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

FORM 10-K

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

For the Fiscal Year Ended December 31, 2015

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

For the transition period from __________________ to __________________

Commission file number: 000-55209

Algodon Wines & Luxury Development Group, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	52-2158952
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
135 Fifth Avenue, Floor 10, New York, NY	10010
(Address of Principal Executive Offices)	(Zip Code)

(212) 739-7700
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: Not applicable

Securities registered pursuant to Section 12 (g) of the Act: Common Stock, par value $0.01 per share

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

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

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	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 ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter ($2.50) was $55,047,582 Solely for the purposes of this calculation, shares held by directors, executive officers and 10% owners of the registrant have been excluded. Such exclusion should not be deemed a determination or an admission by the registrant that such individuals are, in fact, affiliates of the registrant.

As of March 25, 2016, there were 40,201,566 shares of the registrant's common stock outstanding.

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PART I

Forward-Looking Statements

This Annual Report on Form 10-K for the year ended December 31, 2015 contains forward-looking statements (as defined in Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). To the extent that any statements made in this Annual Report contain information that is not historical, these statements are essentially forward-looking. Forward-looking statements may be identified by the use of words such as expects," "plans," "will," "may," "anticipates," "believes," "should," "intends," "estimates" and other words or phrases of similar meaning. Although we believe that the expectations reflected in these forward-looking statements are reasonable and achievable, these statements are subject to a number of risks and uncertainties discussed under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Annual Report. All forward-looking statements attributable to us are expressly qualified by these and other factors. We cannot assure you that actual results will be consistent with these forward-looking statements.

Information regarding market and industry statistics contained in this Annual Report is included based on information available to us that we believe is accurate. Forecasts and other forward-looking information obtained from this available information is subject to the same qualifications and the additional uncertainties accompanying any estimates of future market size, revenue and market acceptance of products and services. The forward-looking statements made in this Annual Report relate only to events as of the date on which the statements are made. We do not undertake any obligation to publicly update any forward-looking statements. As a result, you should not place undue reliance on these forward-looking statements.

ITEM 1. BUSINESS.

ALGODON
WINES & LUXURY
DEVELOPMENT GROUP

Business and Overview of Algodon Wines & Luxury Development Group, Inc.

Through its wholly-owned subsidiaries, Algodon Wines & Luxury Development Group, Inc. ("AWLD") invests in, develops and operates real estate projects in Argentina. AWLD operates a hotel, golf and tennis resort, vineyard and producing winery in addition to developing residential lots located near the resort. The activities in Argentina are conducted through its operating entities: InvestProperty Group, LLC, Algodon Global Properties, LLC, The Algodon – Recoleta S.R.L, Algodon Properties II S.R.L., and Algodon Wine Estates S.R.L. AWLD distributes its wines in Europe through its United Kingdom entity, Algodon Europe, LTD.

Another wholly-owned subsidiary, DPEC Capital, Inc. is a traditional retail securities brokerage firm which offers various non-public investment opportunities in AWLD projects and Hollywood Burger Holdings, Inc. (a private company founded by AWLD Chief Executive Officer, Scott Mathis, which is developing Hollywood-themed American fast food restaurants in Argentina and the United States) to qualified investors. DPEC Capital, Inc. is a registered broker-dealer and member of FINRA (Financial Industry Regulatory Authority), SIPC (Securities Investor Protection Corporation), and SIFMA (Securities Industry and Financial Markets Association). Since approximately 2004, DPEC Capital has concentrated its efforts on raising money for investment vehicles that were formed by its corporate affiliates to invest in the various projects being developed in Argentina, or for other operating businesses under common control with AWLD.

AWLD also holds as one of its assets, a shell corporation that is current in its reporting obligations under the Securities Exchange Act of 1934 and a ready target for merger or sale.

The below table provides an overview of AWLD's operating entities.

Entity Name	Abbreviation	Jurisdiction & Date of Formation	Ownership	Business
InvestProperty Group, LLC ("InvestProperty Group")	IPG	Delaware, October 27, 2005	100% by AWLD	Real estate acquistion and management in Argentina
Algodon Global Properties, LLC	AGP	Delaware, March 17, 2008	100% by AWLD	Holding company
DPEC Capital, Inc. ("DPEC Capital")	CAP	Delaware, February 9, 2001	100% by AWLD	Registered broker-dealer and FINRA member offering private placement and venture capital type opportunities
Mercari Communications Group, Ltd. ("Mercari")	MCAR	Colorado, August 31, 2001	96.5% by AWLD	Public shell company-no currently active business operations
The Algodon - Recoleta S.R.L.	TAR	Argentina, September 29, 2006	100% by AWLD through IPG, AGP and APII	Hotel owner and operating entity in Buenos Aires
Algodon Europe, Ltd	AEU	United Kingdom, September 23, 2009	100% by IPG	Algondon Wines distribution company
Algodon Properties II S.R.L.	APII	Argentina, March 13, 2008	100% by AWLD through IPG and AGP	Holding company in Argentina
Algodon Wine Estates S.R.L.	AWE	Argentina, July 16, 1998	100% by AWLD through IPG, AGP, APII and TAR	Resort complex including real estate development and wine making in Argentina; owns vineyard, hotel, restaurant, golf and tennis resort in San Rafael, Mendoza, Argentina

Argentina Activities

AWLD, through its wholly-owned subsidiary and holding company, InvestProperty Group ("IPG"), identifies and develops specific investments in the boutique hotel, hospitality and luxury property markets and in other lifestyle businesses such as wine production and distribution, golf, tennis and real estate development. AWLD also operates hotel, hospitality and related properties and is actively seeking to expand its real estate investment portfolio by acquiring additional properties and businesses in Argentina, or by entering into strategic joint ventures. Using Algodon's icon wines as its ambassador, AWLD's mission is to develop a group of real estate projects under its ALGODON® brand with the goal of developing synergies among its luxury properties. AWLD's senior management is based in its corporate offices in New York City. AWLD's local operations are managed by professional staff with substantial hotel, hospitality and resort experience in Buenos Aires and San Rafael, Argentina.

AWLD's Concept and Business: Repositioning of Hotel Properties, Luxury Destinations and Residential Properties

AWLD, through IPG, focuses on opportunities that create value through repositioning of underperforming hotel and commercial assets such as hotel/residential/retail destinations. Repositioning means we are working to gradually increment our average fares to solidify our position as a luxury option. This trend has been well received in large metropolitan areas which have become quite competitive. We believe that the trend is now trickling down to secondary metropolitan, resort and foreign markets where there is significantly less competition from the established major operators. We continue to seek opportunities where value can be added through re-capitalization, repositioning, expansion, improved marketing and/or professional management. We believe that AWLD can increase demand for all of a property's various offerings, from its rooms, to its dining, meeting and entertainment facilities, to its retail establishments through careful branding and positioning of properties. While the maxim remains true that the three most important factors in real estate are "location, location, location," management believes that "style and superior service" have grown in importance and can lead to increased operating revenues and capital appreciation.

We are currently increasing our activity, occupancy and presence in the market by using direct marketing actions (FB, Trip Advisor, Relais & Chateau chains, internet presence), and expanding our net of travel agencies and operators, introducing effective changes in our direct sales capacity (new sales-oriented webpages, joint ventures with other hotel organizations, training of our reservations employees, implementing new reservation software). We have also reached out to travel industry media operators to develop new strategic relationships and we are implementing a new commercial management operation for a more aggressive approach with a sales-oriented objective. AWLD has built a team of industry professionals to assist in implementing its vision toward repositioning real estate assets. See "Item 10 Directors, Executive Officers and Corporate Governance."

Plan of Operations

AWLD continues to implement its growth and development strategy that includes a luxury boutique hotel, a resort estate, vineyard and winery, and a large land development project including residential houses within the vineyard. See "Algodon Wine Estates" below.

Long Term Growth Strategy

One of AWLD's goals include positioning its brand ALGODON® as one of luxury. We continue to form strategic alliances with well-established luxury brands that have strong followings to create awareness of the Algodon brand and help build customer loyalty. To date, Algodon has been associated and co-branded with several world-class luxury brands including Relais & Châteaux, Veuve Clicquot Champagne (owned by Louis Vuitton Moët Hennessy), Davidoff Cigars, and L'Occitane.

The Company hopes to continue to self-finance future acquisition and development projects because in countries like Argentina, having cash available to purchase land and other assets provides an advantage to buyers. Bank financing in such countries is often difficult or impossible to obtain. To be able to grow our business and expand into new projects, the Company would first want to deploy excess cash generated by operations, but significant amounts of excess cash flow is not anticipated for at least a number of years. Another option would be obtaining new investment funds from investors, including a possible public offering, and/or borrowing from institutional lenders. AWLD may also be able to acquire property for stock instead of cash.

The ALGODON® Brand

We believe that the force and power of brand is of paramount importance in the luxury real estate/hotel market. AWLD has developed the ALGODON® brand, one of distinction, refinement and elegance. Inspired by both the Cotton Club days of the Roaring 20's and the distinctive style and glamour of the 50's Rat Pack when travel and leisure was synonymous with cultural sophistication, this brand concept was taken from the Spanish word for "cotton." ALGODON® connotes a clean and pure appreciation for the good life, a sense of refined culture, and ultimately a destination where the best elements of the illustrious past meet the affluent present. AWLD is looking to attract attention and upscale demographic visitors to the ALGODON® properties and to round out the brand experience in various other forms including music, dining, wine, sports and apparel, by marketing themes that highlight active lifestyles and the pleasures of life. Management believes that these types of brand extensions will serve to reinforce the overall brand recognition and further build upon AWLD's core presence in the luxury hotel segment.

Description of Specific Investment Projects

AWLD has invested in two ALGODON® brand properties located in Argentina. The first property is Algodon Mansion, a Buenos Aires-based luxury boutique hotel that opened in 2010 and is held in IPG's subsidiary, The Algodon – Recoleta S.R.L. ("TAR"). The second property, held by Algodon Wine Estates S.R.L., is a Mendoza-based winery and golf resort called Algodon Wine Estates, which was subdivided for residential development, and expanded by acquiring adjoining wine producing properties.

Algodon Mansion

The Company, through TAR, has renovated a hotel in the Recoleta section of Buenos Aires called Algodon Mansion, a stately six-story mansion (including roof-top facilities and basement) located at 1647 Montevideo Street, a tree-lined street in Recoleta, one of the most desirable neighborhoods in Buenos Aires. The property is approximately 20,000 square feet and is a ten-suite premium-luxury hotel with a restaurant (seating approximately 62), a wine bar (seating approximately 20), a private dining room (seating approximately 16) and a rooftop that houses a luxury spa, terrace pool, and chic open-air cigar bar and lounge. Each guest room is an ultra-luxury two-to-three room suite, each approximately 510-1,200 square feet. Recoleta is Buenos Aires' embassy and luxury hotel district and has fashionable boutiques, high-end restaurants, cafés, art galleries, and opulent belle époque architecture.

In November 2011, it was announced that Relais & Châteaux, the renowned fellowship of the world's finest hotels and restaurants, extended membership to Algodon Mansion hotel. Having reached the highest standards of service required by Relais & Châteaux only a year after celebrating its grand openings, Algodon Mansion is the first Relais & Châteaux hotel in Buenos Aires to be awarded this distinction. As of March 4, 2016, Relais & Châteaux's global fellowship of individually owned and operated luxury hotels and restaurants has 530 members in 64 countries on six continents.

Algodon Club, the restaurant on the main floor of Algodon Mansion, offers a sophisticated menu emphasizing Argentinian-style cuisine. The dining room comfortably seats 62 persons and offers a seasonal menu, serving ingredients acquired locally and from the plantation at Algodon Wine Estates in San Rafael, Mendoza. Algodon products include estate cultivated extra virgin olive oil, fresh fruits and vegetables, cheeses, smoked meats, and homemade breads to exemplify the restaurant's wholesome, farm-to-table daily fare. Algodon Club's menu complements the wines and local products of Argentina's wine region and includes Algodon's own premium and icon wines. We own and manage the food and beverage operations (restaurant, events, catering) at Algodon Club.

Algodon Wine Bar, located in the Algodon Mansion lobby, offers a unique wine list that exemplifies the Argentinean wine portfolio, with emphasis on the premium and icon vintages of Algodon's own private collection from Algodon Wine Estates in Mendoza.

Algodon Mansion's rooftop pool features teak decks and loungers that invite afternoon tanning in the summer sun. An open-air bar and tented cigar lounge, the "Davidoff Lounge," in association with the world-renowned Davidoff Cigars, features a menu of drinks from around the world, and is well suited for twilight soirées, rooftop parties and late night cocktail events. Also on the rooftop is Le Spa, which features steam, sauna, and massage rooms as well as relaxation areas where guests may be pampered in a calm and tranquil atmosphere and indulge in a variety of treatment options. Le Spa at Algodon Mansion combines natural elements of Argentina's native regions with the latest treatments and technology from Europe's finest spas. Le Spa's licensed medical specialists help to design customized holistic treatments for each individual with an emphasis on organic, non-invasive and non-aggressive products for the face and body. Through March 2016, Le Spa was managed by Carlos Lizardi, creator of the CL45 brand of natural cosmetic products. Beginning in April 2016, Le Spa will be managed by Algodon Mansion.

Algodon Wine Estates

In July 2007, Algodon Wine Estates S.R.L. ("AWE") acquired 718 acres located in the Cuadro Benegas district of San Rafael, Mendoza. Subsequently, in 2007 and 2008, AWE purchased additional land adjacent to the original 718-acre property, culminating in a 2,050 acre area to be known as Algodon Wine Estates. The resort property is part of the Mendoza wine region nestled in the foothills of the Andes mountain range. This property includes a winery (whose vines date back to the mid-1940's), a newly-expanded 18-hole golf course, tennis, restaurant and hotel. The estate is situated on Mendoza's Ruta del Vino (Wine Trail). The original 718-acre property has an impressive lineage, both in terms of wine production and golf, and features structures on the property that date back to 1921.

Algodon Wine Estates features Algodon Villa, a private lodge originally built in 1921 that has been fully restored and refurbished to its original farmhouse design of adobe walls and cane roof. The lodge offers three suites, a gallery for private gatherings, a living area that may also serve as a dining and conference room, swimming pool, and adjacent vine-covered picnic area. The Algodon Villa offers five-star service and is situated for vacationing families, business conferences, retreat travelers, golfing companions, or wine route globe trekkers. Algodon Wine Estates has also recently completed the construction of a new lodge which lies adjacent to the original one. The new lodge features six additional suites and a gallery with two fireplaces and a bar.

Algodon Wine Estates completed the expansion of its nine-hole golf course to 18 holes during 2013, including irrigation canals and ponds. Adjacent to the course is a clubhouse, pro shop, driving range, and award winning restaurant and the Tennis Center.

