

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **September 29, 2014**

Worlds Online Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-54433
(Commission
File Number)

27-4672745
(IRS Employer
Identification No.)

11 Royal Road, Brookline, Massachusetts
(Address of principal executive offices)

02445
(Zip Code)

Registrant's telephone number, including area code: **(617) 725-8900**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.01. Completion of Acquisition or Disposition of Assets.

On September 29, 2014 the registrant's wholly-owned subsidiary, MariMed Advisors Inc. ("MariMed"), acquired all of the outstanding equity interests of Sigal Consulting LLC ("Sigal") from its members, Robert Fireman, Gerald J. McGraw Jr., Jon R. Levine and James E. Griffin Jr. The purchase price, which will be distributed pro rata to the sellers as per their ownership interests of Sigal, consisted of 31,954,236 shares of the registrant's common stock, 3 million options to purchase additional shares of the registrant's common stock at prices ranging from \$0.15 - \$0.35 per share and which vest over two years and 49% of MariMed's outstanding equity. One of the owners of Sigal, Robert Fireman, is a director of the registrant.

Item 3.02. Unregistered Sales of Equity Securities.

On September 29, 2014, the registrant closed on the sale of \$2 million face amount of two year 6% unsecured convertible notes (the "Notes"). The Notes are convertible into the registrant's common stock at a price equal to a 25% discount to the per share sale price of the registrant's next sale of its equity which is signed to raise at least \$8 million. Each investor is also entitled to receive a number of warrants ("Warrants") equal to 20% of the amount of the registrant's common stock into which the Notes convert. Warrants will only be issuable upon conversion of a Note. This only purports to be a summary of the terms of the Notes and Warrants and is qualified in its entirety by the terms of the full documents, copies of which are filed as exhibits hereto.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired.

12 months ended December 31, 2013 and 6 months ended June 30, 2014.

(b) Pro Forma Financial Information.

Included in (a) above.

(d) Exhibits.

<u>Exhibit</u>	<u>Description</u>
10.1	Membership Interest Purchase Agreement between the registrant, MariMed Advisors Inc. and Sigal Consulting LLC and its members dated May 19, 2014, incorporated by reference from a Current Report on Form 8-K filed on May 29, 2014.
10.2	Form of Note.
10.3	Form of Warrant.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WORLDS ONLINE INC.

Dated: October 3, 2014

By: /s/ Thomas Kidrin
Thomas Kidrin, President

EXHIBIT INDEX

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<u>99.1</u>	Financial Statements of Businesses Acquired
<u>99.2</u>	Pro Forma Financial Information

PROMISSORY NOTE

Brookline, Massachusetts _____, 2014

FOR VALUE RECEIVED, the undersigned, WORLDS ONLINE INC., a Delaware corporation with its executive office located at 11 Royal Road, Brookline, MA 02445 (the "Maker"), hereby promises to pay to the order of _____, an individual residing at _____ (the "Holder"), the principal sum of _____ THOUSAND DOLLARS (\$_____,000.00) (the "Principal Amount") or so much thereof as shall not have been repaid prior thereto, on August 31, 2016 (the "Maturity Date"), together with interest on the unpaid Principal Amount from time to time outstanding from date hereof until the date on which this Note is paid in full, at the rate set forth below.

INTEREST

Interest on the unpaid Principal Amount shall be due and payable on September 1, 2015 and on the Maturity Date. This Note shall bear interest at a rate per annum equal to six percent (6.0%). Interest shall be calculated on the basis of a 360-day year for actual days elapsed. In no event shall the interest rate applicable at any time to this Note exceed the maximum rate permitted by law.

The principal of and the interest on this Note shall be payable in lawful money of the United States of America at the address of the Holder set forth above. Any payment which is required to be made on a day which is a legal holiday for banking institutions generally, at the place where payment is to be made, shall be made on the next succeeding day which is not a legal holiday without additional interest and with the same force and effect as if made on the date specified herein for such payment. The Maker may, at its option, prepay this Note, in whole or in part, without the written consent of the Holder, without premium or penalty, except that in the event the prepayment occurs prior to August 31, 2015, such prepayment shall include the amount of interest which would have accrued by August 31, 2015 had the full Principal Amount of the Note been outstanding on such date. If the prepayment occurs after August 31, 2015, any such prepayment shall include all accrued but unpaid interest on the Principal Amount being prepaid.

CONVERSION

Holder may, at any time prior to payment hereof, convert into Maker's common stock, par value \$0.001 per share (the "Common Stock"), the then outstanding Principal Amount of this Note (but not any accrued interest) at the Conversion Rate (as defined below) per each One Dollar (\$1.00) of such then outstanding Principal Amount due on this Note. The Conversion Rate shall be equal to 75% of the sale price of Maker's next financing in which Maker raises at least \$8 million in an equity (or securities convertible into equity) financing. The Company can force conversion of the Note into its Common Stock once Maker's Common Stock has traded at a valuation in excess of \$50 million for ten (10) consecutive trading days.

To convert this Note, Holder must surrender same at the office of the Maker, together with a written notice of conversion. This conversion right may only be exercised by Holder. The Maker represents and warrants to Holder that it has an authorized capitalization consisting of One Hundred Million shares of common stock, par value \$0.001 per share (the "Common Stock"), of which approximately 32 million shares are issued and outstanding and there are expected to be commitments to issue an additional 50 million shares. Maker agrees at all times to reserve and hold available a sufficient number of shares of Common Stock to cover the number of shares of Common Stock issuable upon conversion of this Note.

