accounts receivable	113,752	(633,604)
(Increase) Decrease in inventory	(407,913)	331,406
Decrease (Increase) in prepaid expense	5,079	(65,116)
(Increase) Decrease in other assets	(87)	29,316
(Decrease) Increase in accounts payable	(3,405)	136,264
Increase in accrued payroll and related taxes	48,941	22,781
Increase in accrued expense	40,576	93,675
(Decrease) Increase in accrued income tax liability	(166,358)	39,268
NET CASH PROVIDED BY OPERATING ACTIVITIES	826,099	954,388
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property and equipment	(591,413)	(188,686)
Payments for patents	(152,369)	(27,738)
Purchase of certificates of deposit	(1,199)	(1,581)
NET CASH USED IN INVESTING ACTIVITIES	(744,981)	(218,005)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on note payable to related parties	—	(437,832)
Payments on note payable	—	(1,474)
Purchase of treasury stock	(24,281)	—
Proceeds from sale of securities, net of legal and other fees of $15,000	273,000	—
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	248,719	(439,306)
NET INCREASE IN CASH AND CASH EQUIVALENTS	329,837	297,077
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,227,398	1,930,321
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,557,235	$ 2,227,398
Supplemental Information		
Cash paid during the years for:		
Interest	$ 512	$ 4,547
Taxes	$ 494,891	$ 317,773
NON-CASH FINANCING AND INVESTING ACTIVITIES		
Issuance of common stock as compensation	$ 84,000	$ —

The accompanying notes are an integral part of these Financial Statements.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

REPRO MED SYSTEMS, INC. (the "Company") designs, manufactures and markets proprietary medical devices primarily for the ambulatory infusion market and emergency medical applications. The Food and Drug Administration (the "FDA") regulates these products. The Company operates as one segment.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Company considers all short-term investments with an original maturity of three months or less to be cash equivalents. The Company holds cash in excess of $250,000 at multiple depositories, which exceeds the FDIC insurance limits and is, therefore, uninsured.

At February 28, 2015, cash equivalents consisted of money market funds aggregated to $1.4 million.

CERTIFICATES OF DEPOSIT

The certificates of deposit are recorded at cost plus accrued interest. The certificates of deposit earn interest at a rate of 0.4% to 0.55% and mature in April 2015 and February 2016.

INVENTORY

Inventories of raw materials are stated at the lower of standard cost, which approximates average cost, or market value including allocable overhead. Work-in-process and finished goods are stated at the lower of standard cost or market value and include direct labor and allocable overhead.

PATENTS

Costs incurred in obtaining patents have been capitalized and are being amortized over the legal life of the patents.

INCOME TAXES

Deferred income taxes are provided using the liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable temporary differences.

The Company believes that it has no uncertain tax positions requiring disclosure or adjustment. Generally, tax years starting with 2011 are subject to examination by income tax authorities.

PROPERTY, EQUIPMENT, AND DEPRECIATION

Property and equipment is stated at cost and is depreciated using the straight-line method over the estimated useful lives of the respective assets.

STOCK-BASED COMPENSATION

The Company accounts for stock issued for services using the fair value method.

NET INCOME PER COMMON SHARE

Basic earnings per share are computed on the weighted average of common shares outstanding during each year. Diluted earnings per share include only an increase in the weighted average shares by the common shares issuable upon exercise of employee and director stock options (Note 7).

	Fiscal Year Ended	
	February 28, 2015	February 28, 2014
Net income	$ 753,117	$ 703,429
Weighted Average Outstanding Shares:		
Outstanding shares	37,634,064	36,661,667
Option shares includable	—	—
	37,634,064	36,661,667
Net income per share		
Basic	$ 0.02	$ 0.02
Diluted	$ 0.02	$ 0.02

USE OF ESTIMATES IN THE FINANCIAL STATEMENTS

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Important estimates include but are not limited to, asset lives, valuation allowances, inventory, and accruals.

SUBSEQUENT EVENTS EVALUATION

The Company has evaluated subsequent events through May 8, 2015, the date on which the financial statements were issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

REVENUE RECOGNITION

Sales of manufactured products are recorded when shipment occurs. The Company's revenue stream is derived from the sale of an assembled product. Other service revenues are recorded as the service is performed. Shipping and handling costs generally are billed to customers and are included in sales. The Company generally does not accept return of goods shipped unless it is a Company error. The only credits provided to customers are for defective merchandise.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09—Revenue from Contracts with Customers. The ASU clarifies the principles for recognizing revenue and develops a common revenue standard for U.S. GAAP and International Financial Reporting Standards (''IFRS'') that removes inconsistencies and weaknesses in revenue requirements, provides a more robust framework for addressing revenue issues, improves comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets, provides more useful information to users of the financial statements through improved disclosure requirements and simplifies the preparation of financial statements by reducing the number of requirements to which an entity must refer. The amendments in this update are effective for the annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Full or modified retrospective adoption is required and early application is not permitted. The Company is assessing the impact of the adoption of the ASU on its financial statements, disclosure requirements and methods of adoption.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts reported in the balance sheet for cash, trade receivables, accounts payable and accrued expenses approximate fair value based on the short-term maturity of these instruments.

ACCOUNTING FOR LONG-LIVED ASSETS

The Company reviews its long-lived assets for impairment at least annually or whenever the circumstances and situations change such that there is an indication that the carrying amounts may not be recoverable. As of February 28, 2015, the Company does not believe that any of its assets are impaired.

RECLASSIFICATION

Certain reclassifications have been made to conform prior period data to the current presentation. These reclassifications had no effect on reported net income.

NOTE 2 INVENTORY

Inventory consists of:

	February 28, 2015	February 28, 2014
Raw materials	$ 779,797	$ 410,468
Work in progress	49,445	145,264
Finished goods	471,883	377,585
	1,301,125	933,317
Less: reserve for obsolete inventory	74,489	114,594
Inventory, net	$ 1,226,636	$ 818,723

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at:

	February 28, 2015	February 28, 2014	Estimated Useful Lives
Land	$ 54,030	$ 54,030	
Building	171,094	171,094	20 years
Furniture, office equipment, and leasehold improvements	887,959	967,483	3-10 years
Manufacturing equipment and tooling	963,843	1,473,827	3-12 years
	2,076,926	2,666,434	
Less: accumulated depreciation	915,494	1,827,375	
Property and equipment, net	$ 1,161,432	$ 839,059	

Depreciation expense was $268,759 and $225,613 for the years ended February 28, 2015, and February 28, 2014, respectively. We wrote off $1,178,196 in fully depreciated assets in 2015.

NOTE 4 RELATED PARTY TRANSACTIONS

LEASED AIRCRAFT

The Company leases an aircraft from a company controlled by the CEO. The lease payments were $21,500 for each of the years ended February 28, 2015, and February 28, 2014. The original lease agreement has expired and the Company is currently on a month-to-month basis for rental payments.

BUILDING LEASE

Mr. Mark Pastreich, a director, is a principal in the entity that owns the building leased by Company. The Company is in year sixteen of a twenty-year lease. There have been no changes to lease terms since his directorship and none are expected through the life of the current lease.

CONSULTING SERVICES

On December 20, 2013, we executed an agreement effective March 1, 2014, with a Company director, Dr. Mark Baker, to provide clinical research and support services related to new and enhanced applications for the FREEDOM60® Syringe Infusion System. Authorized by the Board of Directors, the agreement provides for payment of 420,000 shares of common stock valued at $0.20 per share over a three-year period. Amortization amounted to $28,000 for the year ended February 28, 2015. In August, 2014, Dr. Baker was paid a previously approved bonus of $25,000 to assist him in covering taxes due on the grant of common stock.

NOTE 5 LONG-TERM DEBT

In February 2009, the Company was granted a loan from a now former director of the Company for $0.7 million, payable in 144 monthly installments of $5,754 at a rate of 6.00% interest. The Company issued the director 755,000 shares of common stock at the price of $0.11 per share in June 2009 further to reduce the debt. The loan was repaid in full in May, 2013.

NOTE 6 STOCKHOLDERS' EQUITY

In July 2012, 1,465,000 shares were authorized to issue to employees as share compensation valued at $0.18 per share, the market value on the date of the board authorization. The value of these shares will be amortized into operations over the one to two year restriction on the shares. Amortization amounted to $51,750 and $131,850 for the years ended February 28, 2015, and February 28, 2014, respectively.

On December 20, 2013, we executed an agreement effective March 1, 2014, with a Company director, Dr. Mark Baker, to provide clinical research and support services related to new and enhanced applications for the FREEDOM60 Syringe Infusion System. Authorized by the Board of Directors, the agreement provides for payment of 420,000 shares of common stock valued at $0.20 per share over a three-year period. Amortization amounted to $28,000 for the year ending February 28, 2015.

On August 8, 2014, we executed an agreement with Horton Capital Partners Fund, an institutional investor based in Philadelphia, PA, to sell one million shares of our common stock and warrants to purchase an additional one million shares of common stock at an exercise price of $0.45 per share. The aggregate purchase price was $0.3 million.