Algodon Wines

Algodon Wine Estates contains a vineyard with 310 acres of vines. Over 60 acres have been cultivated since the 1940's, and approximately 20 acres since the 1960's. The property produces eight varieties of grapes, including Argentina's signature varietal, Malbec, as well as Bonarda, Cabernet Sauvingnon, Merlot, Syrah, Pinot Noir, Chardonnay and Semillon. The primary difference between the old and new vines is the style of pruning. Algodon Wine Estates utilizes a boutique wine making process, typified by production of a low volume of premium wines sold at a higher than average price in the market.

In March 2014, Algodon Wine Estates acquired its own bottling machine in order to improve the winery's production capacity. This bottling machine allows our winemakers to bottle when desired and when necessary, rather than depending on the availability of external bottling facilities. In April 2014, new stainless steel wine tanks were added to the winery, increasing storage capacity by 55,000 liters. This includes five 5,000 liter tanks and three 10,000 liter tanks. These upgrades have the potential to increase our production significantly. During the production year of 2014, we produced over 169,000 liters, which would translate roughly to about 200,000 bottles or 17,000 cases, representing a production increase of 119% over the prior year's production. Despite our increased production capacity, production during 2015 was negatively affected by a significant hailstorm. During 2015, we produced 55,000 liters, which translates to about 73,000 bottles or 6,000 cases of wine.

In an effort to increase distribution of its wines, Algodon Wine Estates is working with a number of importers operating in some of the world's chief markets for premium wines. In Toronto, Canada, BND Wines & Spirits (www.bndwines.com) represents Algodon Wines. In Europe, Algodon Wine Estates warehouses its wines in Amsterdam for central distribution to clients in Germany and in the U.K. through Condor Wines (www.condorwines.co.uk), which works with regional distribution partners throughout the U.K. such as hotel and restaurant chains, regional and national brewers, pub companies, wholesalers and wine merchants. In Brazil, Algodon has entered the competitive Sao Paulo market in cooperation with www.lupin.com.br andwww.initiumworldwide.com, and believes this may result in a significantly improved presence of Algodon wines in the Brazilian market.

Through December 2015, Jomada Imports, LLC (www.jomadaimports.com) ("Jomada"), with its principal location at 500 Capital Drive, Lake Zurich, IL 60047 was the authorized importer of wines to the U.S. bearing the name Algodon Wine Estates; San Rafael, Argentina and was authorized to import wine under Federal Basic Permit IL-I-15170. The Company's agreement with Jomada was terminated effective January 8, 2016. The Company is currently in discussions with additional importers in an effort to develop additional distribution channels in the U.S.

None of the understandings with wine importers constitute a binding commitment by either party to produce, import or export the Company's wines; performance by any of the parties is dependent upon numerous factors such as economic and political climate, consumer spending, weather, the Company's ability to continue wine production operations, the market acceptance of the Company's products, and other matters described in the Item 1A - Risk Factors.

AWE uses microvinification (barrel fermentation) for its premium varietals and blends. Microvinification is commonly used in France, but is uncommon in Argentina, and Algodon Wine Estates is one of the few wineries in the country to implement this specialized process.

James Galtieri holds the title of Senior Wine Advisor on Algodon's Advisory Board. James is a founding partner and former President/CEO of Pasternak Wine Imports, a renowned national wine importer and distributor, founded in 1988 in partnership with Domaines Barons de Rothschild (Lafite). He currently maintains an advisory role to Domaines Barons de Rothschild (Lafite), and he is the current President/CEO at Seaview Imports LLC., a national wine importer (based in New York) covering the U.S. market with high-quality, exclusive wine brands. James has considerable background and experience in wine knowledge and wine market dynamics, and he is specialized in corporate management in the wine & spirit industry.

Algodon Wine Estates launched its ultra-premium wine under the "PIMA" brand in November 2012. PIMA by Algodon is a single vineyard wine that has been crafted from the finest handpicked grapes of Algodon's 1946 Malbec and 1946 Bonarda vineyards utilizing microvinification (barrel fermentation) process from day one of harvest. PIMA wine is a limited collection which currently retails for approximately $100 per bottle. Most recently, Algodon Wine's 2010 Bonarda ranked among the World Association of Wine & Spirit Writers' and Journalists' (WAWWJ®) Top 100 Wines of the World 2014.

<u>*Algodon Wine Estates – Real Estate Development*</u>

AWE has acquired a substantial amount of contiguous real estate surrounding its project in Mendoza, Argentina. This land was purchased with the purpose of developing a vineyard-resort and attracting investment in second or third homes for the well-to-do from around the world. AWLD continues to invest in the ongoing costs of building out infrastructure and anticipates that sales of lots will gradually improve and accelerate as worldwide economic conditions improve.

AWLD is currently marketing portions of the property to be developed into luxury residential homes and vineyard estates. Management believes that the power of the ALGODON ® brand combined with an attractive package of amenities will promote interest in the surrounding real estate. The estate's master plan features a luxury golf and vineyard living community, made up of six distinct village sectors, with 610 home sites ranging in size from 0.2 to 2.8 hectares (0.5 to 7 acres) for private sale and development. The development's village sectors have been designed and named in accordance with their characteristic surroundings and landscape: the Wine & Golf Village, the Polo & Equestrian Village, the Sierra Pintada Village, The North Vineyard & Orchard Village, The South Vineyard & Orchard Village, and the Desert Vista Village. The development is located fifteen minutes from both the local airport and city center.

Currently, AWLD is developing lots for sale to third party builders and is not engaged in any construction activity. Sixteen lots have been sold and two additional lots are currently in advanced negotiations. Revenue is recorded when the deeds are issued. The Company expects to close on the sale of twelve lots and record the deeds during 2016. To date, no deeds have been issued. As of December 31, 2015, the Company has $1,175,990 of lot deposits for pending sales.

Owning real estate in Argentina is subject to risk. For more information see "Risk Factors."

The Business of DPEC Capital, Inc.

DPEC Capital, Inc. ("DPEC Capital") was formed on February 9, 2001 under the name "InvestPrivate, Inc." and subsequently filed a Certificate of Amendment of Certificate of Incorporation changing its name to DPEC Capital, Inc. on January 16, 2008. DPEC Capital is charged with raising sufficient capital for the development of AWLD's operations. DPEC Capital is a broker-dealer registered with the U.S. Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority ("FINRA"). It is fully licensed to engage in traditional retail commission-based business. However, the focus of its business over the past few years has been private placement offerings on behalf of IPG and other affiliated entities developing investment opportunities in international real estate ventures, which to date have all been located in Argentina.

DPEC Capital generates operating income principally from placement agent fees and also receives warrants from the companies for which it conducts private placement offerings. Since approximately 2004, DPEC Capital has concentrated its efforts on raising money for investment vehicles that were formed by its corporate affiliates to invest in the various projects being developed in Argentina, or for other operating businesses under common control with AWLD. DPEC Capital has earned warrants to purchase the shares of certain companies including AWLD affiliates for which DPEC Capital has provided investment banking and advisory services. A summary of the currently outstanding warrants owned by DPEC Capital is set forth in Item 13—Certain Relationships and Related Transactions, and Director Independence.

Net-Capital Requirement

DPEC Capital, as a registered broker-dealer, is subject to the SEC's Uniform Net Capital Rule 15c3-1 of the Securities Exchange Act of 1934 that requires the maintenance of minimum net capital of $5,000 and that the ratio of aggregate indebtedness, as defined, to net capital shall not exceed 15 to 1. Advances, dividend payments, and other equity withdrawals are restricted by the regulations of the SEC, and other regulatory agencies are subject to certain notification and other provisions of the net capital rules of the SEC. The Company qualifies under the exemptive provisions of Rule 15c3-3 as the Company does not carry security accounts for customers or perform custodial functions related to customer securities.

Government Regulation

The securities industry in which DPEC Capital operates is heavily regulated by the SEC, FINRA and state regulators. If DPEC Capital fails to comply with applicable laws and regulations, it may face penalties or other sanctions that may be detrimental to its business.

The securities industry in the United States is also subject to extensive regulation under both federal and state laws. Uncertainty regarding the application or violation of these laws and other regulations to its business may adversely affect the viability and profitability of business. DPEC Capital's ability to comply with all applicable laws and rules is largely dependent on its establishment and maintenance of a system to ensure such compliance, as well as its ability to attract and retain qualified compliance personnel. DPEC Capital could be subject to disciplinary or other actions due to claimed noncompliance in the future, and the imposition of any material penalties or orders on it could have a material adverse effect on its business, operating results and financial condition. In addition, it is possible that noncompliance could subject the Company to future civil lawsuits, the outcome of which could harm the business.

Competition

DPEC Capital encounters intense competition in all aspects of its business, and this competition is likely to increase. The financial services industry is highly competitive. DPEC Capital's competitors include large and well-established Wall Street firms as well as relatively new securities firms. DPEC Capital's private placement advisory and investment banking activities face direct competition primarily from established investment banks and venture capital firms.

Mercari Communications Group, Ltd.

On November 9, 2009, AWLD entered into a Stock Purchase Agreement (the "Stock Purchase") with Mercari Communications Group, Ltd., a Colorado corporation ("Mercari"), Kanouff, LLC ("KLLC") and Underwood Family Partners, Ltd. (the "Partnership"), whereby AWLD purchased Mercari shares from Mercari, KLLC and the Partnership. Immediately following the closing of the Stock Purchase Agreement, AWLD owned an aggregate of 43,822,401 shares of Mercari's common stock out of the total of 45,411,400 shares of common stock issued and outstanding at the closing, or approximately 96.5% of Mercari's issued and outstanding shares.

The Stock Purchase Agreement contains post-closing covenants whereby Mercari and AWLD agree to utilize their commercially reasonable efforts to cause Mercari to (i) remain a Section 12(g) reporting company in compliance with and current in its reporting requirements under the Exchange Act; and (ii) cause all of the assets and business or equity interest of AWLD, its subsidiaries and affiliated companies to be transferred to Mercari and, in connection with such transactions, cause Mercari's stock to be distributed by AWLD to AWLD's stockholders and the holders of equity interests in the affiliated companies ("Reorganization Transaction").

AWLD's Board of Directors determined that a Reorganization Transaction was no longer commercially reasonable, taking into account all relevant material factors, including without limitation, current economic, financial and market conditions.

Mercari has no material assets and no operations, and is a public reporting shell company as that term is defined in SEC Rule 144(i). Nevertheless, Mercari has continued to file its reports under the Securities Exchange Act of 1934, although there is no meaningful public market for the shares of its outstanding common stock and one is not expected to develop in the near term. AWLD does provide some non-material services to Mercari, such as the lease of office space.

Reserved Ticker Symbol

AWLD was verified for trading on the OTCQB Venture Marketplace under the symbol "VINO" on March 7, 2016.

Employees

Including the operating subsidiaries in Argentina, the Company has approximately 98 full-time employees. In Argentina, AWLD also employs temporary, seasonal employees during the busy harvest season. In the U.S., AWLD currently employs approximately thirteen full-time employees, including four who are registered representatives of DPEC Capital, Inc. and are compensated in part on a commission basis. None of the employees in the U.S. are covered by a collective bargaining agreement and management believes it has good relations with its employees.

Available Information

We maintain a website at http://www.algodongroup.com. The information contained on, or accessible through, our website is not part of this Annual Report on Form 10-K. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Exchange Act, are available on our website, free of charge, as soon as reasonably practicable after we electronically file such reports with, or furnish those reports to, the SEC.

In addition, we maintain our corporate governance documents on our website, including:

- a Code of Business Conduct and Ethics for Directors, Officers and Employees which contains information regarding our whistleblower procedures,
- our Insider Trading Policy,
- our Audit Committee Charter,
- our Trading Blackout Policy, and
- our Related Party Transaction Policy.

ITEM 1A. RISK FACTORS

An investment in our securities involves certain risks relating to our structure and investment objective. The risks set forth below are the risks we have identified and which we currently deem material or predictable. In general, you take more risk when you invest in the securities of issuers in emerging markets such as Argentina than when you invest in the securities of issuers in the United States. If any of the following risks occur, our business, financial condition and results of operations could be materially adversely affected. In such case, our net asset value and the price of our common stock could decline, and you may lose all or part of your investment.

In evaluating the Company, its business and any investment in the Company, readers should carefully consider the following factors:

Risks Relating to Argentina

In December 2015 Mauricio Macri took office as the new president of Argentina, and along with new finance minister Alfonso Prat-Gray, has made a number of decisions in pursuit of economic reform, including removing currency controls, which resulted in a 30% devaluation of the peso. Is it not certain what other policy changes may take place, or what the impact of the changes may be on the economy of Argentina. Our discussion below is based on recent history without regard to changes that may occur in the future as a result of the new administration.

Economic and Political Risks Specific to Argentina

The Argentinian economy has been characterized by frequent and occasionally extensive intervention by the Argentinian government and by unstable economic cycles. The Argentinian government has often changed monetary, taxation, credit, tariff and other policies to influence the course of Argentina's economy, and taken other actions which do, or are perceived to weaken the nation's economy especially as it relates to foreign investors and other overall investment climate. For example, in 2008, the Argentine government assumed control over approximately $30 billion held in private pension funds, which caused a significant temporary decline in the Argentine stock market, a decline in the Argentine peso and prompted Standard & Poor's to downgrade Argentina's credit rating. The Argentine peso has devalued significantly against the U.S. dollar, from about 6.1 Argentine pesos per dollar in December 2013 to about 15.3 pesos per dollar in March 2016.

The overall state of Argentinian politics and the Argentina economy have resulted in numerous investment reports that warn about foreign investment in Argentina. Investors considering an investment in AWLD should be mindful of these potential political and financial risks.

Argentina's economy may not support foreign investment or our business.

The Argentine economy has experienced significant volatility in recent decades, characterized by periods of low or negative growth, high inflation and currency deflation. Currently there is significant inflation, labor unrest, and currency deflation. There has also been significant governmental intervention into the Argentine economy, including price controls and foreign currency restrictions. As a result, uncertainty remains as to whether economic growth in Argentina is sustainable and whether foreign investment will be successful.

Recent efforts by Argentina to nationalize businesses.

In April 2012, then Argentine President Cristina Fernández announced her decision to nationalize YPF, the country's largest oil company, from its majority stakeholder, thus contributing to declining faith from foreign investors in the country and again resulting in a downgrade by Standard and Poor's of Argentina's economic and financial outlook to "negative". There have been other discussions in Argentina about the possibility of nationalizing other businesses and industries, and there is no assurance that any investment in AWLD will be safe from government control or nationalization.

Continuing inflation may have an adverse effect on the economy.