If the Maker is recapitalized, consolidated with or merged into any other corporation, or sells or conveys to any other entity all or substantially all of its assets, provision shall be made as part of the terms of the recapitalization, consolidation, merger or conveyance so that the holder of this Note may receive, in lieu of the Common Stock otherwise issuable upon conversion of this Note the same kind and amount of securities or other property as may be distributable upon the recapitalization, consolidation, merger or conveyance with respect to the Common Stock.

The Maker shall not, by amendment of its certificate of incorporation or through any recapitalization or capital reorganization, sale, exchange or other disposition of assets, merger, consolidation, dissolution, liquidation, winding up, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Maker, but will at all times in good faith carry out all the provisions hereof, as applicable, and take all such action as may be necessary or appropriate in order to protect the exercise rights of the holder against impairment.

DEFAULT

Upon the occurrence of any of the following (each, an "Event of Default"), other than the Events of Default referred to in clause (d) below, the Holder may declare by notice to the Maker any and all obligations of the Maker under this Note to be immediately due and payable, and in the case of any Event of Default referred to in clause (d) below, any and all obligations of the Maker under this Note shall automatically become due and payable immediately without notice or demand:

(a) any default in payment of any principal or interest due (whether at stated maturity, by acceleration or otherwise) under this Note;

(b) any default in the performance of any obligation, agreement or covenant of the Maker made in this Note (other than the Maker's obligation to pay principal and interest when due hereunder) that is not cured within 30 days of receipt of notice thereof from the Holder;

(c) any default in payment of principal or interest due (whether at stated maturity, by acceleration or otherwise) under any other indebtedness of the Maker for money borrowed that remains uncured at the expiration of any applicable grace period; or

(d) commencement by or against the Maker of any case, proceeding or other action under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to the Maker, or seeking to adjudicate the Maker a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to the Maker or any of his debts, or seeking appointment of a receiver, trustee, custodian or other similar official for the Maker or for all or any substantial part of its assets, or a general assignment by the Maker for the benefit of his creditors, or commencement against the Maker of any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of the assets of the Maker which results in the entry of an order for any such relief, or the Maker's taking any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in this clause (d), or the Maker's inability, or admitting in writing his inability, to pay his debts as they become due, or generally not paying its debts as they become due.

MISCELLANEOUS

So long as this Note shall be outstanding, (i) if the Maker shall pay any dividend or make any distribution upon the Common Stock, or (ii) if the Maker shall offer to the holders of Common Stock for subscription or purchase by them any shares of any class of capital stock or other securities, or (iii) if any capital reorganization of the Maker, reclassification of the capital stock of the Maker, merger or consolidation of the Maker with or into another Person, sale, assignment, lease or other transfer of the property and assets of the Maker substantially as an entirety to another Person, or voluntary or involuntary dissolution, liquidation or winding up of the Maker shall be proposed, then, in any such case, the Maker shall give to the holder at least 15 days prior to the date specified in clause (a) or (b) below, as the case may be, a notice setting forth a brief description of the proposed action and stating the date on which (a) a record is to be taken for the purpose of such dividend, distribution or offer, or (b) such reorganization, reclassification, merger, consolidation, transfer, dissolution, liquidation or winding up is to become effective and the date, if any is to be fixed, as of which the holders of Common Stock or other securities of the Maker shall receive cash or securities or other property deliverable upon such reorganization, reclassification, merger, consolidation, transfer, dissolution, liquidation or winding up.

The Maker hereby waives presentment, notice of dishonor, protest and notice of protest, and any and all other notices or demands (other than demand for payment) in connection with the delivery, acceptance, performance, default, endorsement or guarantee of this Note. The liability of the Maker hereunder shall be unconditional and shall not be in any manner affected by any indulgence whatsoever granted or consented to by the Holder, including, without limitation, any extension of time, renewal, waiver or other modification. Any failure of the Holder to exercise any right hereunder shall not be construed as a waiver of the right to exercise the same or any other right at any time and from time to time thereafter. The Holder may accept late payments, or partial payments, even though marked "payment in full" or containing words of similar import or other conditions, without waiving any of its rights. No amendment, modification or waiver of any provision of this Note or consent to any departure by the Maker therefrom shall be effective, irrespective of any course of dealing, unless the same shall be in writing and signed by the Holder, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. This Note cannot be changed or terminated orally or by estoppel or waiver or by any alleged oral modification regardless of

any claimed partial performance referable thereto.

This Note shall be governed by and construed in accordance with the laws of the State of Delaware applicable to instruments made and to be performed wholly within that state. If any provision of this Note is held to be illegal or unenforceable for any reason whatsoever, such illegality or unenforceability shall not affect the validity of any other provision hereof.

This Note and the rights and obligations set forth herein shall not be assigned by the Holder without the prior written consent of the Maker.

