
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2016**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 333-149784

CAR CHARGING GROUP, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

03-0608147

(I.R.S. Employer
Identification No.)

**1691 Michigan Avenue, Suite 601
Miami Beach, Florida**

(Address of principal executive offices)

33139

(Zip Code)

Registrant's telephone number, including area code: **(305) 521-0200**

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 of 1934 during the preceding 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 (§232.405 of this chapter) 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company
(Do not check if a 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

As of August 10, 2016, the registrant had 80,476,508 common shares issued and outstanding.

CAR CHARGING GROUP, INC. & SUBSIDIARIES

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2016

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CAR CHARGING GROUP, INC. & SUBSIDIARIES

Condensed Consolidated Balance Sheets

	<u>June 30, 2016</u> (unaudited)	<u>December 31, 2015</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 183,767	\$ 189,231
Accounts receivable and other receivables, net	146,909	551,214
Inventory, net	489,773	744,150
Prepaid expenses and other current assets	<u>248,118</u>	<u>429,798</u>
Total Current Assets	1,068,567	1,914,393
Fixed assets, net	1,155,990	1,500,893
Intangible assets, net	121,639	126,797
Other assets	<u>90,578</u>	<u>132,043</u>
Total Assets	<u>\$ 2,436,774</u>	<u>\$ 3,674,126</u>
Liabilities and Stockholders' Deficiency		
Current Liabilities:		
Accounts payable	\$ 2,326,099	\$ 2,160,433
Accounts payable [1]	3,908,009	3,908,009
Accrued expenses	6,745,643	5,146,724
Accrued expenses [1]	5,969	5,969
Accrued public information fee	2,910,447	2,433,734
Derivative liabilities	3,640,258	1,350,881
Convertible notes payable	50,000	50,000
Convertible notes payable - related party	127,403	-
Notes payable - related party	-	20,000
Current portion of notes payable	349,859	351,954
Current portion of deferred revenue	<u>513,173</u>	<u>924,123</u>
Total Current Liabilities	20,576,860	16,351,827
Deferred revenue, net of current portion	109,570	109,180
Notes payable, net of current portion	<u>-</u>	<u>4,815</u>
Total Liabilities	<u>20,686,430</u>	<u>16,465,822</u>
Series B Convertible Preferred Stock, 10,000 shares designated, 8,250 shares issued and outstanding as of June 30, 2016 and December 31, 2015	<u>825,000</u>	<u>825,000</u>
Commitments and contingencies		
Stockholders' Deficiency:		
Preferred stock, \$0.001 par value, 40,000,000 shares authorized; Series A Convertible Preferred Stock, 20,000,000 shares designated, 11,000,000 and 10,500,000 shares issued and outstanding as of June 30, 2016 and December 31, 2015, respectively	11,000	10,500
Series C Convertible Preferred Stock, 250,000 shares designated, 150,426 and 120,330 shares issued and outstanding as of June 30, 2016 and December 31, 2015, respectively	150	120
Common stock, \$0.001 par value, 500,000,000 shares authorized, 80,476,508 and 79,620,730 shares issued and outstanding as of June 30, 2016 and December 31, 2015, respectively	80,477	79,621
Additional paid-in capital	64,964,270	63,676,848
Accumulated deficit	<u>(80,119,423)</u>	<u>(73,372,655)</u>
Total Car Charging Group Inc. - Stockholders' Deficiency	(15,063,526)	(9,605,566)
Non-controlling interest [1]	<u>(4,011,130)</u>	<u>(4,011,130)</u>
Total Stockholders' Deficiency	<u>(19,074,656)</u>	<u>(13,616,696)</u>
Total Liabilities and Stockholders' Deficiency	<u>\$ 2,436,774</u>	<u>\$ 3,674,126</u>

[1] - Related to 350 Green, which became a variable interest entity of the Company on April 17, 2014.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

CAR CHARGING GROUP, INC. & SUBSIDIARIES

**Condensed Consolidated Statements of Operations
(unaudited)**

	For The Three Months Ended		For The Six Months Ended	
	June 30,		June 30,	
	2016	2015 (revised)	2016	2015 (revised)
Revenues:				
Charging service revenue	\$ 356,412	\$ 515,985	\$ 740,882	\$ 905,770
Grant and rebate revenue	57,385	159,794	157,165	805,979
Equipment sales	360,169	185,172	650,374	405,979
Other	119,246	82,160	208,331	116,684
Total Revenues	893,212	943,111	1,756,752	2,234,412
Cost of Revenues:				
Cost of charging services	417,495	345,157	\$ 834,168	967,977
Depreciation and amortization	231,853	215,627	433,957	430,102
Cost of equipment sales	185,214	152,247	336,615	323,026
Total Cost of Revenues	834,562	713,031	1,604,740	1,721,105
Gross Profit	58,650	230,080	152,012	513,307
Operating Expenses:				
Compensation	1,189,008	2,070,910	2,652,787	4,855,564
Other operating expenses	369,570	505,581	714,373	822,151
General and administrative expenses	368,813	813,412	637,717	1,525,492
Total Operating Expenses	1,927,391	3,389,903	4,004,877	7,203,207
Loss From Operations	(1,868,741)	(3,159,823)	(3,852,865)	(6,689,900)
Other (Expense) Income:				
Interest expense	(35,314)	(11,960)	(70,552)	(21,019)
Amortization of discount on convertible debt	-	-	-	(41,998)
Gain on settlement of accounts payable	-	-	-	40,500
Change in fair value of warrant liabilities	(179,849)	290,898	(2,194,257)	888,907
Loss on disposal of fixed assets	(5,766)	(2,160)	(8,597)	(2,160)
Investor warrant expense	(457)	-	(6,284)	(275,908)
Non-compliance penalty for delinquent regular SEC filings	(255,849)	(189,650)	(476,713)	(653,150)
Non-compliance penalty for SEC registration requirement	-	-	(137,500)	-
Release from liability from US Department of Energy	-	1,833,896	-	1,833,896
Total Other (Expense) Income	(477,235)	1,921,024	(2,893,903)	1,769,068
Net Loss	(2,345,976)	(1,238,799)	(6,746,768)	(4,920,832)
Less: Net income attributable to non-controlling interest	-	13,257	-	66,994
Net Loss Attributable to Car Charging Group, Inc.	(2,345,976)	(1,252,056)	(6,746,768)	(4,987,826)
Dividend attributable to Series C stockholders	(365,300)	(212,400)	(683,700)	(414,400)
Net Loss Attributable to Common Stockholders	\$ (2,711,276)	\$ (1,464,456)	\$ (7,430,468)	\$ (5,402,226)
Net Loss Per Share				
- Basic and Diluted	\$ (0.03)	\$ (0.02)	\$ (0.09)	\$ (0.07)
Weighted Average Number of Common Shares Outstanding				
- Basic and Diluted	80,330,460	79,139,995	79,986,345	78,489,861

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

CAR CHARGING GROUP, INC. & SUBSIDIARIES

**Condensed Consolidated Statement of Changes in Stockholders' Deficiency
For the Six Months Ended June 30, 2016
(unaudited)**

	Convertible				Common Stock		Additional Paid-In Capital	Accumulated Deficit	Non Controlling Interest Deficit	Total Stockholders' Deficiency
	Preferred-A		Preferred-C		Shares	Amount				
	Shares	Amount	Shares	Amount						
Balance - December 31, 2015	10,500,000	\$ 10,500	120,330	\$ 120	79,620,730	\$ 79,621	\$63,676,848	\$ (73,372,655)	\$ (4,011,130)	\$ (13,616,696)
Sale of Series C convertible preferred stock, net of issuance costs [1]	-	-	22,786	22	-	-	976,849	-	-	976,871
Stock-based compensation	-	-	-	-	194,158	194	382,595	-	-	382,789
Common stock issued as compensation for services previously accrued	-	-	-	-	903,923	904	(904)	-	-	-
Return and retirement of common stock in connection with settlement	-	-	-	-	(242,303)	(242)	(44,758)	-	-	(45,000)
Convertible preferred stock issued as compensation to the Chief Operating Officer	500,000	500	750	1	-	-	(501)	-	-	-
Series C convertible preferred stock issued as compensation to the Executive Chairman	-	-	444	1	-	-	39,963	-	-	39,964
Series C convertible preferred stock dividends:										
Accrual of dividends earned	-	-	-	-	-	-	(683,700)	-	-	(683,700)
Payment of dividends in kind	-	-	6,116	6	-	-	611,594	-	-	611,600
Warrant modification expense	-	-	-	-	-	-	6,284	-	-	6,284
Net loss	-	-	-	-	-	-	-	(6,746,768)	-	(6,746,768)
Balance - June 30, 2016	<u>11,000,000</u>	<u>\$ 11,000</u>	<u>150,426</u>	<u>\$ 150</u>	<u>80,476,508</u>	<u>\$ 80,477</u>	<u>\$64,964,270</u>	<u>\$ (80,119,423)</u>	<u>\$ (4,011,130)</u>	<u>\$ (19,074,656)</u>

[1] Includes gross proceeds of \$1,367,120, less issuance costs of \$211,835 (\$150,383 of cash and \$61,452 non-cash) and warrants with an issuance date fair value of \$178,414 recorded as a derivative liability.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

CAR CHARGING GROUP, INC. & SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows

(unaudited)

	For The Six Months Ended	
	June 30,	
	<u>2016</u>	<u>2015</u>
		(revised)
Cash Flows From Operating Activities		
Net loss	\$ (6,746,768)	\$ (4,920,832)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	465,747	478,830
Amortization of discount on convertible debt	-	41,998
Change in fair value of warrant liabilities	2,194,257	(888,907)
Provision for bad debt	(1,066)	(1,347)
Loss on disposal of fixed assets	8,597	2,160
Gain on settlement of accounts payable	-	(40,500)
Release from U.S. Department of Energy accrued liability	-	(1,833,896)
Non-compliance penalty for delinquent regular SEC filings	476,713	653,150
Non-compliance penalty for SEC registration requirement	137,500	-
Non-cash compensation:		
Convertible preferred stock	131,967	728,962
Common stock	104,776	768,588
Options	599,011	1,076,428
Warrants	6,284	288,862
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	405,371	(256,801)
Inventory	190,277	231,937
Prepaid expenses and other current assets	181,680	(162,599)
Deposits	-	(4,511)
Other assets	39,965	(20)
Accounts payable and accrued expenses	781,744	37,660
Deferred rent	-	(6,564)
Deferred revenue	(410,560)	(115,042)
	<u>5,312,263</u>	<u>998,388</u>
Net Cash Used in Operating Activities	<u>(1,434,505)</u>	<u>(3,922,444)</u>
Cash Flows From Investing Activities		
Purchase of fixed assets	(58,669)	(42,487)
Investment in estate of Ecotality net of amount owed to Ecotality Estate Creditor's Committee	-	(210,965)
	<u>(58,669)</u>	<u>(253,452)</u>
Net Cash Used In Investing Activities	<u>(58,669)</u>	<u>(253,452)</u>
Cash Flows From Financing Activities		
Proceeds from sale of shares of Series C Convertible Preferred Stock and warrants	1,367,120	3,000,000
Payment of Series C Convertible Preferred Stock issuance costs	(52,500)	-
Proceeds from issuance of convertible notes payable to a related party	200,000	-
Payment of notes and convertible notes payable	(26,910)	(171,585)
	<u>1,487,710</u>	<u>2,828,415</u>
Net Cash Provided by Financing Activities	<u>1,487,710</u>	<u>2,828,415</u>
Net Decrease in Cash	<u>(5,464)</u>	<u>(1,347,481)</u>
Cash - Beginning of Period	<u>189,231</u>	<u>1,627,062</u>
Cash - Ending of Period	<u>\$ 183,767</u>	<u>\$ 279,581</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

CAR CHARGING GROUP, INC. & SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows -- Continued

(unaudited)

	For The Six Months Ended June 30,	
	2016	2015
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for:		
Interest expense	\$ 303	\$ 10,018
Non-cash investing and financing activities:		
Return and retirement of common stock in connection with settlement	\$ 45,000	\$ -
Issuance of common stock for services previously accrued	\$ 26,982	\$ 94,999
Issuance of Series C Convertible Preferred Stock in settlement of accrued registration rights penalty and related interest	\$ -	\$ 2,069,700
Accrual of contractual dividends on Series C Convertible Preferred Stock	\$ 683,700	\$ 414,400
Issuance of Series C Convertible Preferred Stock in satisfaction of contractual dividends	\$ (611,600)	\$ (435,200)
Warrants issued in connection with extension of convertible note payable	\$ -	\$ 23,641
Warrants reclassified to derivative liabilities	\$ -	\$ 281,403
Accrual of issuance costs on Series C Convertible Preferred Stock	\$ 159,335	\$ -

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

CAR CHARGING GROUP, INC. & SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

1. BUSINESS ORGANIZATION AND NATURE OF OPERATIONS

Car Charging Group, Inc. ("CCGP") was incorporated on October 3, 2006 under the laws of the State of Nevada as New Image Concepts, Inc. On December 7, 2009, New Image Concepts, Inc. changed its name to Car Charging Group, Inc.

CCGI, through its wholly-owned subsidiaries (collectively, the "Company" or "Car Charging"), acquires and installs electric vehicle ("EV") charging stations and shares servicing fees received from customers that use the charging stations with the property owner(s), on a property by property basis. In addition, the Company sells hardware and enters into individual arrangements for this purpose with various property owners, which may include municipalities, garage operators, hospitals, multi-family properties, shopping malls and facility owner/operators.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and disclosures required by U.S. GAAP for annual financial statements. In the opinion of management, such statements include all adjustments (consisting only of normal recurring items) which are considered necessary for a fair presentation of the condensed consolidated financial statements of the Company as of June 30, 2016 and for the three and six months ended June 30, 2016. The results of operations for the three and six months ended June 30, 2016 are not necessarily indicative of the operating results for the full year ending December 31, 2016 or any other period. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related disclosures of the Company as of December 31, 2015 and for the year then ended, which were filed with the Securities and Exchange Commission on Form 10-K on July 29, 2016.

2. GOING CONCERN AND MANAGEMENT'S PLANS

As of June 30, 2016, the Company had a cash balance, a working capital deficiency and an accumulated deficit of \$183,767, \$19,508,293 and \$80,119,423, respectively. During the three and six months ended June 30, 2016, the Company incurred a net loss of \$2,345,976 and \$6,746,768, respectively. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

Since inception, the Company's operations have primarily been funded through proceeds received in equity and debt financings. Although management believes that the Company has access to capital resources, there are currently no commitments in place for new financing at this time, except as described below, and there is no assurance that the Company will be able to obtain funds on commercially acceptable terms, if at all. There is also no assurance that the amount of funds the Company might raise will enable the Company to complete its development initiatives or attain profitable operations. If the Company is unable to obtain additional financing on a timely basis, it may have to curtail its development, marketing and promotional activities, which would have a material adverse effect on the Company's business, financial condition and results of operations, and ultimately the Company could be forced to discontinue its operations and liquidate.

The accompanying condensed consolidated financial statements have been prepared in conformity with U.S. GAAP, which contemplate continuation of the Company as a going concern and the realization of assets and satisfaction of liabilities in the normal course of business. The condensed consolidated financial statements do not include any adjustment that might become necessary should the Company be unable to continue as a going concern.

In July 2016, the Company issued a sixty-day convertible note in the principal amount of \$200,000 to a company wholly-owned by the Company's Executive Chairman of the Board of Directors. In August 2016, the Company repaid a convertible note in the principal amount of \$105,000 to a company wholly-owned by the Company's Executive Chairman of the Board of Directors. The Company is currently funding its operations on a month-to-month basis. While there can be no assurance that it will be successful, the Company is in active negotiations to raise additional capital.

CAR CHARGING GROUP, INC. & SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The condensed consolidated financial statements include the accounts of CCGI and its wholly-owned subsidiaries, including Car Charging, Inc., Beam Charging LLC (“Beam”), EV Pass LLC, Blink Network LLC (“Blink”) and Car Charging China Corp. (“Car Charging China”). All intercompany transactions and balances have been eliminated in consolidation.

Through April 16, 2014, 350 Green LLC (“350 Green”) was a wholly-owned subsidiary of the Company in which the Company had full control and was consolidated. Beginning on April 17, 2014, when 350 Green’s assets and liabilities were transferred to a trust mortgage, 350 Green became a Variable Interest Entity (“VIE”). The consolidation guidance relating to accounting for VIEs requires an enterprise to perform an analysis to determine whether the enterprise’s variable interest or interests give it a controlling financial interest in a variable interest entity and perform ongoing reassessments of whether an enterprise is the primary beneficiary of a VIE. The Company determined that it is the primary beneficiary of 350 Green, and as such, 350 Green’s assets, liabilities and results of operations are included in the Company’s condensed consolidated financial statements.

USE OF ESTIMATES

Preparation of financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, together with amounts disclosed in the related notes to the financial statements. The Company’s significant estimates used in these financial statements include, but are not limited to, stock-based compensation, accounts receivable reserves, warranty reserves, inventory valuations, the valuation allowance related to the Company’s deferred tax assets, the carrying amount of intangible assets, estimates of future EV sales and the effects thereon, and the recoverability and useful lives of long-lived assets. Certain of the Company’s estimates could be affected by external conditions, including those unique to the Company and general economic conditions. It is reasonably possible that these external factors could have an effect on the Company’s estimates and could cause actual results to differ from those estimates.

ACCOUNTS RECEIVABLE

Accounts receivable are carried at their contractual amounts, less an estimate for uncollectible amounts. As of June 30, 2016 and December 31, 2015, there was an allowance for uncollectible amounts of \$33,760 and \$140,998, respectively. Management estimates the allowance for bad debts based on existing economic conditions, the financial conditions of the customers, and the amount and age of past due accounts. Receivables are considered past due if full payment is not received by the contractual due date. Past due accounts are generally written off against the allowance for bad debts only after all collection attempts have been exhausted. There is no collateral held by the Company for accounts receivable nor does any accounts receivable serve as collateral for any of the Company’s borrowings with the exception of the Company’s convertible note payable further described in Note 7 – Notes Payable – Convertible Note.

INVENTORIES

Inventory is comprised of electric charging stations and related parts, which are available for sale or for warranty requirements. Inventories are stated at the lower of cost or market. Cost is determined by the first-in, first-out method. Inventory that is sold to third parties is included within cost of sales and inventory that is installed on the premises of participating owner/operator properties, where the Company retains ownership, is transferred to fixed assets at the carrying value of the inventory. The Company periodically reviews for slow-moving, excess or obsolete inventories. Products that are determined to be obsolete, if any, are written down to net realizable value. Based on the aforementioned periodic reviews, the Company recorded an inventory reserve for slow-moving, excess or obsolete inventories of \$190,000 and \$290,000 as of June 30, 2016 and December 31, 2015, respectively.

As of June 30, 2016 and December 31, 2015, the Company’s inventory was comprised solely of finished goods and parts that are available for sale.

FIXED ASSETS

Fixed assets are stated at cost, net of accumulated depreciation and amortization which is recorded commencing at the in-service date using the straight-line method over the estimated useful lives of the assets. Accumulated depreciation and amortization as of June 30, 2016 and December 31, 2015 was \$4,347,020 and \$4,100,163, respectively.

CAR CHARGING GROUP, INC. & SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

INTANGIBLE ASSETS

Accumulated amortization related to intangible assets as of June 30, 2016 and December 31, 2015 was \$28,602 and \$23,445, respectively.

DERIVATIVE FINANCIAL INSTRUMENTS

The Company evaluates its convertible instruments to determine if those contracts or embedded components of those contracts qualify as derivative financial instruments to be separately accounted for in accordance with Topic 815 of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”). The accounting treatment of derivative financial instruments requires that the Company record the conversion options and warrants at their fair values as of the inception date of the agreement and at fair value as of each subsequent balance sheet date. Any change in fair value is recorded as non-operating, non-cash income or expense for each reporting period at each balance sheet date. Conversion options are recorded as a discount to the host instrument and are amortized as interest expense over the life of the underlying instrument. The Company reassesses the classification of its derivative instruments at each balance sheet date. If the classification changes as a result of events during the period, the contract is reclassified as of the date of the event that caused the reclassification.