NOTE 7 STOCK OPTIONS

There were no outstanding options as of February 28, 2015, and February 28, 2014.

NOTE 8 SALE-LEASEBACK TRANSACTION - OPERATING LEASE

On February 25, 1999, the Company entered into a sale-leaseback arrangement whereby the Company sold its land and building at 24 Carpenter Road in Chester, New York and leased it back for a period of twenty years. The leaseback is accounted for as an operating lease. The gain of $0.5 million realized in this transaction has been deferred and is amortized to income in proportion to rental expense over the term of the related lease.

At February 28, 2015, minimum future rental payments are:

Year	Minimum Rental Payments
2016	$ 132,504
2017	132,504
2018	132,504
2019	132,504
	$ 530,016

Rent expense for the years ended February 28, 2015, and February 28, 2014, aggregated $132,504.

NOTE 9 FEDERAL AND STATE INCOME TAXES

The provision for income taxes consisted of at February 28, 2015, and February 28, 2014:

	2015	2014
State income tax:		
Current, net of refund	$ 1,000	$ 984
Federal income tax:		
Deferred	102,087	(49,000)
Current	218,332	355,040
Total	$ 321,419	$ 307,024

The reconciliation of income taxes shown in the financial statements and amounts computed by applying the Federal expected tax rate of 34% is as follows:

	2015	2014
Income before tax	$ 1,074,536	$ 1,010,453
Computed expected tax	$ 365,342	$ 343,554
State income and franchise tax/(refund)	660	984
Other	(44,583)	(37,514)
Provision for taxes	$ 321,419	$ 307,024

The components of deferred tax liabilities at February 28, 2015, and February 28, 2014, respectively, are as follows:

	2015	2014
Deferred compensation cost	$ (19,040)	$ (17,595)
Depreciation and amortization	(239,660)	(137,405)
Allowance for bad debts and other	10,093	—
Deferred tax liabilities	$ (248,607)	$ (155,000)

NOTE 10 MAJOR CUSTOMERS

For the years ended February 28, 2015, and February 28, 2014, approximately, 52.9% and 39.9%, respectively, of the Company's gross product revenues were derived from one major customer. At February 28, 2015, and February 28, 2014, accounts receivable due from this customer were $1.0 million and $0.7 million, respectively.

The largest customer in both years is a domestic medical products and supplies distributor. Although a number of larger infusion customers have elected to consolidate their purchases through one or more distributors in recent years, we continue to maintain a strong direct relationship with them. We do not believe that their continued purchases of FREEDOM60 pumps, tubing, needle sets and related supplies is contingent upon the distributor.

NOTE 11 LEGAL PROCEEDINGS

We commenced a declaratory judgment action in 2013 to establish the invalidity and non-infringement of claims of a patent of a competitor that alleged that our needle sets would infringe. The defendant answered the complaint and asserted various counterclaims that we believe are without merit. We have filed unfair competition claims against the competitor. The parties are proceeding with discovery in the case.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On October 31, 2014 Radin Glass & Co., LLP, resigned as the Company's independent registered public accounting firm, as approved by the board of directors. Radin Glass & Co., LLP's, report on the Company's financial statements for the two fiscal years ended February 28, 2014 and 2013 did not contain an adverse opinion or disclaimer of opinion, and was not qualified or modified as to uncertainty, audit scope or accounting principles.

During the fiscal years ended February 28, 2014 and 2013, as well as the interim period preceding the resignation of Radin Glass & Co., LLP, there were no disagreements or reportable events of the kind described in Item 304(a)(1)(v) of Regulation S-K of the Securities and Exchange Commission (the "Commission") between the Company and Radin Glass & Co., LLP, on any matters of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction of Radin Glass & Co., LLP, would have caused Radin Glass & Co., LLP, to make a reference to the subject matter of the disagreement or reportable event in connection with the issuance of its audit reports.

On October 31, 2014, the Company's Board of Directors approved the engagement of McGrail Merkel Quinn & Associates, P.C. as the Company's independent registered public accounting firm for the year ending February 28, 2015. McGrail Merkel Quinn & Associates, P.C.'s engagement as the Company's independent registered public accounting firm commenced on October 31, 2014.

During the years ended February 28, 2014 and February 28, 2013, and through October 30, 2014, neither the Company nor anyone on its behalf has consulted with McGrail Merkel Quinn & Associates, P.C. with respect to either (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's financial statements, and neither a written report nor oral advice was provided to the Company that McGrail Merkel Quinn & Associates, P.C. concluded was an important factor considered by the Company in reaching a decision as to any accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of a disagreement (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions to Item 304 of Regulation S-K) or a reportable event (as defined in Item 304(a)(1)(v) of Regulation S-K).

ITEM 9A CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer or CEO, and Chief Financial Officer or CFO, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of February 28, 2015. Based on that evaluation, our management, including our CEO and CFO, concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to our management, including our CEO and CFO, to allow timely decisions regarding required disclosure.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process designed under the supervision of the Company's Chief Executive Officer and Chief Financial Officer, and implemented in conjunction with management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with generally accepted accounting principles.

There are inherent limitations in the effectiveness of any internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even effective internal control can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of internal control may vary over time.

Management assessed the effectiveness of the Company's internal control over financial reporting as of February 28, 2015. This assessment was based on criteria for effective internal control over financial reporting described in "Internal Control - Integrated Framework," issued by the Committee of Sponsoring Organization of the Treadway Commission (COSO). Based on this assessment, management determined that, as of February 28, 2015, the Company maintained effective internal control over financial reporting.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to the Dodd-Frank Act that permits the Company to provide only management's report in the annual report.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the fiscal year ended February 28, 2015, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

The following table sets forth-certain information with respect to the Executive Officers and Directors:

Name	Age	Position / Held Since
Andrew I. Sealfon	69	President 1980, Chairman 1989, Director 1980, Chief Executive Officer 1986
Karen Fisher	49	Chief Financial Officer and Treasurer 2015
Paul Mark Baker	64	Director 1991
Mark Pastreich	85	Director 2011
Arthur J. Radin	77	Director 2015
Brad A. Sealfon	27	Director 2013

Mr. Andrew Sealfon is deemed a "parent" and "promoter" as those terms are defined under the Securities Act of 1933 as amended.

All directors hold offices until the next annual meeting of stockholders or until their successors are elected. Executive officers hold office at the discretion of the Board of Directors.

Mr. Andrew Sealfon co-founded Repro Med Systems, Inc. in 1980. He is an electrical engineer and inventor and has been granted numerous U.S. patents. Mr. Sealfon is a graduate of Lafayette College.

Ms. Fisher has more than 18 years of financial experience at a variety of industries, most recently serving as Assistant Controller, Senior Manager for Armored Autogroup, Inc., a worldwide consumer products company, from February 2012 to January 2015. Before joining Armored Autogroup, Inc., she spent seven years at Gilman Ciocia, Inc., where she served in a variety of financial roles, including Chief Accounting Officer and Treasurer, and, earlier, as Controller. Before Gilman Ciocia, Inc., she held multiple financial management roles at The New York Times Company and Thomson Financial. Ms. Fisher is a Certified Public Accountant and a graduate of Arizona State University with a BS in accounting.

Dr. Baker earned a medical degree from Cornell University Medical College. He is a practicing pediatrician and is attending at Department of Pediatrics Horton Memorial Hospital, Middletown, New York, and attending at New York Hospital-Cornell Medical Center in New York City. Dr. Baker assisted us in the development of the RES-Q-VAC Suction System. In addition, Dr. Baker has published results of use of the RES-Q-VAC® in a letter to LANCET, a medical journal. Dr. Baker is currently consulting with the Company to provide clinical research and support services related to new and enhanced applications for the FREEDOM60 and FreedomEdge.

Mr. Pastreich is a businessman, and a longtime real estate investor and broker. He has served on numerous for-profit and not-for-profit boards. Among his other various real estate holdings, he is presently a partner in Casper Creek LLC, which owns the building leased by the Company.

Mr. Radin was appointed to the Board of Directors in January, 2015. Mr. Radin, who started his career at Touche Ross & Co., has been a partner in public accounting firms for 45 years. He was with Radin, Glass & Co., the Company's former independent auditors, from 1998 until January 2015 when he joined Janover LLC. He is a member of the New York State Society of Certified Public Accountants Editorial Board. Mr. Radin received a BA degree from Columbia College and a Masters in Business Administration from New York University.

Mr. Brad Sealfon joined the board in November, 2013. An employee of the company since 2011, he currently holds the position of Marketing Manager. Mr. Sealfon is the son of Andrew Sealfon, the Company's President and Chief Executive Officer.

ITEM 11. EXECUTIVE COMPENSATION

Andrew I. Sealfon, President, received $408,333 in salary and bonus during the fiscal year ended February 28, 2015. Mr. Sealfon received a grant of restricted stock in 2012 which vested over a two-year period.