The National Institute of Statistics and Census ("Instituto Nacional de Estadísticas y Censos" or the "INDEC") reports that inflation for 2015 was 27% while some private estimates report inflation at nearly 30%. The high inflation rate has resulted in nationwide strikes, devaluation of the Argentine peso in January 2014 and again in December 2015, and a price control program. The uncertainty surrounding the Argentine economy and future inflation may impact the country's growth.

In the past, inflation has undermined the Argentine economy and the government's ability to create conditions conducive to growth. A return to a high inflation environment would adversely affect the availability of long-term credit and the real estate market and may also affect Argentina's foreign competitiveness by diluting the effects of the peso devaluation and negatively impacting the level of economic activity and employment.

Additionally, high inflation would also undermine Argentina's foreign competitiveness and adversely affect economic activity, employment, real salaries, consumption and interest rates. In addition, the dilution of the positive effects of the peso devaluation on the export-oriented sectors of the Argentine economy will decrease the level of economic activity in the country. In turn, a portion of the Argentine debt is adjusted by the Coefciente de Estabilización de Referencia, (the "Stabilization Coefficient Index, or "CER Index"), a currency index that is strongly tied to inflation. Therefore, any significant increase in inflation would cause an increase in Argentina's debt and, consequently, the country's financial obligation.

If inflation remains high or continues to rise, Argentina's economy may be negatively impacted and our business could be adversely affected. Periods of higher inflation may slow the rate of growth of the Argentinian economy which in turn would likely increase the Company's costs and expenses, reduce its profitability and adversely affect its financial performance.

For accounting purposes, a highly inflationary economy is defined as an economy with a cumulative inflation rate of approximately 100 percent or more over a three-year period. If a country's economy is classified as highly inflationary, the functional currency of the foreign entity operating in that country must be remeasured to the functional currency of the reporting entity. The estimated cumulative three-year inflation rate for Argentina through the end of 2015 is 64%.

Argentina's ability to obtain financing from international markets is limited, which may impair its ability to implement reforms and foster economic growth.

After the economic crisis in 2002, the Argentine government has maintained a policy of fiscal surplus. To be able to repay its debt, the Argentine government may be required to continue adopting austere fiscal measures that could adversely affect economic growth.

In 2005 and 2010, Argentina restructured over 91% of its sovereign debt that had been in default since the end of 2001. Some of the creditors who did not participate in the 2005 or 2010 exchange offers continued their pursuit of a legal action against Argentina for the recovery of debt.

In April 2010, a New York court granted an attachment over reserves of the Argentine Central Bank in the United States requested by creditors of Argentina on the basis that the Central Bank was its alter ego. In subsequent court rulings, Argentina was ordered to pay $1.33 billion to hedge fund creditors who refused to participate in the debt restructuring along with those who did. In February 2014, Argentina filed an appeal to the U.S. Supreme Court seeking to reverse these lower court decisions, but the U.S. Supreme Court declined to consider Argentina's appeal.

A U.S. Court of Appeals blocked the most recent debt payment made by Argentina in June 2014 because it was improperly structured, giving Argentina through the end of July 2014 to find a way to pay to fulfill its obligations. On or about July 30, 2014, credit rating agencies Fitch and S&P declared Argentina to be in "selective default" after a U.S. judge blocked trustee Bank of New York Mellon from making payments to Argentine bond holders, after Argentina deposited the $539 million in funds due to bond holders with the trustee. The court's reason for blocking the payments was due to Argentina failing to reach an agreement with a group of hedge funds that are holding out for better terms on old Argentine defaulted debt. In August 2014, Argentina filed a petition with the International Court of Justice against the United States alleging that courts have violated its sovereignty with respect to payments to Argentina's creditors. In order for the suit to proceed, the U.S. would have to consent to jurisdiction, which may be unlikely. In March 2015, more than 500 creditors, separate from the hedge fund creditors, filed suit against Argentina for payment on debt of $5.4 billion. Argentina filed a motion opposing those claims noting that there were now $10 billion in judgments and claims before the court. In February 2016, Argentina offered a $6.5 billion cash payment to creditors suing the country over defaulted bonds which represents roughly 75% of the principal and interest owed on the bonds. Two of the six leading bondholders have accepted this settlement. Any agreement with the debt holders must be approved by Argentina's congress.

As a result of Argentina's default and its aftermath of litigation, the government may not have the financial resources necessary to implement reforms and foster economic growth, which, in turn, could have a material adverse effect on the country's economy and, consequently, our businesses and results of operations. Furthermore, Argentina's inability to obtain credit in international markets could have a direct impact on our own ability to access international credit markets to finance our operations and growth.

There can be no assurance that the Argentine government will not truly default (as opposed to the current technical default) on its obligations under its bonds if it experiences another economic crisis. A new default by the Argentine government could lead to a new recession, higher inflation, restrictions on Argentine companies to access financing and funds, limit the operations of Argentine companies in the international markets, higher unemployment and social unrest, which would negatively affect our financial condition, results of operations and cash flows.

The Argentine government may again place currency limitations on withdrawals of funds.

Through 2015, the Argentine government, led by then president Cristina Fernández, instituted economic controls that include limiting the ability recently of individuals and companies to exchange local currency (Argentine peso) into U.S. dollars and to transfer funds out of the country. Public reports state that government officials are micromanaging money flows by limiting dollar purchases and discouraging dividend payments and international wire transfers. As a result of these controls, Argentine companies currently have limited access to U.S. dollars through regular channels (e.g., banks) and consumers are facing difficulty withdrawing and exchanging invested funds. Given the Company's investment in Argentinian projects and developments, its ability to mobilize and access funds may be affected by the above-mentioned political actions.

During 2015, newly elected President, Mauricio Macri ended the central bank's support of the peso and removed the currency controls that limited the ability of Argentines to buy dollars, resulting in a 30% devaluation of the Argentine peso.

The Argentine government may, in the future, impose additional controls on the foreign exchange market and on capital flows from and into Argentina, in response to capital flight or depreciation of the peso. These restrictions may have a negative effect on the economy and on our business if imposed in an economic environment where access to local capital is constrained.

The stability of the Argentine banking system is uncertain.

Adverse economic developments, even if not related to or attributable to the financial system, could result in deposits flowing out of the banks and into the foreign exchange market, as depositors seek to shield their financial assets from a new crisis. Any run on deposits could create liquidity or even solvency problems for financial institutions, resulting in a contraction of available credit.

In the event of a future shock, such as the failure of one or more banks or a crisis in depositor confidence, the Argentine government could impose further exchange controls or transfer restrictions and take other measures that could lead to renewed political and social tensions and undermine the Argentine government's public finances, which could adversely affect Argentina's economy and prospects for economic growth which could adversely affect our business.

Government measures to preempt or respond to social unrest may adversely affect the Argentine economy and our business.

The Argentine government has historically exercised significant influence over the country's economy. Additionally, the country's legal and regulatory frameworks have at times suffered radical changes, due to political influence and significant political uncertainties. In April 2014, there were nationwide strikes that paralyzed the Argentine economy, shutting down air, train and bus traffic, closing businesses and ports, emptying classrooms, shutting down non-emergency hospital attention and leaving trash uncollected. This is consistent with past periods of significant economic unrest and social and political turmoil.

Future government policies to preempt, or in response to, social unrest may include expropriation, nationalization, forced renegotiation or modification of existing contracts, suspension of the enforcement of creditors' rights, new taxation policies, including royalty and tax increases and retroactive tax claims, and changes in laws and policies affecting foreign trade and investment. Such policies could destabilize the country and adversely and materially affect the economy, and thereby our business.

The Argentine economy could be adversely affected by economic developments in other global markets.

Financial and securities markets in Argentina are influenced, to varying degrees, by economic and market conditions in other global markets. Although economic conditions vary from country to country, investors' perception of the events occurring in one country may substantially affect capital flows into other countries. Lower capital inflows and declining securities prices negatively affect the real economy of a country through higher interest rates or currency volatility.

In addition, Argentina is also affected by the economic conditions of major trade partners, such as Brazil and/or countries that have influence over world economic cycles, such as the United States. If interest rates rise significantly in developed economies, including the United States, Argentina and other emerging market economies could find it more difficult and expensive to borrow capital and refinance existing debt, which would negatively affect their economic growth. In addition, if these developing countries, which are also Argentina's trade partners, fall into a recession the Argentine economy would be affected by a decrease in exports. All of these factors would have a negative impact on us, our business, operations, financial condition and prospects.

The Argentine government may order salary increases to be paid to employees in the private sector, which would increase our operating costs.

There have been recent nationwide strikes in Argentina over wages and benefits paid to workers which workers believe to be inadequate in light of the high rate of inflation. In the past, the Argentine government has passed laws, regulations and decrees requiring companies in the private sector to maintain minimum wage levels and provide specified benefits to employees and may do so again in the future. In the aftermath of the Argentine economic crisis, employers both in the public and private sectors have experienced significant pressure from their employees and labor organizations to increase wages and to provide additional employee benefits. Due to the high levels of inflation, the employees and labor organizations have begun again demanding significant wage increases. It is possible that the Argentine government could adopt measures mandating salary increases and/or the provision of additional employee benefits in the future. Any such measures could have a material and adverse effect on our business, results of operations and financial condition.

Restrictions on the supply of energy could negatively affect Argentina's economy.

As a result of a prolonged recession, and the forced conversion into pesos and subsequent freeze of gas and electricity tariffs in Argentina, there has been a lack of investment in gas and electricity supply and transport capacity in Argentina in recent years. At the same time, demand for natural gas and electricity has increased substantially, driven by a recovery in economic conditions and price constraints, which has prompted the government to adopt a series of measures that have resulted in industry shortages and/or cost increases.

The federal government has been taking a number of measures to alleviate the short-term impact of energy shortages on residential and industrial users. If these measures prove to be insufficient, or if the investment that is required to increase natural gas production and transportation capacity and energy generation and transportation capacity over the medium-and long-term fails to materialize on a timely basis, economic activity in Argentina could be limited, which could have a significant adverse effect on our business.

Real Estate Considerations and Risks Associated with the International Projects that AWLD Operates

The Real Estate Industry and International Investing

Investments in real estate are subject to numerous risks, including the following:

- Increased expenses and uncertainties related to international operations;
- Risks associated with Argentina's past political uncertainties, economic crises, and high inflation;
- Risks associated with currency, exchange, and import/export controls;
- Adverse changes in national or international economic conditions;
- Adverse local market conditions;
- Construction and renovation costs exceeding original estimates;
- Price increases in basic raw materials used in construction;
- Delays in construction and renovation projects;
- Changes in availability of debt financing;
- Risks due to dependence on cash flow;
- Changes in interest rates, real estate taxes and other operating expenses;
- Changes in the financial condition of tenants, buyers and sellers of properties;
- Competition with others for suitable properties;
- Changes in environmental laws and regulations, zoning laws and other governmental rules and fiscal policies;
- Changes in energy prices;
- Changes in the relative popularity of properties;
- Risks related to the potential use of leverage;
- Costs associated with the need to periodically repair, renovate and re-lease space;
- Increases in operating costs including real estate taxes;
- Risks and operating problems arising out of the presence of certain construction materials;
- Environmental claims arising in respect of real estate acquired with undisclosed or unknown environmental problems or as to which inadequate reserves had been established;
- Uninsurable losses and acts of terrorism;
- Acts of God; and
- Other factors beyond the control of the Company.

Investment in Argentine real property is subject to economic and political risks.

Investment in foreign real estate requires consideration of certain risks typically not associated with investing in the United States. Such risks include, among other things, trade balances and imbalances and related economic policies, unfavorable currency exchange rate fluctuations, imposition of exchange control regulation by the United States or foreign governments, United States and foreign withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalization of their industries, political difficulties, including expropriation of assets, confiscatory taxation and economic or political instability in foreign nations or changes in laws which affect foreign investors. Any one of these risks has the potential to reduce the value of our real estate holdings in Argentina and have a material adverse effect on the Company's financial condition.

The real estate market is highly competitive in Argentina.

Due to a scarcity of properties in sought-after locations and the increasing number of local and international competitors, the real estate market in Argentina is highly competitive. Furthermore, the Argentinian real estate industry is generally fragmented and does not have high-entry barriers restricting new competitors from entering the market. The main competitive factors in the real estate development business include availability and location of land, price, funding, design, quality, reputation and partnerships with developers. A number of residential and commercial developers and real estate services companies will compete with the Company in seeking land for acquisition, financial resources for development and prospective purchasers. Other companies, including joint ventures of foreign companies and local companies have become increasingly active in the real estate business in Argentina, further increasing this competition. To the extent that one or more of the Company's competitors are able to acquire and develop desirable properties, as a result of greater financial resources or otherwise, the Company's business could be materially and adversely affected. If the Company is not able to respond to such pressures as promptly as its competitors, or should the level of competition increase, its financial position and results of operations could be adversely affected.

There are limitations on the ability of foreign persons to own Argentinian real property.

In December 2011, the Argentine Congress passed Law 26.737 (Regime for Protection of National Domain over Ownership, Possession or Tenure of Rural Land) limiting foreign ownership of rural land, even when not in border areas, to a maximum of 15 percent of all national, provincial or departmental productive land. Every non-Argentine national must request permission from the National Land Registry of Argentina in order to acquire non-urban real property.

As approved, the law has been in effect since February 28, 2012 but is not retroactive. Furthermore, the general limit of 15 percent ownership by non-nationals must be reached before the law is applicable and each provincial government may establish its own maximum area of ownership per non-national.

In the Mendoza province, the maximum area allowed per type of production and activity per non-national is as follows: Mining—25,000 hectares (61,776 acres), cattle ranching—18,000 hectares (44,479 acres), cultivation of fruit or vines—15,000 hectares (37,066 acres), horticulture—7,000 hectares (17,297 acres), private lot—200 hectares (494 acres), and other—1,000 hectares (2,471 acres). A hectare is a unit of area in the metric system equal to approximately 2.471 acres. However, these maximums will only be considered if the total 15 percent is reached. Although currently, the area under foreign ownership in Mendoza is approximately 8.6 percent and the total land held for cultivation of fruit or wines by the Company is 834 hectares, this law may apply to the Company in the future, and could affect the Company's ability to acquire additional real property in Argentina. The inability to acquire additional land could curtail the Company's growth strategy.

There may be a lack of liquidity in the underlying real estate.

Because a substantial part of the assets managed by the Company will be invested in illiquid real estate, there is a risk that the Company will be unable to realize its investment objectives through the sale or other disposition of properties at attractive prices or to do so at a desirable time. This could hamper the Company's ability to complete any exit strategy with regard to investments it has structured or participated in.

There is limited public information about real estate in Argentina.