The Binomial Lattice Model was used to estimate the fair value of the warrants that are classified as derivative liabilities on the condensed consolidated balance sheets. The model includes subjective input assumptions that can materially affect the fair value estimates. The expected volatility is estimated based on the most recent historical period of time equal to the weighted average life of the warrants.

SEQUENCING POLICY

Under ASC 815-40-35, the Company has adopted a sequencing policy whereby, in the event that reclassification of contracts from equity to assets or liabilities is necessary pursuant to ASC 815 due to the Company’s inability to demonstrate it has sufficient authorized shares, shares will be allocated on the basis of the earliest issuance date of potentially dilutive instruments, with the earliest grants receiving the first allocation of shares.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company measures the fair value of financial assets and liabilities based on the guidance of ASC 820 “Fair Value Measurements and Disclosures” (“ASC 820”) which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

Level 1 — quoted prices in active markets for identical assets or liabilities

Level 2 — quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3 — inputs that are unobservable (for example, cash flow modeling inputs based on assumptions)

The carrying amounts of the Company’s financial assets and liabilities, such as cash and cash equivalents, accounts receivable, prepaid expenses and other current assets, accounts payable and accrued expenses approximate fair values due to the short-term nature of these instruments. The carrying amount of the Company’s notes payable approximates fair value because the effective yields on these obligations, which include contractual interest rates, taken together with other features such as concurrent issuance of warrants, are comparable to rates of returns for instruments of similar credit risk.

CAR CHARGING GROUP, INC. & SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

REVENUE RECOGNITION

The Company recognizes revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured. Accordingly, when a customer completes use of a charging station, the service can be deemed rendered and revenue may be recognized based on the time duration of the session or kilowatt hours drawn during the session. Sales of EV stations are recognized upon shipment to the customer, free on board shipping point, or the point of customer acceptance.

Governmental grants and rebates pertaining to revenues and periodic expenses are recognized as income when the related revenue and/or periodic expense are recorded. Government grants and rebates related to EV charging stations and their installation are deferred and amortized in a manner consistent with the related depreciation expense of the related asset over their useful lives.

For arrangements with multiple elements, which is comprised of (1) a charging unit, (2) installation of the charging unit, (3) maintenance and (4) network fees, revenue is recognized dependent upon whether vendor specific objective evidence (“VSOE”) of fair value exists for separating each of the elements. We determined that VSOE exists for both the delivered and undelivered elements of our multiple-element arrangements. We limit our assessment of fair value to either (a) the price charged when the same element is sold separately or (b) the price established by management having the relevant authority.

CONCENTRATIONS

During the three and six months ended June 30, 2016, revenues generated from Entity C represented approximately 13% and 13%, respectively, of the Company’s total revenue. During the three and six months ended June 30, 2015, revenues generated from Entity C represented approximately 18% and 15%, respectively, of the Company’s total revenue. During the six months ended June 30, 2015, revenues generated from Entity A represented approximately 27% of the Company’s total revenue. The Company generated grant revenues from governmental agencies (Entity A) and charging service revenues from a customer (Entity C).

STOCK-BASED COMPENSATION

The Company measures the cost of services received in exchange for an award of equity instruments based on the fair value of the award. For employees, the fair value of the award is measured on the grant date and for non-employees, the fair value of the award is measured on the measurement date and re-measured on vesting dates and interim financial reporting dates until the service period is complete. The fair value amount is then recognized over the period during which services are required to be provided in exchange for the award, usually the vesting period. Awards granted to non-employee directors for their service as a director are treated on the same basis as awards granted to employees. The Company computes the fair value of equity-classified warrants and options granted using the Black-Scholes option pricing model.

CAR CHARGING GROUP, INC. & SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

NET LOSS PER COMMON SHARE

Basic net loss per common share is computed by dividing net loss by the weighted average number of vested common shares outstanding during the period. Diluted net loss per common share is computed by dividing net loss by the weighted average number vested of common shares, plus the net impact of common shares (computed using the treasury stock method), if dilutive, resulting from the exercise of outstanding stock options and warrants, plus the conversion of preferred stock.

The following common stock equivalents are excluded from the calculation of weighted average dilutive common shares because their inclusion would have been anti-dilutive:

	June 30,	
	2016	2015
Preferred stock	50,674,188	41,242,027
Warrants	55,384,027	58,142,745
Options	7,765,000	7,666,333
Convertible notes	339,058	99,524
Total potentially dilutive shares	<u>114,162,273</u>	<u>107,150,629</u>

COMMITMENTS AND CONTINGENCIES

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated. See Note 4 – Accrued Expenses, Note 10 – Commitments and Contingencies and Note 11 – Subsequent Events – Commitments and Contingencies.

CAR CHARGING GROUP, INC. & SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

REVISION OF FINANCIAL STATEMENTS FOR THE QUARTER ENDED JUNE 30, 2015

During the course of preparing the quarterly report on Form 10-Q for the quarter ended September 30, 2015, the Company identified an error which resulted in the overstatement of its accrued public information fee on the condensed consolidated balance sheet as of June 30, 2015 and its provision for non-compliance penalty for delinquent regular SEC filings on the condensed consolidated statements of operations during the three and six months ended June 30, 2015. The reason for the error related to the Company's interpretation of a contractual provision. See Note 5 – Accrued Public Information Fee.

The following tables reconcile the prior period as reported balances to the revised balances:

	June 30, 2015		
	<u>As Reported</u>	<u>Adjustment</u>	<u>As Revised</u>
Condensed Consolidated Balance Sheet:			
Total Current Assets	\$ 1,942,413	\$ -	\$ 1,942,413
Total Assets	\$ 4,571,529	\$ -	\$ 4,571,529
Total Current Liabilities	\$ 17,244,978	\$ (1,100,000)	\$ 16,144,978
Total Liabilities	\$ 17,501,491	\$ (1,100,000)	\$ 16,401,491
Total Stockholders' Deficiency	\$ (13,754,962)	\$ 1,100,000	\$ (12,654,962)

	For the Three Months Ended June 30, 2015			For the Six Months Ended June 30, 2015		
	<u>As Reported</u>	<u>Adjustment</u>	<u>As Revised</u>	<u>As Reported</u>	<u>Adjustment</u>	<u>As Revised</u>
Condensed Consolidated Statements of Operations:						
Loss From Operations	\$ (3,159,823)	\$ -	\$ (3,159,823)	\$ (6,689,900)	\$ -	\$ (6,689,900)
Total Other Income	821,024	1,100,000	1,921,024	669,068	1,100,000	1,769,068
Net Loss	(2,338,799)	1,100,000	(1,238,799)	(6,020,832)	1,100,000	(4,920,832)
Less: Net income attributable to noncontrolling interest	13,257	-	13,257	66,994	-	66,994
Net Loss Attributable to Car Charging Group, Inc.	(2,352,056)	1,100,000	(1,252,056)	(6,087,826)	1,100,000	(4,987,826)
Dividend attributable to Series C shareholders	(212,400)	-	(212,400)	(414,400)	-	(414,400)
Net Loss Attributable to Common Shareholders	\$ (2,564,456)	\$ 1,100,000	\$ (1,464,456)	\$ (6,502,226)	\$ 1,100,000	\$ (5,402,226)
Net Loss Per Share - Basic and Diluted	\$ (0.03)		\$ (0.02)	\$ (0.08)		\$ (0.07)
Weighted Average Number of						
Common Shares Outstanding - Basic and Diluted	79,139,995		79,139,995	78,489,861		78,489,861

	For the Six Months Ended June 30, 2015		
	<u>As Reported</u>	<u>Adjustment</u>	<u>As Revised</u>
Condensed Consolidated Statement of Cash Flows:			
Cash Flows From Operating Activities:			
Net Loss	\$ (6,020,832)	\$ 1,100,000	\$ (4,920,832)
Adjustments to reconcile net loss to net cash used in operating activities	\$ 2,374,328	\$ (1,100,000)	\$ 1,274,328
Net Cash Used In Operating Activities	\$ (3,922,444)	\$ -	\$ (3,922,444)
Net Cash Used In Investing Activities	\$ (253,452)	\$ -	\$ (253,452)
Net Cash Provided By Financing Activities	\$ 2,828,415	\$ -	\$ 2,828,415

CAR CHARGING GROUP, INC. & SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

4. ACCRUED EXPENSES

SUMMARY

Accrued expenses consist of the following:

	<u>June 30, 2016</u>	<u>December 31, 2015</u>
	<u>(unaudited)</u>	
Registration rights penalty	\$ 866,250	\$ 728,750
Accrued consulting fees	975,425	916,925
Accrued host fees	1,117,208	873,544
Accrued professional, board and other fees	1,265,881	1,069,341
Accrued wages	194,369	187,779
Warranty payable	290,131	223,988
Accrued taxes payable	413,722	355,950
Warrants payable	295,106	77,761
Accrued issuable equity	737,895	324,894
Accrued interest expense	154,092	83,842
Dividend payable	365,300	293,200
Other accrued expenses	70,264	10,750
	<u>\$ 6,745,643</u>	<u>\$ 5,146,724</u>

REGISTRATION RIGHTS PENALTY

In connection with the sale of the Company's Series C Convertible Preferred Stock, the Company granted the purchasers certain registration rights. As of June 30, 2016 and December 31, 2015, the Company had not yet filed a registration statement under the Securities Act of 1933. The registration rights agreements entered into with the Series C Convertible Preferred Stock purchasers provide that the Company has to pay liquidated damages equal to 1% of all Series C subscription amounts received on the date the Series C resale registration statement was due to be filed pursuant to such registration rights agreements. The Company needs to pay such penalty each month thereafter until the resale registration statement is filed. The maximum liquidated damages amount is 10% of all Series C subscription amounts received. Failure to pay such liquidated damages results in interest on such damages at a rate of 18% per annum becoming due. As a result, the Company accrued \$866,250 and \$728,750 of Series C Convertible Preferred Stock registration rights damages at June 30, 2016 and December 31, 2015, respectively.

WARRANTS PAYABLE

As of June 30, 2016 and December 31, 2015, the Company accrued \$294,111 and \$77,735, respectively, related to investment banking fees which were payable in warrants. See Note 7 – Fair Value Measurement – Warrants Payable and Note 8 – Stockholders' Deficiency – Preferred Stock - Series C Convertible Preferred Stock for additional details.

5. ACCRUED PUBLIC INFORMATION FEE

In accordance with certain securities purchase agreements, the Company is required to be compliant with Rule 144(c)(1) of the SEC, as defined, so as to enable investors to sell their holdings of Company shares in accordance with the securities purchase agreements. In the event of the Company's noncompliance with Rule 144(c)(1) at any time after the six-month anniversary of the offering, the investors are entitled to receive a fee of 1% of the aggregate subscription amount of the purchaser's securities, plus an additional 1% for every pro rata 30-day period that the Company is not in compliance (payable in cash or in kind). As of June 30, 2016 and December 31, 2015, the Company had accrued \$2,910,447 and \$2,433,734, respectively, as a result of periods of noncompliance with Rule 144(c)(1).

CAR CHARGING GROUP, INC. & SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

6. NOTES PAYABLE

CONVERTIBLE AND OTHER NOTES – RELATED PARTY

On June 24, 2016, the Company issued a sixty-day convertible note in the principal amount of \$105,000 to a company wholly-owned by the Company's Executive Chairman of the Board of Directors. The principal amount is to be repaid upon the date at which the Company has received payment under an existing grant with the Pennsylvania Turnpike. Interest on the note accrues at a rate of 18% annually and is payable at maturity. The unpaid principal and accrued interest are convertible at the election of the holder into shares of common stock at \$0.70 per share. In connection with the note issuance, the Company issued a five-year immediately vested warrant to purchase 525,000 shares of common stock at an exercise price of \$0.70 per share with an issuance date fair value of \$38,113, which was recorded as a debt discount. In connection with the Company's sequencing policy, the warrants were determined to be derivative liabilities. In connection with the Company's sequencing policy, the conversion option was also determined to be a derivative liability, however its value was de minimis. Subsequent to June 30, 2016, the Company repaid the principal amount of \$105,000 plus accrued interest.

On June 24, 2016, the Company issued a sixty-day convertible note in the principal amount of \$95,000 to a company wholly-owned by the Company's Executive Chairman of the Board of Directors. The principal amount is to be repaid upon the date at which the Company has received at least \$1,000,000 in financing from third parties. Interest on the note accrues at a rate of 18% annually and is payable at maturity. The unpaid principal and accrued interest are convertible at the election of the holder into shares of common stock at \$0.70 per share. In connection with the note issuance, the Company issued a five-year immediately vested warrant to purchase 475,000 shares of common stock at an exercise price of \$0.70 per share with an issuance date fair value of \$34,484, which was recorded as a debt discount. In connection with the Company's sequencing policy, the warrants were determined to be derivative liabilities. In connection with the Company's sequencing policy, the conversion option was also determined to be a derivative liability, however, its value was de minimis.

During the six months ended June 30, 2016, the Company made aggregate principal repayments of \$20,000 associated with a non-convertible note payable to the same related party.

CONVERTIBLE AND OTHER NOTES

As of June 30, 2016, the secured convertible note had an outstanding principal balance of \$50,000 which was past due.

During the six months ended June 30, 2016, the Company made aggregate principal repayments of \$6,910 associated with a non-convertible note payable.

INTEREST EXPENSE

Interest expense for the three and six months ended June 30, 2016 was \$35,314 and \$70,552, respectively, and \$11,960 and \$21,019 during the three and six months ended June 30, 2015, respectively.

CAR CHARGING GROUP, INC. & SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

7. FAIR VALUE MEASUREMENT

See Note 4 – Accrued Expenses – Warrants Payable and Note 8 – Stockholders’ Deficiency – Preferred Stock - Series C Convertible Preferred Stock for additional details associated with issuance costs which included an obligation to issue investment banker warrants.

Assumptions utilized in the valuation of Level 3 liabilities are described as follows:

	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
Risk-free interest rate	0.58% - 1.08%	0.22% - 1.01%	0.58% - 1.16%	0.02% - 1.30%
Expected term (years)	2.28 - 5.00	1.00 - 4.66	2.28 - 5.00	1.00 - 5.05
Expected volatility	123% - 139%	89% - 95%	114% - 139%	84% - 95%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%

The following table sets forth a summary of the changes in the fair value of Level 3 derivative liabilities and warrants payable that are measured at fair value on a recurring basis:

<u>Derivative Liabilities</u>	
Beginning balance as of January 1, 2016	\$ 1,350,881
Issuance of warrants	251,011
Change in fair value of derivative liability	2,038,366
Ending balance as of June 30, 2016	<u>\$ 3,640,258</u>

<u>Warrants Payable</u>	
Beginning balance as of January 1, 2016	\$ 77,761
Provision for new warrant issuances	969
Accrual of other warrant obligations	61,454
Change in fair value of warrants payable	154,922
Issuance of warrants	-
Ending balance as of June 30, 2016	<u>\$ 295,106</u>

Assets and liabilities measured at fair value on a recurring or nonrecurring basis are as follows:

	June 30, 2016			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Derivative liabilities	\$ -	\$ -	\$ 3,640,258	\$ 3,640,258
Warrants Payable	-	-	295,106	295,106
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,935,364</u>	<u>\$ 3,935,364</u>

	December 31, 2015			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Derivative liabilities	\$ -	\$ -	\$ 1,350,881	\$ 1,350,881
Warrants payable	-	-	77,761	77,761
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,428,642</u>	<u>\$ 1,428,642</u>

CAR CHARGING GROUP, INC. & SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

8. STOCKHOLDERS' DEFICIENCY

PREFERRED STOCK

SERIES A CONVERTIBLE PREFERRED STOCK

On March 24, 2016, the Company issued 500,000 shares of Series A Convertible Preferred Stock to the Company's Chief Operating Officer in connection with his March 24, 2015 employment agreement. The \$500,000 of aggregate fair value of the shares was recognized over the one year service period. The Company recognized \$0 and \$114,754 of stock-based compensation expense during the three and six months ended June 30, 2016, respectively, related to the award which is included within stock-based compensation on the condensed consolidated statement of changes in stockholders' deficiency.

The Series A Convertible Preferred Stock shall have no liquidation preference so long as the Series C Convertible Preferred Stock shall be outstanding.

SERIES B CONVERTIBLE PREFERRED STOCK

As of June 30, 2016, the liquidation preference for the Series B Convertible Preferred Stock amounted to \$825,000.

SERIES C CONVERTIBLE PREFERRED STOCK

On March 11, 2016, the Company entered into a securities purchase agreement with a purchaser for gross proceeds of an aggregate of \$2,900,040 ("Subscription Amount"), of which, \$650,040 was paid to the Company at closing and the remaining \$2,250,000 ("Milestone Amounts") was payable to the Company upon the completion of certain milestones ("Milestones"), as specified in the agreement. Through June 30, 2016, based on the Company's achievement of certain of the milestones prior to the June 24, 2016 deadline, net proceeds of an aggregate of \$1,147,950 (gross proceeds of \$1,267,160 less issuance costs of \$197,160, of which, as of June 30, 2016, \$149,658 had not been paid and was included within accrued expenses) of the Subscription Amount had been paid to the Company. See Note 4 – Accrued Expenses – Warrants Payable and Note 7 – Fair Value Measurement for additional details. As a result, the Company issued the following to the purchaser during the six months ended June 30, 2016: (i) 21,120 shares of Series C Convertible Preferred Stock and (ii) five-year warrants to purchase an aggregate of 3,017,047 shares of common stock at an exercise price of \$1.00 per share with an issuance date fair value of \$167,956 which was recorded as a derivative liability.

On March 11, 2016, the Company entered into a securities purchase agreement with a purchaser for net proceeds of an aggregate of \$85,285 (gross proceeds of \$99,960 less issuance costs of \$14,675, of which, as of June 30, 2016, \$9,677 had not been paid and was included within accrued expenses). See Note 4 – Accrued Expenses – Warrants Payable and Note 7 – Fair Value Measurement for additional details. Pursuant to the securities purchase agreement, the Company issued the following to the purchaser: (i) 1,666 shares of Series C Convertible Preferred Stock, and (ii) a five-year warrant to purchase 238,000 shares of common stock for an exercise price of \$1.00 per share with an issuance date fair value of \$10,458 which was recorded as a derivative liability.

On March 24, 2016, the Company issued 750 shares of Series C Convertible Preferred Stock to the Company's Chief Operating Officer in connection with his March 24, 2015 employment agreement. The \$75,000 of aggregate fair value of the shares was recognized over the one year service period. The Company recognized \$0 and \$17,213 of stock-based compensation expense during the three and six months ended June 30, 2016, respectively, related to the award which is included within stock-based compensation on the condensed consolidated statement of changes in stockholders' deficiency.

During the six months ended June 30, 2016, the Company issued 444 shares of Series C Convertible Preferred Stock with a fair value of \$39,964 to the Company's Executive Chairman of the Board in satisfaction of amounts previously owed which was accrued for as of December 31, 2015, which is included within Series C convertible preferred stock issued as compensation to the Executive Chairman on the condensed consolidated statement of changes in stockholders' deficiency.

During the six months ended June 30, 2016, the Company issued 2,932 shares of Series C Convertible Preferred Stock in satisfaction of the \$293,200 dividend for the three months ended December 31, 2015 and 3,184 shares of Series C Convertible Preferred Stock in satisfaction of the \$318,400 dividend for the three months ended March 31, 2016. As of June 30, 2016 the Company accrued \$365,300 in connection with the dividend payable for the three months ended June 30, 2016. See Note 4 – Accrued Expenses.

In the event of a liquidation, the Series C Convertible Preferred Stock is also entitled to a liquidation preference equal to the stated value plus any accrued and unpaid dividends, which, as of June 30, 2016, was equal to \$15,407,900.