Karen Fisher, Chief Financial Officer, received $30,417 in salary and bonus during the fiscal year ended February 28, 2015.

Barry K. Short, the company's Interim Chief Financial Officer from June 9, 2014, through January 28, 2015, and current Director of Administration, received $135,000 in salary and bonus during the fiscal year ended February 28, 2015. Mr. Short received a grant of restricted stock in 2012 which vested over a two-year period.

Mike R. Boscher, the Company's Chief Financial Officer until June 9, 2014, received $102,083 in salary, bonus and severance during the fiscal year ended February 28, 2015. Mr. Boscher received a grant of restricted stock in 2012 which vested over a two-year period. As part of his severance arrangement, the Company purchased Mr. Boscher's vested shares at the market price as of the date of the severance agreement.

Officers are reimbursed for travel and other expenses incurred on behalf of the Company. We offer an optional 401(k) savings plan with a company matching component to all full-time employees with 90 days of service.

	Summary Compensation	
Name & Position	**Year**	**Salary**
Andrew I. Sealfon, President & CEO*	2015	$ 408,333
	2014	$ 325,000
Karen Fisher, CFO (effective January 28, 2015)**	2015	$ 30,417
Barry K. Short, Interim CFO (June 9, 2014 – January 28, 2015)	2015	$ 135,000
Mike R. Boscher, CFO (through June 9, 2014)	2015	$ 102,083
	2014	$ 184,033

* Mr. Sealfon is provided with an automobile that has been paid for in full by the Company.

** Ms. Fisher has an employment agreement with the Company which was entered into on January 15, 2015. Ms. Fisher's annual compensation is $185,000, plus bonus.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth, as of May 8, 2015, the number of shares of Common Stock beneficially owned by each person owning more than 5% of the outstanding shares, by each officer and director, and by all officers and directors as a group:

Name of Principal Stockholders and Identity of Group	Number of Shares Owned	Percent of Class	Notes:
Andrew I. Sealfon*	8,267,250	21%	(1)
Dr. Paul Mark Baker	1,801,180	5%	(2)
Mark Pastreich	376,500	1%	—
Arthur J. Radin	20,000	—	—
Brad A. Sealfon	15,000	—	—
All Directors and Officers as a Group	10,479,930	27%	—
Horton Capital Partners Fund, LP	3,304,626	8%	(3)
Total of all Directors, Offices and 5% stockholders	13,784,556	35%	—

*Andrew I. Sealfon is deemed a "parent" and a "promoter" of Repro Med Systems, Inc., as those terms are defined under the Securities Act of 1933, as amended.

(1) Does not include approximately 300,000 shares of common stock owned by Mr. Andrew Sealfon's wife, 15,000 shares of common stock held by Mr. Sealfon's son, Brad A. Sealfon, or 15,000 shares of common stock held by Mr. Sealfon's daughter, Carolyn Sealfon, as to which Mr. Sealfon disclaims beneficial ownership.

(2) Includes beneficial shares owned by Andrea Baker, Dr. Baker's wife.

(3) As part of its investment in the Company in August, 2014, Horton Capital Partners Fund, LP, was issued warrants to purchase up to 1.0 million shares additional shares of common stock at an exercise price of $0.45 per share. The warrants expire in August, 2019.

Certain shares and/or options, which have been disclosed above, were issued to officers, directors, or 10% shareholders. The Company has reminded each of said directors to file an SEC Form 3, 4, or 5 as applicable, with respect to such stock issuances, option grants and other stock transactions.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

To reduce corporate travel expenses, we maintain and operate a corporate aircraft. Since 1992, the aircraft has been leased from AMI Aviation, Inc. Mr. Andrew Sealfon is a majority shareholder in AMI Aviation. The lease expenses paid were $21,500 in each of the fiscal years 2015 and 2014. We believe the AMI lease is on terms competitive with those that could be obtained from unaffiliated third parties.

In February 2009, the Company borrowed $0.7 million from a now former director of the Company, at 6% interest per annum. In June 2009, 755,000 shares of stock were issued to the director at $0.11 per share to reduce the debt. This loan was fully repaid in May, 2013.

In February 2011, the Company added Mr. Mark Pastreich as a director. Mr. Pastreich is a principal in the company that owns the building leased by the Company. The Company is in year fifteen of a twenty-year lease. No changes have been made to the lease terms as a result of his directorship, and none are anticipated before the end of the lease.

On December 20, 2013, we executed an agreement effective March 1, 2014, with a Company director, Dr. Mark Baker, to provide clinical research and support services related to new and enhanced applications for the FREEDOM60® Syringe Infusion System. Authorized by the Board of Directors, the agreement provides for payment of 420,000 shares of common stock valued at $0.20 per share over a three-year period. Amortization amounted to $28,000 for the year ended February 28, 2015. In August, 2014, Dr. Baker was paid a previously approved bonus of $25,000 to assist him in covering taxes due on the grant of common stock.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following is a summary of the fees billed to us by McGrail Merkel Quinn & Associates, P.C. and Radin, Glass & Co., LLP, independent registered public accounting firms, for professional services rendered for the fiscal years ended February 28, 2015 and February 28, 2014, respectively.

Fee Category	Fiscal 2015 Fees	Fiscal 2014 Fees
Audit Fees (1)	$ 39,000	$ 40,000
Tax Returns & Consulting Services (2)	—	$ 10,000

(1) Audit fees consist of aggregate fees billed for professional services rendered for the audit of our annual financial statements and review of the interim financial statements included in quarterly reports or services that are normally provided by the independent auditors in connection with statutory and regulatory filings or engagements for the fiscal years ended February 28, 2015, and February 28, 2014, respectively.

(2) Includes tax preparation and compliance fees for 2014.

The Board of Directors is responsible for the appointment, compensation, and oversight of the work of the independent auditors and approves in advance any services to be performed by the independent auditors, whether audit-related or not. The Board of Directors reviews each proposed engagement to determine whether the provision of services is compatible with maintaining the independence of the independent auditors. All of the fees shown above were pre-approved by the Board of Directors.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The Financial Statement Schedules are filed in Part II, Item 8 hereof.

The following exhibits are filed herewith or incorporated by reference as part of this Annual Report.

Exhibit No.	Description
3(i)	Articles of Incorporation dated March 7, 1980; as amended September 18, 1980; October 12, 1982; November 11, 1986 and November 17, 1987 (previously filed with the Form 10-Q for the quarter ended November 30, 2013, and incorporated by reference).
3(ii)	By-Laws, by reference from the Annual Report on Form10-K of REPRO MED SYSTEMS, INC., for the fiscal year ended February 1987 (previously filed and incorporated by reference).
4.1	Securities Purchase Agreement with Horton Capital Partners Fund, L.P. dated August 8, 2014, filed herewith.
10.1	Executive Employment Agreement for Karen Fisher, Chief Financial Officer dated January 15, 2015 (previously filed and incorporated by reference).
14.1	Acknowledgement of Receipt and Understanding of Code of Ethics for Officers, Directors, and Employees of REPRO MED SYSTEMS, INC., and Federal Securities Law Prohibitions as to use of Insider Information (previously filed and incorporated by reference).
14.2	Code of Ethics for Officers, Directors, and Employees of REPRO MED SYSTEMS, INC. (previously filed and incorporated by reference).
14.3	Federal Securities Law Considerations for Management of REPRO MED SYSTEMS, INC. (previously filed and incorporated by reference).
31.1	Certification of the Principal Executive Officer of registrant required under Section 302of the Sarbanes-Oxley Act of 2002, filed herewith.
31.2	Certification of the Chief Financial Officer and Treasurer of registrant required under Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
32.1	Certification of the Principal Executive Officer of registrant required under Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.
32.2	Certification of the Chief Financial Officer and Treasurer of registrant required under Section 906 of the Sarbanes-Oxley Act of 202, filed herewith.
101	Interactive Data File (Annual Report on Form 10-K, for the fiscal year ended February 28, 2015), furnished in XBRL (eXtensible Business Reporting Language).

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on May 8, 2015.

REPRO MED SYSTEMS, INC.

/s/ Andrew I. Sealfon
Andrew I. Sealfon, President

/s/ Karen Fisher
Karen Fisher, Chief Financial Officer and Treasurer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on May 8, 2015.

/s/ Andrew I. Sealfon
Andrew I. Sealfon, President, Chairman of the Board, Director, and Principal Executive Officer

/s/ Dr. Paul Mark Baker
Dr. Paul Mark Baker, Director

/s/ Mark Pastreich
Mark Pastreich, Director

/s/ Arthur J. Radin
Arthur J. Radin, Director

/s/ Brad A. Sealfon
Brad A. Sealfon, Director

EXHIBIT 4.1

SECURITIES PURCHASE AGREEMENT

This **SECURITIES PURCHASE AGREEMENT** (this "Agreement") is dated as of August 8, 2014 between Repro-Med Systems, Inc. a New York corporation (the "Company"), and the purchaser identified on the signature page hereto (the "Purchaser").