There is generally limited publicly available information about real estate in Argentina, and the Company will be conducting its own due diligence on future transactions. Moreover, it is common in Argentinian real estate transactions that the purchaser bears the burden of any undiscovered conditions or defects and has limited recourse against the seller of the property. Should the pre-acquisition evaluation of the physical condition of any future investments have failed to detect certain defects or necessary repairs, the total investment cost could be significantly higher than expected. Furthermore, should estimates of the costs of developing, improving, repositioning or redeveloping an acquired property prove too low or estimates of the market demand or the time required to achieve occupancy prove too optimistic, the profitability of the investment may be adversely affected.

Our construction projects may be subject to delays in completion.

Algodon Wine Estates has required significant redevelopment construction (including potentially building residential units for Algodon Wine Estates). The quality of the construction and the timely completion of these projects are factors affecting operations and significant delays or cost overruns could materially adversely affect the Company's operations. Delays in construction or defects in materials and/or workmanship have occurred and may continue to occur. Defects could delay completion of one or all of the projects or, if such defects are discovered after completion, expose the Company to liability. In addition, construction projects may also encounter delays due to adverse weather conditions, natural disasters, fires, delays in the provision of materials or labor, accidents, labor disputes, unforeseen engineering, environmental or geological problems, disputes with contractors and subcontractors, or other events. If any of these materialize, there may be a delay in the commencement of cash flow and/or an increase in costs that may adversely affect the Company.

The Company may be subject to certain losses that are not covered by insurance.

AWLD, its affiliates and/or subsidiaries currently maintain insurance coverage against liability to third parties and property damage as is customary for similarly situated businesses, however the Company does not hold any country-risk insurance. There can be no assurance, however, that insurance will continue to be available or sufficient to cover any such risks. Insurance against certain risks, such as earthquakes, floods or terrorism may be unavailable, available in amounts that are less than the full market value or replacement cost of the properties or subject to a large deductible. In addition, there can be no assurance the particular risks which are currently insurable will continue to be insurable on an economic basis.

The Company often enters into joint ventures to develop its projects in which the Company does not have complete control.

The Company or one or more of its affiliates may acquire, develop or redevelop projects through joint ventures with third parties. Joint ventures often share control over the operation of the joint venture assets. Joint venture partners might have economic or business objectives that are inconsistent with the Company's objectives. Joint venture partners could go bankrupt, leaving the Company or one of its affiliates liable for their share of joint venture liabilities. Although the Company will generally seek to maintain sufficient control of any joint venture to permit its objectives to be achieved, it might not be able to take action without the approval of the joint venture partners. In addition, the Company's joint venture partners could take actions binding on the joint venture without the Company's consent. Any potential dispute with a joint venture partner would likely be subject to foreign jurisdiction in which the Company, its affiliate or the Company would be the non-local party and would likely result in significant costs and disruption of management attention. Accordingly, the use of joint ventures could present additional risk to the business model.

Boutique Hotel

In addition to the risks that apply to all real estate investments, hotel and hospitality investments are subject to additional risks which include:

- Competition for guests from other hotels based upon brand affiliations, room rates offered including those via internet wholesalers and distributors, customer service, location and the condition and upkeep of each hotel in general and in relation to other hotels in their local market;
- Specific competition from well-established operators of "boutique" or "lifestyle" hotel brands which have greater financial resources and economies of scale;
- Adverse effects of general and local political and/or economic conditions;
- Dependence on demand from business and leisure travelers, which may fluctuate and be seasonal;
- Increases in energy costs, airline fares and other expenses related to travel, which may deter travel;
- Impact of financial difficulties of the airline industry and potential reduction in demand on hotel rooms;
- Overbuilding in the hotel industry, especially in individual markets; and
- Disruption in business and leisure travel patterns relating to perceived fears of terrorism or political unrest.

The boutique hotel market is highly competitive.

The Company competes in the boutique hotel segment, which is highly competitive, is closely linked to economic conditions and may be more susceptible to changes in economic conditions than other segments of the hospitality industry. Competition within the boutique hotel segment is also likely to continue to increase in the future. Competitive factors include name recognition, quality of service, convenience of location, quality of the property, pricing, and range and quality of dining, services and amenities offered. Additionally, success in the boutique hotel market depends, largely, on an ability to shape and stimulate consumer tastes and demands by producing and maintaining innovative, attractive, and exciting properties and services. The Company competes in this segment against many well-known companies that have established brand recognition and significantly greater financial resources. If it is unable to achieve and maintain consumer recognition for its brand and otherwise compete with well-established competitors, the Company's business and operations will be negatively impacted. There can be no assurance that the Company will be able to compete successfully in this market or that the Company will be able to anticipate and react to changing consumer tastes and demands in a timely manner.

Currently, the Company's hotel incurs overhead costs higher than the total gross margin.

The overhead costs for the Algodon Mansion hotel currently exceed its total gross margin. There can be no assurance that the Company will be able to increase revenues and lower the hotel's overhead cost in the future.

The profitability of the Company's hotels will depend on the performance of hotel management.

The profitability of the Company's hotel and hospitality investment will depend largely upon the ability of management that it employs to generate revenues that exceed operating expenses. The failure of hotel management to manage the hotels effectively would adversely affect the cash flow received from hotel and hospitality operations.

Algodon Wine Estates and Land Development

The tourism industry is highly competitive and may affect the success of the Company's projects.

The success of the tourism and real estate development projects underway at Algodon Wine Estates depends primarily on recreational and secondarily on business tourists and the extent to which the Company can attract tourists to the region and to its properties. The Company is in competition with other hotels and developers based upon brand affiliations, room rates, customer service, location, facilities, and the condition and upkeep of the lodging in general, and in relation to other lodges/hotels/investment opportunities in the local market. Algodon Wine Estates operates as a multi-functional resort and winery and serves a niche market, which may be difficult to target. Algodon Wine Estates may also be disadvantaged because of its geographical location in the greater Mendoza region. While the San Rafael area continues to increase in popularity as a tourist destination, it is currently less traveled than other regions of Mendoza, where tourism is more established.

The profitability of Algodon Wine Estates will depend on consumer demand for leisure and entertainment.

Algodon Wine Estates is dependent on demand from leisure and business travelers, which may be seasonal and fluctuate based on numerous factors. Demand may decrease with increases in energy costs, airline fares and other expenses related to travel, which may deter travel. Business and leisure travel patterns may be disrupted due to perceived fears of local unrest or terrorism both abroad and in Argentina. General and local economic conditions and their effects on travel may adversely affect Algodon Wine Estates.

Development of the Company's projects will proceed in phases and is subject to unpredictability in costs and expenses.

It is contemplated that the expansion and development plans of Algodon Wine Estates will be completed in phases and each phase will present different types and degrees of risk. Algodon Wine Estates may be unable to acquire the property it needs for further expansion or be unable to raise the property to the standards anticipated for the ALGODON® brand. This may be due to difficulties associated with obtaining required future financing, purchasing additional parcels of land, or receiving the requisite zoning approvals. Algodon Wine Estates may have problems with local laws and customs that cannot be predicted or controlled. Development costs may also increase due to inflation or other economic factors.

The ability of the Company to operate its businesses may be adversely affected by U.S. and Argentine government regulations.

Many aspects of the Company's businesses face substantial government regulation and oversight. For example, hotel properties are subject to numerous laws, including those relating to the preparation and sale of food and beverages, including alcohol and those governing relationships with employees such as minimum wage and maximum working hours, overtime, working conditions, hiring and firing employees and work permits. Additionally, hotel properties may be subject to various laws relating to the environment and fire and safety. Compliance with these laws may be time consuming and costly and may adversely affect hotel operations.

Another example is the wine industry which is subject to extensive regulation by local and foreign governmental agencies concerning such matters as licensing, trade and pricing practices, permitted and required labeling, advertising and relations with wholesalers and retailers. New or revised regulations in Argentina, or other foreign countries, could have a material adverse effect on Algodon Wine Estates' financial condition or operations.

Finally, because many of the Company's properties are located in Argentina, they are subject to its laws and to the laws of various local districts that affect ownership and operational matters. Compliance with applicable rules and regulations requires significant management attention and any failure to comply could jeopardize the Company's ability to operate or sell a particular property and could subject the Company to monetary penalties, additional costs required to achieve compliance, and potential liability to third parties. Regulations governing the Argentinian real estate industry as well as environmental laws have tended to become more restrictive over time. The Company cannot assure that new and stricter standards will not be adopted or become applicable to the Company, or that stricter interpretations of existing laws and regulations will not be implemented.

Algodon Wine Estates—Vineyard and Wine Production

Competition within the wine industry could have a material adverse effect on the profitability of wine sales.

The operation of a winery is a highly competitive business and the dollar amount and unit volume of wine sales through the ALGODON® label could be negatively affected by a variety of competitive factors. Many other local and foreign producers of wine have significantly greater financial, technical, marketing and public relations resources and wine producing expertise than the Company, and many have more refined, developed and established brands. The wine industry is characterized by fickle demand and success in this industry relies heavily on successful branding. Thus, the ALGODON® brand concept may not appeal to a large segment of the market, preventing the Company from successfully competing against other Argentinian and foreign brands. Wholesaler, retailer and consumer purchasing decisions are also influenced by the quality, pricing and branding of the product, as compared to competitive products. Unit volume and dollar sales could be adversely affected by pricing, purchasing, financing, operational, advertising or promotional decisions made by competitors, which could affect the supply of, or consumer demand for, product produced under the ALGODON® brand.

Algodon Wine Estates is subject to import and export rules and taxes which may change.

Algodon Wine Estates primarily exports its products to Europe through Algodon Europe Ltd., a wholly-owned subsidiary. In countries to which Algodon Wine Estates intends to export its products, Algodon Wine Estates will be subject to excise and other taxes on wine products in varying amounts, which are subject to change. Significant increases in excise or other taxes could have a material adverse effect on Algodon Wine Estates' financial condition or operations. Political and economic instabilities of foreign countries may also disrupt or adversely affect Algodon Wine Estates' ability to export or make profitable sales in that country. Moreover, exporting costs are subject to macro-economic forces that affect the price of transporting goods (e.g., the cost of oil and its impact on transportation systems), and this could have an adverse impact on operations.

The Company's business would be adversely affected by natural disasters.

Natural disasters, floods, hurricanes, fires, earthquakes, hailstorms or other environmental disasters could damage the vineyard, its inventory, or other physical assets of the Algodon Wine Estates' resort, including the golf course. If all or a portion of the vineyard or inventory were to be lost prior to sale or distribution as a result of any adverse environmental activity, or if the golf course and facilities were damaged, Algodon Wine Estates would become significantly less attractive as a destination resort and therefore lose a substantial portion of its anticipated profit and cash flow. Such a loss would seriously harm the business and reduce overall sales and profits. The Company is not insured against crop losses as a result of weather conditions or natural disasters. Moderate, but irregular weather conditions may adversely affect the grapes, making any one season less profitable than expected. In addition to weather conditions, many other factors, such as pruning methods, plant diseases, pests, the number of vines producing grapes, and machine failure could also affect the quantity and quality of grapes. Any of these conditions could cause an increase in the price of production or a reduction in the amount of wine Algodon Wine Estates is able to produce and a resulting reduction in business sales and profits.

Climate change, or legal, regulatory or market measures to address climate change, may negatively affect our business, operations or financial performance, and water scarcity or poor water quality could negatively impact our production costs and capacity.

Our wine business depends upon agricultural activity and natural resources. There has been much public discussion related to concerns that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters. Severe weather events and climate change may negatively affect agricultural productivity in the regions from which we presently source our agricultural raw materials such as grapes. Decreased availability of our raw materials may increase the cost of goods for our products. Severe weather events or changes in the frequency or intensity of weather events can also disrupt our supply chain, which may affect production operations, insurance cost and coverage, as well as delivery of our products to wholesalers, retailers and consumers.

Water is essential in the production of our products. The quality and quantity of water available for use is important to the supply of grapes and our ability to operate our business. Water is a limited resource in many parts of the world and if climate patterns change and droughts become more severe, there may be a scarcity of water or poor water quality that may affect our production costs or impose capacity constraints.

Various diseases, pests and certain weather conditions may negatively affect our business, operations or financial performance.

Various diseases, pests, fungi, viruses, drought, frosts and certain other weather conditions could affect the quality and quantity of grapes other agricultural raw materials available, decreasing the supply of our products and negatively impacting profitability. We cannot guarantee that our grape suppliers or our suppliers of other agricultural raw materials will succeed in preventing contamination in existing vineyards or fields or that we will succeed in preventing contamination in our existing vineyards or future vineyards we may acquire. Future government restrictions regarding the use of certain materials used in growing grapes or other agricultural raw materials may increase vineyard costs and/or reduce production of grapes or other crops. Growing agricultural raw materials also requires adequate water supplies. A substantial reduction in water supplies could result in material losses of grape crops and vines or other crops, which could lead to a shortage of our product supply.

Contamination could adversely affect our sales

The success of our brands depends upon the positive image that consumers have of those brands. Contamination, whether arising accidentally or through deliberate third-party action, or other events that harm the integrity or consumer support for our brands, could adversely affect their sales. Contaminants in raw materials, packaging materials or product components purchased from third parties and used in the production of our wine or defects in the fermentation or distillation process could lead to low beverage quality as a perceived failure to maintain high ethical, social and environmental standards for all of our operations and activities; a perceived failure to address concerns relating to the quality, safety or integrity of our products; our environmental impact, including use of agricultural materials, packaging, water and energy use, and waste management; or effects that are perceived as insufficient to promote the responsible use of alcohol.

Loss of one or more of the Company's key employees could adversely affect the Company's businesses.

The production of wine depends on the services and expertise of highly skilled individuals in all facets of the growth and production process. Although arrangements have been made with additional winemaking talent to assist in the process, the loss of service of any of Algodon Wine Estates' significant employees (Anthony Foster, Master of Wine; Mauro Nosenzo, winemaker; and Marcelo Pelleriti, Senior Wine Advisor of AWE) could have a material adverse effect on the Company. Further, as the manager of the property, the profitability of Algodon Wine Estates will depend largely upon Algodon Wine Estates to generate revenues that exceed operating expenses. Any failure to manage the vineyard, winery and resort effectively, or up to the caliber of the ALGODON® brand, would adversely affect Algodon Wine Estates' cash flow received from operations and consequently the Company's investment. Problems with local labor could also have a material adverse effect on Algodon Wine Estates.

The Company currently has no agreement to import its wines to the United States.

As of January 8, 2016, the Company's agreement with Jomada Imports, LLC (www.jomadaimports.com) ("Jomada") to import wines to the U.S. bearing the name Algodon Wine Estates was terminated. The Company is currently in discussions with additional importers in an effort to develop distribution channels in the U.S., however, there can be no guarantee that the Company will be able to secure other importers thereby affecting the Company's ability to sell its wine in the United States.