CAR CHARGING GROUP, INC. & SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

8. STOCKHOLDERS' DEFICIENCY – CONTINUED

NON-CONTROLLING INTERESTS

350 Green is not owned by the Company but is deemed to be a VIE where the entirety of its results of operations are consolidated in the Company's financial statements.

STOCK-BASED COMPENSATION

The Company recognized stock-based compensation expense related to preferred stock, common stock, stock options and warrants for the three and six months ended June 30, 2016 in the amounts of \$280,792 and \$842,038, respectively, and for the three and six months ended June 30, 2015 in the amounts of \$1,102,606 and \$2,862,840, respectively. As of June 30, 2016, there was \$196,537 of unrecognized stock-based compensation expense related to stock options that will be recognized over the weighted average remaining vesting period of 0.9 years.

STOCK OPTIONS

The weighted average estimated fair value of the options granted during the three and six months ended June 30, 2016 was \$0.51 and \$0.38 per share, respectively. The weighted average estimated fair value of the options granted during the three and six months ended June 30, 2015 was \$0.37 and \$0.37 per share, respectively.

In applying the Black-Scholes option pricing model to stock options granted, the Company used the following assumptions:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2014
Risk free interest rate	0.73% - 0.90%	0.63% - 1.00%	0.73% - 0.90%	0.63% - 1.21%
Expected term (years)	2.50	2.50 - 3.00	2.50	2.50 - 3.50
Expected volatility	112% - 118%	87% - 91%	102% - 118%	87% - 101%
Expected dividends	0.00%	0.00%	0.00%	0.00%

A summary of the option activity during the six months ended June 30, 2016 is presented below:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Life In Years	Aggregate Intrinsic Value
Outstanding, December 31, 2015	7,781,667	\$ 1.15		
Granted	130,000	0.38		
Exercised	-	-		
Cancelled/forfeited/expired	(146,667)	0.75		
Outstanding, June 30, 2016	<u>7,765,000</u>	<u>\$ 1.14</u>	<u>2.3</u>	<u>\$ 21,600</u>
Exercisable, June 30, 2016	<u>6,871,000</u>	<u>\$ 1.19</u>	<u>2.2</u>	<u>\$ 21,600</u>

CAR CHARGING GROUP, INC. & SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

8. STOCKHOLDERS' DEFICIENCY – CONTINUED

STOCK WARRANTS

See Note 8 – Stockholders' Deficiency – Preferred Stock – Series C Convertible Preferred Stock for details associated with the issuances of warrants in connection with the security purchase agreements.

In January 2016, the Company agreed to extend the maturity date of warrants to purchase an aggregate of 1,290,000 shares of common stock with an exercise price of \$2.25 per share by eighteen (18) months in exchange for the warrant holders' consent to rescind a fundamental transactions provision. As a result, the Company recorded warrant modification expense of \$5,827 during the six months ended June 30, 2016.

During the six months ended June 30, 2016, the Company recorded warrant modification expense of \$457 related to the extension of expiration date of warrants to purchase 25,000 shares of common stock.

A summary of the warrant activity during the six months ended June 30, 2016 is presented below:

	<u>Number of Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Life In Years</u>	<u>Aggregate Intrinsic Value</u>
Outstanding, December 31, 2015	61,043,591	\$ 1.08		
Issued	3,857,143	0.92		
Exercised	-	-		
Cancelled/forfeited/expired	(9,516,707)	2.08		
Outstanding, June 30, 2016	<u>55,384,027</u>	<u>\$ 0.89</u>	<u>2.6</u>	<u>\$ 56</u>
Exercisable, June 30, 2016	<u>55,384,027</u>	<u>\$ 0.89</u>	<u>2.6</u>	<u>\$ 56</u>

COMMON STOCK

In March 2016, one of the former members of Beam returned 242,303 shares of the Company's common stock to the Company in exchange for cash of \$45,000. The shares of common stock were cancelled by the Company in March 2016.

During the six months ended June 30, 2016, the Company issued 750,000 shares of common to the Company's Chief Operating Officer in connection with his March 24, 2015 employment agreement. The \$300,000 of aggregate fair value of the shares was recognized over the one year service period. The Company recognized \$0 and \$68,852 of stock-based compensation expense during the three and six months ended June 30, 2016, respectively, related to the award which is included within stock-based compensation on the condensed consolidated statement of changes in stockholders' deficiency.

During the six months ended June 30, 2016, the Company issued an aggregate of 348,081 shares of common stock to the Company's Board of Directors as compensation for their attendance at various Board and OPFIN Committee meetings, of which, 194,158 shares were issued for 2016 meetings and 153,923 shares were issued for 2015 meetings. The shares had an aggregate grant date fair value of \$65,982, of which, \$35,924 was recognized during the six months ended June 30, 2016 and is included within stock-based compensation on the condensed consolidated statement of changes in stockholders' deficiency and \$30,058 was recognized during the year ended December 31, 2015 and was included within stock-based compensation on the consolidated statement of changes in stockholders' deficiency as of December 31, 2015.

CAR CHARGING GROUP, INC. & SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

9. RELATED PARTIES

The Company paid commissions to a company owned by its former CEO totaling \$0 during the three and six months ended June 30, 2016 and \$8,500 and \$26,250 during the three and six months ended June 30, 2015, respectively, for business development services relating to the installations of EV charging stations by the Company in accordance with the support services contract. These amounts are recorded as compensation in the condensed consolidated statements of operations.

The Company incurred accounting and tax service fees totaling \$0 for the three and six months ended June 30, 2016 provided by a company that is partially owned by the Company's former Chief Financial Officer. The Company incurred accounting and tax service fees totaling \$17,736 and \$24,918 for the three and six months ended June 30, 2015, respectively, provided by a company that is partially owned by the Company's former Chief Financial Officer. This expense was recorded as general and administrative expense.

The Company is licensing certain technology under terms of a patent licensing agreement with an entity (licensor) that is majority owned by the former CEO. The Company has agreed to pay royalties to the licensor equal to 10% of the gross profits received by the Company from bona fide commercial sales and/or uses of the licensed products and processes. As of June 30, 2016, the Company has not paid nor incurred any royalty fees related to this agreement. See Note 10 – Commitments and Contingencies – Patent License Agreement.

10. COMMITMENTS AND CONTINGENCIES

OPERATING LEASE

Total rent expense for the three and six months ended June 30, 2016 was \$91,120 and \$170,991, respectively, and \$113,297 and \$229,244 for the three and six months ended June 30, 2015, respectively.

PATENT LICENSE AGREEMENT

On March 11, 2016, the Company (the "Licensee"), the Executive Chairman of the Board and Balance Holdings, LLC (an entity controlled by the Executive Chairman) (collectively, the "Licensor") entered into an agreement related to a patent license agreement, dated March 29, 2012. The parties acknowledge that the Licensee has paid a total of \$8,525 in registration and legal fees for the U.S. Provisional Patent Application No. 61529016 (the "Patent Application") to date. Effective March 11, 2016, the patent license agreement, solely with respect to the Patent Application and the parties' rights and obligations thereto, was terminated. The Executive Chairman of the Board agreed to be solely responsible for all future costs and fees associated with the prosecution of the patent application. In the event the Patent Application is successful, the Executive Chairman of the Board shall grant a credit to the Licensee in the amount of \$8,525 to be applied against any outstanding amount(s) owed to him. If the Licensee does not have any outstanding payment obligations to the Executive Chairman of the Board at the time the Patent Application is approved, the Executive Chairman of the Board shall remit the \$8,525 to the Licensee within twenty (20) days of the approval. The parties agreed to a mutual release of any claims associated with the patent license agreement.

CAR CHARGING GROUP, INC. & SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

10. COMMITMENTS AND CONTINGENCIES – CONTINUED

LITIGATION AND DISPUTES

On July 28, 2015, a Notice of Arbitration was received stating ITT Cannon has a dispute with Blink for the manufacturing and purchase of 6,500 charging cables by Blink, who has not taken delivery or made payment on the contract price of \$737,425. ITT Cannon also seeks to be paid the cost of attorney's fees as well as punitive damages. The parties have agreed on a single arbitrator and are working to schedule the arbitration. The Company contends that the product was not in accordance with the specifications in the purchase order and, as such, believes the claim is without merit. The parties have agreed on a single arbitrator and are working to schedule the arbitration while simultaneously pursuing settlement options.

On April 8, 2016, Douglas Stein filed a Petition for Fee Arbitration with the State Bar of Georgia against the Company for breach of contract for failure to pay invoices in the amount of \$178,893 for legal work provided. The invoices have been accrued for in the periods in which the services were provided. The Company has responded to the claim and is simultaneously pursuing settlement options.

On May 18, 2016, the Company was served with a complaint from Solomon Edwards Group, LLC for breach of written agreement and unjust enrichment for failure to pay invoices in the amount of \$172,645 for services provided, plus interest and costs. The invoices have been accrued for in the periods in which the services were provided.

From time to time, the Company is a defendant or plaintiff in various legal actions that arise in the normal course of business.

350 GREEN, LLC

There have been five lawsuits filed against 350 Green by creditors of 350 Green regarding unpaid claims. These lawsuits relate solely to alleged pre-acquisition unpaid debts of 350 Green. Also, there are other unpaid creditors, aside from those noted above, that claim to be owed certain amounts for pre-acquisition work done on behalf of 350 Green solely, that potentially could file lawsuits at some point in the future.

On August 7, 2014, 350 Green received a copy of a complaint filed by Sheetz, a former vendor of 350 Green alleging breach of contract and unjust enrichment of \$112,500. The complaint names 350 Green, 350 Holdings LLC and CCGI in separate breach of contract counts and names all three entities together in an unjust enrichment claim. CCGI and 350 Holdings will seek to be dismissed from the litigation, because, as the complaint is currently plead, there is no legal basis to hold CCGI or 350 Green liable for a contract to which they are not parties. The parties held a mediation conference on May 15, 2015, but no settlement was reached. The parties continue to negotiate a settlement.

On September 9, 2015, the United States Court of Appeals for the Seventh Circuit of Chicago, Illinois affirmed the ruling of the United States District Court for the Northern District of Illinois in the matter of JNS Power & Control Systems, Inc. v. 350 Green, LLC in favor of JNS, which affirmed the sale of certain assets by 350 Green to JNS and the assumption of certain 350 Green liabilities by JNS. On April 7, 2016, JNS amended the complaint to add CCGI alleging an unspecified amount of lost revenues from the chargers, among other matters, caused by the defendants. Plaintiff also seeks indemnity for its unspecified costs in connection with enforcing the Asset Purchase Agreement in courts in New York and Chicago. CCGI has filed a motion to dismiss and the parties have concurrently agreed to attend a settlement conference on August 18, 2016.

OTHER MATTER

On May 12, 2016, the Securities and Exchange Commission ("SEC") filed a complaint with the United States District Court in the Central District of California wherein the SEC alleges that an attorney who previously served as securities counsel to the Company was involved in a fraudulent scheme to create and sell seven (7) public "shell" companies. The SEC's complaint indicates that one of the shell companies, New Image Concepts, Inc. ("NIC") was the subject of the Company's December 7, 2009 reverse merger, wherein following the merger, NIC was renamed Car Charging Group, Inc. The Company is not named as a defendant in the SEC's complaint and, based on internal review and discussions, there were and are no continuing affiliations between any employees, directors, or investors of the pre-merger shell company and the Company. The Company has determined that no current or past employees of the Company were involved with the former shell company and it does not expect any additional actions to be necessary with respect to this matter.

CAR CHARGING GROUP, INC. & SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

11. SUBSEQUENT EVENTS

NOTE PAYABLE

On July 27, 2016, the Company issued a sixty-day convertible note in the principal amount of \$200,000 to a company wholly-owned by the Company's Executive Chairman of the Board of Directors. The principal amount is to be repaid upon the date at which the Company has received at least \$1,000,000 in financing from third parties. Interest on the note accrues at a rate of 18% annually and is payable at maturity. The unpaid principal and accrued interest are convertible at the election of the holder into shares of common stock at \$0.70 per share. In connection with the note issuance, the Company issued a five-year immediately vested warrant to purchase 1,000,000 shares of common stock at an exercise price of \$0.70 per share.

SUBLEASE AGREEMENT

On July 28, 2016, the Company ("Sublandlord") entered into a sublease agreement with Balance Labs, Inc. ("Subtenant") (an entity controlled by the Company's Executive Chairman of the Board of Directors) pursuant to which the Company agreed to sublease a portion of its Miami, Florida corporate headquarters to Subtenant. The term of the sublease agreement is from August 1, 2016 to September 29, 2018, subject to earlier termination upon written notice of termination by the landlord or Sublandlord. Throughout the term of the agreement, Subtenant shall pay to Sublandlord fixed base rent and operating expenses equal to 50% of Sublandlord's obligation under its primary lease agreement, resulting in monthly base rent payments ranging from approximately \$7,500 to \$8,000 per month, for a total of approximately \$200,000 for the total term of the sublease agreement.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the results of operations and financial condition of Car Charging Group, Inc. (and, including its subsidiaries, "CarCharging", "CCGI", "the Company") as of June 30, 2016 and for the three and six months ended June 30, 2016 and 2015 should be read in conjunction with our financial statements and the notes to those financial statements that are included elsewhere in this Quarterly Report on Form 10-Q. References in this Management's Discussion and Analysis of Financial Condition and Results of Operations to "us", "we", "our" and similar terms refer to CarCharging. This Quarterly Report contains forward-looking statements as that term is defined in the federal securities laws. The events described in forward-looking statements contained in this Quarterly Report may not occur. Generally these statements relate to business plans or strategies, projected or anticipated benefits or other consequences of our plans or strategies, projected or anticipated benefits from acquisitions to be made by us, or projections involving anticipated revenues, earnings or other aspects of our operating results. The words "may," "will," "expect," "believe," "anticipate," "project," "plan," "intend," "estimate," and "continue," and their opposites and similar expressions, are intended to identify forward-looking statements. We caution you that these statements are not guarantees of future performance or events and are subject to a number of uncertainties, risks and other influences, many of which are beyond our control, which may influence the accuracy of the statements and the projections upon which the statements are based. Factors that may affect our results include, but are not limited to, the risks and uncertainties discussed in Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2015 filed with the Securities and Exchange Commission ("SEC") on July 29, 2016.

Any one or more of these uncertainties, risks and other influences could materially affect our results of operations and whether forward-looking statements made by us ultimately prove to be accurate. Our actual results, performance and achievements could differ materially from those expressed or implied in these forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether from new information, future events or otherwise.

Overview

CarCharging is a leading owner, operator, and provider of electric vehicle ("EV") charging equipment and networked EV charging services. CarCharging offers both residential and commercial EV charging equipment, enabling EV drivers to easily recharge at various location types.

Our principal line of products and services is our Blink EV charging network (the "Blink Network") and EV charging equipment (also known as electric vehicle supply equipment - EVSE) and EV related services. Our Blink Network is proprietary cloud-based software that operates, maintains, and tracks all of the Blink EV charging stations and the associated charging data. The Blink Network provides property owners, managers, and parking companies, who we refer to as our Property Partners, with cloud-based services that enable the remote monitoring and management of EV charging stations, payment processing, and provides EV drivers with vital station information including station location, availability, and applicable fees.

We offer our Property Partners a flexible range of business models for EV charging equipment and services. In our comprehensive and turnkey business model, we own and operate the EV charging equipment, manage the installation, maintenance, and related services; and share a portion of the EV charging revenue with the property owner. Alternatively, Property Partners may share in the equipment and installation expenses, with CarCharging operating and managing the EV charging stations and providing connectivity to the Blink Network. For Property Partners interested in purchasing and owning EV charging stations, that they manage, we can also provide EV charging hardware, site recommendations, connectivity to the Blink Network, and service and maintenance services.

We have strategic relationships with hundreds of property partners that include well-recognized companies, large municipalities, and local businesses. The types of properties include airports, auto dealers, healthcare/medical, hotel, mixed-use, municipal locations, multifamily residential and condo, parks and recreation areas, parking lots, religious institution, restaurants, retailers, schools and universities, stadiums, supermarkets, transportation hubs, and workplace locations. Some examples are Caltrans, City of Azusa, City of Chula Vista, City of Springfield, City of Tucson, Cracker Barrel, Federal Realty, Fred Meyer Stores, Inc., Fry's Food & Drug, Inc., IKEA, JBG Associates, LLC, Kroger Company and Ralphs Grocery Company. CarCharging continues to establish contracts with property partners that previously had contracts with ECOTality, the former owner of the Blink related assets.

We currently have approximately 11,600 charging stations deployed of which 4,880 are Level 2 public charging units, 130 DC Fast Charging EV chargers and 2,800 residential charging units in service on the Blink Network. Additionally, we currently have approximately 370 Level 2 charging units on other networks and there are also approximately an additional 3,400 non-networked, residential Blink EV charging stations.

Sales

We currently maintain an in-house field sales force that maintains business relationships with our property partners and develops new sales opportunities through lead generation and marketing. We also sell our products and services through reseller partners, which then sell to property representatives and/or hosts.

We continue to invest in the improvement of the service and maintenance of our Company-owned stations, as well as those stations with a service and maintenance plans, and expanding our cloud-based network capabilities. We anticipate continuing to expand our revenues by selling our next generation of EV charging equipment to current as well as new Property Partners, which includes airports, auto dealers, healthcare/medical, hotel, mixed-use, municipal locations, multifamily residential and condo, parks and recreation areas, parking lots, religious institution, restaurants, retailers, schools and universities, stadiums, supermarkets, transportation hubs, and workplace locations, expanding our sales channels to wholesale distributors, utilities, auto OEMs, solar integrators, and dealers, and implementing EV charging station occupancy fees (after charging is completed, fees for remaining connected to the charging station beyond an allotted grace period), and subscription plans for EV drivers on our Blink-owned public charging locations.

During the three months ended June 30, 2016, one electric car sharing services customer accounted for 13% of our total revenues.

Our revenues are primarily derived from fees charged to EV drivers for EV charging in public locations, EV charging hardware sales, and government grants. EV charging fees to EV drivers are based either on an hourly rate, a per kilowatt-hour (“kWh”) rate, or by session, and are calculated based on a variety of factors, including associated station costs and local electricity tariffs. EV charging hardware is sold to our property partners such as Green Commuter, IKEA, Nashville Music Center, and Wendy’s. In addition, other sources of fees from EV charging services are network fees and payment processing fees paid by our property partners.

Recent Developments

Private Placements

On March 11, 2016, we entered into securities purchase agreements with two purchasers for proceeds of an aggregate of \$3,000,000, of which, \$750,000 was paid to us at closing and the remaining \$2,250,000 was payable to us upon the completion of certain milestones, as specified in the agreement. Based on the Company’s achievement of certain of the milestones prior to the June 24, 2016 deadline, the Company received a final aggregate of \$1,367,120 and issued a total of (i) 22,786 shares of Series C Convertible Preferred Stock, and (ii) five-year warrants to purchase an aggregate of 3,255,047 shares of common stock for an exercise price of \$1.00 per share.

Notes Payable

On June 24, 2016, we issued a sixty-day convertible note in the principal amount of \$105,000 to a company wholly-owned by our Executive Chairman. The principal amount is to be repaid upon the date at which we have received payment under an existing grant with the Pennsylvania Turnpike. Interest on the note accrues at a rate of 18% annually and is payable at maturity. The unpaid principal and accrued interest are convertible at the election of the holder into shares of common stock at \$0.70 per share. In connection with the note issuance, we issued a five-year immediately vested warrant to purchase 525,000 shares of common stock at an exercise price of \$0.70 per share. Subsequent to June 30, 2016, we repaid the principal amount of \$105,000 plus accrued interest.