WHEREAS, the Purchaser has approached the Company indicating that it would like to purchase securities of the Company and has offered to be helpful to the Company's management.

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), the Company desires to issue and sell to the Purchaser, and the Purchaser desires to purchase from the Company, securities of the Company as more fully described in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and the Purchaser agree as follows:

ARTICLE I.
DEFINITIONS

1 . 1 Definitions. In addition to the terms defined elsewhere in this Agreement, for all purposes of this Agreement, the following terms have the meanings set forth in this Section 1.1:

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Board of Directors" means the board of directors of the Company.

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"Closing" means the closing of the purchase and sale of the Securities pursuant to Section 2.1.

"Closing Date" means the Trading Day on which all of the Transaction Documents have been executed and delivered by the applicable parties thereto, and all conditions precedent to (i) the Purchasers' obligations to pay the Subscription Amount and (ii) the Company's obligations to deliver the Securities, in each case, have been satisfied or waived.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the common stock of the Company, par value $0.01 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

"Common Stock Equivalents" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

"Company Counsel" means Salon Marrow Dyckman Newman & Brody, LLP,, 292 Madison Avenue, New York, NY 10017.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Liens" means a lien, charge pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Proceeding" means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"Securities" means the Shares, the Warrants and the Warrant Shares.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Shares" means the shares of Common Stock issued or issuable to the Purchaser pursuant to this Agreement.

"Subscription Amount" means, as to the Purchaser, the aggregate amount to be paid for Shares and Warrants purchased hereunder as specified below the Purchaser's name on the signature page of this Agreement and next to the heading "Subscription Amount," in United States dollars and in immediately available funds.

"Subsidiary" means any subsidiary of the Company and shall, where applicable, also include any direct or indirect subsidiary of the Company formed or acquired after the date hereof.

"Trading Day" means a day on which the principal Trading Market is open for trading.

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange or the OTC Bulletin Board and/or OTCQB Market (or any successors to any of the foregoing).

"Transaction Documents" means this Agreement, the Warrants and all exhibits and schedules thereto and hereto and any other documents or agreements executed in connection with the transactions contemplated hereunder.

"Transfer Agent" means Continental Stock Transfer & Trust Company, 17 Battery Place, New York, NY 10004, and any successor transfer agent of the Company.

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if the OTC Bulletin Board and/or OTCQB Market is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date for which the volume weighted average price is available) on the OTC Bulletin Board and/or OTCQB Market, (c) if the Common Stock is not then listed or quoted for trading on the OTC Bulletin Board and/or OTCQB Market and if prices for the Common Stock are then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Purchaser and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"Warrants" means, collectively, the Common Stock purchase warrants delivered to the Purchaser at the Closing in accordance with Section 2.2(a) hereof, which Warrants shall be exercisable immediately and have a term of exercise equal to 5 years, in the form of Exhibit A, attached hereto.

"Warrant Shares" means the shares of Common Stock issuable upon exercise of the Warrants.

ARTICLE II.
PURCHASE AND SALE

2 . 1 Closing. On the Closing Date, upon the terms and subject to the conditions set forth herein, substantially concurrent with the execution and delivery of this Agreement by the parties hereto, the Company agrees to sell, and the Purchaser agrees to purchase, up to an aggregate of $[270],000 of Shares and Warrants. The Purchaser shall deliver to the Company, via wire transfer, immediately available funds equal to the Purchaser's Subscription Amount as set forth on the signature page hereto executed by such Purchaser, and the Company shall deliver to the Purchaser the Shares and the Warrants, as determined pursuant to Section 2.2(a), and the Company and the Purchaser shall deliver the other items set forth in Section 2.2 deliverable at the Closing. Upon satisfaction of the covenants and conditions set forth in Sections 2.2 and 2.3, the Closing shall occur at such location as the parties shall mutually agree.

2.2 Deliveries.

(a) On or prior to the Closing Date, the Company shall deliver or cause to be delivered to each Purchaser the following:

(i) this Agreement duly executed by the Company;

(ii) a legal opinion of Company Counsel, substantially in the form of Exhibit B attached hereto;

(iii) a copy of the irrevocable instructions to the Transfer Agent instructing the Transfer Agent to deliver, on an expedited basis, a certificate evidencing 1,000,000, Shares registered in the name of the Purchaser; and

(iv) the Warrants registered in the name of the Purchaser to purchase up to 1,000,000 shares of Common Stock, with an exercise price equal to $0.45, subject to adjustment therein (such Warrant certificate may be delivered within 7 Trading Days of the Closing Date).

(b) On or prior to the Closing Date, the Purchaser shall deliver or cause to be delivered to the Company the following:

(i) this Agreement duly executed by the Purchaser; and

(ii) such Purchaser's Subscription Amount by wire transfer to the account specified in writing by the Company.

2.3 Closing Conditions.

(a) The obligations of the Company hereunder in connection with the Closing are subject to the following conditions being met:

(i) the accuracy in all material respects on the Closing Date of the representations and warranties of the Purchaser contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of the Purchaser required to be performed at or prior to the Closing Date shall have been performed; and

(iii) the delivery by the Purchaser of the items set forth in Section 2.2(b) of this Agreement.

(b) The obligations of the Purchaser hereunder in connection with the Closing are subject to the following conditions being met:

(i) the accuracy in all material respects when made and on the Closing Date of the representations and warranties of the Company contained herein (unless as of a specific date therein);

(ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the Closing Date shall have been performed;

(iii) the delivery by the Company of the items set forth in Section 2.2(a) of this Agreement;

(iv) there shall have been no Material Adverse Effect with respect to the Company since the date hereof; and

(v) trading in the Common Stock shall not have been suspended by the Commission or the Company's principal Trading Market, andtrading in securities generally as reported by Bloomberg L.P. shall not have been suspended or limited, or minimum prices shall not have been established on securities whose trades are reported by such service, or on any Trading Market, nor shall a banking moratorium have been declared either by the United States or New York State authorities nor shall there have occurred any material outbreak or escalation of hostilities or other national or international calamity of such magnitude in its effect on, or any material adverse change in, any financial market which, in each case, in the reasonable judgment of such Purchaser, makes it impracticable or inadvisable to purchase the Securities.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES

3 . 1 Representations and Warranties of the Company . Except as set forth below, the Company hereby makes the following representations and warranties to the Purchaser:

(a) Organization and Qualification. The Company is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation nor default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents. Each of the Company is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in: (i) a material adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, or (iii) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document (any of (i), (ii) or (iii), a "Material Adverse Effect") and no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

(b) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of each of this Agreement and the other Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors or the Company's stockholders in connection herewith or therewith. This Agreement and each other Transaction Document to which it is a party has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(c) Issuance of the Securities. The Securities are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents. The Warrant Shares, when issued in accordance with the terms of the Transaction Documents, will be validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents. The Company has reserved from its duly authorized capital stock the maximum number of shares of Common Stock issuable pursuant to this Agreement and the Warrants.

(d) SEC Reports; Financial Statements. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Exchange Act,[including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (or such shorter period as the Company was required by law or regulation to file such material)] (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "SEC Reports") on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis during the periods involved ("GAAP"), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

(e) Material Changes; Undisclosed Events, Liabilities or Developments. Since the date of the latest audited financial statements included within the SEC Reports, except as specifically disclosed in a subsequent SEC Report filed, or a Company press release issued or a Schedule attached hereto, prior to the date hereof, there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect.

(f) Regulatory Permits. The Company and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as described in the SEC Reports, except where the failure to possess such permits could not reasonably be expected to result in a Material Adverse Effect ("Material Permits"), and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any Material Permit.

(g) Intellectual Property. The Company and the Subsidiaries have, or have rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights as described in the SEC Reports as necessary or required for use in connection with their respective businesses and which the failure to so have could have a Material Adverse Effect (collectively, the "Intellectual Property Rights"). Except as disclosed in the SEC Reports, none of the Company nor any Subsidiary has received a notice (written or otherwise) that any of, the Intellectual Property Rights has expired, terminated or been abandoned, or is expected to expire or terminate or be abandoned, within two (2) years from the date of this Agreement. Except as disclosed in the SEC Reports, neither the Company nor any Subsidiary has received, since the date of the latest audited financial statements included within the SEC Reports, a written notice of a claim or otherwise has any knowledge that the Intellectual Property Rights violate or infringe upon the rights of any Person, except as could not have or reasonably be expected to not have a Material Adverse Effect. To the knowledge of the Company, all such Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Intellectual Property Rights. The Company and its Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of their intellectual properties, except where failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(h) Listing and Maintenance Requirements. The Company is required to file periodic reports pursuant to Section 15(d) of the Exchange Act, and the Company has taken no action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act nor has the Company received any notification that the Commission is contemplating terminating such registration. The Company has not, in the 12 months preceding the date hereof, received notice from any Trading Market on which the Common Stock is or has been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such Trading Market. The Company is, and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with all such listing and maintenance requirements.