EACH OF THE HOLDER (BY HIS ACCEPTANCE OF THIS NOTE) AND THE MAKER AGREES THAT ANY ACTION, SUIT OR PROCEEDING IN RESPECT OF OR ARISING OUT OF THIS NOTE MAY BE INITIATED AND PROSECUTED IN THE STATE OR FEDERAL COURTS, AS THE CASE MAY BE, LOCATED IN NEW YORK COUNTY, NEW YORK. EACH OF THE HOLDER (BY HIS ACCEPTANCE OF THIS NOTE) AND THE MAKER CONSENTS TO AND SUBMITS TO THE EXERCISE OF JURISDICTION OVER ITS PERSON BY ANY SUCH COURT HAVING JURISDICTION OVER THE SUBJECT MATTER, WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT. IN ANY ACTION, SUIT OR PROCEEDING IN RESPECT OF OR ARISING OUT OF THIS NOTE, EACH OF THE HOLDER (BY HIS ACCEPTANCE OF THIS NOTE) AND THE MAKER WAIVES (I) TRIAL BY JURY; (II) ANY OBJECTION BASED ON FORUM NON CONVENIENS OR VENUE AND (III) ANY CLAIM FOR CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES.

IN WITNESS WHEREOF, the Maker executed this Note on the date first above written.

WORLDS ONLINE INC.

By: _____
Thom Kidrin, CEO

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THESE SECURITIES MAY NOT BE SOLD, OFFERED FOR SALE, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY IN ITS REASONABLE JUDGMENT THAT SUCH REGISTRATION IS NOT REQUIRED UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS.

WORLDS ONLINE INC.

Warrant for the Purchase of Common Stock,
par value \$0.001 per share

No. W- _____ Shares (subject to adjustment)

Date: _____, 2014

THIS CERTIFIES that, for good and valuable consideration, _____ (together with his successors and permitted assigns, the "Holder"), with an address at _____ is entitled to subscribe for and purchase from Worlds Online Inc. (the "Company"), upon the terms and conditions set forth herein, in whole or in part, at any time, or from time to time, after the date hereof and before 5:00 p.m. on August 31, 2019 (the "Exercise Period"), _____ shares of the Company's common stock, par value \$0.001 per share ("Common Stock"), at a price of \$0.40 per share (the "Initial Exercise Price"), as same may be adjusted as provided for herein (the "Warrant Shares").

1. To the extent otherwise exercisable, this Warrant may be exercised during the Exercise Period as to the whole or any portion of the number of Warrant Shares, by (i) delivery of a written notice, in the form of the exercise notice attached hereto as Exhibit A (the "Exercise Notice"), of such Holder's election to exercise this Warrant, which notice shall specify the number of Warrant Shares to be purchased, (ii) payment to the Company of an amount equal to the Exercise Price multiplied by the number of Warrant Shares to be exercised (plus any applicable issue or transfer taxes) (the "Aggregate Exercise Price") in cash, or by means of bank check or wire transfer of immediately available funds. In the event that the exercise of this Warrant is for less than all of the Warrant Shares purchasable under this Warrant, the Company shall cause to be issued in the name of and delivered to the Holder hereof or as the Holder may direct, as soon as practicable, a new Warrant or Warrants of like tenor, for the balance of the Warrant Shares purchasable hereunder.

2. Upon the exercise of the Holder's right to purchase Warrant Shares granted pursuant to this Warrant, the Holder shall be deemed to be the holder of record of the number of Warrant Shares issuable upon such exercise, notwithstanding that the transfer books of the Company shall then be closed or certificates representing such Warrant Shares shall not then have been actually delivered to the Holder. As soon as practicable after the exercise of this Warrant, the Company shall issue and deliver to the Holder a certificate or certificates for the applicable number of Warrant Shares, registered in the name of the Holder. No fractional shares of Common Stock are to be issued upon exercise of this Warrant, but rather the number of shares of Common Stock issued upon exercise of this Warrant shall be rounded up or down to the nearest whole number.

3. (a) The Company shall maintain at its principal executive offices (or such other office or agency of the Company as it may designate by notice to the Holder hereof), a register for this Warrant, in which the Company shall record the name and address of the person in whose name this Warrant has been issued, as well as the name and address of each transferee upon receipt of a duly executed warrant power in the form of Exhibit B hereto. The Company may treat the person in whose name any Warrant is registered on the register as the owner and holder thereof for all purposes, notwithstanding any notice to the contrary

(b) The Company shall at all times reserve and keep available out of its authorized and unissued Common Stock, solely for the purpose of providing for the exercise of the rights to purchase all Warrant Shares granted pursuant to this Warrant, such number of shares of Common Stock as shall be sufficient therefor. The Company covenants that all shares of Common Stock issuable upon exercise of this Warrant, upon receipt by the Company of the purchase price therefor, shall be validly issued, fully paid and nonassessable.

4. (a) In the event that the outstanding shares of Common Stock are changed into a different number of shares of Common Stock by reason of any recapitalization, reclassification, stock split-up, combination of shares or dividend

payable in shares of the Company or an otherwise similar event, appropriate adjustment shall be made in the number and kind of securities as to which this Warrant shall be exercisable, to the end that the proportionate interest of the Holder immediately after the occurrence of such event shall equal the proportionate interest of the Holder immediately before the occurrence of such event. Such adjustment shall be made without change in the total Exercise Price applicable to this Warrant and with a corresponding adjustment in the per share Exercise Price evidenced by this Warrant.