Risks Associated with DPEC Capital's Business

DPEC, as a broker-dealer, is subject to extensive regulation.

The securities industry in the United States is subject to extensive regulation under both federal and state laws. Broker-dealers are subject to regulations covering all aspects of the securities business, including: (1) sales methods; (2) trade practices among broker-dealers; (3) use and safekeeping of customers' funds and securities; (4) capital structure; (5) record keeping; (6) conduct of directors, officers, and employees; and (7) supervision of employees, particularly those in branch offices. The principal purpose of regulation and discipline of broker-dealers is the protection of customers and the securities markets, rather than protection of creditors and stockholders of broker-dealers.

Uncertainty regarding the application of these laws and other regulations to DPEC Capital's business may adversely affect the viability and profitability of the business. The SEC, FINRA, other self-regulatory organizations and state securities commissions can censure, fine, issue cease-and-desist orders, or suspend or expel a broker-dealer or any of its officers or employees. DPEC Capital's ability to comply with all applicable laws and rules is largely dependent on its establishment and maintenance of a compliance system to ensure such compliance, as well as its ability to attract and retain qualified compliance personnel. DPEC Capital could be subject to disciplinary or other actions due to claimed noncompliance in the future, and the imposition of any material penalties or orders could have a material adverse effect on the business, operating results and financial condition. In addition, it is possible that noncompliance could subject DPEC Capital to future civil lawsuits, the outcome of which could harm the business.

In addition, the mode of operation and profitability may be directly affected by: (1) additional legislation; (2) changes in rules promulgated by the SEC, state regulators, FINRA, and other regulatory and self-regulatory organizations; and (3) changes in the interpretation or enforcement of existing laws and rules.

DPEC Capital and certain of its principals have a significant number of disclosure events publicly reported at www.finra.org.

As a broker-dealer registered with the SEC and a member of FINRA, DPEC Capital must make its compliance with the rules of the SEC and FINRA and various state agencies publicly available. These reports are available for DPEC Capital at Broker Check, available at www.finra.org. The report for DPEC Capital includes eight disclosure items, including four regulatory sanctions and four completed customer arbitrations. In addition, several affiliates of DPEC Capital, including principals Scott L. Mathis and Keith T. Fasano also have personal disclosure events reported to FINRA. See Item 3 - Legal Proceedings for more information.

Potential misconduct by DPEC employees would have a material adverse effect on its business.

There have been a number of highly publicized cases involving fraud or other misconduct by employees in the financial services industry in recent years, and DPEC Capital runs the risk that employee misconduct could occur. Misconduct by employees could include binding DPEC Capital to transactions that exceed authorized limits or present unacceptable risks, or hiding unauthorized or unsuccessful activities. In either case, this type of conduct could result in unknown and unmanaged risks or losses. Employee misconduct could also involve the improper use of confidential information, which could result in regulatory sanctions and serious reputational harm. It is not always possible to deter employee misconduct, and the precautions DPEC Capital takes to prevent and detect this activity may not be effective in all cases.

DPEC Capital is subject to the SEC's Net Capital Rule which at times it may not be able to meet.

The SEC, FINRA and various other regulatory agencies have stringent rules with respect to the maintenance of specific levels of net capital by securities brokers, including the SEC's Uniform Net Capital Rule. Failure to maintain the required net capital may subject a firm to suspension or revocation of registration by the SEC and suspension or expulsion by FINRA and other regulatory bodies and ultimately could require the firm's liquidation. A significant operating loss or any unusually large charge against net capital could adversely affect the ability of DPEC Capital to operate and/or expand, which could have a material adverse effect on its business, financial condition and operating results.

At least ten years ago, DPEC Capital reported negative net capital, which is a violation of SEC rules. Upon realization of this situation, DPEC Capital took action to immediately re-establish full compliance with net capital requirements. Thus, while DPEC Capital believes that it is presently in compliance with net capital requirements, there can be no assurance that it will not fall below minimum net capital requirements in the future.

DPEC is subject to risks in meeting customer margin requirements.

The brokerage business is subject to risks related to defaults by customers in paying for securities they have agreed to purchase or failure to deliver securities they have agreed to sell. DPEC Capital's clearing firm may make margin loans to its customers in connection with their purchase of securities. DPEC Capital is required by contract to indemnify its clearing firm for, among other things, any loss or expense incurred due to defaults by its customers in failing to repay margin loans or maintain adequate collateral for those loans. DPEC Capital is therefore subject to risks inherent in extending credit, especially during periods of rapidly declining markets or in connection with the purchase of highly volatile stocks which could lead to a higher risk of customer defaults. Such defaults could lead to significant liabilities for DPEC Capital.

Major declines in the public markets may adversely affect DPEC's profitability.

Future revenues are likely to be lower during periods of declining securities prices or securities market inactivity in the sectors in which DPEC Capital focuses. The public markets have historically experienced significant volatility not only in the number and size of share offerings, but also in the secondary market trading volume and prices of newly issued securities. Activity in the private equity markets frequently reflects prevailing trends in the public markets. As a result, revenues from brokerage activities may also be adversely affected during period of declining prices or inactivity in the public markets.

For example, investments that are traded on exchanges or over-the-counter and the risks associated therewith will vary in response to a wide array of events that affect such markets and that are beyond the control of DPEC Capital. Market disruptions such as those that occurred during October 1987, September 2001, and 2008-09, could result in substantial losses to DPEC Capital.

From time to time, DPEC may be subject to certain legal proceedings.

There is a risk of litigation inherent in conducting a securities brokerage business, both from the investor/customer side and from the company/issuer side. These risks include potential liability for violations under federal and state securities and other laws for allegedly false or misleading statements made in connection with securities offerings or other financial transactions. DPEC Capital also faces the possibility that customers or counterparties will claim that it improperly failed to apprised them of applicable risks or that they were not authorized or permitted under applicable corporate or regulatory requirements to enter into transactions with DPEC Capital and that their obligations to DPEC Capital are not enforceable.

These risks are often difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time. DPEC Capital may incur significant legal expenses in defending against litigation or in a regulatory proceeding. Substantial legal liability or the imposition of regulatory sanctions against DPEC Capital could have a material adverse effect on DPEC Capital.

DPEC Capital is dependent on Hollywood Burger Holdings, Inc. and AWLD for its revenues

DPEC's only recent source of revenues has been private equity and venture capital fees arising from private placement transactions on behalf of AWLD and Hollywood Burger Holdings Inc. In the absence of a more diversified revenue base, DPEC's revenue could be adversely affected by unfavorable market conditions for equity offerings generally, unfavorable business developments for either of the entities, or a reduction in either of the entities' capital requirements.

General Corporate Business Considerations

Insiders continue to have substantial control over the Company.

As of March 25, 2016 the Company's directors and executive officers hold the current right to vote approximately 21.1% of the Company's outstanding voting stock. Of this total, 17.3% is owned or controlled, directly or indirectly by Company CEO Scott Mathis. In addition, the Company's directors and executive officers have the right to acquire additional shares which could increase their voting percentage significantly. As a result, Mr. Mathis acting alone, and/or many of these individuals acting together, may have the ability to exert significant control over the Company's decisions and control the management and affairs of the Company, and also to determine the outcome of matters submitted to stockholders for approval, including the election and removal of a director, the removal of any officer and any merger, consolidation or sale of all or substantially all of the Company's assets. Accordingly, this concentration of ownership may harm a future market price of the shares by:

- Delaying, deferring or preventing a change in control of the Company;
- Impeding a merger, consolidation, takeover or other business combination involving the Company; or

- Discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company.

There is little to no public market for trading the Company's common stock.

There is little to no public trading market for our common stock, and there can be no assurance that a trading market will ever develop or be sufficiently liquid for an investor to sell his or her shares. Investors must be prepared to hold such securities for an indefinite period of time even after the restricted stock holding period has expired.

The Company may not be able to continue as a going concern.

Our independent registered public accountant noted that our recurring losses from operations $7,959,401 and $8,537,777 for the years ended December 31, 2015 and 2014, respectively) and negative net operating cash flow $6,537,708 and, $7,052,172 for the years ended December 31, 2015 and 2014, respectively) raise substantial doubt about our ability to continue as a going concern. This may hinder our future ability to obtain financing, or may force us to obtain financing on less favorable terms than would otherwise be available.

Revenues are currently insufficient to pay operating expenses and costs which may result in the inability to execute the Company's business concept.

The Company's operations have to date generated significant operating losses, as reflected in the financial information included in this Annual Report. Management's expectations in the past regarding when operations would become profitable have been not been realized, and this has continued to put a strain on working capital. Business and prospects must be considered in light of the risks, expenses, and difficulties frequently encountered by companies in the early stages of operations. If the Company is not successful in addressing these risks, its business and financial condition will be adversely affected. In light of the uncertain nature of the markets in which the Company operates, it is impossible to predict future results of operations.

The Chief Executive Officer and the Chief Financial Officer of AWLD are also involved in outside businesses which may affect their ability to fully devote their time to the Company.

Scott Mathis, Chairman of the Board of Directors of AWLD, Chief Executive Officer, President and Treasurer of AWLD is also the Chairman and Chief Executive Officer of Hollywood Burger Holdings, Inc., a private company he founded which is developing Hollywood-themed American fast food restaurants in Argentina and the United States. His duties as CEO of Hollywood Burger Holdings, Inc. consume approximately 15-25% of his time, which may interfere with Mr. Mathis's duties as the CEO of AWLD.

In addition, Maria Echevarria, Chief Financial Officer and Chief Operating Officer of AWLD also serves as the Chief Financial Officer of Hollywood Burger Holdings, Inc. Ms. Echevarria's duties as CFO of Hollywood Burger Holdings Inc. consume approximately 10% of her time, which may interfere with her duties as the CFO of AWLD.

Our management is relatively inexperienced with running a public company and could create a risk of non-compliance.

Although some of AWLD's officers and directors are also officers and directors of Mercari Communications Group, Ltd., a publicly reporting company, management's inexperience may cause us to fall out of compliance with applicable regulatory requirements, which could lead to enforcement action against us and a negative impact on our stock price.

Compliance with changing regulation of corporate governance and public disclosure may result in additional expenses and could create a risk of non-compliance.

Changing laws, regulations and standards relating to corporate governance and public disclosure have created uncertainty for public companies and significantly increased the costs and risks associated with accessing the public markets and public reporting. These corporate governance standards are the product of many sources, including, without limitation, public market perception, stock exchange regulations and SEC disclosure requirement. Our management team expects to invest significant management time and financial resources to comply with both existing and evolving standards for public companies, which will lead to increased general and administrative expenses and a diversion of management time and attention from revenue generating activities to compliance activities. Management's inexperience may cause us to fall out of compliance with applicable regulatory requirements, which could lead to enforcement action against us and a negative impact on our stock price.

We may incur losses and liabilities in the course of business which could prove costly to defend or resolve.

Companies that operate in one or more of the businesses that we operate face significant legal risks. There is a risk that we could become involved in litigation wherein an adverse result could have a material adverse effect on our business and our financial condition. There is a risk of litigation generally in conducting a commercial business. These risks often may be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time. We may incur significant legal expenses in defending against litigation.

The Company will face significant regulation by the SEC and state securities administrators.

The holders of shares of AWLD's common stock may not offer or sell the shares in private transactions or (should a public market develop, of which there can be no assurance) public transactions without compliance with regulations imposed by the SEC and various state securities administrators. To the extent that any holder desires to offer or sell any such shares, the holder must prove to the reasonable satisfaction of AWLD that he has complied with all applicable securities regulations, and AWLD may require an opinion of the holder's legal counsel to that effect. Thus, there can be no assurance that the holder will be able to resell the shares or any interest therein when the holder desires to do so.

The Company is dependent upon additional financing which it may not be able to secure in the future.

As it has in the past, the Company will likely continue to require financing to address its working capital needs, continue its development efforts, support business operations, fund possible continuing operating losses, and respond to unanticipated capital requirements. For example, the continuing development of the Algodon Wine Estates project requires significant ongoing capital expenditures. There can be no assurance that additional financing or capital will be available and, if available, upon acceptable terms and conditions. To the extent that any required additional financing is not available on acceptable terms, the Company's ability to continue in business may be jeopardized and the Company may need to curtail its operations and implement a plan to extend payables and reduce overhead until sufficient additional capital is raised to support further operations. There can be no assurance that such a plan will be successful. Such a plan could 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, liquidate and/or seek reorganization in bankruptcy.

The Company's officers and directors are exculpated and indemnified against certain conduct that may prove costly to defend.

The Company may have to spend significant resources indemnifying its officers and directors or paying for damages caused by their conduct. The Company's Amended and Restated Certificate of Incorporation exculpates the Board of Directors and its affiliates from liability, and the Company has procured directors' and officers' liability insurance to reduce the potential exposure to the Company in the event damages result from certain types of potential misconduct. Furthermore, the General Corporation Law of Delaware provides for broad indemnification by corporations of their officers and directors, and the Company's bylaws implement this indemnification to the fullest extent permitted under applicable law as it currently exists or as it may be amended in the future. Consequently, subject to the applicable provisions of the General Corporation Law of Delaware and to certain limited exceptions in the Company's Amended and Restated Certificate of Incorporation, the Company's officers and directors will not be liable to the Company or to its stockholders for monetary damages resulting from their conduct as an officer or director.

The Company has not paid dividends to date.

Neither AWLD nor any of its constituent companies has ever paid any dividends or made any distributions to their stockholders or members. The Company does not contemplate or anticipate declaring or paying any dividends on its common stock in the foreseeable future. It is anticipated that earnings, if any, will be used to finance the development and expansion of the Company's business.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

AWLD and its operating subsidiaries maintain their corporate headquarters at 135 Fifth Avenue, 10th Floor, New York, NY under a lease covering approximately 3,300 square feet, which expires in August 2020. The Company expects to remain in these offices for the immediate future, unless its growth, or the growth of its affiliates, necessitates a move into larger or separate offices.

The Algodon – Recoleta, SRL owns a hotel in the Recoleta section of Buenos Aires called Algodon Mansion, located at 1647 Montevideo Street. The hotel is approximately 20,000 square feet and has ten suites, a restaurant and wine bar, a dining room, and a luxury spa, pool, and cigar bar and lounge on the rooftop.

Algodon Wine Estates owns and operates a resort property located Ruta Nacional 144 Km 674, Cuadro Benegas, San Rafael (5603) in Argentina and consisting of 2,050 acres. The property has a winery, 18-hole golf course, tennis courts, dining and a hotel.