(i) Disclosure. All of the disclosure furnished by or on behalf of the Company to the Purchasers regarding the Company and its Subsidiaries, their respective businesses and the transactions contemplated hereby, is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The press releases disseminated by the Company during the twelve months preceding the date of this Agreement at the time at which they were made, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made and when made, not misleading.

(j) Accountants. The Company's accounting firm is Radin, Glass & Co., LLP, 360 Lexington Avenue, New York, NY 10017. To the knowledge and belief of the Company, such accounting firm: (i) is a registered public accounting firm as required by the Exchange Act and (ii) shall express its opinion with respect to the financial statements to be included in the Company's Annual Report for the fiscal year ending February 28, 2015.

(k) No Disagreements with Accountants and Lawyers. There are no disagreements of any kind presently existing, or reasonably anticipated by the Company to arise, between the Company and the accountants and lawyers formerly or presently employed by the Company and the Company is current with respect to any fees owed to its accountants and lawyers which could affect the Company's ability to perform any of its obligations under any of the Transaction Documents.

(l) Regulation M Compliance. The Company has not, and to its knowledge no one acting on its behalf has, (i) taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Securities, (ii) sold, bid for, purchased, or paid any compensation for soliciting purchases of, any of the Securities, or (iii) paid or agreed to pay to any Person any compensation for soliciting another to purchase any other securities of the Company, other than, in the case of clauses (ii) and (iii), compensation paid to the Company's placement agent in connection with the placement of the Securities.

3 . 2 Representations and Warranties of the Purchaser . The Purchaser hereby represents and warrants as of the date hereof and as of the Closing Date to the Company as follows (unless as of a specific date therein):

(a) Organization; Authority. Such Purchaser is an entity duly incorporated or formed, validly existing and in good standing under the laws of the State of Delaware with full right, corporate, partnership, limited liability company or similar power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by the Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate, partnership, limited liability company or similar actions, as applicable, on the part of such Purchaser. Each Transaction Document to which it is a party has been duly executed by such Purchaser, and when delivered by such Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Own Account. Such Purchaser understands that the Securities are "restricted securities" and have not been registered under the Securities Act or any applicable state securities law and is acquiring the Securities as principal for its own account and not with a view to or for distributing or reselling such Securities or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing any of such Securities in violation of the Securities Act or any applicable state securities law and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Securities in violation of the Securities Act or any applicable state securities law (this representation and warranty not limiting such Purchaser's right to sell the Securities pursuant to the Registration Statement or otherwise in compliance with applicable federal and state securities laws). Such Purchaser is acquiring the Securities hereunder in the ordinary course of its business.

(c) Purchaser Status. At the time such Purchaser was offered the Securities, it was, and as of the date hereof it is, and on each date on which it exercises any Warrants, it will be either: (i) an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act or (ii) a "qualified institutional buyer" as defined in Rule 144A(a) under the Securities Act.

(d) Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(e) General Solicitation. Such Purchaser is not purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television, radio or the Internet, or presented at any seminar or any other General Solicitation or general advertisement.

(f) Certain Transactions and Confidentiality. Other than consummating the transactions contemplated hereunder, such Purchaser has not directly or indirectly, nor has any Person acting on behalf of or pursuant to any understanding with such Purchaser, executed any purchases or sales, including Short Sales, of the securities of the Company during the period commencing as of the time that such Purchaser first discussed a term sheet with the Company or any other Person representing the Company setting forth the material terms of the transactions contemplated hereunder and ending immediately prior to the execution hereof.

The Company acknowledges and agrees that the representations contained in Section 3.2 shall not modify, amend or affect such Purchaser's right to rely on the Company's representations and warranties contained in this Agreement or any representations and warranties contained in any other Transaction Document or any other document or instrument executed and/or delivered in connection with this Agreement or the consummation of the transaction contemplated hereby.

ARTICLE IV.
OTHER AGREEMENTS OF THE PARTIES

4.1 Transfer Restrictions.

(a) The Securities may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of Securities other than pursuant to an effective registration statement or Rule 144, to the Company or to an Affiliate of a Purchaser or in connection with a pledge as contemplated in Section 4.1(b), the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and shall have the rights and obligations of a Purchaser under this Agreement.

(b) The Purchaser agrees to the imprinting, so long as is required by this Section 4.1, of a legend on any of the Securities in the following form:

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED , AND MAY NOT BE SOLD, TRANSFERRED, PELDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF (i) AN EFFECTIVE REGISTRATION STATEMENT FOR SUCH SECURITIES UNDER SAID ACT OR (ii) AN OPINION OF COMPANY COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED.
>
> THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

The Company acknowledges and agrees that the Purchaser may from time to time pledge pursuant to a bona fide margin agreement with a registered broker-dealer or grant a security interest in some or all of the Securities to a financial institution that is an "accredited investor" as defined in Rule 501(a) under the Securities Act and who agrees to be bound by the provisions of this Agreement and, if required under the terms of such arrangement, the Purchaser may transfer pledged or secured Securities to the pledgees or secured parties. Such a pledge or transfer would not be subject to approval of the Company and no legal opinion of legal counsel of the pledgee, secured party or pledgor shall be required in connection therewith. Further, no notice shall be required of such pledge. At the Purchaser's expense, the Company will execute and deliver such reasonable documentation as a pledgee or secured party of Securities may reasonably request in connection with a pledge or transfer of the Securities,

(c) Certificates evidencing the Shares and Warrant Shares shall not contain any legend (including the legend set forth in Section 4.1(b) hereof), (i) while a registration statement covering the resale of such security is effective under the Securities Act, (ii) following any sale of such Shares or Warrant Shares pursuant to Rule 144, (iii) if such Shares or Warrant Shares are eligible for sale under Rule 144, without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to such Shares and Warrant Shares and without volume or manner-of-sale restrictions, or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission). If all or any portion of a Warrant is exercised at a time when there is an effective registration statement to cover the resale of the Warrant Shares, or if such Shares or Warrant Shares may be sold under Rule 144 and the Company is then in compliance with the current public information required under Rule 144, or if the Shares or Warrant Shares may be sold under Rule 144 without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to such Shares or Warrant Shares or if such legend is not otherwise required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission) then such Warrant Shares shall be issued free of all legends. The Company agrees that at such time as such legend is no longer required under this Section 4.1(c),upon the request of the Purchaser, it will, no later than 10 Trading Days following the delivery by a Purchaser to the Company or the Transfer Agent of a certificate representing Shares or Warrant Shares, as the case may be, issued with a restrictive legend (such tenth Trading Day, the "Legend Removal Date"), deliver or cause to be delivered to such Purchaser a certificate representing such shares that is free from all restrictive and other legends. In the event that the Purchaser requests removal of the restrictive legend required by the Securities Act for the Shares, the Warrant or the Warrant Shares, as permitted by the securities laws then in effect, and delivers the Shares, the Warrant or the Warrant shares to the Company or its transfer agent, as applicable, then the Company shall, as promptly as practicable, but in no event later than 10 Trading Days after the Company or its transfer agent receiving such request, direct its transfer agent to return the Shares, Warrant or Warrant Shares to the Purchaser or its designee free of such restrictive legend. If the Purchaser or its designee have not received the Shares, Warrant or Warrant share within 3 Trading Days of such request, then the Purchaser may send (without limiting the Company's obligation to remove such restrictive legend) a further notice to the President of the Company (or the person serving in a similar position) by (i) speaking to the President on the telephone acknowledged by email from the President, (ii) by a receipted email, or (iii) by delivery by a recognized international overnight carrier against receipt reminding the Company's President of the Company's obligation to deliver such securities within 10 Trading Days in accordance with the provisions hereof. The Company may not make any notation on its records or give instructions to the Transfer Agent that enlarge the restrictions on transfer set forth in this Section 4. Certificates for Securities subject to legend removal hereunder shall be transmitted by the Transfer Agent to the Purchaser by crediting the account of the Purchaser's prime broker with the Depository Trust Company System as directed by such Purchaser.

(d) The Purchaser agrees with the Company that such Purchaser will sell any Securities pursuant to either the registration requirements of the Securities Act, including any applicable prospectus delivery requirements, or an exemption therefrom, and that if Securities are sold pursuant to a Registration Statement, they will be sold in compliance with the plan of distribution set forth therein, and acknowledges that the removal of the restrictive legend from certificates representing Securities as set forth in this Section 4.1 is predicated upon the Company's reliance upon this understanding.

4 . 2 Securities Laws Disclosure; Publicity. The Company shall (a) following the date hereof, promptly issue a press release disclosing the material terms of the transactions contemplated hereby, and (b) file a Current Report on Form 8-K, including the Transaction Documents as exhibits thereto, with the Commission within the time required by the Exchange Act. The Company and the Purchaser shall consult with each other in issuing any other press releases with respect to the transactions contemplated hereby, and neither the Company nor the Purchaser shall issue any such press release nor otherwise make any such public statement without the prior consent of the Company, with respect to any press release of the Purchaser, or without the prior consent of the Purchaser, with respect to any press release of the Company, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication.