(b) In case of any consolidation with or merger of the Company with or into another corporation or entity (other than a merger or consolidation in which the Company is the surviving or continuing corporation), or in case of any sale, conveyance or lease to another person or entity of the property of the Company as an entirety or substantially as an entirety, such successor or purchasing person or entity, as the case may be, shall (i) execute in favor of the Holder an agreement or instrument providing that the Holder shall have the right thereafter to receive upon exercise of this Warrant solely the kind and amount of shares of stock or other securities, property, cash or any combination thereof receivable upon such consolidation, merger, sale, lease or conveyance by a holder of the number of shares of Common Stock for which this Warrant might have been exercised immediately prior to such event, (ii) make effective provision in its certificate of incorporation or otherwise, if necessary, in order to effect such agreement and (iii) set aside or reserve, for the benefit of the Holder, the stock, securities, property and/or cash to which the Holder would be entitled upon exercise of this Warrant; provided, that, nothing contained in this paragraph 4(b) shall be interpreted so as to preclude the Holder from exercising this Warrant, in whole or in part, at any time prior to the consummation of any such consolidation, merger, sale, lease or conveyance.

(c) The above provisions of this paragraph 4 shall similarly apply to successive consolidations, mergers, sales, leases, issuances or conveyances.

5. In case at any time the Company shall propose:

(i) to pay any dividend or make any distribution on shares of Common Stock in shares of common stock, or make any other distribution (other than regularly scheduled cash dividends) to all holders of common stock; or

(ii) to issue any rights, warrants or other securities to all holders of the Company's common stock entitling them to purchase any additional shares of common stock or any other rights, warrants or other securities; or

(iii) to effect any reclassification or recapitalization of the Company's common stock, or any consolidation or merger; or

(iv) to effect any liquidation, dissolution or winding-up of the Company; or

(v) to issue any shares of its Common Stock, or securities convertible or exercisable into its Common Stock, at a price per share lower than the Exercise Price;

then, and in any one or more of such cases, the Company shall give written notice thereof, by registered mail, postage prepaid, to the Holder at the Holder's address as it shall appear in the Warrant Register, mailed at least ten (10) days prior to the date on which any such event is expected to occur.

6. The issuance of any Warrant Shares or other securities upon the exercise of this Warrant, and the delivery of certificates or other instruments representing such Warrant Shares or other securities, shall be made without charge to the Holder for any tax or other charge in respect of such issuance. The Company shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate representing Warrant Shares in a name other than that of the Holder and the Company shall not be required to issue or deliver any such certificate unless and until the person or persons requesting the issuance thereof shall have paid to the Company the amount of such tax, to the extent required to be so paid, or, if reasonably required by the Company, shall have established to the satisfaction of the Company that such tax has been paid.

7. Unless registered, or freely saleable under Rule 144, the Warrant Shares issued upon exercise of the Warrants shall be subject to a stop transfer order and the certificate or certificates evidencing such Warrant Shares shall bear the following legend or a similar legend to the following effect:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”)

OR ANY STATE SECURITIES LAWS. SUCH SECURITIES MAY NOT BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF SUCH REGISTRATION OR EVIDENCE OF AN EXEMPTION THEREFROM (INCLUDING AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE ACT).”

8. The Holder of this Warrant, by the acceptance hereof, represents that he is acquiring this Warrant and the Warrant Shares for his own account for investment only and not with a view towards, or for resale in connection with, the public sale or distribution of this Warrant or the Warrant Shares, except pursuant to sales registered or exempt under the Securities Act of 1933, as amended (the “Securities Act”); provided, however, that by making the representations herein, the Holder does not agree to hold this Warrant or any of the Warrant Shares for any minimum or other specific term and reserves the right to dispose of this Warrant and the Warrant Shares at any time in accordance with, or pursuant to an exemption under, the Securities Act. The Holder of this Warrant further represents, by acceptance hereof, that, as of this date, such Holder is an “accredited investor” as such term is defined in Rule 501(a) of Regulation D promulgated by the Securities and Exchange Commission under the Securities Act (an “Accredited Investor”). Upon the exercise of this Warrant, the Holder shall, if requested by the Company, confirm in writing, in a form satisfactory to the Company, that the Warrant Shares so purchased are being acquired solely for the Holder’s own account and not as a nominee for any other party, for investment and not with a view toward distribution or resale and that such Holder is an Accredited Investor. If such Holder cannot make such representations because they would be factually incorrect, it shall be a condition precedent to such Holder’s exercise of this Warrant that the Company receive such other representations as the Company considers reasonably necessary to assure the Company that the issuance of its securities upon exercise of this Warrant shall not violate any United States or state securities laws.

9. Upon receipt of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant (and upon surrender of this Warrant if mutilated), and upon reimbursement of the Company’s reasonable incidental expenses (including without limitation any insurance), the Company shall execute and deliver to the Holder a new Warrant of like date, tenor and denomination.

10. The Holder shall not have, solely on account of such status, any rights of a stockholder of the Company, either at law or in equity, or to any notice of meetings of stockholders or of any other proceedings of the Company, except as provided in this Warrant.

11. This Warrant and the rights granted hereunder shall be assignable by the Holder hereof without the consent of the Company (i) to members of his or her immediate family (which shall include any spouse, lineal ancestor or descendant, adopted child or sibling, or the spouse of any of them) or (ii) to a trust or any other estate planning vehicle for the benefit of such Holder or members of his or her immediate family; provided, however, that the assignee shall, within ten (10) days prior to such assignment, furnish to the Company written notice of the name, address and relationship with such assignee and such transferee shall agree to be bound by the terms and conditions of the Investor Rights Agreement upon exercise, provided it involves no more than a de minimis expense.