On June 24, 2016, we issued a sixty-day convertible note in the principal amount of \$95,000 to a company wholly-owned by our Executive Chairman. The principal amount is to be repaid upon the date at which we have received at least \$1,000,000 in financing from third parties. Interest on the note accrues at a rate of 18% annually and is payable at maturity. The unpaid principal and accrued interest are convertible at the election of the holder into shares of common stock at \$0.70 per share. In connection with the note issuance, we issued a five-year immediately vested warrant to purchase 475,000 shares of common stock at an exercise price of \$0.70 per share.

On July 27, 2016, we issued a sixty-day convertible note in the principal amount of \$200,000 to a company wholly-owned by our Executive Chairman. The principal amount is to be repaid upon the date at which we have received at least \$1,000,000 in financing from third parties. Interest on the note accrues at a rate of 18% annually and is payable at maturity. The unpaid principal and accrued interest are convertible at the election of the holder into shares of common stock at \$0.70 per share. In connection with the note issuance, we issued a five-year immediately vested warrant to purchase 1,000,000 shares of common stock at an exercise price of \$0.70 per share.

Patent License Agreement

On March 11, 2016, the Company (the “Licensee”), the Executive Chairman of the Board and Balance Holdings, LLC (an entity controlled by Michael D. Farkas, our Executive Chairman) (collectively, the “Licensor”) entered into an agreement related to a patent license agreement, dated March 29, 2012. The parties acknowledge that the Licensee has paid a total of \$8,525 in registration and legal fees for the U.S. Provisional Patent Application No. 61529016 (the “Patent Application”) to date. Effective March 11, 2016, the patent license agreement, solely with respect to the Patent Application and the parties’ rights and obligations thereto, was terminated. The Executive Chairman of the Board agreed to be solely responsible for all future costs and fees associated with the prosecution of the patent application. In the event the Patent Application is successful, the Executive Chairman of the Board shall grant a credit to the Licensee in the amount of \$8,525 to be applied against any outstanding amount(s) owed to him. If the Licensee does not have any outstanding payment obligations to the Executive Chairman of the Board at the time the Patent Application is approved, the Executive Chairman of the Board shall remit the \$8,525 to the Licensee within twenty (20) days of the approval. The parties agreed to a mutual release of any claims associated with the patent license agreement. We have not paid nor incurred any royalties to date under the patent license agreement.

Consolidated Results of Operations

Three Months Ended June 30, 2016 Compared With Three Months Ended June 30, 2015

Revenues

We have generated charging service revenue of \$356,412 related to installed EV charging stations for the three months ended June 30, 2016 as compared to \$515,985 for the three months ended June 30, 2015, a decrease of \$159,573, or 31%, which was primarily a result of a reduction in revenue from a program sponsored by Nissan North America that the Company has participated in since July 2014. As part of the program, drivers that purchase a Nissan Leaf in certain markets within the United States receive two years of free charging. Since July 2015, other participating companies have added charging stations to the program reducing our share of revenue generated in connection with this program. We expect revenues derived from this program during the balance of 2016 to continue to be lower than the revenues we derived from this program in the same periods in 2015.

Grant revenue decreased from \$159,794 to \$57,385 during the three months ended June 30, 2016, a decrease of \$102,409, or 64%. Grants, rebate and incentives, collectively “grant revenue” relating to equipment and the related installation are deferred and amortized in a manner consistent with the depreciation expense of the related assets over their useful lives. Our grant revenue during the 2014 and 2015 fiscal years was primarily derived from our agreement with the Bay Area Air Quality Management District (the “BAAQMD”). Our agreement with the BAAQMD ended on December 31, 2015. Our current source of grant revenue is from Pennsylvania Turnpike Commission. The ability to secure grant revenues is typically unpredictable and, therefore, uncertain. However, historically, the Company has secured and depended on incentives and intends to continue to pursue incentives from various governmental jurisdictions. As an example, the Company recently endorsed the Obama Administration’s announcement of, among other things, programs to release up to \$4.5 billion in loan guarantees and invite applications to support the deployment of commercial EV charging facilities, and launch the Fixing America’s Surface Transportation (“FAST”) Act process to identify and develop corridors for zero emission and alternative fuel vehicles, which will include a network of EV fast charging stations.

Equipment sales increased from \$185,172 to \$360,169 during the three months ended June 30, 2016, an increase of \$174,997, or 95%. The increase was primarily due to a higher volume of residential and commercial units sold during the three months ended June 30, 2016.

Other revenue increased from \$82,160 to \$119,246 during the three months ended June 30, 2016, an increase of \$37,086, or 45%. Other revenues are comprised of network and transaction fees earned from our hosts which we initiated during the fourth quarter of 2014, which resulted in an increase in the number of fee generating units on our network during the three months ended June 30, 2016 as compared to the three months ended June 30, 2015.

Cost of Revenues

Cost of revenues primarily consists of depreciation of installed charging stations, amortization of the Blink Network infrastructure, the cost of charging station parts and related services sold, repairs and maintenance, electricity reimbursements to hosts and revenue share payments made to hosts when we are the primary obligor in the revenue share arrangement. Cost of revenues for the three months ended June 30, 2016 were \$834,562 as compared to \$713,031 for the three months ended June 30, 2015, an increase of \$121,531, or 17%. There is a degree of variability in our gross margins related to charging services revenues from period to period primarily due to (i) the mix of revenue share payment arrangements, (ii) electricity reimbursements, and (iii) the estimated repair and maintenance costs associated with those charging stations not currently in operation. Any variability in our gross margins related to equipment sales depends on the mix of products sold.

Operating Expenses

Operating expenses consist of selling, marketing, advertising, payroll, administrative, finance and professional expenses.

Compensation expense decreased by \$881,902, or 43%, from \$2,070,910 for the three months ended June 30, 2015 to \$1,189,008 for the three months ended June 30, 2016. The decrease was primarily attributable to a reduction of approximately \$434,000 in non-cash stock-based compensation expense as compared to the 2015 period (which includes a \$218,000 reduction of stock-based compensation expense related to share-based payments made to our Chief Operating Officer during the three months ended June 30, 2015 under the terms of his employment agreement) as well as a reduction in payroll and other related expenses of approximately \$381,000 due to the departure of certain management and other personnel during the second half of 2015.

Other operating expenses consist primarily of rent, travel and IT expenses. Other operating expenses decreased by \$136,011, or 27%, from \$505,581 for the three months ended June 30, 2015 to \$369,570 for the three months ended June 30, 2016. The decrease was primarily attributable to decreased IT expenses and call center expenses as the Company inaugurated its own internal call center in Phoenix, Arizona during 2016 as compared to the prior period.

General and administrative expenses decreased by \$444,599, or 55%, from \$813,412 for the three months ended June 30, 2015 to \$368,813 for the three months ended June 30, 2016. The decrease was primarily due to reduced legal and consulting fees as compared to the three months ended June 30, 2015, which was primarily attributable to cash constraints and reduced litigation activity during the three months ended June 30, 2016.

Other (Expense) Income

Other income was \$1,921,024 for the three months ended June 30, 2015 as compared to other expense of \$477,235 for the three months ended June 30, 2016, a decrease of \$2,398,259, or 125%. The decrease was primarily attributable to \$1,833,896 of income during the three months ended June 30, 2015 which relate to a notification from the U.S Department of Energy ("DOE") that it had no further property interest in certain direct current fast chargers, which resulted in the release of our liability to the DOE. In addition, we recorded a loss from the change in the fair value of warrant liabilities of \$179,849 during the three months ended June 30, 2016, as compared to a gain of \$290,898 during the three months ended June 30, 2015, an decrease of \$470,747, primarily as a result of the Company's share price, which increased the value of its warrant liabilities.

Net Loss

Our net loss for the three months ended June 30, 2016 increased by \$1,107,177, or 89%, to \$2,345,976 as compared to \$1,238,799 for the three months ended June 30, 2015. The increase was primarily attributable to an increase in other expense of \$2,398,259, partially offset by a decrease in operating expenses of \$1,462,512. Our net loss attributable to common shareholders for the three months ended June 30, 2016 increased by \$1,246,820, or 85%, from \$1,464,456 to \$2,711,276 for the aforementioned reasons and due to an increase in the dividend attributable to Series C Convertible Preferred shareholders of \$152,900.

Six Months Ended June 30, 2016 Compared With Six Months Ended June 30, 2015

Revenues

We have generated charging service revenue of \$740,882 related to installed EV charging stations for the six months ended June 30, 2016 as compared to \$905,770 for the six months ended June 30, 2015, a decrease of \$164,888, or 18%, which is primarily a result of a reduction in revenue from a program sponsored by Nissan North America that the Company has participated in since July 2014. As part of the program, drivers that purchase a Nissan Leaf in certain markets within the United States receive two years of free charging. Since July 2015, other participating companies have added charging stations to the program reducing our share of revenue generated in connection with this program. We expect revenues derived from this program during the balance of 2016 to continue to be lower than the revenues we derived from this program in the same periods in 2015.

Grant revenue decreased from \$805,979 to \$157,165 during the six months ended June 30, 2016, a decrease of \$648,814, or 81%. Grants, rebate and incentives, collectively "grant revenue" relating to equipment and the related installation are deferred and amortized in a manner consistent with the depreciation expense of the related assets over their useful lives. Our grant revenue during the 2014 and 2015 fiscal years was primarily derived from our agreement with the BAAQMD. Our agreement with the BAAQMD ended on December 31, 2015. Our current source of grant revenue is from Pennsylvania Turnpike Commission. The ability to secure grant revenues is typically unpredictable and, therefore, uncertain. However, historically, the Company has secured and depended on incentives and intends to continue to pursue incentives from various governmental jurisdictions. As an example, the Company recently endorsed the Obama Administration's announcement of, among other things, programs to release up to \$4.5 billion in loan guarantees and invite applications to support the deployment of commercial EV charging facilities, and launch the FAST Act process to identify and develop corridors for zero emission and alternative fuel vehicles, which will include a network of EV fast charging stations.

Equipment sales increased from \$405,979 to \$650,374 during the six months ended June 30, 2016, an increase of \$244,395, or 60%. The increase was primarily due to a higher volume of residential and commercial units sold during the six months ended June 30, 2016.

Other revenue increased from \$116,684 to \$208,331 during the six months ended June 30, 2016, an increase of \$91,647, or 79%. Other revenues are comprised of network and transaction fees earned from our hosts which we initiated during the fourth quarter of 2014, which resulted in an increase in the number of fee generating units on our network during the six months ended June 30, 2016 as compared to the six months ended June 30, 2015.

Cost of Revenues

Cost of revenues primarily consists of depreciation of installed charging stations, amortization of the Blink Network infrastructure, the cost of charging station parts and related services sold, repairs and maintenance, electricity reimbursements to hosts and revenue share payments made to hosts when we are the primary obligor in the revenue share arrangement. Cost of revenues for the six months ended June 30, 2016 were \$1,604,740 as compared to \$1,721,105 for the six months ended June 30, 2015, a decrease of \$116,365, or 7%, primarily due to a reduction in network fees due to a renegotiated contract.

Operating Expenses

Operating expenses consist of selling, marketing, advertising, payroll, administrative, finance and professional expenses.

Compensation expense decreased by \$2,202,777, or 45%, from \$4,855,564 for the six months ended June 30, 2015 to \$2,652,787 for the six months ended June 30, 2016. The decrease was primarily attributable to share-based payments with a fair value of approximately \$1,100,000 made to our Chief Operating Officer during the six months ended June 30, 2015 under the terms of an employment agreement, as well as reduced payroll expenses of approximately \$704,000 due to the departure of certain management and other personnel during the second half of 2015.

Other operating expenses consist primarily of rent, travel and IT expenses. Other operating expenses decreased by \$107,778, or 13%, from \$822,151 for the six months ended June 30, 2015 to \$714,373 for the six months ended June 30, 2016. The decrease was primarily attributable to decreased call center expenses as the Company inaugurated their own internal call center in Phoenix, Arizona during 2016 and reduced travel expenses as compared to the prior period.

General and administrative expenses decreased by \$887,775, or 58%, from \$1,525,492 for the six months ended June 30, 2015 to \$637,717 for the six months ended June 30, 2016. The decrease was primarily due to reduced legal and consulting fees as compared to the six months ended June 30, 2015, which was primarily attributable to cash constraints and reduced litigation activity during the six months ended June 30, 2016.

Other (Expense) Income

Other income was \$1,769,068 for the six months ended June 30, 2015 as compared to other expense of \$2,893,903 for the six months ended June 30, 2016, a decrease of \$4,662,971, or 264%. The decrease was primarily attributable to a loss from the change in the fair value of warrant liabilities of \$2,194,257 during the six months ended June 30, 2016, as compared to a gain of \$888,907 during the six months ended June 30, 2015, a decrease of \$3,083,164, primarily as a result of the increase in the Company's share price, which increased the value of its warrant liabilities. In addition, there was \$1,833,896 of income during the six months ended June 30, 2015 which relate to a notification from the DOE that it had no further property interest in certain direct current fast chargers, which resulted in the release of our liability to the DOE.

Net Loss

Our net loss for the six months ended June 30, 2016 increased by \$1,825,936, or 35%, to \$6,746,768 as compared to \$4,920,832 for the six months ended June 30, 2015. The increase was primarily attributable to an increase in other expense of \$4,662,971, partially offset by a decrease in operating expenses of \$3,198,330. Our net loss attributable to common shareholders for the three months ended June 30, 2016 increased by \$2,028,242, or 38%, from \$5,402,226 to \$7,430,468 for the aforementioned reasons and due to an increase in the dividend attributable to Series C Convertible Preferred shareholders of \$269,300.

Liquidity and Capital Resources

During the six months ended June 30, 2016, we primarily financed our activities from proceeds derived from sales of our capital stock. A significant portion of the funds raised from the sale of capital stock have been used to cover working capital needs and personnel, office expenses and various consulting and professional fees.

For the six months ended June 30, 2016 and 2015, we used cash of \$1,434,505 and \$3,922,444 in operating activities, respectively. Our cash used in operating activities for the six months ended June 30, 2016 was primarily attributable to our net loss of \$6,746,768, adjusted for non-cash expenses in the aggregate amount of \$4,123,786, partially offset by \$1,188,477 of net cash provided by changes in the levels of operating assets and liabilities. Our cash used in operating activities for the six months ended June 30, 2015 was primarily attributable to our net loss of \$4,920,832, adjusted for net non-cash expenses in the aggregate amount of \$1,274,328, plus \$275,940 of net cash used to fund changes in the levels of operating assets and liabilities.

For the six months ended June 30, 2016, cash used in investing activities was \$58,669 which was used to purchase charging stations and other fixed assets. During the six months ended June 30, 2015, cash used in investing activities was \$253,452, of which \$42,487 was used for the purchase of office and computer equipment and \$210,965 was paid to the ECOtality Estate Creditor's Committee.

Cash provided by financing activities for the six months ended June 30, 2016 was \$1,487,710, of which, \$1,314,620 of net proceeds (gross proceeds of \$1,367,120 less issuance costs of \$52,500) were from the sale of Series C Convertible Preferred Stock and warrants, \$200,000 was provided in connection with proceeds from the issuance of convertible notes to a related party, partially offset by the repayment of notes payable of \$26,910. Cash provided by financing activities for the six months ended June 30, 2015 was \$2,828,415, of which \$3,000,000 was due to the release of funds from escrow in connection with a prior sale of Series C Convertible Preferred Stock, partially offset by the repayment of notes payable of \$171,585.

We expect that through the next 12 months from the date of this filing, we will require external funding to sustain operations and to follow through on the execution of our business plan. There can be no assurance that our plans will materialize and/or that we will be successful in our efforts to obtain the funding to cover working capital shortfalls. Given these conditions, there is substantial doubt about our ability to continue as a going concern and our future is contingent upon our ability to secure the levels of debt or equity capital we need to meet our cash requirements. In addition, our ability to continue as a going concern must be considered in light of the problems, expenses and complications frequently encountered by entrants into established markets, the competitive environment in which we operate and the current capital raising environment.

Since inception, our operations have primarily been funded through proceeds from equity and debt financings. Although management believes that we have access to capital resources, there are currently no commitments in place for new financing at this time, except as described above under the heading Recent Developments, and there is no assurance that we will be able to obtain funds on commercially acceptable terms, if at all.

We intend to raise additional funds during the next twelve months. The additional capital raised would be used to fund our operations. The current level of cash and operating margins is insufficient to cover our existing fixed and variable obligations, so increased revenue performance and the addition of capital through issuances of securities are critical to our success. Should we not be able to raise additional debt or equity capital through a private placement or some other financing source, we would take one or more of the following actions to conserve cash: further reductions in employee headcount, reduction in base salaries to senior executives and employees, and other cost reduction measures. Assuming that we are successful in our growth plans and development efforts, we believe that we will be able to raise additional debt or equity capital. There is no guarantee that we will be able to raise such additional funds on acceptable terms, if at all.

Through June 30, 2016, we incurred an accumulated deficit since inception of \$80,119,423. As of June 30, 2016, we had a cash balance and working capital deficit of \$183,767 and \$19,508,293, respectively. During the six months ended June 30, 2016 and 2015, we incurred net losses of \$6,746,768 and \$4,920,832, respectively. These conditions raise substantial doubt about our ability to continue as a going concern.

These factors, among others, raise substantial doubt about our ability to continue as a going concern. Our condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classifications of liabilities that might be necessary should it be unable to continue as a going concern.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, financings, or other relationships with unconsolidated entities or other persons, also known as "special purpose entities" (SPEs).

Critical Accounting Policies and Estimates

There are no material changes from the critical accounting policies set forth in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our Form 10-K for the year ended December 31, 2015 filed with the Securities and Exchange Commission on July 29, 2016. Please refer to that document for disclosures regarding the critical accounting policies related to our business.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are not required to provide the information required by this Item because we are a smaller reporting company.

ITEM 4. CONTROLS AND PROCEDURES

Limitations on Effectiveness of Controls

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2016. The term “disclosure controls and procedures,” as defined in Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Based on our evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2016, our disclosure controls and procedures were not effective at the reasonable assurance level due to the material weaknesses described below.

1. We do not have written documentation of our internal control policies and procedures. Written documentation of key internal controls over financial reporting is a requirement of Section 404 of the Sarbanes-Oxley Act which is applicable to us for the year ended December 31, 2015. Management evaluated the impact of our failure to have written documentation of our internal controls and procedures on our assessment of our disclosure controls and procedures and has concluded that the control deficiency that resulted represented a material weakness.
2. We do not have sufficient resources in our accounting function, which restricts the Company’s ability to gather, analyze and properly review information related to financial reporting in a timely manner. In addition, due to our size and nature, segregation of all conflicting duties may not always be possible and may not be economically feasible. However, to the extent possible, the initiation of transactions, the custody of assets and the recording of transactions should be performed by separate individuals. Management evaluated the impact of our failure to have segregation of duties on our assessment of our disclosure controls and procedures and has concluded that the control deficiency that resulted represented a material weakness.
3. We do not have personnel with sufficient experience with United States generally accepted accounting principles to address complex transactions.
4. We have inadequate controls to ensure that information necessary to properly record transactions is adequately communicated on a timely basis from non-financial personnel to those responsible for financial reporting. Management evaluated the impact of the lack of timely communication between non-financial personnel and financial personnel on our assessment of our reporting controls and procedures and has concluded that the control deficiency represented a material weakness.
5. We have determined that oversight over our external financial reporting and internal control over our financial reporting by our Board of Directors is ineffective. The Board of Directors has not provided adequate review of the Company’s SEC’s filings and condensed consolidated financial statements and has not provided adequate supervision and review of the Company’s accounting personnel or oversight of the independent registered accounting firm’s audit of the Company’s condensed consolidated financial statement.

To help address these material weaknesses, management engaged financial consultants and performed additional analyses and other procedures.

Notwithstanding the assessment that our ICFR was not effective and that there are material weaknesses as identified herein, we believe that our condensed consolidated financial statements contained in this Quarterly Report fairly present our financial position, results of operations and cash flows for the periods covered thereby in all material respects.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting identified in connection with the evaluation required by

Rule 13a-15(d) of the Exchange Act that occurred during the quarter ended June 30, 2016 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

General Litigation

From time to time, we are a defendant or plaintiff in various legal actions that arise in the normal course of business. The Company records legal costs associated with loss contingencies as incurred and has accrued for all probable and estimable settlements.