4.3 Indemnification of Purchaser. Subject to the provisions of this Section 4.4, the Company will indemnify and hold the Purchaser and its directors, officers, shareholders, members, partners, employees and agents (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls such Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, shareholders, agents, members, partners or employees (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling persons (each, a "Purchaser Party") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation that any such Purchaser Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or in the other Transaction Documents or (b) any action instituted against the Purchaser Parties in any capacity, or any of them or their respective Affiliates, by any stockholder of the Company who is not an Affiliate of such Purchaser Parties, with respect to any of the transactions contemplated by the Transaction Documents (unless such action is based upon a breach of such Purchaser Party's representations, warranties or covenants under the Transaction Documents or any agreements or understandings such Purchaser Parties may have with any such stockholder or any violations by such Purchaser Parties of state or federal securities laws or any conduct by such Purchaser Parties which constitutes fraud, gross negligence, willful misconduct or malfeasance). If any action shall be brought against any Purchaser Party in respect of which indemnity may be sought pursuant to this Agreement, such Purchaser Party shall promptly notify the Company in writing, and the Company shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of counsel, a material conflict on any material issue between the position of the Company and the position of such Purchaser Party, in which case the Company shall be responsible for the reasonable fees and expenses of no more than one such separate counsel. The Company will not be liable to any Purchaser Party under this Agreement (y) for any settlement by a Purchaser Party effected without the Company's prior written consent, which shall not be unreasonably withheld or delayed; or (z) to the extent, but only to the extent that a loss, claim, damage or liability is attributable to any Purchaser Party's breach of any of the representations, warranties, covenants or agreements made by such Purchaser Party in this Agreement or in the other Transaction Documents. The indemnification required by this Section 4.4 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or are incurred. The indemnity agreements contained herein shall be in addition to any cause of action or similar right of any Purchaser Party against the Company or others and any liabilities the Company may be subject to pursuant to law.

4.4 Reservation of Common Stock. As of the date hereof, the Company has reserved and the Company shall continue to reserve and keep available at all times, free of preemptive rights, a sufficient number of shares of Common Stock for the purpose of enabling the Company to issue Shares pursuant to this Agreement and Warrant Shares pursuant to any exercise of the Warrants.

4 . 5 Listing of Common Stock. The Company hereby agrees to use best efforts to maintain the listing or quotation of the Common Stock on the Trading Market on which it is currently listed. The Company further agrees, if the Company applies to have the Common Stock traded on any other Trading Market, it will then include in such application all of the Shares and Warrant Shares, and will take such other action as is necessary to cause all of the Shares and Warrant Shares to be listed or quoted on such other Trading Market as promptly as possible. The Company will then take all action reasonably necessary to continue the listing or quotation and trading of its Common Stock on a Trading Market and will comply in all respects with the Company's reporting, filing and other obligations under the bylaws or rules of the Trading Market.

ARTICLE V.
MISCELLANEOUS

5 . 1 Termination. This Agreement may be terminated by the Purchaser, as to such Purchaser's obligations hereunder, by written notice to the other parties, if the Closing has not been consummated on or before August 8, 2014; provided, however, that such termination will not affect the right of any party to sue for any breach by any other party (or parties).

5 . 2 Fees and Expenses. Each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement., provided, however, that the Company has agreed to reimburse the Purchaser for its out-of pocket expenses for an amount up to $5,000. The Company shall pay all Transfer Agent fees, stamp taxes and other taxes and duties levied in connection with the delivery of any Securities to the Purchasers.

5.3 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5.4 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Trading Day, provided that such facsimile notice is responded to our followed up with an overnight hard copy delivery of such notice, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, provided that such facsimile notice is responded to our followed up with an overnight hard copy delivery of such notice, (c) the second (2^{nd}) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

5 . 5 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and the Purchasers holding at least 67% in interest of the Shares then outstanding or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

5.6 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

5.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Purchaser (other than by merger). The Purchaser may assign any or all of its rights under this Agreement (i) to any Person to whom such Purchaser assigns or transfers any Securities, provided that such transferee agrees in writing to be bound, with respect to the transferred Securities, by the provisions of the Transaction Documents that apply to the "Purchaser"; (ii) only after six months from the date hereof; (iii) if within one year from the date hereof, only with the express written consent of the Company; and (iv) only in accordance with the applicable securities laws and regulations.

5.8 Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth in Section 4.4 and this Section 5.8.

5.9 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

5.10 Survival. The representations and warranties contained herein shall survive the Closing and the delivery of the Securities.

5.11 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

5.12 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

5.13 Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) any of the other Transaction Documents, whenever the Purchaser exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then such Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights; provided, however, that in the case of a rescission of an exercise of a Warrant, the Purchaser shall be required to return any shares of Common Stock subject to any such rescinded exercise notice concurrently with the return to such Purchaser of the aggregate exercise price paid to the Company for such shares and the restoration of such Purchaser's right to acquire such shares pursuant to such Purchaser's Warrant (including, issuance of a replacement warrant certificate evidencing such restored right).

5.14 Replacement of Securities. If any certificate or instrument evidencing any Securities is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof (in the case of mutilation), or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction. The applicant for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs (including customary indemnity) associated with the issuance of such replacement Securities.

5.15 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Purchasers and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agree to waive and not to assert in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.16 Payment Set Aside. To the extent that the Company makes a payment or payments to the Purchaser pursuant to any Transaction Document or the Purchaser enforces or exercises its rights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

5.17 Liquidated Damages. The Company's obligations to pay any partial liquidated damages or other amounts owing under the Transaction Documents is a continuing obligation of the Company and shall not terminate until all unpaid partial liquidated damages and other amounts have been paid notwithstanding the fact that the instrument or security pursuant to which such partial liquidated damages or other amounts are due and payable shall have been canceled.

5.18 Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

5.19 Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto. In addition, each and every reference to share prices and shares of Common Stock in any Transaction Document shall be subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the date of this Agreement.

5.20 **WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.**

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

REPRO-MED SYSTEMS, INC.

By: _____
Name:
Title:

Address for Notice:

Fax:

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE FOR PURCHASER FOLLOWS]

PURCHASER SIGNATURE PAGES TO
REPRO-MED SYSTEMS, INC. SECURITIES PURCHASE AGREEMENT

IN WITNESS WHEREOF, the undersigned have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Purchaser: Horton Capital Partners Fund, L.P.

Signature of Authorized Signatory of Purchaser: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: Senior Principal

Email Address of Authorized Signatory: jmanko@thehortonfund.com

Facsimile Number of Authorized Signatory: 215.399.5415

Address for Notice to Purchaser: Horton Capital Partners Fund, LP
C/o Horton Capital Management, LLC
1717 Arch Street, Suite 3920
Philadelphia, PA 19103

Address for Delivery of Securities to Purchaser (if not same as address for notice):

Subscription Amount: $_____

Shares: 1,000,000

Warrant Shares: 1,000,000

EIN Number: _____

EXHIBIT A

NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON STOCK PURCHASE WARRANT

REPRO-MED SYSTEMS, INC.

Warrant Shares: 1,000,000 **Initial Exercise Date: August 8, 2014**

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, Horton Capital Partners Fund LP or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") and on or prior to the close of business on the five year anniversary of the Initial Exercise Date (the "Termination Date") but not thereafter, to subscribe for and purchase from Repro-Med Systems, Inc., a New York corporation (the "Company"), up to 1,000,000 shares (as subject to adjustment hereunder, the "Warrant Shares") of Common Stock. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in that certain Securities Purchase Agreement (the "Purchase Agreement"), dated as of July 15, 2014, among the Company and the purchaser signatory thereto.

Section 2. Exercise.

(a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Company) of a duly executed facsimile copy of the Notice of Exercise form annexed hereto and within three (3) Trading Days of the date said Notice of Exercise is delivered to the Company, the Company shall have received payment of the aggregate Exercise Price of the shares thereby purchased by wire transfer or cashier's check drawn on a United States bank or, if available, pursuant to the cashless exercise procedure specified in Section 2(c) below. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise form be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically

surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise Form within three (3) Business Days of receipt of such notice. The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.

(b) Exercise Price. The exercise price per share of the Common Stock under this Warrant shall be $0.45, subject to adjustment hereunder (the "Exercise Price").

(c) Cashless Exercise. If at any time after six (6) months from the Initial Exercise Date there is no effective Registration Statement registering, or no current prospectus available for, the resale of the Warrant Shares by the Holder, then this Warrant may also be exercised, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = the VWAP on the Trading Day immediately preceding the date on which Holder elects to exercise this Warrant by means of a "cashless exercise," as set forth in the applicable Notice of Exercise;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

Notwithstanding anything herein to the contrary, on the Termination Date, this Warrant shall be automatically exercised via cashless exercise pursuant to this Section 2(c), except as specifically set forth in Section 2(g) below. Furthermore, notwithstanding anything herein to the contrary, except in the case of a Fundamental Transaction as described below, the Company may elect to settle its obligations under this Warrant for an amount in cash equal to the amount that it would have to pay to purchase the shares which would be receivable under this Cashless Exercise provision based upon the VWAP on the Trading Day immediately preceding the date on which the Holder elects to exercise this Warrant.