12. Each of the Company and the Holder shall do and perform all such further acts and things and execute and deliver all such other certificates, instruments and documents as the Company or the Holder may, at any time and from time to time, reasonably request in connection with the performance of any of the provisions of this Warrant.

13. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Warrant must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile or e-mail (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); or (iii) one business day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive same. The addresses and facsimile numbers for such communications shall be:

If to the Company:

Worlds Online Inc.
11 Royal Road
Brookline, MA 02445
Telephone: (617) 909-4043
Facsimile: (617) 975-3888
E-Mail: thom@worlds.com
Attention: President

If to the Holder, at the address set forth above (if such Holder is the initial Holder of this Warrant), or to such other address for such Holder or its assignees as shall appear, from time to time, on the records maintained by the Company.

Each party shall provide five (5) days' prior written notice to the other party of any change in address or facsimile number. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender's facsimile machine containing the time, date, recipient facsimile number and an image of the first page of transmission or (C) provided by nationally recognized overnight delivery service shall be rebuttable evidence of personal service, receipt by facsimile or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively.

14. Any term or provision of this Warrant which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the terms and provisions of this Warrant or affecting the validity or enforceability of any of the terms or provisions of this Warrant in any other jurisdiction.

15. This Warrant shall be construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed within such State, without regard to principles of conflicts of law. **THE COMPANY AND THE HOLDER (BY THE ACCEPTANCE HEREOF) HEREBY IRREVOCABLE AND UNCONDITIONALLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT SITTING IN NEW YORK COUNTY, NEW YORK, OVER ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS WARRANT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE COMPANY AND THE HOLDER EACH AGREE THAT SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT BY U.S. REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, PROPERLY ADDRESSED TO IT AT ITS ADDRESS LISTED IN PARAGRAPH 13 ABOVE SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT. THE COMPANY AND THE HOLDER IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE IN ANY ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT AND ANY CLAIM THAT SUCH COURT REPRESENTS AN INCONVENIENT FORUM. THE COMPANY AND THE HOLDER AGREE THAT A FINAL JUDGMENT IN ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT WHICH IS NO LONGER SUBJECT TO FURTHER REVIEW SHALL BE CONCLUSIVE AND BINDING UPON THE COMPANY AND THE HOLDER AND MAY BE ENFORCED AGAINST THE COMPANY OR THE HOLDER IN ANY OTHER COURTS TO WHOSE JURISDICTION THE COMPANY OR THE HOLDER, RESPECTIVELY, IS OR MAY BE SUBJECT BY SUIT UPON SUCH JUDGMENT. THE COMPANY AND THE HOLDER IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHTS TO A TRIAL BY JURY WITH RESPECT TO ANY CLAIM ARISING UNDER OR WITH RESPECT TO THIS WARRANT.**

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IN WITNESS WHEREOF, this Warrant was executed by the Company on the ____ day of _____, 2014.

WORLDS ONLINE INC.

By: _____
Name: Thom Kidrin
Title: CEO

SIGAL CONSULTING, LLC
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE PERIOD AUGUST 16, 2013 (DATE OF
INCEPTION) TO DECEMBER 31, 2013

INDEPENDENT AUDITOR'S REPORT 1-2

FINANCIAL STATEMENTS

BALANCE SHEET 4

STATEMENT OF INCOME AND MEMBERS' CAPITAL 5

STATEMENT OF CASH FLOWS 6

NOTES TO THE FINANCIAL STATEMENTS 7

**KESNER, GODES & MORRISSEY, LLC
CERTIFIED PUBLIC ACCOUNTANTS
15 PACELLA PARK DRIVE -SUITE 200
RANDOLPH, MA 02368
TEL (781) 961-2900 FAX (781) 961-2927**

INDEPENDENT AUDITOR'S REPORT

To the Members
of Sigal Consulting, LLC
Newton, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of Sigal Consulting, LLC (a Massachusetts Partnership) which comprise the balance sheet as of December 31, 2013 and the related statements of income and members' capital, and cash flows for the period August 16, 2013 (date of inception) to December 31, 2013, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**KESNER, GODES & MORRISSEY, LLC
CERTIFIED PUBLIC ACCOUNTANTS
15 PACELLA PARK DRIVE -SUITE 200
RANDOLPH, MA 02368
TEL (781) 961-2900 FAX (781) 961-2927**

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sigal Consulting, LLC as of December 31, 2013, and the results of its income and cash flows for the period August 16, 2013 (date of inception) to December 31, 2013 in accordance with accounting principles generally accepted in the United States of America.