ITEM 3. LEGAL PROCEEDINGS

From time to time AWLD and its subsidiaries and affiliates are subject to litigation and arbitration claims incidental to its business. Such claims may not be covered by its insurance coverage, and even if they are, if claims against AWLD and its subsidiaries are successful, they may exceed the limits of applicable insurance coverage. Additionally, as participants in the heavily-regulated securities industry, DPEC Capital and its associated persons have been named as respondents in certain regulatory proceedings.

Certain Regulatory Matters and Customer Arbitrations

Scott Mathis is Chairman of the Board of Directors of AWLD and Chief Executive Officer of AWLD, and is a former registered representative of DPEC Capital. The report on Mr. Mathis available on Broker Check at www.finra.org reflects a number of disclosure events, including one completed regulatory matter, a number of completed customer arbitrations and customer complaints, and two liens and judgments.

DPEC Capital has eight disclosure events as reported to FINRA, available on *Broker Check* at www.finra.org .

Regulatory Matter

In 2004, FINRA (then known as “NASD”), the regulatory body that has primary jurisdiction over DPEC Capital, Inc. (then known as “InvestPrivate”), commenced an enforcement action against InvestPrivate and three officers of InvestPrivate or the Company (then known as “Diversified Biotech Holdings Corp.” or “DBHC”), including Scott L. Mathis (Chairman and Chief Executive Officer).

In 2007, InvestPrivate and the three named individuals entered into a partial settlement of this action. Without any of the respondents admitting or denying any of the allegations, the settlement included findings that InvestPrivate, acting through Mr. Mathis, did violate Section 17(a)(2) of the Securities Act and NASD rules by (i) distributing, or causing to be distributed, to investors or potential investors private placement memoranda that contained material misrepresentations and omissions; and (ii) failing to supplement or amend the private placement memoranda so that they did not contain material misrepresentations or omissions concerning facts or events that occurred after the PPMs were issued. However, as part of the settlement with InvestPrivate, FINRA expressly withdrew all allegations and charges that such conduct amounted to a fraudulent, intentional, knowing or willful violation of the federal securities laws. Also, without any of the respondents admitting or denying any of the allegations, additional findings in the settlement were as follows: (1) that InvestPrivate and Mr. Mathis engaged in conduct prohibited by Sections 5(a) and 5(c) of the Securities Act and violated NASD rules by participating in public offerings and sales of unregistered securities; (2) that InvestPrivate and one of the other officers violated NASD rules by failing to report a written customer complaint against InvestPrivate, failing to timely report a separate customer complaint against InvestPrivate, and failing to report the settlement of two customer complaints that involved payments in excess of $25,000; (3) that InvestPrivate, Mr. Mathis and the other two officers violated NASD rules with respect to one of those other officers engaging in activity as a General Securities Principal and General Securities Representative without obtaining the required registrations; and (4) that InvestPrivate violated Section 15(c)(2) of the Exchange Act and Rule 15c2-4 thereunder and NASD rules by failing to hold funds specifically designated for escrow accounts in actual escrow accounts; Rule 15c3-1 of the Exchange Act and NASD rules for failure meet the Net Capital Rule minimum requirement of $250,000; and Section 17(a) of the Exchange Act and Rule 17a-4 thereunder for failure to preserve electronic mail communications. InvestPrivate and one of the two other officers were also found to violate NASD rules with respect to the failure to implement, maintain, and enforce supervisory procedures reasonably designed to achieve compliance with federal securities laws and NASD rules.

NASD censured InvestPrivate, imposed fines totaling $215,000 (all paid in 2007), and required InvestPrivate to engage an independent consultant to evaluate InvestPrivate's practices and procedures relating to private placement offerings, and to make necessary changes in response to the consultant's recommendations.

Mr. Mathis and one of the officers each received a 30-day suspension from acting in a principal capacity for InvestPrivate, the other officer received a 10-day suspension, and InvestPrivate was suspended for 60 days from accepting new engagements to offer private placements. All suspensions were served in 2007 and all fines paid.

The part of the 2004 case that was severed concerned allegations only against Mr. Mathis, namely, that he willfully failed to amend his Form U4 (the securities industry registration form) to reflect the filing of certain personal federal tax liens totaling $634,436, willfully failed to disclose the tax liens on two initial Forms U4, and failed to disclose two customer complaints. In 2007, the FINRA Office of Hearing Officers ("OHO") held that Mr. Mathis willfully failed to make required disclosures on Form U4 regarding his personal tax liens and failed to timely make disclosures on his Form U4 regarding certain customer complaints. (All of the underlying tax liabilities were paid in full by Mr. Mathis in 2003 and the liens were released in 2003.) Mr. Mathis received a three-month suspension, and a $10,000 fine for the lien nondisclosures. With respect to the non-willful late U4 filings relating to two customer complaints, he received an additional 10-day suspension (to run concurrently) plus an additional $2,500 fine. The suspension was completed on September 4, 2012, and all fines have been paid.

Mr. Mathis appealed the decision (principally with respect to the issue of whether his conduct was willful) to the FINRA National Adjudicatory Council ("NAC"). In 2008, NAC affirmed the OHO finding that Mr. Mathis willfully failed to disclose on his Form U4 his tax liens, extended the period in which Mr. Mathis was found to have willfully failed to amend his Form U4, and that he failed to amend timely his Form U4 to disclose a customer complaint and a customer-initiated action. Thereafter, Mr. Mathis appealed the NAC decision to the Securities and Exchange Commission, which in 2009 affirmed the finding of the NAC. Mr. Mathis appealed the SEC decision to the U.S. Court of Appeals, which affirmed the NAC finding in February 2012.

Under applicable FINRA rules, the finding that Mr. Mathis acted willfully subjected him to a "statutory disqualification" would have prevented him from working in the securities industry. In accordance with FINRA rules, Mr. Mathis filed Form MC-400 with FINRA in September 2012, requesting that he be permitted to continue to work in the securities industry and in October 2014, FINRA's Member Regulation Department recommended approval of the MC-400 application. On April 30, 2015, NAC agreed with the recommendation of Member Regulation and further approved the application so that Mr. Mathis can continue to work in the securities industry. At the time that FINRA provided notice of the NAC's approval, it informed CAP that such approval would become effective at such time that the Securities and Exchange Commission issued an acknowledgement letter. On August 20, 2015, the Securities and Exchange Commission issued an acknowledgement letter to FINRA and as a result, the approval of Mr. Mathis's MC-400 application is now effective.

Effective September 29, 2015, Mr. Mathis resigned his position as President and Secretary for DPEC Capital, Inc. but remained on as a director and non-executive chairman. The same day, Mr. Fasano was appointed President and Secretary in addition to his continuing role as Chief Compliance Officer of DPEC Capital, Inc.

Customer Arbitrations and Complaints

There are no pending customer arbitrations or complaints pertaining to DPEC Capital or any of its associated persons.

Pending Financial Disclosures

Mr. Mathis currently has two liens filed against him for unpaid taxes as disclosed on his Form U4. The majority of tax owed by Mr. Mathis resulted from the sale of a portion of his shares in Hollywood Burger Holdings, Inc., which Mr. Mathis liquidated in order to provide funds through a loan to the Company. Mr. Mathis has entered into payment plans with the IRS and is fully compliant with those plans. Mr. Mathis has made full payment of the tax owed to New York State and currently no amounts are outstanding with regard to taxes owed to New York State.

Further information about the disclosures reported by DPEC Capital and by Mr. Mathis is available from Broker Check at www.finra.org.

The Company and its management are not aware of any other regulatory or legal proceedings or investigations involving the Company, any of its subsidiaries or affiliates, or any of their respective officers, directors or employees.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable

PART II

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

On January 20, 2016 FINRA cleared the request to submit quotations on the OTC Bulletin Board and in OTC Link by Glendale Securities, Inc. of Sherman Oaks, California. On March 7, 2016, Company was cleared for trading on the OTCQB Venture Marketplace. There is currently no established public trading market for the Company's common stock, resulting in high and low bid information for our common stock for the quarterly periods within fiscal years 2015 and 2014 being unavailable.

The Company has paid no dividends to date on its common stock. The Company reserves the right to declare a dividend when operations merit. However, payments of any cash dividends in the future will depend on our financial condition, results of operations, and capital requirements as well as other factors deemed relevant by our board of directors.

There were approximately 680 holders of the Company's common stock as of March 25, 2016.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth securities authorized for issuance under equity compensation plans as of December 31, 2015.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	8,939,436	$ 2.70	60,564
Equity compensation plans not approved by security holders	-	-	-
Total	8,939,436	$ 2.70	60,564

Recent Sales of Unregistered Securities

Common Stock Issuances

During the three months ended December 31, 2015, the Company issued 274,860 shares of its common stock for $2.50 per share to accredited investors in a private placement transaction for gross proceeds of $687,150. No general solicitation was used in this offering. For this sale of securities, the Company relied on the exemption from registration available under Section 4(a)(2) and Rule 506(b) of Regulation D promulgated under the Securities Act with respect to transactions by an issuer not involving any public offering. Commissions earned by DPEC Capital, Inc. the Company's registered broker dealer subsidiary in connection with these share issuances, included $68,715 of cash commissions. An initial Form D was filed with the SEC on October 8, 2015.

On or about January 11, 2016, the Company entered into an agreement with Maxim Group LLC ("Maxim") to provide general financial advisory and investment banking services to the Company. In connection with that agreement, the Company issued 350,000 shares of common stock valued at $2.50 per share to Maxim, an accredited investor. For this sale of securities, the Company relied on the exemption from registration available under Section 4(a)(2) and Rule 506(b) of Regulation D promulgated under the Securities Act with respect to transactions by an issuer not involving any public offering. No Form D was filed with the SEC relating to this transaction.

Option Grants and Warrant Issuances

During December 2015, in connection with the sale of common stock, the Company issued five-year warrants to its subsidiary DPEC Capital, Inc., who acted as placement agent, to purchase 15,291 shares of common stock at an exercise price of $2.00 per share, and five-year warrants to purchase 16,000 shares of common stock at an exercise price of $2.50. DPEC Capital, Inc., in turn, awarded such warrants to its registered representatives who all had sufficient knowledge and experience in financial, investment and business matters to be capable of evaluating the merits and risks of investment in the Company and able to bear the risk of loss. For these sales of securities, the Company relied on the exemption from registration available under Section 4(a)(2) and Rule 506(b) of Regulation D promulgated under the Securities Act with respect to transactions by an issuer not involving any public offering. No Form D has been filed for these transactions.

There were no stock options granted during the three months ended December 31, 2015.

Other than as set forth herein or in the Company's current reports on Form 8-K or quarterly reports on Form 10-Q, there have not been any sales of unregistered securities.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

We did not purchase any of our equity securities during the twelve months ended December 31, 2015.

ITEM 6. SELECTED FINANCIAL DATA

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

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

The following discussion and analysis of financial condition and results of operations should be read in conjunction with our audited consolidated financial statements and the accompanying notes included elsewhere in this Form 10-K filing. References in this Management's Discussion and Analysis of Financial Condition and Results of Operations to "us," "we," "our," and similar terms refer to Algodon Wines & Luxury Development Group, Inc., a Delaware corporation. This discussion includes forward-looking statements, as that term is defined in the federal securities laws, based upon current expectations that involve risks and uncertainties, such as plans, objectives, expectations and intentions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors. Words such as "anticipate," "estimate," "plan," "continuing," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could," and similar expressions are used 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. See "Special Note - Forward-Looking Statements." Our actual results could differ materially from those anticipated in the forward-looking statements as a result of certain factors discussed in "Risk Factors" and elsewhere in this Form 10-K filing. 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

We are an integrated, lifestyle related real estate development company, capitalizing on our unique brand of affordable luxury, branded as "Algodon", to create a diverse set of interrelated products and services. Our wines, hotels and real estate ventures, currently concentrated in Argentina, offer a blend of high-end, luxury and adventures products. We hope to further broaden the reach and depth of our services to strengthen and cement the reach of our brand. Ultimately, we intend to further expand and grow our business by combining unique and promising opportunities with our brand and clientele.

Through our subsidiaries, we currently operate Algodon Mansion, a Buenos Aires-based luxury boutique hotel property and we have redeveloped, expanded and repositioned a winery and golf resort property called Algodon Wine Estates for subdivision of a portion of this property for residential development.

Recent Developments and Trends

Investment in foreign real estate requires consideration of certain risks typically not associated with investing in the United States. Such risks include, trade balances and imbalances and related economic policies, unfavorable currency exchange rate fluctuations, imposition of exchange control regulation by the United States or foreign governments, United States and foreign withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalization of their industries, political difficulties, including expropriation of assets, confiscatory taxation and economic or political instability in foreign nations or changes in laws which affect foreign investors. See also Item 1A—Risk Factors for more information.

In December 2011, the Argentine Congress passed Law 26.737 (Regime for Protection of National Domain over Ownership, Possession or Tenure of Rural Land) limiting foreign ownership of rural land, even when not in border areas, to a maximum of 15 percent of all national, provincial or departmental productive land. Every non-Argentine national must request permission from the National Land Registry of Argentina in order to acquire non-urban real property. Additionally, no foreign individual or entity can acquire more than 30 percent within the allowed 15 percent of the total land of the department.

As approved, the law has been in effect since February 28, 2012 but is not retroactive. Furthermore, the general limit of 15 percent ownership by non-nationals must be reached before the law is applicable and each provincial government may establish its own maximum area of ownership per non-national.

In the Mendoza province, the maximum area allowed per type of production and activity per non-national is as follows: Mining—25,000 hectares (61,776 acres), cattle ranching—18,000 hectares (44,479 acres), cultivation of fruit or vines—15,000 hectares (37,066 acres), horticulture—7,000 hectares (17,297 acres), private lot—200 hectares (494 acres), and other—1,000 hectares (2,471 acres). A hectare is a unit of area in the metric system equal to approximately 2.471 acres. However, these maximums will only be considered if the total 15 percent is reached. Although currently, the area under foreign ownership in Mendoza is approximately 8.6 percent, this law may apply to the Company in the future, and could affect the Company's ability to acquire additional real property in Argentina. Currently, the Company owns Argentine rural land through two legal entities, including one entity that owns 780 hectares (1,880 acres) and another that owns 54 hectares (130 acres), all of which is considered land held for cultivation of fruit or vines. Because the maximum area for this type of land allowed per non-national is 25,000 hectares, the Company is compliant with the law's limit, were it to apply today. Costs of compliance with the law may be significant in the future.

Currently AWLD is developing lots for sale to third party builders and is not engaged in any construction activity. Sixteen lots have been sold, and two lots are currently in advanced negotiations. The Company expects to close on the sale of twelve lots and record the deeds during 2016. To date, no deeds have been issued. As of December 31, 2015, the Company has $1,175,990 of lot deposits for pending sales.