(d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. Warrant Shares purchased hereunder shall be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder's prime broker with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the Company is then a participant in such system and either (A)

there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) the shares are eligible for resale by the Holder without volume or manner-of-sale limitations pursuant to Rule 144, or otherwise by physical delivery to the address specified by the Holder in the Notice of Exercise by the date that is ten (10) Trading Days after the latest of (A) the delivery to the Company of the Notice of Exercise and (B) surrender of this Warrant (if required) (such date, the "Warrant Share Delivery Date"). The Warrant Shares shall be deemed to have been issued, and Holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the date the Warrant has been exercised, with payment to the Company of the Exercise Price (or by cashless exercise, if permitted) and all taxes required to be paid by the Holder, if any, pursuant to Section 2(d)(vi) prior to the issuance of such shares, having been paid.

i i . Delivery of New Warrants Upon Exercise . If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, either deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant or provide some mutually acceptable evidence of the revised number of unpurchased Warrant Shares and any new Warrant shall in all other respects be identical with this Warrant.

i i i . Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

i v . Timely Delivery of Warrant Shares. If the Company fails for any reason, other than a force majeure, to deliver to the Holder the Warrant Shares subject to a Notice of Exercise of at least 500,000 of the Warrants by the Warrant Share Delivery Date, the Company agrees to pay to the Holder, in cash, as liquidated damages and not as a penalty, $1000 per Trading Day for each Trading Day after such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise. In the event the Purchaser exercises the Warrant in whole or in part in accordance with the terms hereof, and the Purchaser or its designee has not received the Warrant Shares without restrictive legend (except as may be required under the securities laws) within three (3) business days of the Purchaser's delivery of its exercise notice, the Purchaser may send a further notice to the President of the Company (or the person serving in a similar position) by (i) speaking to the President on the telephone acknowledged by email from the President; (ii) by a receipted email; or (iii) by delivery by a recognized international overnight carrier against recept reminding the Company's President of the Company's obligation to deliver such securities within ten (10) business days in accordance with the Warrant Exercise provisions. The obligation for the above penalty shall be conditioned on the giving of such notice to the Present.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant.

As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise.

vii. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

(e) Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2(c) or otherwise, to the extent that after giving effect to such issuance after exercise, such Holder (together with such Holder's affiliates, and any other person or entity acting as a group together with such Holder or any of such Holder's affiliates), as set forth on the applicable Notice of Exercise, would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by such Holder and its affiliates shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which the determination of such sentence is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (A) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by such Holder or any of its affiliates and (B) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Preferred Stock or Warrants). Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by a Holder that the Company is not representing to such Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and such Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable shall be the responsibility of the Holder, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, except in the case of an exercise pursuant to Section 2(g) below, Holder shall provide the Company with a representation of its beneficial ownership prior to exercise of this Warrant. For purposes of this Section 2(e), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (x) the Company's most recent Form 10-Q or Form 10-K, as the case may be, (y) a more recent public announcement by the Company or (z) any other notice by the Company or the Company's Transfer Agent setting forth

the number of shares of Common Stock outstanding. Upon the request of a Holder, the Company shall within five (5) Trading Days confirm to such Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by such Holder or its affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The Beneficial Ownership Limitation shall initially be 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The Initial Beneficial Ownership Limitation provisions of this Section 2(e) may be waived by such Holder, at the election of such Holder and with the agreement of the Company, upon not less than 61 days' prior notice to the Company, and the provisions of this Section 2(d) shall continue to apply until such 61st day (or such later date, as determined by such Holder, as may be specified in such notice of waiver). The provisions of this paragraph shall be implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

(f) Fundamental Transaction Call Provision. Subject to the provisions of this Section 2(f), concurrently with the closing of a Fundamental Transaction (as defined below in Section 3(d)) in which the Common Stock does not survive the closing of the Fundamental Transaction, the Company may call for the purchase of all of this Warrant for an amount of cash equal to the Fair Market Value (as defined below) of this Warrant as determined in accordance with the Black-Scholes option pricing formula (such right, a "Fundamental Call" and such amount of cash the "Fundamental Call Price")). "Fair Market Value" for purposes of this Section 2(f) means the value of this Warrant based on the Black-Scholes Option Pricing Model obtained from the "OV" function on Bloomberg, L.P. ("Bloomberg") determined as of the day of consummation of the applicable Fundamental Transaction for pricing purposes and reflecting (A) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date, (B) an expected volatility equal to the greater of 50% and the 100 day volatility obtained from the HVT function on Bloomberg as of the Trading Day immediately following the public announcement of the applicable Fundamental Transaction, (C) the underlying price per share used in such calculation shall be the sum of the price per share being offered in cash, if any, plus the value of any non-cash consideration, if any, being offered in such Fundamental Transaction and (D) a remaining option time equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date. To exercise this right, the Company must deliver to the Holder an irrevocable written notice (a "Fundamental Call Notice"), provided that such Fundamental Call Notice is delivered to the Holder no less than 20 Trading Days, but no more than 60 Trading Days, prior to such closing of the Fundamental Transaction. If the conditions set forth below for such Fundamental Call are satisfied from the period from the date of the Fundamental Call Notice through and including the Fundamental Call Date (as defined below) and the Fundamental Call Price is paid to the Holder on the Fundamental Call Date, then this Warrant shall be cancelled on the date of the closing of the Fundamental Transaction (such date, the "Fundamental Call Date"). Notwithstanding the foregoing, the Company agrees that it will honor all Notices of Exercise with respect to Warrant Shares subject to a Fundamental Call Notice that are tendered through 12:00 p.m. (New York City time) on the date on which the Call Price is paid in full. Notwithstanding anything to the contrary set forth in this Warrant, the Company may not deliver a Fundamental Call Notice or require the cancellation of this Warrant (and any Fundamental Call Notice will be void), unless,

from the beginning of the date of the Fundamental Call Notice through the Fundamental Call Date, (i) the Company shall have honored in accordance with the terms of this Warrant all Notices of Exercise delivered by 12:00 p.m. (New York City time) on the Fundamental Call Date and (ii) there is a sufficient number of authorized shares of Common Stock for issuance of all Securities under the Transaction Documents. Notwithstanding anything herein to the contrary, this warrant shall not be cancelled and shall be exercisable up until the date that the Fundamental Call Price is paid in full.

(g) Mandatory Exercise Provision. Subject to the provisions of this Section 2(g), after a period of six (6) months from the date of issuance of this Warrant, the Company may call for the mandatory exercise of this Warrant should the following conditions be met: (i) (a) the Company has an effective registration covering the issuance of the Warrant Shares or (b) the resale by the Holder or the Warrant Shares are no longer subject to resale restrictions by the Holder under Rule 144 (unless both parties agree that the Warrant will be exercised for cash) and (ii) the VWAP of the Shares has exceeded $0.60 per Share for any 20 trading days during a period of 30 consecutive Trading Days. It being understood that when the trading price of Shares has exceeds $0.60 per Share, the Holder agrees to provide the Company with the daily VWAP of the Shares. To exercise this right, the Company must deliver to the Holder an irrevocable written notice (an "Mandatory Exercise Notice"), provided that such Mandatory Exercise Notice is delivered to the Holder no fewer than 20 Trading Days, but no more than 60 Trading Days, prior to the Mandatory Exercise Date (as defined below). The Mandatory Exercise Notice shall specify the number of Shares to be delivered pursuant to the Cashless Exercise provision set forth in Section 2(c) above and the calculation forming the basis for such number of Shares. Within ten (10) days of delivery of such Mandatory Exercise Notice, the Holder will respond in writing to the Company and either agree the number of Shares and the calculation thereof or object to such number and calculation. If the Holder objects, then the Holder and the Company will use their best efforts to come to mutually acceptable calculation and number of Shares to be delivered. If the conditions set forth above for such Mandatory Exercise are satisfied and the Warrant Shares are delivered to the Holder, then this Warrant shall be cancelled on the date of the closing of the Mandatory Exercise (such date, the "Mandatory Exercise Date"). Notwithstanding the foregoing, the Company covenants and agrees that it will honor all Notices of Exercise with respect to Warrant Shares subject to a Mandatory Exercise Notice that are tendered through 12:00 p.m. (New York City time) on the Mandatory Exercise Date. Notwithstanding anything to the contrary set forth in this Warrant, the Company may not deliver a Mandatory Exercise Notice or require the cancellation of this Warrant, unless, from the beginning of the date of the Mandatory Exercise Notice through the Mandatory Exercise Date, (i) the Company shall have honored in accordance with the terms of this Warrant all Notices of Exercise delivered by12:00 p.m. (New York City time) on the Mandatory Exercise Date and (ii) there is a sufficient number of authorized shares of Common Stock for issuance of all Securities under the Transaction Documents. Notwithstanding anything herein to the contrary, this warrant shall not be cancelled and shall be exercisable up until the date that the Warrant Shares are delivered to the Holder.