/s/ Randolph, Massachusetts
Randolph, Massachusetts
June 11, 2014

SIGAL CONSULTING LLC
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

Current Assets

Cash	\$	11,449
Advance to Client		500,000
Due from affiliate		5,600
Due from client		100
Total Current Assets		<u>517,149</u>

Other Assets

Deposits		20,000
Total Other Assets		<u>20,000</u>

TOTAL ASSETS	\$	<u><u>537,149</u></u>
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Current Liabilities

Accounts Payables	\$	46,230
Accrued interest		4,167
Note payable		500,000
Total Current Liabilities		<u>550,397</u>

Other Liabilities

Due to members		90,000
Total Other Liabilities		<u>90,000</u>

Total Liabilities		<u>640,397</u>
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Stockholders' (Deficit)

Members capital		<u>(103,248)</u>
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TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$	<u><u>537,149</u></u>
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See accompanying notes to the financial statements

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STATEMENT OF INCOME AND MEMBERS' CAPITAL
FOR THE PERIOD AUGUST 16, 2013 (DATE OF INCEPTION) TO DECEMBER 31, 2013

INCOME

Consulting income	\$ 109,000
	<u>109,000</u>

EXPENSES

Background checks	291
Consulting fees	5,000
Due and subscriptions	166
Filing fees	6,000
Interest expenses	5,556
Legal and professional fees	79,339
Non refundable application fee	90,000
Supplies	396
Travel expense	500
Writers	25,000
	<u>212,248</u>

NET LOSS (103,248)

MEMBERS' CAPITAL, August 16, 2013 —

MEMBERS' CAPITAL, December 31, 2013 \$ (103,248)

See accompanying notes to the financial statements

SIGAL CONSULTING LLC
STATEMENT OF CASH FLOWS
FOR THE PERIOD AUGUST 16, 2013 (DATE OF INCEPTION) TO DECEMBER 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Net loss	\$ (103,248)
Adjustments to reconcile net loss to net cash used for operating activities	
Changes in	
Advance to client	(500,000)
Due from affiliate	(5,600)
due fro client	(100)
Deposits	(20,000)
Accounts payable	46,230
Accrued interest	4,167
TOTAL ADJUSTMENTS	<u>(475,303)</u>
NET CASH USED BY OPERATING ACTIVITIES	(578,551)

CASH FLOWS FROM FINANCING ACTIVITIES

Advances from members	90,000
Proceeds from note payable	500,000

NET CASH PROVIDED BY FINANCING ACTIVITIES 590,000

NET INCREASE IN CASH 11,449

CASH, BEGINNING OF PERIOD —

CASH, END OF PERIOD \$ 11,449

SUPPLEMENTAL DISCLOSURES

interest paid	<u>\$ 1,389</u>
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See accompanying notes to the financial statements

SIGAL CONSULTING, LLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD AUGUST 16, 2013 (DATE OF INCEPTION) TO
DECEMBER 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Sigal Consulting, LLC (the Partnership) was organized under the state laws of Massachusetts on August 16, 2013. The limited liability company's general character of business is to render consulting services to individuals and companies seeking to apply for a license to operate a medical marijuana dispensary in Massachusetts. The company has a regular place of business at 26 Ossipee Road, Newton, MA.

The limited liability company is recognized as a partnership for federal tax purposes. The earnings and losses are passed through to the members each year and as an entity has no federal income tax liability, therefore no provision for federal income taxes is presented in these financial statements.

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS

At December 31, 2013, cash and cash equivalents include cash on hand, demand deposits with banks and all highly liquid investments with original maturities of three months or less.

For the purpose of preparing the statement of cash flows, the Partnership considers all cash accounts which are not subject to withdrawal restrictions or penalties, and short-term instruments purchased with a maturity of three months or less to be cash and cash equivalents.

3. CONCENTRATIONS OF CREDIT RISK

Financial instruments, which potentially subject the Partnership to credit risk, consist principally of cash in demand accounts. The Partnership may be subject to credit risk to its cash and cash equivalent investments, which are placed with high credit-quality financial institutions. From time to time, the Partnership may have amounts on deposit in excess of the FDIC limits. Management believes that the Partnership is not exposed to any significant credit risk on cash and cash equivalents. As of December 31, 2013, the Partnership did not have cash and cash equivalents in excess of the FDIC limits. The Partnership has not experienced any losses on its cash equivalents.

The Partnership provides consulting services. The terms of the contracts generally require a sum deposit plus basic contractual payments at the beginning of each month. Credit risk associated with the contract agreements is limited to the amount of contract receivable.

FOR THE PERIOD AUGUST 16, 2013 (DATE OF INCEPTION) TO DECEMBER 31, 2013

4. NOTE PAYABLE

Note payable as of December 31, 2013 consisted of the following:

21st Century and Bruce Levine - interest at 10.0% per annum.
Monthly payments of interest only to lender. \$500,000

Future maturities of the note payable is as follows

2014	\$500,000
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5. RELATED PARTY TRANSACTIONS

At times, the members make advances to and from the Partnership and other related entities. These advances are considered short term temporary advances and no interest is paid or accrued on these advances. The balance in due from affiliated entities was \$5,600 and due to members' was \$90,000 at December 31, 2013.

On November 20, 2013, Sigal Consulting LLC borrowed \$500,000 from a related party. The interest is payable on December 1, 2013, and on the first day of each succeeding calendar month until the note is paid in full, and interest rate is a fixed rate equal to ten percent (10.0%) per annum.

The loan proceeds were advanced to a client's account and were repaid in full on February 2, 2014.