As reflected in our consolidated financial statements we have generated significant losses of $8,278,964 and $9,063,427 for the years ended December 31, 2015 and 2014, respectively, consisting primarily of general and administrative expenses, raising substantial doubt that we will be able to continue operations as a going concern. Our independent registered public accounting firm included an explanatory paragraph in their report for these years stating that we have not achieved a sufficient level of revenues to support our business and have suffered recurring losses from operations. Our ability to execute our business plan is dependent upon our generating cash flow and obtaining additional debt or equity capital sufficient to fund operations. Our business strategy may not be successful in addressing these issues and there can be no assurance that we will be able to obtain any additional capital. If we cannot execute our business plan (including acquiring additional capital), our stockholders may lose their entire investment in us. If we are able to obtain additional debt or equity capital (of which there can be no assurance), we hope to acquire additional management as well as increase marketing our products and continue the development of our real estate holdings.

Financings

In 2014, we raised, net of repayments, approximately $7,295,000 of new capital through the issuance of debt and equity. We used the net proceeds from the closings of these private placement offerings for general working capital and capital expenditures.

In 2015, we raised, net of repayments, approximately $6,181,000 of new capital through the issuance of debt and equity.
We used the net proceeds from the closings of these private placement offerings for general working capital and capital expenditures.

Initiatives

We have implemented a number of initiatives designed to expand revenues and control costs. Revenue enhancement initiatives include expanding marketing, investment in additional winery capacity and developing new real estate development revenue sources. Cost reduction initiatives include investment in equipment that will decrease our reliance on subcontractors, plus outsourcing and restructuring of certain functions. Our goal is to become more self-sufficient and less dependent on outside financing.

Application for Quotation on OTC Bulletin Board

On January 20, 2016 FINRA cleared the request to submit quotations on the OTC Bulletin Board and in OTC Link by Glendale Securities, Inc. of Sherman Oaks, California. In addition, the Company submitted its application for quotation on the OTCQB marketplace and was approved on March 7, 2016.

Consolidated Results of Operations

Year Ended December 31, 2015 Compared to the Year Ended December 31, 2014

The following table represents selected items in our consolidated statements of operations for the years ended December 31, 2015 and 2014, respectively:

	For the Years Ended December 31,	
	2015	**2014**
Sales	$ 2,008,145	$ 2,114,912
Cost of sales	(2,225,813)	(2,127,086)
Gross loss	(217,668)	(12,174)
Operating Expenses		
Selling and marketing	246,432	335,754
General and administrative	7,270,721	7,910,767
Depreciation and amortization	224,580	279,082
Total operating expenses	7,741,733	8,525,603
Loss from Operations	(7,959,401)	(8,537,777)
Other Expenses		
Interest expense, net	319,563	305,524
Loss on extinguishment of convertible debt	-	220,126
Total other expenses	319,563	525,650
Net Loss	$ (8,278,964)	$ (9,063,427)

Overview

We reported net losses of approximately $8.3 million and $9.1 million for the years ended December 31, 2015 and 2014, respectively, reflecting a decrease of approximately $0.8 million or 9%. Our results were impacted by both the devaluation of the Argentine Peso and decreases in operating expenses. Net losses were also impacted by a decrease in loss from the extinguishment of convertible debt.

Revenues

Revenues were approximately $2.0 million and $2.1 million during the years ended December 31, 2015 and 2014, respectively, reflecting a decrease of approximately $0.1 million or 5%. Decreases in revenues primarily resulted from the impact of the decline in the value of the Argentine peso ("ARS") vis-à-vis the U.S. dollar during 2014. There was an average devaluation of the Argentine peso from 8.11 for the year ended December 31, 2014 to 9.25 for the year ended December 31, 2015, which decreased the average worth of the Argentine peso from US $0.12 to $0.11.

Total sales from Argentina were ARS 17.1 million during the year ended December 31, 2015 as compared to ARS 16.6 million during the year ended December 31, 2014, reflecting a net increase of approximately ARS 0.5 million or 3%. Hotel room and event revenues were approximately ARS 7.9 million and 7.3 million during both years ended December 31, 2015 and 2014, representing an increase of approximately ARS 0.6 million, or 8% due to higher occupancy and average room rates. Restaurant revenues were approximately ARS 4.8 million during the years ended December 31, 2015 and 2014. Argentine winemaking revenues were approximately ARS 3.3 million and 2.9 million during the years ended December 31, 2015 and 2014, respectively, representing an increase of approximately ARS 0.4 million or 14%, resulting from an expansion of distribution channels and additional investments in marketing and sales staff. Other revenues, including golf, tennis and agricultural revenues, were ARS 1.1 million and ARS 1.5 million during the years ended December 31, 2015 and 2014, respectively. The decrease of ARS 0.4 million is primarily due to a decrease in agricultural revenues.

Gross profit

We generated a gross loss of approximately $218,000 for the year ended December 31, 2015 as compared to a gross loss of approximately $12,000 for the year ended December 31, 2014. The restaurant and golf and tennis business units at AWE realized negative margins in 2015 and 2014, due to significant fixed costs (i.e. depreciation on golf courses and tennis courts) related to these business units. The restaurant and golf and tennis are kept open every day at a loss, in order to support the image of the winery. During 2015, we recorded approximately $193,000 inventory write-down as the result of two significant hailstorms that occurred during the year.

Selling and marketing expenses

Selling and marketing expenses were approximately $246,000 and $336,000, for the years ended December 31, 2015 and 2014, respectively, representing a decrease of approximately $89,000 or 26%. The decrease is primarily due to expenses incurred during 2014 related to a marketing event to promote our international wine sales, including meeting with potential importers and distributors, as well as potential wine clients and investors in China, the Middle East and Europe.

General and administrative expenses

General and administrative expenses were approximately $7,271,000 and $7,911,000 for the years ended December 31, 2015 and 2014, respectively, a decrease of approximately $640,000 or 8%. The decrease in general and administrative expenses is primarily related to non-recurring legal, consulting and accounting fees incurred during 2014 in connection with becoming a public reporting company.

Depreciation and amortization expense

Depreciation and amortization expense was approximately $225,000 and $279,000 during the years ended December 31, 2015 and 2014, respectively, a decrease of approximately $55,000 or 20%. It should be noted that approximately an additional $169,000 and $188,000 of depreciation and amortization expense was capitalized to inventory during the years ended December 31, 2015 and 2014, respectively. Most of our property and equipment is located in Argentina and the gross cost being depreciated declined year-over-year due to the devaluation of the Argentine peso relative to the United States dollar.

Interest expense, net

Interest expense was approximately $320,000 and $306,000 during the years ended December 31, 2015 and 2014, respectively, representing an increase of approximately $14,000, or 5%. The increase is primarily due to an increase in amounts due under payment plans for Argentine taxes, partially offset by decreases related to decreases in loans payable and convertible debt interest during the period.

Loss on extinguishment of convertible debt

Loss on extinguishment of convertible debt was $0 and approximately $220,000 during the years ended December 31, 2015 and 2014, respectively. During 2014, 476,972 shares of Series A Convertible Preferred Stock ("Series A Preferred") valued at $2.30 per share were received by convertible note holders upon the exchange of convertible notes with $812,881 and $64,126 principal and interest, respectively. The 2014 extinguishment losses resulted from the excess of the fair value of the issued Series A Preferred over the carrying value of the exchanged convertible notes that was not pursuant to the original terms of the convertible notes.

Liquidity and Capital Resources

We measure our liquidity in variety of ways, including the following:

	For the Years Ended December 31, 2015	For the Years Ended December 31, 2014
Cash	$ 110,645	$ 442,725
Working Capital (Deficiency)	$ (1,477,183)	$ (1,897,344)

Based upon our working capital situation as of December 31, 2015, we require additional equity and/or debt financing in order to sustain operations. These conditions raise substantial doubt about our ability to continue as a going concern.

During the years ended December 31, 2015 and 2014, we have relied primarily on private placement equity offerings to third party independent, accredited investors to sustain operations. These offerings were conducted by our wholly-owned subsidiary DPEC Capital, Inc.

During the year ended December 31, 2015, we issued 2,821,942 shares of common stock at $2.00 per share for cash proceeds of $5,643,884 and issued 274,860 shares of common stock at $2.50 per share for cash proceeds of $687,150. During the year ended December 31, 2014, we issued 1,223,349 shares of common stock at $2.00 per share for gross proceeds of $2,446,697 and issued 2,748,995 share of Series A Preferred at $2.30 per share for cash proceeds $5,532,877. The difference between the cash proceeds and the cited shares times $2.30 per share is due to cash deposits received in 2013, prior to the closing of the subscription. An additional 476,972 shares of Series A Preferred were issued upon the conversion of notes payable. All shares were issued to accredited investors on private placement transactions.

The proceeds from these financing activities were used to fund our existing operating deficits, legal and accounting expenses in preparation of becoming and being a public company, capital expenditures associated with our real estate development projects, enhanced marketing efforts to increase revenues and the general working capital needs of the business. We will need to raise additional capital in order to meet our future liquidity needs for operating expenses, capital expenditures for the winery expansion and to further invest in our real estate development. If we are unable to obtain adequate funds on reasonable terms, we may be required to significantly curtail or discontinue operations.

Sources and Uses of Cash for the Years Ended December 31, 2015 and 2014

Net Cash Used in Operating Activities

Net cash used in operating activities for the years ended December 31, 2015 and 2014, amounted to approximately $6,538,000 and $7,052,000, respectively. During the year ended December 31, 2015 the net cash used in operating activities was primarily attributable to the net loss of approximately $8,279,000, adjusted for approximately $1,674,000 of non-cash expenses and $67,000 cash provided by changes in the levels of operating assets and liabilities. During the year ended December 31, 2014, the net cash used in operating activities was primarily attributable to the net loss of approximately $9,063,000, adjusted for approximately $1,552,000 of net non-cash expenses and $459,000 provided by changes in the levels of operating assets and liabilities.

Net Cash Used in Investing Activities

Net cash used in investing activities for the years ended December 31, 2015 and 2014 amounted to approximately $470,000 and $654,000, respectively, and was primarily related to the purchase of property and equipment.

Net Cash Provided by Financing Activities

Net cash provided by financing activities for the years ended December 31, 2015 and 2014 amounted to approximately $6,181,000 and $7,294,000, respectively. For the year ended December 31, 2015, the net cash provided by financing activities resulted primarily from the issuance of equity securities for net proceeds of approximately $6,331,000, partially offset by net repayments of debt of approximately $150,000. For the year ended December 31, 2014, the net cash provided by financing activities resulted primarily from the issuance of equity securities for net proceeds of approximately $8,030,000, partially offset by net repayments of debt of approximately $736,000.

Going Concern and Management's Liquidity Plans

The accompanying financial statements have been prepared assuming that we will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities and commitments in the normal course of business. As discussed in Note 2 to the accompanying consolidated financial statements, we have not achieved a sufficient level of revenues to support our business and development activities and have suffered substantial recurring losses from operations since our inception, which conditions raise substantial doubt that we will be able to continue operations as a going concern. The accompanying consolidated financial statements do not include any adjustments that might be necessary if we were unable to continue as a going concern.

Based on current cash on hand and subsequent activity as described herein, our cash-on-hand only allows us to operate our business operations on a month-to-month basis. Because of our limited cash availability, we have scaled back our operations to the extent possible. While we are exploring opportunities with third parties and related parties to provide some or all of the capital we need, we have not entered into any agreement to provide us with the necessary capital. Historically, the Company has been successful in raising funds to support our capital needs. If we are unable to obtain additional financing on a timely basis, we may have to delay vendor payments and/or initiate cost reductions, which would have a material adverse effect on our business, financial condition and results of operations, and ultimately we could be forced to discontinue our operations, liquidate and/or seek reorganization under the U.S. bankruptcy code. As a result, our auditors have issued a going concern opinion in conjunction with their audit of our December 31, 2015 and 2014 consolidated financial statements.

Off-Balance Sheet Arrangements

None.

Contractual Obligations

As a smaller reporting company, we are not required to provide the information required by paragraph (a)(5) of this Item.

Critical Accounting Policies and Estimates

Use of Estimates

To prepare financial statements in conformity with accounting principles generally accepted in the United States of America, we must make estimates and assumptions. These estimates and assumptions affect the reported amounts in the financial statements, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Our significant estimates and assumptions are the valuation of equity instruments, the useful lives of property and equipment and reserves associated with the realizability of certain assets.

Foreign Currency Translation

Our functional and reporting currency is the United States dollar. The functional currencies of the Company’s operating subsidiaries are their local currencies (United States dollar, Argentine peso and British pound). There has been a steady devaluation of the Argentine peso relative to the United States dollar in recent years. Assets and liabilities are translated into U.S. dollars at the balance sheet date, (12.9441 and 8.5411 at December 31, 2015 and 2014, respectively) and revenue and expense accounts are translated at a weighted average exchange rate for the period or for the year then ended (9.2495 and 8.1095 for the years ended December 31, 2015 and 2014, respectively). Resulting translation adjustments are made directly to accumulate other comprehensive income. Losses arising from exchange rate fluctuations on transactions denominated in a currency other than the functional currency of $360,170 and $223,904 for the years ended December 31, 2015 and 2014, respectively, are recognized in operating results in the consolidated statements of operations. We engage in foreign currency denominated transactions with customers and suppliers, as well as between subsidiaries with different functional currencies.

A highly inflationary economy is defined as an economy with a cumulative inflation rate of approximately 100 percent or more over a three-year period. If a country’s economy is classified as highly inflationary, the functional currency of the foreign entity operating in that country must be remeasured to the functional currency of the reporting entity. The cumulative inflation rate for Argentina over the last three years approximated 64%, although the International Monetary Fund has concerns regarding the accuracy of the official data.

Inventory

Inventories are comprised primarily of “vineyard in process,” “wine in process,” “finished wine,” plus food and beverage items and are stated at the lower of cost or market, with cost being determined on the first-in, first-out method. Costs associated with winemaking, and other costs associated with the creation of products for resale, are recorded as inventory. “Vineyard in process” represents the monthly capitalization of farming expenses (including farming labor costs, usage of farming supplies and depreciation of the vineyard and farming equipment) associated with the growing of grape, olive and other fruits during the farming year which culminates with the February/March harvest. “Wine in process” represents the capitalization of costs during the winemaking process (including the transfer of grape costs from vineyard in process, winemaking labor costs and depreciation of winemaking fixed assets, including tanks, barrels, equipment, tools and the winemaking building). “Finished wines” represents wine available for sale and includes the transfer of costs from wine in process once the wine is bottled and labeled. Other inventory represents olives, other fruits, golf equipment and restaurant food.