Section 3. Certain Adjustments.

(a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares or (iv) issues by

reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

(b) Subsequent Equity Sales. If the Company or any Subsidiary thereof, as applicable, at any time while this Warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any Common Stock or Common Stock Equivalents, at an effective price per share less than the Exercise Price then in effect (such lower price, the "Base Share Price" and such issuances collectively, a "Dilutive Issuance") (it being understood and agreed that if the holder of the Common Stock or Common Stock Equivalents so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share which are issued in connection with such issuance, be entitled to receive shares of Common Stock at an effective price per share that is less than the Exercise Price, such issuance shall be deemed to have occurred for less than the Exercise Price on such date of the Dilutive Issuance at such effective price), then simultaneously with the consummation of each Dilutive Issuance the Exercise Price shall be reduced to that price (rounded to the nearest cent) determined by multiplying the Exercise Price by a fraction: (1) the numerator of which shall be equal to the sum of (A) the number of shares of Common Stock outstanding immediately prior to the issuance of such Dilutive Issuance plus (B) the number of shares of Common Stock (rounded to the nearest whole share) which the aggregate consideration for the total number of such Dilutive Issuance so issued would purchase at a price per share equal to the outstanding Exercise Price in effect immediately prior to such issuance; and (2) the denominator of which shall be equal to the number of shares of Common Stock outstanding immediately after the issuance of such Dilutive Issuance. Such adjustment shall be made whenever such Common Stock or Common Stock Equivalents are issued. Notwithstanding the foregoing, no adjustments shall be made, paid or issued under this Section 3(b) in respect of an issuance of shares of Common Stock or options to employees, officers or directors of the Company in an amount not to exceed 5% in the aggregate of the total outstanding Shares, at a price not less than the then current market price, pursuant to any stock or option plan duly adopted for such purpose by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose. The Company shall notify the Holder, in writing, no later than the Trading Day following the issuance or deemed issuance of any Common Stock or Common Stock Equivalents subject to this Section 3(b), indicating therein the applicable issuance price, or applicable reset price, exchange price, conversion price and other pricing terms (such notice, the "Dilutive Issuance Notice"). For purposes of clarification, whether or not the Company provides a Dilutive Issuance Notice pursuant to this Section 3(b), upon the occurrence of any Dilutive Issuance, the Holder is entitled to receive a number of Warrant Shares based upon the Base Share Price regardless of whether the Holder accurately refers to the Base Share Price in the Notice of Exercise. If the Company enters into a Variable Rate Transaction, despite the prohibition thereon in the Purchase Agreement, the Company shall be deemed to have issued Common Stock or Common Stock Equivalents at the lowest possible conversion or exercise price at which such securities may be converted or exercised pursuant to this paragraph 3(b).

(c) Subsequent Rights Offerings. If the Company, at any time while the Warrant is outstanding, shall issue rights, options or warrants to all holders of Common Stock (and not to the Holder) entitling them to subscribe for or purchase shares of Common Stock at a price per share less than the VWAP on the record date mentioned below, then the Exercise Price shall be multiplied by a fraction, of which the denominator shall be the number of shares of the Common Stock outstanding on the date of issuance of such rights, options or warrants plus the number of additional shares of Common Stock offered for subscription or purchase, and of which the numerator shall be the number of shares of the Common Stock outstanding on the date of issuance of such rights, options or warrants plus the number of shares which the aggregate offering price of the total number of shares so offered (assuming receipt by the Company in full of all consideration payable upon exercise of such rights, options or warrants) would purchase at such VWAP. Such adjustment shall be made whenever such rights, options or warrants are issued, and shall become effective immediately after the record date for the determination of stockholders entitled to receive such rights, options or warrants. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Stock Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights.

(d) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without

regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. Notwithstanding anything to the contrary, in the event of a Fundamental Transaction, the Company or any Successor Entity (as defined below) shall, at the Holder's option, exercisable at any time concurrently with, or within 30 days after, the consummation of the Fundamental Transaction, purchase this Warrant from the Holder by paying to the Holder an amount of cash equal to the Fundamental Call Price of this Warrant pursuant to the Fundamental Call provisions described above in Section 2(f). The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(e) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein.

(e) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

(f) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly mail to the Holder a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment..

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be mailed to the Holder at its last address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

(a) Transferability. Subject to compliance with any applicable securities laws and the conditions set forth in Section 4(d) hereof and to the provisions of Section 4.1 of the Securities Purchase Agreement, this Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder

or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date the Holder delivers an assignment form to the Company assigning this Warrant full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

(b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the Initial Exercise Date and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

(c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

(d) Transfer Restrictions. If, at the time of the surrender of this Warrant in connection with any transfer of this Warrant, the transfer of this Warrant shall not be either (i) registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws or (ii) eligible for resale without volume or manner-of-sale restrictions or current public information requirements pursuant to Rule 144, the Company may require, as a condition of allowing such transfer, that the Holder or transferee of this Warrant, as the case may be, comply with the provisions of Section 5.7 of the Securities Purchase Agreement. In addition, the Holder agrees that such transfer may occur (i) only after six months from the date of issuance of this Warrant; and (ii) if within one year from the date of issuance of this Warrant, only with the express written consent of the Company.

(e) Representation by the Holder. The Holder, by the acceptance hereof, represents and warrants that it is acquiring this Warrant and, upon any exercise hereof, will acquire the Warrant Shares issuable upon such exercise, for its own account and not with a view to or for distributing or reselling such Warrant Shares or any part thereof in violation of the Securities Act or any applicable state securities law, except pursuant to sales registered or exempted under the Securities Act.

Section 5. Miscellaneous.

(a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3.

(b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

(c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

(d) Authorized Shares.

i. The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

ii. Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company

may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

iii. Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

(e) Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be determined in accordance with the provisions of the Purchase Agreement.

(f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered or the Holder does not utilize cashless exercise after twelve months from the Initial Exercise Date, will have restrictions upon resale imposed by state and federal securities laws.

(g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies, notwithstanding the fact that all rights hereunder terminate on the Termination Date. If the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

(h) Notices. Any notice, request or other document required or permitted to be given or delivered to the Holder by the Company shall be delivered in accordance with the notice provisions of the Purchase Agreement.

(i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

(j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

(k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors of the Company and the successors and permitted assigns of Holder. The provisions

of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

(l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

(m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

(n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

REPRO-MED SYSTEMS, INC.

By: _____
Name:
Title:

NOTICE OF EXERCISE

TO: REPRO-MED SYSTEMS, INC.

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant, and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

[ ] in lawful money of the United States; or

[ ] if permitted, the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

_____

The Warrant Shares shall be delivered to the following DWAC Account Number:

_____

_____

_____

(4) Accredited Investor. The undersigned is an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____
Signature of Authorized Signatory of Investing Entity: _____
Name of Authorized Signatory: _____
Title of Authorized Signatory: _____
Date: _____

EXHIBIT B

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____
(Please Print)

Address: _____
(Please Print)

Dated: _____ __, _____
Holder's Signature: _____
Holder's Address: _____

EXHIBIT 31.1

RULE 13A-14(A) / 15D-14(A) CERTIFICATION OF
PRINCIPAL EXECUTIVE OFFICER

I, Andrew I. Sealfon, certify that:

1) I have reviewed this Annual Report on Form 10-K of REPRO MED SYSTEMS, INC.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the Registrant as of, and for, the periods presented in this report;

4) I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Andrew I. Sealfon
Andrew I. Sealfon
Principal Executive Officer
Date: May 8, 2015

EXHIBIT 31.2

RULE 13A-14(A) / 15D-14(A) CERTIFICATION OF
CHIEF FINANCIAL OFFICER / TREASURER

I, Karen Fisher, certify that:

1) I have reviewed this Annual Report on Form 10-K of REPRO MED SYSTEMS, INC.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the Registrant as of, and for, the periods presented in this report;

4) I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Karen Fisher
Karen Fisher
Chief Financial Officer and Treasurer
Date: May 8, 2015

EXHIBIT 32.1

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

In connection with the Annual Report of REPRO MED SYSTEMS, INC. (the "Company") on Form 10-K (the "Report) for the year ended February 28, 2015 as filed with the Securities and Exchange Commission, I, Andrew I. Sealfon, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

/s/ Andrew I. Sealfon
Andrew I. Sealfon
Principal Executive Officer
Date: May 8, 2015

EXHIBIT 32.2

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

In connection with the Annual Report of REPRO MED SYSTEMS, INC. (the "Company") on Form 10-K (the "Report) for the year ended February 28, 2015 as filed with the Securities and Exchange Commission, I, Karen Fisher, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

/s/ Karen Fisher
Karen Fisher
Chief Financial Officer and Treasurer
Date: May 8, 2015