ITEM 1A. RISK FACTORS.

There have been no material changes to the risk factors discussed in Item 1A. Risk Factors in our Annual Report on Form 10-K which was filed with the SEC on July 29, 2016.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

The disclosure under the heading "Convertible Notes" in Note 7 to our unaudited condensed consolidated financial statements is incorporated herein by reference.

During the three months ended June 30, 2016, the Company issued five-year options to purchase 70,000 shares of the Company's common stock at exercise prices ranging from \$0.31 to \$0.72 per share to members of the Board as compensation for attending Board meetings during this time. The options are fully vested and had an aggregate grant date fair value of \$32,250.

During the three months ended June 30, 2016, the Company issued five-year options to purchase 60,000 shares of the Company's common stock at exercise prices ranging from \$0.15 to \$0.49 per share to members of the Board as compensation for attending meetings of the OPFIN Committee. The options vest immediately and had an aggregate grant date fair value of \$17,550.

During the three months ended June 30, 2016, the Company issued 66,667 shares of the Company's common stock to members of the Board as compensation for attending Board meetings. The shares had a grant date fair value of \$18,000 based on the trading price of the Company's common stock on the dates of the Board meetings.

During the three months ended June 30, 2016, the Company issued an aggregate of 179,452 of the Company's common stock as compensation for attending OPFIN Committee meetings. The shares had a grant date fair value of \$30,923 based on the trading price of the Company's common stock on the dates of the OPFIN Committee meetings.

As previously reported in our Quarterly Report on Form 10-Q for the period ended March 31, 2016, on March 11, 2016, the Company entered into a securities purchase agreement with a purchaser for gross proceeds of an aggregate of \$2,900,040, of which \$650,040 was paid to the Company at closing and the remaining \$2,250,000 was payable to the Company upon the completion of certain milestones, as specified in the agreement. As previously reported, at closing, 10,834 shares of Series C Convertible Preferred Stock were issued to the purchaser.

During the three months ended March 31, 2016, upon the completion of certain milestones, the Company issued 2,500 shares of Series C Convertible Preferred Stock to the purchaser for a purchase price, as part of the aggregate \$2,900,040 to be paid, of \$150,000.

During the three months ended June 30, 2016, upon the completion of certain milestones, the Company issued 5,000 shares of Series C Convertible Preferred Stock to the purchaser for a purchase price, as part of the aggregate \$2,900,040 to be paid, of \$300,000. The above securities were issued in reliance on the exemption under Section 4(2) of the Securities Act. These securities qualified for exemption under Section 4(2) since the issuance by us did not involve a public offering. The offerings were not "public offerings" as defined in Section 4(2) due to the insubstantial number of persons involved in the transactions, manner of the issuance and number of securities issued. We did not undertake an offering in which we sold a high number of securities to a high number of investors. In addition, the investors had the necessary investment intent as required by Section 4(2) since they agreed to and received securities bearing a legend stating that such securities are restricted pursuant to Rule 144 of the Act. This restriction ensures that these securities would not be immediately redistributed into the market and therefore not be part of a "public offering." Based on an analysis of the above factors, we have met the requirements to qualify for exemption under Section 4(2) of the Securities Act for these transactions.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed or Furnished Herewith
		Form	Exhibit	Filing Date	
4.1	Secured Convertible Promissory Note in the Principal Amount of \$105,000 related to a Pennsylvania Turnpike grant, issued June 24, 2016.				X
4.2	Class A Common Stock Purchase Warrant to Purchase 525,000 shares, issued June 24, 2016.				X
4.3	Secured Convertible Promissory Note in the Principal Amount of \$95,000 related to third party financing, issued June 24, 2016.				X
4.4	Class A Common Stock Purchase Warrant to Purchase 475,000 shares, issued June 24, 2016.				X
4.5	Amendment to class A Common Stock Purchase warrant to Purchase 525,000 shares, dated July 27, 2016.				X
4.6	Amendment to class A Common Stock Purchase warrant to Purchase 475,000 shares, dated July 27, 2016.				X
31.1	Certification of Principal Executive Officer, pursuant to 18 U. S. C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Certification of Principal Financial Officer, pursuant to 18 U. S. C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32.1*	Certification of Principal Executive Officer, pursuant to 18 U. S. C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.2*	Certification of Principal Financial Officer, pursuant to 18 U. S. C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
101.INS	XBRL Instance.				X
101.XSD	XBRL Schema.				X
101.PRE	XBRL Presentation.				X
101.CAL	XBRL Calculation.				X
101.DEF	XBRL Definition.				X
101.LAB	XBRL Label.				X

* In accordance with SEC Release 33-8238, Exhibits 32.1 and 32.2 are being furnished and not filed.

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.

Date: August 15, 2016

CAR CHARGING GROUP, INC.

By: /s/ Michael J. Calise

Michael J. Calise
Chief Executive Officer
(Principal Executive Officer and
Interim Principal Financial Officer)

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT.

Principal Amount: \$105,000

Issue Date: June 24, 2016

SECURED CONVERTIBLE PROMISSORY NOTE

FOR VALUE RECEIVED, CCGI/PAT, LLC, a Pennsylvania limited liability company (hereinafter called “**Borrower**”), hereby promises to pay to the order of THE FARKAS GROUP INC. (collectively, the “**Holder**”), without demand, the sum of One Hundred Five Thousand Dollars (\$105,000.00) (“**Principal Amount**”), with interest accruing thereon, on the earlier of (i) the sixty (60) day anniversary date of the Issue Date or (ii) the date on which the Company has received payment under its existing grant with the Pennsylvania Turnpike (the “**Maturity Date**”), if not sooner paid.

This Note also contains a three (3) year warrant to purchase 525,000 shares of common stock substantially in the form attached as Exhibit C to the Note (the “**Warrant**”).

ARTICLE I GENERAL PROVISIONS

1.1 Interest Rate. Interest payable on this Note shall accrue at the annual rate of eighteen percent (18%) and be payable on the Maturity Date, accelerated or otherwise, when the principal and remaining accrued but unpaid interest shall be due and payable, or sooner as described below.

1.2 Payment Grace Period. The Borrower shall have a ten (10) day grace period to pay any monetary amounts due under this Note. After the expiration of the grace period, during the pendency of an Event of Default (as described in Article III), a default interest rate equal to the highest legally allowable rate shall be in effect.

1.3 Conversion Privileges. The Conversion Rights set forth in Article II shall remain in full force and effect immediately from the date hereof and until the Note is paid in full regardless of the occurrence of an Event of Default. This Note shall be payable in full on the Maturity Date, unless previously converted into Common Stock in accordance with Article II hereof.

1.4 Prepayment. This Note may be prepaid by the Borrower in whole, at any time, or in part, from time to time, without penalty or premium, upon four (4) business days prior written notice to the Holder. Upon receipt of such notice, the Holder may determine to convert the Note pursuant to Article II. No such notice shall be necessary if payment will be made on the Maturity Date.

1.5 Use of Funds. The Principal Amount received by the Borrower hereunder shall be used solely for the purpose of paying vendors of the Borrower under its existing grant with the Pennsylvania Turnpike.

ARTICLE II CONVERSION RIGHTS

The Holder shall have the right to convert the principal and any interest due under this Note into Shares of Common Stock, \$0.001 par value per share (“**Common Stock**”) of Car Charging Group, Inc. (“CCGI”), the ultimate parent of Borrower, as set forth below.

2.1. Conversion into CCGI’s Common Stock.

(a) The Holder shall have the right from and after the date of the issuance of this Note and then at any time until this Note is fully paid, to convert any outstanding and unpaid principal portion of this Note, and accrued interest, at the election of the Holder (the date of giving of such notice of conversion being a “**Conversion Date**”) into fully paid and non-assessable shares of Common Stock as such stock exists on the date of issuance of this Note, or any shares of capital stock of Borrower into which such Common Stock shall hereafter be changed or reclassified, at the Fixed Conversion Price (as defined in Section 2.1(b) hereof), determined as provided herein. Upon delivery to CCGI of a completed Notice of Conversion, a form of which is annexed hereto as Exhibit B, Borrower shall issue and deliver to the Holder within three (3) business days after the Conversion Date (such third day being the “**Delivery Date**”) that number of shares of Common Stock for the portion of the Note converted in accordance with the foregoing. At the election of the Holder, CCGI will deliver accrued but unpaid interest on the Note, if any, through the Conversion Date directly to the Holder on or before the Delivery Date. The number of shares of Common Stock to be issued upon each conversion of this Note shall be determined by dividing that portion of the principal of the Note and interest, if any, to be converted, by the Fixed Conversion Price.

(b) Subject to adjustment as provided herein, the fixed conversion price per share shall be equal to \$0.70 (“**Fixed Conversion Price**”).

(c) The Fixed Conversion Price and number and kind of shares or other securities to be issued upon conversion determined pursuant to Section 2.1(a), shall be subject to adjustment from time to time upon the happening of certain events while this conversion right remains outstanding, as follows:

A. Merger, Sale of Assets, etc. If (A) CCGI effects any merger or consolidation of CCGI with or into another entity, (B) CCGI effects any sale of all or substantially all of its assets in one or a series of related transactions, (C) any tender offer or exchange offer (whether by CCGI or another entity) is completed pursuant to which holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or property, (D) CCGI consummates a stock purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with one or more persons or entities whereby such other persons or entities acquire more than the 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by such other persons or entities making or party to, or associated or affiliated with the other persons or entities making or party to, such stock purchase agreement or other business combination), (E) any “person” or “group” (as these terms are used for purposes of Sections 13(d) and 14(d) of the 1934 Act) is or shall become the “beneficial owner” (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of 50% of the aggregate Common Stock of CCGI, or (F) CCGI effects any reclassification of the Common Stock or any merger or voluntary or compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (in any such case, a “**Fundamental Transaction**”), this Note, as to the unpaid principal portion thereof and accrued interest thereon, shall thereafter be deemed to evidence the right to convert into such number and kind of shares or other securities and property as would have been issuable or distributable on account of such Fundamental Transaction, upon or with respect to the securities subject to the conversion right immediately prior to such Fundamental Transaction. The foregoing provision shall similarly apply to successive Fundamental Transactions of a similar nature by any such successor or purchaser. Without limiting the generality of the foregoing, the anti-dilution provisions of this Section shall apply to such securities of such successor or purchaser after any such Fundamental Transaction.

B. Reclassification, etc. If CCGI at any time shall, by reclassification or otherwise, change the Common Stock into the same or a different number of securities of any class or classes that may be issued or outstanding, this Note, as to the unpaid principal portion thereof and accrued interest thereon, shall thereafter be deemed to evidence the right to purchase an adjusted number of such securities and kind of securities as would have been issuable as the result of such change with respect to the Common Stock immediately prior to such reclassification or other change.

C. Fundamental Transaction. In the event CCGI undergoes a Fundamental Transaction, as a condition thereof, Borrower covenants and agrees to cause the surviving entity to such transaction to assume the obligations under this Note, including the right to convert the outstanding Principal and Interest hereon into common stock of the company into which shares of the Common Stock of Borrower are exchanged or issues at the Fixed Conversion Price and upon the closing of such Fundamental Transaction, and as a condition thereof, such company shall assume the obligations of Borrower as if named as Borrower herein.

(d) During the period the conversion right exists, Borrower will reserve from its authorized and unissued Common Stock not less than an amount of Common Stock equal to 120% of the amount of shares of Common Stock issuable upon the full conversion of this Note. Borrower represents that upon issuance, such shares will be duly and validly issued, fully paid and non-assessable. Borrower agrees that its issuance of this Note shall constitute full authority to its officers, agents, and transfer agents who are charged with the duty of executing and issuing stock certificates to execute and issue the necessary certificates for shares of Common Stock upon the conversion of this Note.

2.2 Method of Conversion. This Note may be converted by the Holder in whole or in part as described in Section 2.1(a) hereof. Upon partial conversion of this Note, a new Note containing the same date and provisions of this Note shall, at the request of the Holder, be issued by the Borrower to the Holder for the principal balance of this Note and interest which shall not have been converted or paid.

2.3. Maximum Conversion. The Holder shall not be entitled to convert on a Conversion Date that amount of the Note in connection with that number of shares of Common Stock which would be in excess of the sum of (i) the number of shares of Common Stock beneficially owned by the Holder and its affiliates on a Conversion Date, (ii) any Common Stock issuable in connection with the unconverted portion of the Note, and (iii) the number of shares of Common Stock issuable upon the conversion of the Note with respect to which the determination of this provision is being made on a Conversion Date, which would result in beneficial ownership by the Holder and its affiliates of more than 4.99% of the outstanding shares of Common Stock of CCGI on such Conversion Date. For the purposes of the provision to the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended, and Regulation 13d-3 thereunder. Subject to the foregoing, the Holder shall not be limited to aggregate conversions of 4.99%. The Holder shall have the authority and obligation to determine whether the restriction contained in this Section 2.3 will limit any conversion hereunder and to the extent that the Holder determines that the limitation contained in this Section applies, the determination of which portion of the Notes are convertible shall be the responsibility and obligation of the Holder.

2.4 Registration Rights. CCGI shall grant to the Holder or its assignees, for any shares of Common Stock issued pursuant to this Note, piggyback registration rights, on Form S-3, Form SB-2, S-1 or such other form as may be applicable pursuant to the Securities Act of 1933 as amended in accordance with the terms set forth below. Except as provided herein, CCGI shall pay all expenses in connection with all registration of shares of the Common Stock. Notwithstanding the foregoing, each of CCGI and the Holder shall be responsible for its own internal administrative and similar costs, which shall not constitute registration expenses.

ARTICLE III EVENT OF DEFAULT

The occurrence of any of the following events of default (“**Event of Default**”) shall, at the option of the Holder hereof, make all sums of principal and interest then remaining unpaid hereon and all other amounts payable hereunder immediately due and payable, upon demand, without presentment, or grace period, all of which hereby are expressly waived, except as set forth below:

3.1 Failure to Pay Principal or Interest. The Borrower fails to pay any installment of principal, interest or other sum due under this Note when due.

3.2 Breach of Covenant. The Borrower breaches any material covenant or other term or condition of this Note in any material respect and such breach, if subject to cure, continues for a period of ten (10) business days after written notice to the Borrower from the Holder.

3.3 Breach of Representations and Warranties. Any material representation or warranty of the Borrower made herein, or in any agreement, statement or certificate given in writing pursuant hereto or in connection therewith shall be false or misleading in any material respect as of the date made.

3.4 Liquidation. Any dissolution, liquidation or winding up of Borrower or any substantial portion of its business.

3.5 Cessation of Operations. Any cessation of operations by Borrower or Borrower admits it is otherwise generally unable to pay its debts as such debts become due.

3.6 Receiver or Trustee. The Borrower or any Subsidiary of Borrower shall make an assignment for the benefit of creditors, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business; or such a receiver or trustee shall otherwise be appointed.

3.7 Judgments. Any money judgment, writ or similar final process shall be entered or filed against Borrower or any of its property or other assets for more than \$500,000, unless stayed vacated or satisfied within thirty (30) days.

3.8 Bankruptcy. Bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings or relief under any bankruptcy law or any law, or the issuance of any notice in relation to such event, for the relief of debtors shall be instituted by or against the Borrower.

3.9 Reservation Default. Failure by the Borrower to have reserved for issuance upon conversion of the Note the number of shares of Common Stock as required in this Note.

ARTICLE IV SECURITY INTEREST

4.1 Security Interest. As Security for this amounts payable under this Note, CCGI hereby guarantees the payment of the amounts due hereunder and further assigns, pledges, transfers and grants to Holder a first priority lien on and continuing security interest in all of CCGI's assets listed on Exhibit A hereto (collectively hereinafter referred to as the "Collateral"). CCGI shall execute such documents as may be reasonably required by Holder to perfect its security interest in the Collateral (including, without limitation, a financing statement and security agreement). This Promissory Note shall create a continuing security interest in the Collateral and shall (a) remain in full force and effect until the payment in full of amounts due hereunder, (b) be binding upon CCGI and its successors and assigns and (c) inure to the benefit of the Holder and its successors, transferees and assigns. In the Event of an uncured Default, Holder shall have all of the rights and remedies of a secured party under the Uniform Commercial Code as in effect in the State of Florida. Upon the payment in full of amounts due hereunder, the security interest granted hereby shall terminate and all rights to the Collateral shall revert to CCGI. Upon any such termination, the Holder will execute and deliver to CCGI such documents as CCGI shall reasonably request to evidence such termination. Notwithstanding anything to the contrary, CCGI hereby pledges to the Holder, and creates in the Holder for its benefit, a first priority security interest for such time until all of the obligations are paid in full, in and to all of the property and assets of CCGI including but not limited to all of the property and assets as set forth in Exhibit "A" attached hereto, whether presently owned or existing or hereafter acquired or coming into existence, and all additions and accessions thereto and all substitutions and replacements thereof (collectively, the "Pledged Property").

4.2 Waiver of Automatic Stay. CCGI acknowledges and agrees that should a proceeding under any bankruptcy or insolvency law be commenced by or against CCGI, or if any of the Collateral should become the subject of any bankruptcy or insolvency proceeding, then the Holder should be entitled to, among other relief to which the Holder may be entitled under hereunder and/or applicable law, an order from the court granting immediate relief from the automatic stay pursuant to 11 U.S.C. Section 362 to permit the Holder to exercise all of its rights and remedies pursuant to this Note and/or applicable law. CCGI EXPRESSLY WAIVES THE BENEFIT OF THE AUTOMATIC STAY IMPOSED BY 11 U.S.C. SECTION 362. FURTHERMORE, CCGI EXPRESSLY ACKNOWLEDGES AND AGREES THAT NEITHER 11 U.S.C. SECTION 362 NOR ANY OTHER SECTION OF THE BANKRUPTCY CODE OR OTHER STATUTE OR RULE (INCLUDING, WITHOUT LIMITATION, 11 U.S.C. SECTION 105) SHALL STAY, INTERDICT, CONDITION, REDUCE OR INHIBIT IN ANY WAY THE ABILITY OF THE HOLDER TO ENFORCE ANY OF ITS RIGHTS AND REMEDIES UNDER THIS NOTE AND/OR APPLICABLE LAW. CCGI hereby consents to any motion for relief from stay that may be filed by the Holder in any bankruptcy or insolvency proceeding initiated by or against CCGI and, further, agrees not to file any opposition to any motion for relief from stay filed by the Holder. CCGI represents, acknowledges and agrees that this waiver is knowingly, intelligently and voluntarily made, that neither the Holder nor any person acting on behalf of the Holder has made any representations to induce this waiver, that CCGI has been represented (or has had the opportunity to be represented) in the signing of this Note and in the making of this waiver by independent legal counsel selected by CCGI and that CCGI has discussed this waiver with counsel.

**ARTICLE V
MISCELLANEOUS**

5.1 Failure or Indulgence Not Waiver. No failure or delay on the part of the Holder hereof in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. All rights and remedies existing hereunder are cumulative to, and not exclusive of, any rights or remedies otherwise available.

5.2 Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the first business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be: (i) if to the Borrower to: Car Charging Group, Inc., 1691 Michigan Avenue, Suite 601, Miami Beach, FL 33139, facsimile: (305) 521-0201 and (ii) if to the Holder, to the name, address and facsimile number set forth on the front page of this Note.

5.3 Amendment Provision. The term "Note" and all reference thereto, as used throughout this instrument, shall mean this instrument as originally executed, or if later amended or supplemented, then as so amended or supplemented. This Note may only be amended or modified by a written document signed by Borrower and Holder.

5.4 Assignability. This Note shall be binding upon the Borrower and its successors and assigns, and shall inure to the benefit of the Holder and its successors and assigns. The Borrower may not assign its obligations under this Note except as required in connection with a Fundamental Transaction or upon the prior written consent of Holder.