FOR THE PERIOD AUGUST 16, 2013 (DATE OF INCEPTION) TO DECEMBER 31, 2013

6. TAX POSITIONS AND FILING

The Partnership adopted Topic 740 of the FASB Accounting Standards Codification (ASC) relating to accounting for uncertainty in income taxes. As required by this topic, Management of the Partnership has evaluated its tax positions, applying a "More Likely Than Not" standard, and believes that there would be no material changes to the results of its operations or financial position as a result of an audit by the applicable taxing authorities, federal or state(s). The Partnership has filed all of its known and required returns in a timely manner including as permitted, allowed extensions. The income tax returns of the Partnership are subject to examination by the IRS and the state(s) for three years after they are filed.

7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 11, 2014, the date on which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosures in these financial statements.

EXHIBIT 99.2

Worlds Online Inc.
Introduction to Pro Forma Condensed Combined Financial Statements

The following unaudited pro forma condensed combined financial statements are presented to illustrate the estimated effects of the Membership Interest Purchase Agreement between MariMed Advisors Inc., a wholly owned subsidiary of Worlds Online Inc. and Sigal Consulting LLC, a Massachusetts limited liability company, on the historical financial position and results of operations of Worlds Online Inc.

The pro forma balance sheet as of June 30, 2014 is based on the unaudited consolidated balance sheet of Worlds Online Inc. and the unaudited balance sheet of Sigal Consulting LLC. The pro forma statement of operations for the six months ended June 30, 2014 is based on the unaudited consolidated statement of operations for Worlds Online Inc. and the unaudited statement of operations of Sigal consulting LLC for the six months ended June 30, 2014. The pro forma statement of operations for the year ended December 31, 2013 is based on the audited consolidated statement of operations for Worlds Online Inc. for the year ended December 31, 2013 and the audited statement of operations of Sigal Consulting LLC for the period from August 16, 2013 (inception) through to December 31, 2013.

The unaudited pro forma condensed combined statement of operations for the six months ended June 30, 2014 and for the year ended December 31, 2013 assumes that the transaction was consummated on January 1, 2013. The unaudited pro forma condensed combined balance sheet as of June 30, 2014 assumes the transaction was consummated on that date.

The information presented in the unaudited pro forma condensed combined financial statements does not purport to represent what the financial position or results of operations of Worlds Online Inc. would have been had the transaction occurred as of the dates indicated, nor is it indicative of the future financial position or results of operations for any period of Worlds Online Inc.

The pro forma adjustments are based upon available information and certain assumptions that the management of Worlds Online Inc. believes are reasonable under the circumstances.

These unaudited pro forma condensed combined financial statements should be read in conjunction with the accompanying notes and assumptions and the historical financial statements and related notes of Worlds Online Inc. and Sigal Consulting LLC.

Worlds Online Inc. and Subsidiaries
 Unaudited Pro Forma Condensed Combined Balance Sheet
 As of June 30, 2014

	<u>Worlds Online Inc.</u>	<u>Sigal Consulting LLC</u>	<u>Pro Forma Adjustment</u>	<u>Pro Forma Combined Total</u>
ASSETS				
Current Assets				
Cash	\$ 358,153	\$ 284,307		\$ 642,460
Accounts receivables	—	55,500		55,500
Advance to Client	—	72,000		72,000
Due from client	—	100		100
Trading securities	7,373	—		7,373
Total Current Assets	365,526	411,907		777,433
Other Assets				
Licenses and domain names	—	425,000		425,000
Deposits	—	32,500		32,500
Total Other Assets	—	457,500		457,500
TOTAL ASSETS	\$ 365,526	\$ 869,407		\$ 1,234,933
Current Liabilities				
Accounts Payables	\$ —	\$ 103,426		\$ 103,426
Accrued expenses	692,591	18,000		710,591
Account payable - related party	200,129	—		200,129
Due to Affiliate	—	20,000		20,000
Note payable	450,000	500,000		950,000
License fee payable	—	250,000		250,000
Deferred revenue	226,950	—		226,950
Total Current Liabilities	1,569,670	891,426		2,461,096
Other Liabilities				
Due to members	—	75,072		75,072
Total Other Liabilities	—	75,072		75,072
Total Liabilities	\$ 1,569,670	\$ 966,498		\$ 2,536,168
Stockholders' (Deficit)				
Common Stock (Par value \$0.001 authorized 100,000,000 shares, issued and outstanding 31,954,236 on June 30, 2014				
	\$ 31,954	\$ —	31,954	A \$ 63,908
Common stock subscribed but not yet issued	400	—		400
Common Stock Warrants	1,165,563	—		1,165,563
Additional Paid in Capital	(392,521)		6,609,033	B C 6,216,512
Members capital	—	(97,091)	97,091	C —
Accumulated Deficit	(2,009,540)	—	(6,741,095)	A B C D (8,750,635)

Non-controlling interest			<u>3,017</u>	D	<u>3,017</u>
Total stockholders deficit	\$ (1,204,144)	\$ (97,091)			\$ (1,301,235)
TOTAL LIABILITIES AND					
STOCKHOLDERS' DEFICIT	\$ <u>365,526</u>	\$ <u>869,407</u>			\$ <u>1,234,933</u>

See accompanying notes to (unaudited) pro forma financial statements.