5.5 Cost of Collection. If default is made in the payment of this Note, Borrower shall pay the Holder hereof reasonable costs of collection, including reasonable attorneys' fees.

5.6 Governing Law, Venue, Waiver of Jury Trial. This Note shall be governed by and construed in accordance with the laws of the State of Florida without regard to conflicts of laws principles that would result in the application of the substantive laws of another jurisdiction. Any action brought by either party against the other concerning the transactions contemplated by this Agreement must be brought only in the civil or state courts of Florida or in the federal courts located in the State of Florida, County of Miami-Dade. Both parties and the individual signing this Agreement on behalf of the Borrower agree to submit to the jurisdiction of such courts. The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Note is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or unenforceability of any other provision of this Note. Nothing contained herein shall be deemed or operate to preclude the Holder from bringing suit or taking other legal action against the Borrower in any other jurisdiction to collect on the Borrower's obligations to Holder, to realize on any collateral or any other security for such obligations, or to enforce a judgment or other decision in favor of the Holder. THE HOLDER AND THE BORROWER HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS NOTE, ANY OTHER CONTRACT OR INSTRUMENT DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

5.7 Maximum Payments. Nothing contained herein shall be deemed to establish or require the payment of a rate of interest or other charges in excess of the maximum rate permitted by applicable law. In the event that the rate of interest required to be paid or other charges hereunder exceed the maximum rate permitted by applicable law, any payments in excess of such maximum rate shall be credited against amounts owed by the Borrower to the Holder and thus refunded to the Borrower.

5.8 Non-Business Days. Whenever any payment or any action to be made shall be due on a Saturday, Sunday or a public holiday under the laws of the State of Florida, such payment may be due or action shall be required on the next succeeding business day and, for such payment, such next succeeding day shall be included in the calculation of the amount of accrued interest payable on such date.

5.9 Redemption. This Note may not be redeemed or called without the consent of the Holder except as described in this Note.

5.10 Shareholders, Officers and Directors Not Liable. In no event shall any shareholder, officer or director of Borrower be liable for any amounts due or payable pursuant to this Note.

5.11 Shareholder Status. The Holder shall not have rights as a shareholder of the Borrower with respect to unconverted portions of this Note. However, the Holder will have the rights of a shareholder of the Borrower with respect to the Shares of Common Stock to be received after delivery by the Holder of a Conversion Notice to the Borrower.

IN WITNESS WHEREOF, Borrower has caused this Note to be signed in its name by an authorized officer as of the date and year first above written.

Borrower: CCGI /PAT, LLC

By: _____
Mike Calise, Authorized Signatory

For Purposes of Article IV Only:
CAR CHARGING GROUP, INC.

By: _____
Mike Calise, Chief Executive Officer

Exhibit A
DEFINITION OF COLLATERAL

For the purpose of securing prompt and complete payment and performance by the Borrower of all of the obligations under the Note, CCGI unconditionally and irrevocably hereby grants to the Holder (hereinafter the "Secured Party") a continuing first priority security interest in and to, and lien upon, the following pledged property of CCGI:

1 all cash, negotiable instruments, escrow funds, bank accounts, assets of all subsidiaries, shares of stocks of all subsidiaries, contract rights, prepaid expenses and claims;

(b) all goods of CCGI, including, without limitation, machinery, equipment, computer, furniture, furnishings, fixtures, signs, lights, tools, parts, supplies and motor vehicles of every kind and description, now or hereafter owned by CCGI or in which CCGI may have or may hereafter acquire any interest, and all replacements, additions, accessions, substitutions and proceeds thereof, arising from the sale or disposition thereof, and where applicable, the proceeds of insurance and of any tort claims involving any of the foregoing;

(c) all inventory of CCGI, including, but not limited to, all goods, wares, merchandise, parts, supplies, finished products, other tangible personal property, including such inventory as is temporarily out of Company's custody or possession and including any returns upon any accounts or other proceeds, including insurance proceeds, resulting from the sale or disposition of any of the foregoing;

(d) all contract rights and general intangibles of CCGI, including, without limitation, goodwill, trademarks, trade styles, trade names, leasehold interests, partnership or joint venture interests, patents and patent applications, copyrights, deposit accounts whether now owned or hereafter created;

(e) all documents, warehouse receipts, instruments and chattel paper of CCGI whether now owned or hereafter created, including without limitation all files, records, books of account, business papers and computer programs;

(f) all accounts and other receivables, instruments or other forms of obligations and rights to payment of CCGI (herein collectively referred to as "Accounts"), together with the proceeds thereof, all goods represented by such Accounts and all such goods that may be returned by CCGI's customers, and all proceeds of any insurance thereon, and all guarantees, securities and liens which CCGI may hold for the payment of any such Accounts including, without limitation, all rights of stoppage in transit, replevin and reclamation and as an unpaid vendor and/or lienor, all of which CCGI represents and warrants will be bona fide and existing obligations of its respective customers, arising out of the sale of goods by CCGI in the ordinary course of business;

(g) to the extent assignable, all of CCGI's rights under all present and future authorizations, permits, licenses and franchises issued or granted in connection with the operations of any of its facilities; and

(h) all products and proceeds (including, without limitation, insurance proceeds) from the above-described Pledged Property.

Exhibit B
NOTICE OF CONVERSION

(To be executed by the Registered Holder in order to convert the Note)

The undersigned hereby elects to convert \$_____ of the principal and \$_____ of the interest due on the Note issued by CCGI/PAT, LLC on June 24, 2016 into Shares of Common Stock of CAR CHARGING GROUP, INC. (the "Borrower") according to the conditions set forth in such Note, as of the date written below.

Date of Conversion: _____

Conversion Price: _____

Number of Shares of Common Stock Beneficially Owned on the Conversion Date: _____

Shares To Be Delivered: _____

Signature: _____

Print Name: _____

Address: _____

Exhibit C
WARRANT

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS WARRANT NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

Right to Purchase 525,000 shares of Common Stock of Car Charging Group, Inc. (subject to adjustment as provided herein)

CLASS A COMMON STOCK PURCHASE WARRANT

No. FG -001

Issue Date: June 24, 2016

CAR CHARGING GROUP, INC., a corporation organized under the laws of the State of Nevada (the "Company"), hereby certifies that, for value received, The Farkas Group Inc. or its assigns (the "Holder"), is entitled, subject to the terms set forth below, to purchase from the Company at any time after the Issue Date until 5:00 p.m., E.S.T. on the three (3) year anniversary of the Issue Date (the "Expiration Date"), up to 525,000 fully paid and nonassessable shares of Common Stock at a per share purchase price of \$0.70. The aforescribed purchase price per share, as adjusted from time to time as herein provided, is referred to herein as the "Purchase Price." The number and character of such shares of Common Stock and the Purchase Price are subject to adjustment as provided herein. The Company may reduce the Purchase Price for some or all of the Warrants, temporarily or permanently, provided such reduction is made as to all outstanding Warrants for all Holders of such Warrants.

As used herein the following terms, unless the context otherwise requires, have the following respective meanings:

(a) The term "Company" shall mean Car Charging Group, Inc., a Nevada corporation, and any corporation which shall succeed or assume the obligations of Car Charging Group, Inc. hereunder.

(b) The term "Common Stock" includes (i) the Company's Common Stock, \$0.001 par value per share, as authorized on the date hereof, and (ii) any other securities into which or for which any of the securities described herein (i) may be converted or exchanged pursuant to a plan of recapitalization, reorganization, merger, sale of assets or otherwise.

(c) The term "Other Securities" refers to any stock (other than Common Stock) and other securities of the Company or any other person (corporate or otherwise) which the holder of the Warrant at any time shall be entitled to receive, or shall have received, on the exercise of the Warrant, in lieu of or in addition to Common Stock, or which at any time shall be issuable or shall have been issued in exchange for or in replacement of Common Stock or Other Securities pursuant to Section 4 herein or otherwise.

(d) The term "Warrant Shares" shall mean the Common Stock issuable upon exercise of this Warrant.

1. Exercise of Warrant.

1.1. Number of Shares Issuable upon Exercise. From and after the Issue Date through and including the Expiration Date, the Holder hereof shall be entitled to receive, upon exercise of this Warrant in whole in accordance with the terms of subsection 1.2 or upon exercise of this Warrant in part in accordance with subsection 1.3, shares of Common Stock of the Company, subject to adjustment pursuant to Section 4.

1.2. Full Exercise. This Warrant may be exercised in full by the Holder hereof by delivery of an original or facsimile copy of the form of subscription attached as Exhibit A hereto (the "Subscription Form") duly executed by such Holder and delivery within two days thereafter of payment, in cash, wire transfer or by certified or official bank check payable to the order of the Company, in the amount obtained by multiplying the number of shares of Common Stock for which this Warrant is then exercisable by the Purchase Price then in effect. The original Warrant is not required to be surrendered to the Company until it has been fully exercised.

1.3. Partial Exercise. This Warrant may be exercised in part (but not for a fractional share) by delivery of a Subscription Form in the manner and at the place provided in subsection 1.2 except that the amount payable by the Holder on such partial exercise shall be the amount obtained by multiplying (a) the number of whole shares of Common Stock designated by the Holder in the Subscription Form by (b) the Purchase Price then in effect. On any such partial exercise provided the Holder has surrendered the original Warrant, the Company, at its expense, will forthwith issue and deliver to or upon the order of the Holder hereof a new Warrant of like tenor, in the name of the Holder hereof or as such Holder (upon payment by such Holder of any applicable transfer taxes) may request, the whole number of shares of Common Stock for which such Warrant may still be exercised.

1.4. Fair Market Value. Fair Market Value of a share of Common Stock as of a particular date (the "Determination Date") shall mean:

(a) If the Company's Common Stock is traded on an exchange or is quoted on the NASDAQ Global Market, NASDAQ Global Select Market, the NASDAQ Capital Market, the New York Stock Exchange or the American Stock Exchange, LLC, then the average of the closing sale prices of the Common Stock for the five (5) Trading Days immediately prior to (but not including) the Determination Date;

(b) If the Company's Common Stock is not traded on an exchange or on the NASDAQ Global Market, NASDAQ Global Select Market, the NASDAQ Capital Market, the New York Stock Exchange or the American Stock Exchange, Inc., but is traded on the OTC Bulletin Board or in the over-the-counter market or Pink Sheets, then the average of the closing bid and ask prices reported for the five (5) Trading Days immediately prior to (but not including) the Determination Date;

(c) Except as provided in clause (d) below and Section 3.1, if the Company's Common Stock is not publicly traded, then as the Holder and the Company agree, or in the absence of such an agreement, by arbitration in accordance with the rules then standing of the American Arbitration Association, before a single arbitrator to be chosen from a panel of persons qualified by education and training to pass on the matter to be decided; or

(d) If the Determination Date is the date of a liquidation, dissolution or winding up, or any event deemed to be a liquidation, dissolution or winding up pursuant to the Company's charter, then all amounts to be payable per share to holders of the Common Stock pursuant to the charter in the event of such liquidation, dissolution or winding up, plus all other amounts to be payable per share in respect of the Common Stock in liquidation under the charter, assuming for the purposes of this clause (d) that all of the shares of Common Stock then issuable upon exercise of all of the Warrants are outstanding at the Determination Date.

1.5. Company Acknowledgment. The Company will, at the time of the exercise of the Warrant, upon the request of the Holder hereof, acknowledge in writing its continuing obligation to afford to such Holder any rights to which such Holder shall continue to be entitled after such exercise in accordance with the provisions of this Warrant. If the Holder shall fail to make any such request, such failure shall not affect the continuing obligation of the Company to afford to such Holder any such rights.

1.6. Delivery of Stock Certificates, etc. on Exercise. The Company agrees that, provided the full purchase price listed in the Subscription Form is received as specified in Sections 1.2, 1.3 or 2, the shares of Common Stock purchased upon exercise of this Warrant shall be deemed to be issued to the Holder hereof as the record owner of such shares as of the close of business on the date on which delivery of a Subscription Form shall have occurred and payment made for such shares as aforesaid. As soon as practicable after the exercise of this Warrant in full or in part, and in any event within three (3) business days thereafter (“Warrant Share Delivery Date”), the Company at its expense (including the payment by it of any applicable issue taxes) will cause to be issued in the name of and delivered to the Holder hereof, or as such Holder (upon payment by such Holder of any applicable transfer taxes) may direct in compliance with applicable securities laws, a certificate or certificates for the number of duly and validly issued, fully paid and non-assessable shares of Common Stock (or Other Securities) to which such Holder shall be entitled on such exercise, plus, in lieu of any fractional share to which such Holder would otherwise be entitled, cash equal to such fraction multiplied by the then Fair Market Value of one full share of Common Stock, together with any other stock or other securities and property (including cash, where applicable) to which such Holder is entitled upon such exercise pursuant to Section 1 or otherwise.

1.7 Registration Rights. The Company shall grant to the Holder or its assignees, for any shares of Common Stock issued pursuant to this Warrant, piggyback registration rights, on Form S-3, Form SB-2, S-1 or such other form as may be applicable pursuant to the Securities Act of 1933 as amended in accordance with the terms set forth below. Except as provided herein, the Company shall pay all expenses in connection with all registration of shares of the Common Stock. Notwithstanding the foregoing, each of the Company and the Holder shall be responsible for its own internal administrative and similar costs, which shall not constitute registration expenses.

2. Cashless Exercise.

Subject to the provisions herein to the contrary, if the Fair Market Value of one share of Common Stock is greater than the Purchase Price (at the date of calculation as set forth below), in lieu of exercising this Warrant for cash, the holder may elect to receive shares equal to the value (as determined below) of this Warrant (or the portion thereof being cancelled) by delivery of a properly endorsed Subscription Form delivered to the Company by any means described in Section 12, in which event the Company shall issue to the holder a number of shares of Common Stock computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where X = the number of shares of Common Stock to be issued to the holder

Y= the number of shares of Common Stock purchasable under the Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being exercised (at the date of such calculation)

A= Fair Market Value

B= Purchase Price (as adjusted to the date of such calculation)

3. Continuation of Terms. Upon any reorganization, consolidation, merger or transfer (and any dissolution following any transfer) referred to in this Section 3, this Warrant shall continue in full force and effect and the terms hereof shall be applicable to the Other Securities and property receivable on the exercise of this Warrant after the consummation of such reorganization, consolidation or merger or the effective date of dissolution following any such transfer, as the case may be, and shall be binding upon the issuer of any Other Securities, including, in the case of any such transfer, the person acquiring all or substantially all of the properties or assets of the Company.

4. Intentionally Omitted.

5. Certificate as to Adjustments. In each case of any adjustment or readjustment in the shares of Common Stock (or Other Securities) issuable on the exercise of the Warrants, the Company at its expense will promptly cause its Chief Financial Officer or other appropriate designee to compute such adjustment or readjustment in accordance with the terms of the Warrant and prepare a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based, including a statement of (a) the consideration received or receivable by the Company for any additional shares of Common Stock (or Other Securities) issued or sold or deemed to have been issued or sold, (b) the number of shares of Common Stock (or Other Securities) outstanding or deemed to be outstanding, and (c) the Purchase Price and the number of shares of Common Stock to be received upon exercise of this Warrant, in effect immediately prior to such adjustment or readjustment and as adjusted or readjusted as provided in this Warrant. The Company will forthwith mail a copy of each such certificate to the Holder of the Warrant and any Warrant Agent of the Company (appointed pursuant to Section 10 hereof).

6. Reservation of Stock, etc. Issuable on Exercise of Warrant; Financial Statements. The Company will at all times reserve and keep available, solely for issuance and delivery on the exercise of the Warrants, all shares of Common Stock (or Other Securities) from time to time issuable on the exercise of the Warrant.

7. Assignment; Exchange of Warrant. Subject to compliance with applicable securities laws, this Warrant, and the rights evidenced hereby, may be transferred by any registered holder hereof (a "Transferor"). On the surrender for exchange of this Warrant, with the Transferor's endorsement in the form of Exhibit B attached hereto (the "Transferor Endorsement Form") and together with an opinion of counsel reasonably satisfactory to the Company that the transfer of this Warrant will be in compliance with applicable securities laws, the Company will issue and deliver to or on the order of the Transferor thereof a new Warrant or Warrants of like tenor, in the name of the Transferor and/or the transferee(s) specified in such Transferor Endorsement Form (each a "Transferee"), calling in the aggregate on the face or faces thereof for the number of shares of Common Stock called for on the face or faces of the Warrant so surrendered by the Transferor.

8. Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of any such loss, theft or destruction of this Warrant, on delivery of an indemnity agreement or security reasonably satisfactory in form and amount to the Company or, in the case of any such mutilation, on surrender and cancellation of this Warrant, the Company at its expense, twice only, will execute and deliver, in lieu thereof, a new Warrant of like tenor.

9. Warrant Agent. The Company may, by written notice to the Holder of the Warrant, appoint an agent (a "Warrant Agent") for the purpose of issuing Common Stock (or Other Securities) on the exercise of this Warrant pursuant to Section 1, exchanging this Warrant pursuant to Section 7, and replacing this Warrant pursuant to Section 8, or any of the foregoing, and thereafter any such issuance, exchange or replacement, as the case may be, shall be made at such office by such Warrant Agent.

10. Transfer on the Company's Books. Until this Warrant is transferred on the books of the Company, the Company may treat the registered holder hereof as the absolute owner hereof for all purposes, notwithstanding any notice to the contrary.

11. Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be:

If to the Company, to:

Car Charging Group, Inc.
1691 Michigan Avenue, Suite 601, Miami Beach, Florida 33139
Facsimile: (305) 521-0201

If to the Holder:

The Farkas Group, Inc.

Facsimile: _____

13. Law Governing This Warrant. This Warrant shall be governed by and construed in accordance with the laws of the State of Florida without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Warrant shall be brought only in the state courts of Florida or in the federal courts located in the state and county of Florida. The parties to this Warrant hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS WARRANT, ANY OTHER AGREEMENT OR INSTRUMENT DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Warrant or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Warrant 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 Warrant 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.

IN WITNESS WHEREOF, the Company has executed this Warrant as of the date first written above.

CAR CHARGING GROUP, INC.

By: _____
Mike Calise, Chief Executive Officer

Exhibit A

FORM OF SUBSCRIPTION
(to be signed only on exercise of Warrant)

TO: CAR CHARGING GROUP, INC.

The undersigned, pursuant to the provisions set forth in the attached Warrant (No. ____), hereby irrevocably elects to purchase (check applicable box):

____ shares of the Common Stock covered by such Warrant; or

____ the maximum number of shares of Common Stock covered by such Warrant pursuant to the cashless exercise procedure set forth in Section 2.

The undersigned herewith makes payment of the full purchase price for such shares at the price per share provided for in such Warrant, which is \$ _____. Such payment takes the form of (check applicable box):

____ \$ _____ in lawful money of the United States; and/or

____ the cancellation of such portion of the attached Warrant as is exercisable for a total of _____ shares of Common Stock (using a Fair Market Value of \$ _____ per share for purposes of this calculation); and/or

____ the cancellation of such number of shares of Common Stock as is necessary, in accordance with the formula set forth in Section 2, to exercise this Warrant with respect to the maximum number of shares of Common Stock purchasable pursuant to the cashless exercise procedure set forth in Section 2.

The undersigned requests that the certificates for such shares be issued in the name of, and delivered to _____ whose address is _____

_____.

The undersigned represents and warrants that all offers and sales by the undersigned of the securities issuable upon exercise of the within Warrant shall be made pursuant to registration of the Common Stock under the Securities Act of 1933, as amended (the "Securities Act"), or pursuant to an exemption from registration under the Securities Act.

Dated: _____

(Signature must conform to name of holder as specified on the face of the Warrant)

(Address)

Exhibit B

FORM OF TRANSFEROR ENDORSEMENT
(To be signed only on transfer of Warrant)

For value received, the undersigned hereby sells, assigns, and transfers unto the person(s) named below under the heading "Transferees" the right represented by the within Warrant to purchase the percentage and number of shares of Common Stock of CAR CHARGING GROUP, INC., to which the within Warrant relates specified under the headings "Percentage Transferred" and "Number Transferred," respectively, opposite the name(s) of such person(s) and appoints each such person Attorney to transfer its respective right on the books of CAR CHARGING GROUP, INC. with full power of substitution in the premises.

Transferees	Percentage Transferred	Number Transferred

Dated: _____, _____

(Signature must conform to name of holder as specified on the face of the warrant)

Signed in the presence of:

(Name)

(address)

ACCEPTED AND AGREED: [TRANSFEREE]

(address)

(Name)

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT.

Principal Amount: \$95,000

Issue Date: June 24, 2016

SECURED CONVERTIBLE PROMISSORY NOTE

FOR VALUE RECEIVED, CAR CHARGING GROUP, INC., a Nevada corporation (hereinafter called “**Borrower**”), hereby promises to pay to the order of THE FARKAS GROUP INC. (collectively, the “**Holder**”), without demand, the sum of Ninety Five Thousand Dollars (\$95,000.00) (“**Principal Amount**”), with interest accruing thereon, on the earlier of (i) the sixty (60) day anniversary date of the Issue Date or (ii) the date on which the Company has received at least One Million Dollars (\$1,000,000) in financing from third parties after the Issue Date (the “**Maturity Date**”), if not sooner paid.

This Note also contains a three (3) year warrant to purchase 475,000 shares of common stock substantially in the form attached as Exhibit C to the Note (the “**Warrant**”).

ARTICLE I GENERAL PROVISIONS

1.1 Interest Rate. Interest payable on this Note shall accrue at the annual rate of eighteen percent (18%) and be payable on the Maturity Date, accelerated or otherwise, when the principal and remaining accrued but unpaid interest shall be due and payable, or sooner as described below.

1.2 Payment Grace Period. The Borrower shall have a ten (10) day grace period to pay any monetary amounts due under this Note. After the expiration of the grace period, during the pendency of an Event of Default (as described in Article III), a default interest rate equal to the highest legally allowable rate shall be in effect.

1.3 Conversion Privileges. The Conversion Rights set forth in Article II shall remain in full force and effect immediately from the date hereof and until the Note is paid in full regardless of the occurrence of an Event of Default. This Note shall be payable in full on the Maturity Date, unless previously converted into Common Stock in accordance with Article II hereof.

1.4 Prepayment. This Note may be prepaid by the Borrower in whole, at any time, or in part, from time to time, without penalty or premium, upon four (4) business days prior written notice to the Holder. Upon receipt of such notice, the Holder may determine to convert the Note pursuant to Article II. No such notice shall be necessary if payment will be made on the Maturity Date.

1.5 Use of Funds. The Principal Amount received by the Borrower hereunder shall be used solely for the purpose of paying vendors of the Borrower associated with the Borrower’s audit. In the event such vendors agree to commence work on the Borrower’s audit for less than the full Principal Amount, the Borrower shall have the right to use any excess as operating capital.

ARTICLE II CONVERSION RIGHTS

The Holder shall have the right to convert the principal and any interest due under this Note into Shares of the Borrower's Common Stock, \$0.001 par value per share ("**Common Stock**") as set forth below.

2.1. Conversion into the Borrower's Common Stock.

(a) The Holder shall have the right from and after the date of the issuance of this Note and then at any time until this Note is fully paid, to convert any outstanding and unpaid principal portion of this Note, and accrued interest, at the election of the Holder (the date of giving of such notice of conversion being a "**Conversion Date**") into fully paid and non-assessable shares of Common Stock as such stock exists on the date of issuance of this Note, or any shares of capital stock of Borrower into which such Common Stock shall hereafter be changed or reclassified, at the Fixed Conversion Price (as defined in Section 2.1(b) hereof), determined as provided herein. Upon delivery to the Borrower of a completed Notice of Conversion, a form of which is annexed hereto as Exhibit A, Borrower shall issue and deliver to the Holder within three (3) business days after the Conversion Date (such third day being the "**Delivery Date**") that number of shares of Common Stock for the portion of the Note converted in accordance with the foregoing. At the election of the Holder, the Borrower will deliver accrued but unpaid interest on the Note, if any, through the Conversion Date directly to the Holder on or before the Delivery Date. The number of shares of Common Stock to be issued upon each conversion of this Note shall be determined by dividing that portion of the principal of the Note and interest, if any, to be converted, by the Fixed Conversion Price.

(b) Subject to adjustment as provided herein, the fixed conversion price per share shall be equal to \$0.70 ("**Fixed Conversion Price**").

(c) The Fixed Conversion Price and number and kind of shares or other securities to be issued upon conversion determined pursuant to Section 2.1(a), shall be subject to adjustment from time to time upon the happening of certain events while this conversion right remains outstanding, as follows:

A. Merger, Sale of Assets, etc. If (A) the Borrower effects any merger or consolidation of the Borrower with or into another entity, (B) the Borrower effects any sale of all or substantially all of its assets in one or a series of related transactions, (C) any tender offer or exchange offer (whether by the Borrower or another entity) is completed pursuant to which holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or property, (D) the Borrower consummates a stock purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with one or more persons or entities whereby such other persons or entities acquire more than the 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by such other persons or entities making or party to, or associated or affiliated with the other persons or entities making or party to, such stock purchase agreement or other business combination), (E) any "person" or "group" (as these terms are used for purposes of Sections 13(d) and 14(d) of the 1934 Act) is or shall become the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of 50% of the aggregate Common Stock of the Borrower, or (F) the Borrower effects any reclassification of the Common Stock or any merger or voluntary or compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (in any such case, a "**Fundamental Transaction**"), this Note, as to the unpaid principal portion thereof and accrued interest thereon, shall thereafter be deemed to evidence the right to convert into such number and kind of shares or other securities and property as would have been issuable or distributable on account of such Fundamental Transaction, upon or with respect to the securities subject to the conversion right immediately prior to such Fundamental Transaction. The foregoing provision shall similarly apply to successive Fundamental Transactions of a similar nature by any such successor or purchaser. Without limiting the generality of the foregoing, the anti-dilution provisions of this Section shall apply to such securities of such successor or purchaser after any such Fundamental Transaction.

B. Reclassification, etc. If the Borrower at any time shall, by reclassification or otherwise, change the Common Stock into the same or a different number of securities of any class or classes that may be issued or outstanding, this Note, as to the unpaid principal portion thereof and accrued interest thereon, shall thereafter be deemed to evidence the right to purchase an adjusted number of such securities and kind of securities as would have been issuable as the result of such change with respect to the Common Stock immediately prior to such reclassification or other change.

C. Fundamental Transaction. In the event the Borrower undergoes a Fundamental Transaction, as a condition thereof, Borrower covenants and agrees to cause the surviving entity to such transaction to assume the obligations under this Note, including the right to convert the outstanding Principal and Interest hereon into common stock of the company into which shares of the Common Stock of Borrower are exchanged or issues at the Fixed Conversion Price and upon the closing of such Fundamental Transaction, and as a condition thereof, such company shall assume the obligations of Borrower as if named as Borrower herein.

(d) During the period the conversion right exists, Borrower will reserve from its authorized and unissued Common Stock not less than an amount of Common Stock equal to 120% of the amount of shares of Common Stock issuable upon the full conversion of this Note. Borrower represents that upon issuance, such shares will be duly and validly issued, fully paid and non-assessable. Borrower agrees that its issuance of this Note shall constitute full authority to its officers, agents, and transfer agents who are charged with the duty of executing and issuing stock certificates to execute and issue the necessary certificates for shares of Common Stock upon the conversion of this Note.

2.2 Method of Conversion. This Note may be converted by the Holder in whole or in part as described in Section 2.1(a) hereof. Upon partial conversion of this Note, a new Note containing the same date and provisions of this Note shall, at the request of the Holder, be issued by the Borrower to the Holder for the principal balance of this Note and interest which shall not have been converted or paid.

2.3. Maximum Conversion. The Holder shall not be entitled to convert on a Conversion Date that amount of the Note in connection with that number of shares of Common Stock which would be in excess of the sum of (i) the number of shares of Common Stock beneficially owned by the Holder and its affiliates on a Conversion Date, (ii) any Common Stock issuable in connection with the unconverted portion of the Note, and (iii) the number of shares of Common Stock issuable upon the conversion of the Note with respect to which the determination of this provision is being made on a Conversion Date, which would result in beneficial ownership by the Holder and its affiliates of more than 4.99% of the outstanding shares of Common Stock of the Borrower on such Conversion Date. For the purposes of the provision to the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended, and Regulation 13d-3 thereunder. Subject to the foregoing, the Holder shall not be limited to aggregate conversions of 4.99%. The Holder shall have the authority and obligation to determine whether the restriction contained in this Section 2.3 will limit any conversion hereunder and to the extent that the Holder determines that the limitation contained in this Section applies, the determination of which portion of the Notes are convertible shall be the responsibility and obligation of the Holder.

2.4 Registration Rights. The Borrower shall grant to the Holder or its assignees, for any shares of Common Stock issued pursuant to this Note, piggyback registration rights, on Form S-3, Form SB-2, S-1 or such other form as may be applicable pursuant to the Securities Act of 1933 as amended in accordance with the terms set forth below. Except as provided herein, the Borrower shall pay all expenses in connection with all registration of shares of the Common Stock. Notwithstanding the foregoing, each of the Borrower and the Holder shall be responsible for its own internal administrative and similar costs, which shall not constitute registration expenses.

ARTICLE III EVENT OF DEFAULT

The occurrence of any of the following events of default (“**Event of Default**”) shall, at the option of the Holder hereof, make all sums of principal and interest then remaining unpaid hereon and all other amounts payable hereunder immediately due and payable, upon demand, without presentment, or grace period, all of which hereby are expressly waived, except as set forth below:

3.1 Failure to Pay Principal or Interest. The Borrower fails to pay any installment of principal, interest or other sum due under this Note when due.

3.2 Breach of Covenant. The Borrower breaches any material covenant or other term or condition of this Note in any material respect and such breach, if subject to cure, continues for a period of ten (10) business days after written notice to the Borrower from the Holder.

3.3 Breach of Representations and Warranties. Any material representation or warranty of the Borrower made herein, or in any agreement, statement or certificate given in writing pursuant hereto or in connection therewith shall be false or misleading in any material respect as of the date made.

3.4 Liquidation. Any dissolution, liquidation or winding up of Borrower or any substantial portion of its business.

3.5 Cessation of Operations. Any cessation of operations by Borrower or Borrower admits it is otherwise generally unable to pay its debts as such debts become due.

3.6 Receiver or Trustee. The Borrower or any Subsidiary of Borrower shall make an assignment for the benefit of creditors, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business; or such a receiver or trustee shall otherwise be appointed.

3.7 Judgments. Any money judgment, writ or similar final process shall be entered or filed against Borrower or any of its property or other assets for more than \$500,000, unless stayed vacated or satisfied within thirty (30) days.

3.8 Bankruptcy. Bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings or relief under any bankruptcy law or any law, or the issuance of any notice in relation to such event, for the relief of debtors shall be instituted by or against the Borrower.

3.9 Reservation Default. Failure by the Borrower to have reserved for issuance upon conversion of the Note the number of shares of Common Stock as required in this Note.

ARTICLE IV SECURITY INTEREST

4.1 Security Interest. Borrower hereby assigns, pledges, transfers and grants to Holder a first priority lien on and continuing security interest in all of the Borrower's assets listed on Exhibit A hereto (collectively hereinafter referred to as the "Collateral"). Borrower shall execute such documents as may be reasonably required by Holder to perfect its security interest in the Collateral (including, without limitation, a financing statement and security agreement). This Promissory Note shall create a continuing security interest in the Collateral and shall (a) remain in full force and effect until the payment in full of amounts due hereunder, (b) be binding upon Borrower and its successors and assigns and (c) inure to the benefit of the Holder and its successors, transferees and assigns. In the Event of an uncured Default, Holder shall have all of the rights and remedies of a secured party under the Uniform Commercial Code as in effect in the State of Florida. Upon the payment in full of amounts due hereunder, the security interest granted hereby shall terminate and all rights to the Collateral shall revert to Borrower. Upon any such termination, the Holder will execute and deliver to Borrower such documents as Borrower shall reasonably request to evidence such termination. Notwithstanding anything to the contrary, Borrower hereby pledges to the Holder, and creates in the Holder for its benefit, a first priority security interest for such time until all of the obligations are paid in full, in and to all of the property and assets of the Borrower including but not limited to all of the property and assets as set forth in Exhibit "A" attached hereto, whether presently owned or existing or hereafter acquired or coming into existence, and all additions and accessions thereto and all substitutions and replacements thereof (collectively, the "Pledged Property").

4.2 Waiver of Automatic Stay. The Borrower acknowledges and agrees that should a proceeding under any bankruptcy or insolvency law be commenced by or against the Borrower, or if any of the Collateral should become the subject of any bankruptcy or insolvency proceeding, then the Holder should be entitled to, among other relief to which the Holder may be entitled under hereunder and/or applicable law, an order from the court granting immediate relief from the automatic stay pursuant to 11 U.S.C. Section 362 to permit the Holder to exercise all of its rights and remedies pursuant to this Note and/or applicable law. THE BORROWER EXPRESSLY WAIVES THE BENEFIT OF THE AUTOMATIC STAY IMPOSED BY 11 U.S.C. SECTION 362. FURTHERMORE, THE BORROWER EXPRESSLY ACKNOWLEDGES AND AGREES THAT NEITHER 11 U.S.C. SECTION 362 NOR ANY OTHER SECTION OF THE BANKRUPTCY CODE OR OTHER STATUTE OR RULE (INCLUDING, WITHOUT LIMITATION, 11 U.S.C. SECTION 105) SHALL STAY, INTERDICT, CONDITION, REDUCE OR INHIBIT IN ANY WAY THE ABILITY OF THE HOLDER TO ENFORCE ANY OF ITS RIGHTS AND REMEDIES UNDER THIS NOTE AND/OR APPLICABLE LAW. The Borrower hereby consents to any motion for relief from stay that may be filed by the Holder in any bankruptcy or insolvency proceeding initiated by or against the Borrower and, further, agrees not to file any opposition to any motion for relief from stay filed by the Holder. The Borrower represents, acknowledges and agrees that this waiver is knowingly, intelligently and voluntarily made, that neither the Holder nor any person acting on behalf of the Holder has made any representations to induce this waiver, that the Borrower has been represented (or has had the opportunity to be represented) in the signing of this Note and in the making of this waiver by independent legal counsel selected by the Borrower and that the Borrower has discussed this waiver with counsel.

**ARTICLE V
MISCELLANEOUS**

5.1 Failure or Indulgence Not Waiver. No failure or delay on the part of the Holder hereof in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. All rights and remedies existing hereunder are cumulative to, and not exclusive of, any rights or remedies otherwise available.

5.2 Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the first business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be: (i) if to the Borrower to: Car Charging Group, Inc., 1691 Michigan Avenue, Suite 601, Miami Beach, FL 33139, facsimile: (305) 521-0201 and (ii) if to the Holder, to the name, address and facsimile number set forth on the front page of this Note.

5.3 Amendment Provision. The term "Note" and all reference thereto, as used throughout this instrument, shall mean this instrument as originally executed, or if later amended or supplemented, then as so amended or supplemented. This Note may only be amended or modified by a written document signed by Borrower and Holder.

5.4 Assignability. This Note shall be binding upon the Borrower and its successors and assigns, and shall inure to the benefit of the Holder and its successors and assigns. The Borrower may not assign its obligations under this Note except as required in connection with a Fundamental Transaction or upon the prior written consent of Holder.

5.5 Cost of Collection. If default is made in the payment of this Note, Borrower shall pay the Holder hereof reasonable costs of collection, including reasonable attorneys' fees.

5.6 Governing Law, Venue, Waiver of Jury Trial. This Note shall be governed by and construed in accordance with the laws of the State of Florida without regard to conflicts of laws principles that would result in the application of the substantive laws of another jurisdiction. Any action brought by either party against the other concerning the transactions contemplated by this Agreement must be brought only in the civil or state courts of Florida or in the federal courts located in the State of Florida, County of Miami-Dade. Both parties and the individual signing this Agreement on behalf of the Borrower agree to submit to the jurisdiction of such courts. The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Note is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or unenforceability of any other provision of this Note. Nothing contained herein shall be deemed or operate to preclude the Holder from bringing suit or taking other legal action against the Borrower in any other jurisdiction to collect on the Borrower's obligations to Holder, to realize on any collateral or any other security for such obligations, or to enforce a judgment or other decision in favor of the Holder. THE HOLDER AND THE BORROWER HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS NOTE, ANY OTHER CONTRACT OR INSTRUMENT DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

5.7 Maximum Payments. Nothing contained herein shall be deemed to establish or require the payment of a rate of interest or other charges in excess of the maximum rate permitted by applicable law. In the event that the rate of interest required to be paid or other charges hereunder exceed the maximum rate permitted by applicable law, any payments in excess of such maximum rate shall be credited against amounts owed by the Borrower to the Holder and thus refunded to the Borrower.

5.8 Non-Business Days. Whenever any payment or any action to be made shall be due on a Saturday, Sunday or a public holiday under the laws of the State of Florida, such payment may be due or action shall be required on the next succeeding business day and, for such payment, such next succeeding day shall be included in the calculation of the amount of accrued interest payable on such date.

5.9 Redemption. This Note may not be redeemed or called without the consent of the Holder except as described in this Note.

5.10 Shareholders, Officers and Directors Not Liable. In no event shall any shareholder, officer or director of Borrower be liable for any amounts due or payable pursuant to this Note.

5.11 Shareholder Status. The Holder shall not have rights as a shareholder of the Borrower with respect to unconverted portions of this Note. However, the Holder will have the rights of a shareholder of the Borrower with respect to the Shares of Common Stock to be received after delivery by the Holder of a Conversion Notice to the Borrower.

IN WITNESS WHEREOF, Borrower has caused this Note to be signed in its name by an authorized officer as of the date and year first above written.

CAR CHARGING GROUP, INC.

By: _____
Mike Calise, Chief Executive Officer

Exhibit A
DEFINITION OF COLLATERAL

For the purpose of securing prompt and complete payment and performance by the Borrower (hereinafter the "Company") of all of the obligations under the Note, the Company unconditionally and irrevocably hereby grants to the Holder (hereinafter the "Secured Party") a continuing first priority security interest in and to, and lien upon, the following pledged property of the Company:

1 all cash, negotiable instruments, escrow funds, bank accounts, assets of all subsidiaries, shares of stocks of all subsidiaries, contract rights, prepaid expenses and claims;

(b) all goods of the Company, including, without limitation, machinery, equipment, computer, furniture, furnishings, fixtures, signs, lights, tools, parts, supplies and motor vehicles of every kind and description, now or hereafter owned by the Company or in which the Company may have or may hereafter acquire any interest, and all replacements, additions, accessions, substitutions and proceeds thereof, arising from the sale or disposition thereof, and where applicable, the proceeds of insurance and of any tort claims involving any of the foregoing;

(c) all inventory of the Company, including, but not limited to, all goods, wares, merchandise, parts, supplies, finished products, other tangible personal property, including such inventory as is temporarily out of Company's custody or possession and including any returns upon any accounts or other proceeds, including insurance proceeds, resulting from the sale or disposition of any of the foregoing;

(d) all contract rights and general intangibles of the Company, including, without limitation, goodwill, trademarks, trade styles, trade names, leasehold interests, partnership or joint venture interests, patents and patent applications, copyrights, deposit accounts whether now owned or hereafter created;

(e) all documents, warehouse receipts, instruments and chattel paper of the Company whether now owned or hereafter created, including without limitation all files, records, books of account, business papers and computer programs;

(f) all accounts and other receivables, instruments or other forms of obligations and rights to payment of the Company (herein collectively referred to as "Accounts"), together with the proceeds thereof, all goods represented by such Accounts and all such goods that may be returned by the Company's customers, and all proceeds of any insurance thereon, and all guarantees, securities and liens which the Company may hold for the payment of any such Accounts including, without limitation, all rights of stoppage in transit, replevin and reclamation and as an unpaid vendor and/or lienor, all of which the Company represents and warrants will be bona fide and existing obligations of its respective customers, arising out of the sale of goods by the Company in the ordinary course of business;

(g) to the extent assignable, all of the Company's rights under all present and future authorizations, permits, licenses and franchises issued or granted in connection with the operations of any of its facilities; and

(h) all products and proceeds (including, without limitation, insurance proceeds) from the above-described Pledged Property.