Worlds Online Inc. and Subsidiaries
Unaudited Pro Forma Condensed Combined Statement of Operations
For the Six Months Ended June 30, 2014

	Worlds Online Inc.	Sigal Consulting LLC	Pro Forma Adjustment	Pro Forma Combined Total
Revenues				
Revenue	\$ 444	\$ 149,250		\$149,694
Total	<u>444</u>	<u>149,250</u>		<u>149,694</u>
Cost and Expenses				
Cost of Revenue	4,900	47,526		52,426
Gross (Loss)	(4,456)	101,724		97,268
Option Expense	35,999	—		35,999
Selling, General & Admin.	99,302	75,660		174,962
Payroll and related taxes	96,250	10,391		106,641
Total expenses	<u>231,551</u>	<u>86,051</u>		<u>317,602</u>
Operating (loss)	(236,007)	15,673		(220,334)
Other Income (Expense):				
Gain on trading securities	5,404	—		5,404
Unrealized loss on trading securities	(6,208)	—		(6,208)
Interest expense	(1,299)	(9,516)		(10,815)
Loss on extinguishment of debt	(19,078)	—		(19,078)
Impairment loss on goodwill				C —
Net (Loss)	<u>\$ (257,189)</u>	<u>\$ 6,157</u>		<u>\$(251,032)</u>
Less: Net income attributable to noncontrolling interests			3,017 D	3,017
Net (loss) attributable to WORX common shareholders				<u>\$(254,048)</u>
Pro forma (loss) per share				<u>\$(0.01)</u>
Number of Shares Affected by the Transaction				<u>31,954,236E</u>

See accompanying notes to (unaudited) pro forma financial statements.

Worlds Online Inc. and Subsidiaries
 Unaudited Pro Forma Condensed Combined Statement of Operations
 For the Year Ended December 31, 2013

	Worlds Online Inc. Year ended December 31, 2013	Sigal Consulting LLC For the period from August 16, 2013 (inception) through December 31, 2013	Pro Forma Adjustment	Pro Forma Combined Total
Revenues				
Revenue	\$ 904	\$ 109,000		\$109,904
Total	<u>904</u>	<u>109,000</u>		<u>109,904</u>
Cost and Expenses				
Cost of Revenue	26,285	98,630		124,915
Gross (Loss)	(25,381)	10,370		(15,011)
Option Expense	3,198	—		3,198
Common stock issued for services rendered	94,000	—		94,000
Selling, General & Admin.	182,055	108,062		290,117
Payroll and related taxes	253,510	—		253,510
Total expenses	<u>532,763</u>	<u>108,062</u>		<u>640,825</u>
Operating (loss)	(558,145)	(97,692)		(655,837)
Other Income (Expense):				
Gain on trading securities	6,684	—		6,684
Unrealized loss on trading securities	(2,696)	—		(2,696)
Unrealized gain on trading securities	18,550	—		18,550
Interest expense	—	(5,556)		(5,556)
Impairment loss on goodwill				C
Net (Loss)	<u>\$ (535,607)</u>	<u>\$ (103,248)</u>		<u>\$ (638,855)</u>
Less: Net (loss) attributable to noncontrolling interests			(50,592) D	(50,592)
Net (loss) attributable to WORX common shareholders				<u>\$ (588,263)</u>
Pro forma (loss) per share				<u>\$(0.02)</u>
Number of Shares Affected by the Transaction				<u>31,954,236E</u>

See accompanying notes to (unaudited) pro forma financial statements.

Worlds Online Inc.

Notes to Pro Forma Condensed Combined Financial Statements

On May 19, 2014, Worlds Online Inc. (the “Company”) entered into a Membership Interest Purchase Agreement (the “Agreement”) between MariMed Advisors Inc. (“MariMed”), a wholly owned subsidiary of the Company, Sigal Consulting LLC (“Sigal”), a Massachusetts limited liability company, and the Members of Sigal (“Sellers”). The transaction was completely closed on September 29, 2014, and an 8-K was filed on October 3, 2014. Pursuant to the Agreement, the Company acquired all of the interest in Sigal Consulting LLC through MariMed in consideration to Sellers for an aggregate amount of (i) The Company’s common stock equal to 50% of the Company’s outstanding common stock on the Closing Date; (ii) three million stock options of the Company to purchase the Company’s common stock which are exercisable over five years with various exercise price and (iii) 49% of MariMed’s outstanding common stock on the Closing Date. As a result, the Company indirectly owned 51% of Sigal Consulting LLC through its 51% ownership in MariMed.

The transaction is accounted for as a purchase acquisition/merger wherein the Company is both accounting acquirer and legal acquirer. Accordingly, the accounting acquirer records the assets purchased and liabilities assumed as part of the merger and the portion that fair value of common stock issued and options granted for acquisition over the book value of Sigal is recorded as goodwill, which is impaired in full subsequently.

A = Subsequently record 31,954,236 new common shares issued to Sellers. The fair value of the stock issuance was determined by the market value of the Company’s common stock on the granted date at a price of approximately \$.19 per share.

B = Subsequently record 3,000,000 stock options granted to Sellers. The fair value of the stock options was measured using the Black-Scholes valuation model on the grant date.

C = Eliminate negative members capital in Sigal, which increased the impairment loss on goodwill by the same amount. The impairment loss on goodwill in total amount of \$6,738,078 was not included in pro forma income statement since it was material nonrecurring charge directly resulting from the transaction.

D = Reflect the 49% minority interest in Sigal.

E = The denominator in computing pro forma loss per shares is 31,954,236 shares, representing outstanding shares affected by the transaction per 8-K above, excluding 3,000,000 stock options due to their anti-dilutive feature.