Exhibit B
NOTICE OF CONVERSION

(To be executed by the Registered Holder in order to convert the Note)

The undersigned hereby elects to convert \$_____ of the principal and \$_____ of the interest due on the Note issued by CAR CHARGING GROUP, INC. on June 24, 2016 into Shares of Common Stock of CAR CHARGING GROUP, INC. (the "Borrower") according to the conditions set forth in such Note, as of the date written below.

Date of Conversion: _____

Conversion Price: _____

Number of Shares of Common Stock Beneficially Owned on the Conversion Date: _____

Shares To Be Delivered: _____

Signature: _____

Print Name: _____

Address: _____

Exhibit C
WARRANT

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS WARRANT NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

Right to Purchase 475,000 shares of Common Stock of Car Charging Group, Inc. (subject to adjustment as provided herein)

CLASS A COMMON STOCK PURCHASE WARRANT

No. FG -002

Issue Date: June 24, 2016

CAR CHARGING GROUP, INC., a corporation organized under the laws of the State of Nevada (the "Company"), hereby certifies that, for value received, The Farkas Group Inc. or its assigns (the "Holder"), is entitled, subject to the terms set forth below, to purchase from the Company at any time after the Issue Date until 5:00 p.m., E.S.T. on the three (3) year anniversary of the Issue Date (the "Expiration Date"), up to 475,000 fully paid and nonassessable shares of Common Stock at a per share purchase price of \$0.70. The aforescribed purchase price per share, as adjusted from time to time as herein provided, is referred to herein as the "Purchase Price." The number and character of such shares of Common Stock and the Purchase Price are subject to adjustment as provided herein. The Company may reduce the Purchase Price for some or all of the Warrants, temporarily or permanently, provided such reduction is made as to all outstanding Warrants for all Holders of such Warrants.

As used herein the following terms, unless the context otherwise requires, have the following respective meanings:

(a) The term "Company" shall mean Car Charging Group, Inc., a Nevada corporation, and any corporation which shall succeed or assume the obligations of Car Charging Group, Inc. hereunder.

(b) The term "Common Stock" includes (i) the Company's Common Stock, \$0.001 par value per share, as authorized on the date hereof, and (ii) any other securities into which or for which any of the securities described herein (i) may be converted or exchanged pursuant to a plan of recapitalization, reorganization, merger, sale of assets or otherwise.

(c) The term "Other Securities" refers to any stock (other than Common Stock) and other securities of the Company or any other person (corporate or otherwise) which the holder of the Warrant at any time shall be entitled to receive, or shall have received, on the exercise of the Warrant, in lieu of or in addition to Common Stock, or which at any time shall be issuable or shall have been issued in exchange for or in replacement of Common Stock or Other Securities pursuant to Section 4 herein or otherwise.

(d) The term "Warrant Shares" shall mean the Common Stock issuable upon exercise of this Warrant.

1. Exercise of Warrant.

1.1. Number of Shares Issuable upon Exercise. From and after the Issue Date through and including the Expiration Date, the Holder hereof shall be entitled to receive, upon exercise of this Warrant in whole in accordance with the terms of subsection 1.2 or upon exercise of this Warrant in part in accordance with subsection 1.3, shares of Common Stock of the Company, subject to adjustment pursuant to Section 4.

1.2. Full Exercise. This Warrant may be exercised in full by the Holder hereof by delivery of an original or facsimile copy of the form of subscription attached as Exhibit A hereto (the "Subscription Form") duly executed by such Holder and delivery within two days thereafter of payment, in cash, wire transfer or by certified or official bank check payable to the order of the Company, in the amount obtained by multiplying the number of shares of Common Stock for which this Warrant is then exercisable by the Purchase Price then in effect. The original Warrant is not required to be surrendered to the Company until it has been fully exercised.

1.3. Partial Exercise. This Warrant may be exercised in part (but not for a fractional share) by delivery of a Subscription Form in the manner and at the place provided in subsection 1.2 except that the amount payable by the Holder on such partial exercise shall be the amount obtained by multiplying (a) the number of whole shares of Common Stock designated by the Holder in the Subscription Form by (b) the Purchase Price then in effect. On any such partial exercise provided the Holder has surrendered the original Warrant, the Company, at its expense, will forthwith issue and deliver to or upon the order of the Holder hereof a new Warrant of like tenor, in the name of the Holder hereof or as such Holder (upon payment by such Holder of any applicable transfer taxes) may request, the whole number of shares of Common Stock for which such Warrant may still be exercised.

1.4. Fair Market Value. Fair Market Value of a share of Common Stock as of a particular date (the "Determination Date") shall mean:

(a) If the Company's Common Stock is traded on an exchange or is quoted on the NASDAQ Global Market, NASDAQ Global Select Market, the NASDAQ Capital Market, the New York Stock Exchange or the American Stock Exchange, LLC, then the average of the closing sale prices of the Common Stock for the five (5) Trading Days immediately prior to (but not including) the Determination Date;

(b) If the Company's Common Stock is not traded on an exchange or on the NASDAQ Global Market, NASDAQ Global Select Market, the NASDAQ Capital Market, the New York Stock Exchange or the American Stock Exchange, Inc., but is traded on the OTC Bulletin Board or in the over-the-counter market or Pink Sheets, then the average of the closing bid and ask prices reported for the five (5) Trading Days immediately prior to (but not including) the Determination Date;

(c) Except as provided in clause (d) below and Section 3.1, if the Company's Common Stock is not publicly traded, then as the Holder and the Company agree, or in the absence of such an agreement, by arbitration in accordance with the rules then standing of the American Arbitration Association, before a single arbitrator to be chosen from a panel of persons qualified by education and training to pass on the matter to be decided; or

(d) If the Determination Date is the date of a liquidation, dissolution or winding up, or any event deemed to be a liquidation, dissolution or winding up pursuant to the Company's charter, then all amounts to be payable per share to holders of the Common Stock pursuant to the charter in the event of such liquidation, dissolution or winding up, plus all other amounts to be payable per share in respect of the Common Stock in liquidation under the charter, assuming for the purposes of this clause (d) that all of the shares of Common Stock then issuable upon exercise of all of the Warrants are outstanding at the Determination Date.

1.5. Company Acknowledgment. The Company will, at the time of the exercise of the Warrant, upon the request of the Holder hereof, acknowledge in writing its continuing obligation to afford to such Holder any rights to which such Holder shall continue to be entitled after such exercise in accordance with the provisions of this Warrant. If the Holder shall fail to make any such request, such failure shall not affect the continuing obligation of the Company to afford to such Holder any such rights.

1.6. Delivery of Stock Certificates, etc. on Exercise. The Company agrees that, provided the full purchase price listed in the Subscription Form is received as specified in Sections 1.2, 1.3 or 2, the shares of Common Stock purchased upon exercise of this Warrant shall be deemed to be issued to the Holder hereof as the record owner of such shares as of the close of business on the date on which delivery of a Subscription Form shall have occurred and payment made for such shares as aforesaid. As soon as practicable after the exercise of this Warrant in full or in part, and in any event within three (3) business days thereafter (“Warrant Share Delivery Date”), the Company at its expense (including the payment by it of any applicable issue taxes) will cause to be issued in the name of and delivered to the Holder hereof, or as such Holder (upon payment by such Holder of any applicable transfer taxes) may direct in compliance with applicable securities laws, a certificate or certificates for the number of duly and validly issued, fully paid and non-assessable shares of Common Stock (or Other Securities) to which such Holder shall be entitled on such exercise, plus, in lieu of any fractional share to which such Holder would otherwise be entitled, cash equal to such fraction multiplied by the then Fair Market Value of one full share of Common Stock, together with any other stock or other securities and property (including cash, where applicable) to which such Holder is entitled upon such exercise pursuant to Section 1 or otherwise.

1.7 Registration Rights. The Company shall grant to the Holder or its assignees, for any shares of Common Stock issued pursuant to this Warrant, piggyback registration rights, on Form S-3, Form SB-2, S-1 or such other form as may be applicable pursuant to the Securities Act of 1933 as amended in accordance with the terms set forth below. Except as provided herein, the Company shall pay all expenses in connection with all registration of shares of the Common Stock. Notwithstanding the foregoing, each of the Company and the Holder shall be responsible for its own internal administrative and similar costs, which shall not constitute registration expenses.

2. Cashless Exercise.

Subject to the provisions herein to the contrary, if the Fair Market Value of one share of Common Stock is greater than the Purchase Price (at the date of calculation as set forth below), in lieu of exercising this Warrant for cash, the holder may elect to receive shares equal to the value (as determined below) of this Warrant (or the portion thereof being cancelled) by delivery of a properly endorsed Subscription Form delivered to the Company by any means described in Section 12, in which event the Company shall issue to the holder a number of shares of Common Stock computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where X = the number of shares of Common Stock to be issued to the holder

Y= the number of shares of Common Stock purchasable under the Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being exercised (at the date of such calculation)

A= Fair Market Value

B= Purchase Price (as adjusted to the date of such calculation)

3. Continuation of Terms. Upon any reorganization, consolidation, merger or transfer (and any dissolution following any transfer) referred to in this Section 3, this Warrant shall continue in full force and effect and the terms hereof shall be applicable to the Other Securities and property receivable on the exercise of this Warrant after the consummation of such reorganization, consolidation or merger or the effective date of dissolution following any such transfer, as the case may be, and shall be binding upon the issuer of any Other Securities, including, in the case of any such transfer, the person acquiring all or substantially all of the properties or assets of the Company, whether or not such person shall have expressly assumed the terms of this Warrant as provided in Section 4.

4. Intentionally Omitted.

5. Certificate as to Adjustments. In each case of any adjustment or readjustment in the shares of Common Stock (or Other Securities) issuable on the exercise of the Warrants, the Company at its expense will promptly cause its Chief Financial Officer or other appropriate designee to compute such adjustment or readjustment in accordance with the terms of the Warrant and prepare a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based, including a statement of (a) the consideration received or receivable by the Company for any additional shares of Common Stock (or Other Securities) issued or sold or deemed to have been issued or sold, (b) the number of shares of Common Stock (or Other Securities) outstanding or deemed to be outstanding, and (c) the Purchase Price and the number of shares of Common Stock to be received upon exercise of this Warrant, in effect immediately prior to such adjustment or readjustment and as adjusted or readjusted as provided in this Warrant. The Company will forthwith mail a copy of each such certificate to the Holder of the Warrant and any Warrant Agent of the Company (appointed pursuant to Section 10 hereof).

6. Reservation of Stock, etc. Issuable on Exercise of Warrant; Financial Statements. The Company will at all times reserve and keep available, solely for issuance and delivery on the exercise of the Warrants, all shares of Common Stock (or Other Securities) from time to time issuable on the exercise of the Warrant.

7. Assignment; Exchange of Warrant. Subject to compliance with applicable securities laws, this Warrant, and the rights evidenced hereby, may be transferred by any registered holder hereof (a "Transferor"). On the surrender for exchange of this Warrant, with the Transferor's endorsement in the form of Exhibit B attached hereto (the "Transferor Endorsement Form") and together with an opinion of counsel reasonably satisfactory to the Company that the transfer of this Warrant will be in compliance with applicable securities laws, the Company will issue and deliver to or on the order of the Transferor thereof a new Warrant or Warrants of like tenor, in the name of the Transferor and/or the transferee(s) specified in such Transferor Endorsement Form (each a "Transferee"), calling in the aggregate on the face or faces thereof for the number of shares of Common Stock called for on the face or faces of the Warrant so surrendered by the Transferor.

8. Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of any such loss, theft or destruction of this Warrant, on delivery of an indemnity agreement or security reasonably satisfactory in form and amount to the Company or, in the case of any such mutilation, on surrender and cancellation of this Warrant, the Company at its expense, twice only, will execute and deliver, in lieu thereof, a new Warrant of like tenor.

9. Warrant Agent. The Company may, by written notice to the Holder of the Warrant, appoint an agent (a "Warrant Agent") for the purpose of issuing Common Stock (or Other Securities) on the exercise of this Warrant pursuant to Section 1, exchanging this Warrant pursuant to Section 7, and replacing this Warrant pursuant to Section 8, or any of the foregoing, and thereafter any such issuance, exchange or replacement, as the case may be, shall be made at such office by such Warrant Agent.

10. Transfer on the Company's Books. Until this Warrant is transferred on the books of the Company, the Company may treat the registered holder hereof as the absolute owner hereof for all purposes, notwithstanding any notice to the contrary.

11. Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be:

If to the Company, to:

Car Charging Group, Inc.
1691 Michigan Avenue, Suite 601, Miami Beach, Florida 33139
Facsimile: (305) 521-0201

If to the Holder:

The Farkas Group, Inc.

Facsimile: _____

13. Law Governing This Warrant. This Warrant shall be governed by and construed in accordance with the laws of the State of Florida without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Warrant shall be brought only in the state courts of Florida or in the federal courts located in the state and county of Florida. The parties to this Warrant hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS WARRANT, ANY OTHER AGREEMENT OR INSTRUMENT DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Warrant or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Warrant 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 Warrant 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.

IN WITNESS WHEREOF, the Company has executed this Warrant as of the date first written above.

CAR CHARGING GROUP, INC.

By: _____
Mike Calise, Chief Executive Officer

Exhibit A

FORM OF SUBSCRIPTION
(to be signed only on exercise of Warrant)

TO: CAR CHARGING GROUP, INC.

The undersigned, pursuant to the provisions set forth in the attached Warrant (No. ____), hereby irrevocably elects to purchase (check applicable box):

____ shares of the Common Stock covered by such Warrant; or

____ the maximum number of shares of Common Stock covered by such Warrant pursuant to the cashless exercise procedure set forth in Section 2.

The undersigned herewith makes payment of the full purchase price for such shares at the price per share provided for in such Warrant, which is \$ _____. Such payment takes the form of (check applicable box):

____ \$ _____ in lawful money of the United States; and/or

____ the cancellation of such portion of the attached Warrant as is exercisable for a total of _____ shares of Common Stock (using a Fair Market Value of \$ _____ per share for purposes of this calculation); and/or

____ the cancellation of such number of shares of Common Stock as is necessary, in accordance with the formula set forth in Section 2, to exercise this Warrant with respect to the maximum number of shares of Common Stock purchasable pursuant to the cashless exercise procedure set forth in Section 2.

The undersigned requests that the certificates for such shares be issued in the name of, and delivered to _____ whose address is _____

_____.

The undersigned represents and warrants that all offers and sales by the undersigned of the securities issuable upon exercise of the within Warrant shall be made pursuant to registration of the Common Stock under the Securities Act of 1933, as amended (the "Securities Act"), or pursuant to an exemption from registration under the Securities Act.

Dated: _____

(Signature must conform to name of holder as specified on the face of the Warrant)

(Address)

Exhibit B

FORM OF TRANSFEROR ENDORSEMENT
(To be signed only on transfer of Warrant)

For value received, the undersigned hereby sells, assigns, and transfers unto the person(s) named below under the heading "Transferees" the right represented by the within Warrant to purchase the percentage and number of shares of Common Stock of CAR CHARGING GROUP, INC., to which the within Warrant relates specified under the headings "Percentage Transferred" and "Number Transferred," respectively, opposite the name(s) of such person(s) and appoints each such person Attorney to transfer its respective right on the books of CAR CHARGING GROUP, INC. with full power of substitution in the premises.

Transferees	Percentage Transferred	Number Transferred

Dated: _____, _____

(Signature must conform to name of holder as specified on the face of the warrant)

Signed in the presence of:

(Name)

(address)

ACCEPTED AND AGREED: [TRANSFEREE]

(address)

(Name)

**AMENDMENT TO
CLASS A COMMON STOCK PURCHASE WARRANT
CAR CHARGING GROUP, INC.**

Holder: The Farkas Group, Inc.
Issue Date: June 24, 2016

Number of Warrant Shares: 525,000
Warrant No. FG-001

For and in consideration of good and valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged, the parties hereby amend the Warrant as follows:

1. Scrivener's Error. The Warrant incorrectly defined the Expiration Date of the Warrant as the three (3) year anniversary of the Issue Date. The correct Expiration Date shall be the five (5) year anniversary of the Issue Date and all references thereto in the Warrant are hereby modified accordingly.
2. Capitalized Terms. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Warrant.
3. Continued Effectiveness. To the extent that the provisions of this Amendment are inconsistent with the terms and conditions of the Warrant, the terms and conditions hereof shall control. Except as modified hereby, all remaining terms and conditions of the Warrant shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has executed this Amendment as of July 27, 2016.

CAR CHARGING GROUP, INC.

By: _____

Name: Mike Calise

Title: Chief Executive Officer

**AMENDMENT TO
CLASS A COMMON STOCK PURCHASE WARRANT
CAR CHARGING GROUP, INC.**

Holder: The Farkas Group, Inc.
Issue Date: June 24, 2016

Number of Warrant Shares: 475,000
Warrant No. FG-002

For and in consideration of good and valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged, the parties hereby amend the Warrant as follows:

1. Scrivener's Error. The Warrant incorrectly defined the Expiration Date of the Warrant as the three (3) year anniversary of the Issue Date. The correct Expiration Date shall be the five (5) year anniversary of the Issue Date and all references thereto in the Warrant are hereby modified accordingly.
2. Capitalized Terms. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Warrant.
3. Continued Effectiveness. To the extent that the provisions of this Amendment are inconsistent with the terms and conditions of the Warrant, the terms and conditions hereof shall control. Except as modified hereby, all remaining terms and conditions of the Warrant shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has executed this Amendment as of July 27, 2016.

CAR CHARGING GROUP, INC.

By: _____

Name: Mike Calise

Title: Chief Executive Officer

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Michael J. Calise, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Car Charging Group, 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 present in this report;
4. The registrant's other certifying officer(s) and I are 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 13-a-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 principals;
 - 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 financing reporting that occurred during the registrant's most recent fiscal quarter (the 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. The registrant's other certifying officer(s) and 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 (or persons performing the equivalent functions):
 - 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 involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Michael J. Calise

Michael J. Calise
Chief Executive Officer
(Principal Executive Officer)
August 15, 2016

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Michael J. Calise, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Car Charging Group, 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 present in this report;
4. The registrant's other certifying officer(s) and I are 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 principals;
 - 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 financing reporting that occurred during the registrant's most recent fiscal quarter (the 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. The registrant's other certifying officer(s) and 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 (or persons performing the equivalent functions):
 - 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 involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Michael J. Calise

Michael J. Calise
Chief Executive Officer
(Interim Principal Financial Officer)
August 15, 2016

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this Quarterly Report of Car Charging Group, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael J. Calise, Chief Executive Officer and Interim Principal Financial Officer of the Company, certifies to the best of his knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

1. Such Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, 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 such Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, fairly presents, in all material respects, the financial condition and results of operations of Car Charging Group, Inc.

By: */s/ Michael J. Calise*

Michael J. Calise
Chief Executive Officer
(Principal Executive Officer)
August 15, 2016

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this Quarterly Report of Car Charging Group, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael J. Calise, Chief Executive Officer and Interim Principal Financial Officer of the Company, certifies to the best of his knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

1. Such Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, 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 such Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, fairly presents, in all material respects, the financial condition and results of operations of Car Charging Group, Inc.

By: */s/ Michael J. Calise*

Michael J. Calise
Chief Executive Officer
(Interim Principal Financial Officer)
August 15, 2016