In accordance with general practice within the wine industry, wine inventories are included in current assets, although a portion of such inventories may be aged for periods longer than one year. As required, we reduce the carrying value of inventories that are obsolete or in excess of estimated usage to estimated net realizable value. Our estimates of net realizable value are based on analyses and assumptions including, but not limited to, historical usage, future demand and market requirements. Reductions to the carrying value of inventories are recorded in cost of sales. If future demand and/or pricing for our products are less than previously estimated, then the carrying value of the inventories may be required to be reduced, resulting in additional expense and reduced profitability. During 2015, we recorded a write-down in the value of work-in-process inventory of approximately $193,000, as a result of two hailstorms that occurred during the year. Inventory write-downs recorded during 2014 were negligible.

Property and Equipment

Investments in property and equipment are recorded at cost. These assets are depreciated using the straight-line method over their estimated useful lives as follows:

Buildings	10 - 30 years
Furniture and fixtures	3 - 10 years
Vineyards	7 - 20 years
Machinery and equipment	3 - 20 years
Leasehold improvements	3 - 5 years
Computer hadware and software	3 - 5 years

We capitalize internal vineyard improvement costs when developing new vineyards or replacing or improving existing vineyards. These costs consist primarily of the costs of the vines and expenditures related to labor and materials to prepare the land and construct vine trellises. Expenditures for repairs and maintenance are charged to operating expense as incurred. The cost of properties sold or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts at the time of disposal and the resulting gains and losses are included as a component of operating income. Real estate development consists of costs incurred to ready the land for sale, including primarily costs of infrastructure as well as master plan development and associated professional fees. Such costs will be allocated to individual lots proportionately based on square meters and those allocated costs will be derecognized upon the sale of individual lots. Given that they are not currently in service, capitalized real estate development costs are currently not being depreciated. Land is an inexhaustible asset and is not depreciated.

Stock-Based Compensation

We measure the cost of services received in exchange for an award of equity instruments based on the fair value of the award. For employees and directors, the fair value of the award is measured on the grant date and for non-employees, the fair value of the award is generally re-measured on financial reporting dates and vesting dates until the service period is complete. The fair value amount of the shares expected to ultimately vest is then recognized over the period services are required to be provided in exchange for the award, usually the vesting period. The estimation of stock-based awards that will ultimately vest requires judgment, and to the extent actual results or updated estimates differ from original estimates, such amounts are recorded as a cumulative adjustment in the period estimates are revised. We consider many factors when estimating expected forfeitures, including types of awards, employee class, and historical experience.

Comprehensive Income (Loss)

Comprehensive income is defined as the change in equity of a business during a period from transactions and other events and circumstances from non-owners sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. The guidance requires other comprehensive income (loss) to include foreign currency translation adjustments.

Impairment of Long-Lived Assets

When circumstances, such as adverse market conditions, indicate that the carrying value of a long-lived asset may be impaired, we perform an analysis to review the recoverability of the asset's carrying value, which includes estimating the undiscounted cash flows (excluding interest charges) from the expected future operations of the asset. These estimates consider factors such as expected future operating income, operating trends and prospects, as well as the effects of demand, competition and other factors. If the analysis indicates that the carrying value is not recoverable from future cash flows, an impairment loss is recognized to the extent that the carrying value exceeds the estimated fair value. Any impairment losses are recorded as operating expenses, which reduce net income. There were no impairments of long-lived assets for the years ended December 31, 2015 and 2014, respectively.

Segment Information

The FASB has established standards for reporting information on operating segments of an enterprise in interim and annual financial statements. The Company operates in one segment which is the business of real estate development in Argentina. The Company's chief operating decision-maker reviews the Company's operating results on an aggregate basis and manages the Company's operations as a single operating segment. Certain activities of the Company such as the U.S. Broker Dealer Operations, is considered a service or support division to the Company, by providing capital raising efforts substantially to support the AWLD real estate development activities, and is not considered a business for segment purposes.

Revenue Recognition

We earn revenues from our real estate, hospitality, food & beverage, broker-dealer and other related services. Revenue from rooms, food and beverage, and other operating departments are recognized as earned at the time of sale or rendering of service. Cash received in advance of the sale or rendering of services is recorded as advance deposits or deferred revenue on the consolidated balance sheets. Deferred revenues associated with real estate lot sale deposits are recognized as revenues (along with any outstanding balance) when the lot sale closes and the deed is provided to the purchaser. Other deferred revenues primarily consist of deposits accepted by us in connection with agreements to sell barrels of wine. These wine barrel deposits are recognized as revenues (along with any outstanding balance) when the barrel of wine is shipped to the purchaser. Sales taxes and value added ("VAT") taxes collected from customers and remitted to governmental authorities are presented on a net basis with revenues in the consolidated statements of operations.

Income Taxes

We account for income taxes under the liability method, which requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statements and tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax loss and tax credit carry forwards. Additionally, we establish a valuation allowance to reflect the likelihood of realization of deferred tax assets.

New Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update (“ASU”) No. 2014-09, “Revenue from Contracts with Customers,” (“ASU 2014-09”). ASU 2014-09 supersedes the revenue recognition requirements in ASC 605 - Revenue Recognition and most industry-specific guidance throughout the ASC. The standard requires that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. ASU 2014-09 should be applied retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying ASU 2014-09 recognized at the date of initial application. To allow entities additional time to implement systems, gather data and resolve implementation questions, the FASB issued ASU No. 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date, in August 2015, to defer the effective date of ASU No. 2014-09 for one year, which is fiscal years beginning after December 15, 2017. We are currently evaluating the impact of the adoption of ASU 2014-09 on our consolidated financial statements or disclosures.

In June 2014, the FASB issued ASU No. 2014-12, "Compensation - Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide that a Performance Target Could be Achieved after the Requisite Service Period," ("ASU 2014-12"). The amendments in ASU 2014-12 require that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. A reporting entity should apply existing guidance in ASC Topic No. 718, "Compensation - Stock Compensation" as it relates to awards with performance conditions that affect vesting to account for such awards. The amendments in ASU 2014-12 are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Early adoption is permitted. Entities may apply the amendments in ASU 2014-12 either: (a) prospectively to all awards granted or modified after the effective date; or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter. We do not anticipate that the adoption of ASU 2014-12 will have a material impact on our financial statements.

In July 2015, the FASB issued ASU 2015-11, "Inventory (Topic 330): Simplifying the Measurement of Inventory," which applies to inventory that is measured using first-in, first-out ("FIFO") or average cost. Under the updated guidance, an entity should measure inventory that is within scope at the lower of cost and net realizable value, which is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. Subsequent measurement is unchanged for inventory that is measured using last-in, last-out ("LIFO"). This ASU is effective for annual and interim periods beginning after December 15, 2016, and should be applied prospectively with early adoption permitted at the beginning of an interim or annual reporting period. We are currently evaluating the impact of adopting this guidance.

In November 2015, FASB issued ASU No. 2015-17, “Income Tax (Topic 740): Balance Sheet Classification of Deferred Taxes,” (“ASU 2015-17”). This ASU requires that all deferred tax assets and liabilities, along with any related valuation allowance, be classified as noncurrent on the balance sheet. We do not anticipate that the adoption of ASU 2015-17 will have a material impact on our financial statements.

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)" ("ASU 2016-02"), which increases the transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. ASU 2016-02 will require lessees to recognize a right-of-use (ROU) asset for its right to use the underlying asset and a lease liability for the corresponding lease obligation for leases with terms of more than twelve months. Both the ROU asset and lease liability will initially be measured at the present value of the future minimum lease payments over the lease term. Subsequent measurement, including the presentation of expenses and cash flows, will depend on the classification of the lease as either a finance or an operating lease. Accounting by lessors will remain largely unchanged from current U.S. GAAP. ASU 2016-02 is effective for fiscal years beginning after December 15, 2018, and interim periods within those years, with early adoption permitted, and is to be applied as of the beginning of the earliest period presented using a modified retrospective approach. We are currently evaluating the impact that the provisions of ASU 2016-02 will have on our financial statements and related disclosures.

In March 2016, the FASB issued ASU No. 2016-08, "Revenue from Contracts with Customers - Principal versus Agent Considerations." This Update provides clarifying guidance regarding the application of ASU No. 2014-09 - Revenue From Contracts with Customers when another party, along with the reporting entity, is involved in providing a good or a service to a customer. In these circumstances, an entity is required to determine whether the nature of its promise is to provide that good or service to the customer (that is, the entity is a principal) or to arrange for the good or service to be provided to the customer by the other party (that is, the entity is an agent). The amendments in the Update clarify the implementation guidance on principal versus agent considerations. The Update is effective, along with ASU 2014-09, for annual and interim periods beginning after December 15, 2017. The adoption of ASU 2016-8 is not expected to have a material impact on our consolidated financial statement or disclosures.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on our financial statements upon adoption.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our consolidated financial statements and the related notes to the financial statements called for by this item appear beginning with the Table of Contents on Page F-1 at the end of this Form 10-K.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Exchange Act, such as this Annual Report, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls are also designed with the objective of ensuring that such information is accumulated and communicated to our management, including the Principal Executive and Accounting Officer, as appropriate to allow timely decisions regarding required disclosure. Internal controls are procedures which are designed with the objective of providing reasonable assurance that (1) our transactions are properly authorized, recorded and reported; and (2) our assets are safeguarded against unauthorized or improper use, to permit the preparation of our consolidated financial statements in conformity with United States generally accepted accounting principles.

In connection with the preparation of this Annual Report, management, with the participation of our Principal Executive and Accounting Officers, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)). Based upon that evaluation, our Principal Executive and Accounting Officers concluded that, as of December 31, 2015, our disclosure controls and procedures were effective.

Management's Assessment of Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. Internal control over financial reporting is a process designed by, or under the supervision of, our Principal Executive and Financial Officer, and effected by the Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP including those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and the disposition of our assets, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP and that receipts and expenditures are being made only in accordance with authorizations of our management and Board of Directors, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the 2013 framework in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2015.

Changes in Internal Control over Financial Reporting

Management had determined that as of December 31, 2014, we had a material weakness in our internal control over financial reporting due to the fact that we did not have the appropriate resources with the appropriate level of experience and sufficient resources to provide oversight over the timely preparation and review of schedules necessary for the preparation of our financial statements and to make certain U.S. GAAP accounting judgments. A material weakness is a control deficiency, or a combination of control deficiencies, such that there is a reasonable possibility that a material misstatement of interim or annual financial statements will not be prevented or detected on a timely basis.

We have successfully remediated this material weakness during 2015, as we have taken, the following actions:

- we began to utilize our audit committee of the Board of Directors effective April 15, 2015 to provide an oversight role in the establishment and monitoring of required internal controls and procedures;

- during 2015, we recruited and hired additional accounting staff with technical expertise to ensure the proper application of U.S. GAAP and international experience, and continue to expand our finance and accounting staff and to enhance our financial reporting systems;

- we implemented revised policies and procedures and enhanced our resources to review complex transactions to ensure consistent application of U.S. GAAP and enhanced internal control over financial reporting; and

- we have increased the level of preparation and review of our financial statements, and in connection therewith, we have implemented additional control procedures as part of our quarter and year-end close processes as well as added resources.

While management believes that the Company's financial statements previously filed in the Company's SEC reports have been properly recorded and disclosed in accordance with US GAAP, the actions above were taken to improve the effectiveness of our controls over financial reporting.

Inherent Limitations of Controls

Management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all error and all fraud. Controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or deterioration in the degree of compliance with the policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

ITEM 9B. OTHER INFORMATION

On or about January 11, 2016, the Company entered into an agreement with Maxim Group LLC ("Maxim") to provide general financial advisory and investment banking services to the Company. Such services may include a valuation analysis of the Company, assistance with strategic planning and marketing materials, and financial advisory and investment banking services. Maxim will receive a monthly fee of $7,500 for the term of the agreement, which may be terminated by either party after six months, provided that 30 days' written notice be provided. Upon execution of the agreement, Maxim received 350,000 shares of common stock of the Company, which shares would vest at the rate of 11.1% commencing on the date of the agreement and continuing for each successive month until the agreement is terminated or the 350,000 shares have fully vested. In addition, Maxim is entitled to 100,000 shares of common stock of the Company if the Company lists on a national exchange, such as NASDAQ or NYSE MKT. All reasonable expenses will be reimbursed by the Company upon Maxim's request, including a maximum of $5,000 for Maxim's legal costs.

In the event that Maxim raises capital for the Company, Maxim is entitled to a cash fee of 8.0% of the capital raised; a cash fee for unallocated expenses of 1.0% of the capital raised; and a warrant to purchase shares of the Company's common stock equal to 9.0% of the number of shares issued in the capital raise. Further, Maxim is entitled to receive a transaction fee of up to 3.0% of the consideration paid in a qualifying transaction, such as a merger or acquisition.

PART III

ITEM 10. DIRECTORS, OFFICERS AND CORPORATE GOVERNANCE

The management team of the Company is led by executives who have experience in real estate investment, hotel management, broker-dealer operations and identifying and pursuing investment opportunities. The management team will be assisted by the Company's key personnel and advisors, who together with their experience and expertise are also discussed below.

Name	Age	Entity	Title	Year Appointed
Scott L. Mathis	53	AWLD	Chairman, Chief Executive Officer, President, President	April, 1999
		CAP	Chairman (2)	March, 2001
		MCAR	Chairman, Chief Executive Officer, President	November, 2009
		TAR	General Manager (1)	December, 2007
		APII	General Manager (1)	March, 2009
		AWE	General Manager (1)	July, 2007
Maria I. Echevarria	36	AWLD	Chief Financial Officer, Chief Operating Officer, Secretary Treasurer and Compliance Officer(3)	April, 2015
		MCAR	Chief Financial Officer, Treasurer, Secretary (3)	April, 2015
		AEU	Chief Financial Officer	
Julian H. Beale	81	AWLD	Director	April, 1999
		CAP	Director	February, 2001
		MCAR	Director	November, 2009
Peter J.L. Lawrence	82	AWLD	Director	April, 1999
		CAP	Director	February, 2001
		MCAR	Director	November, 2009
		AEU	Director	November, 2009
Keith T. Fasano	48	CAP	Managing Director,	March, 2001
		CAP	Chief Compliance Officer	February, 2010
		CAP	President and Secretary(2)	September, 2015
Sergio O. Manzur Odstrcil	47	TAR	Chief Financial Officer, Chief Operating Officer (4)	March, 2011
		APII	Chief Financial Officer	March, 2011
		AWE	Chief Financial Officer, Chief Operating Officer (4)	September, 2010
Shari Ferguson	31	CAP	Chief Financial Officer, Treasurer	April, 2015

(1) Translation of Argentine statutory corporate office.

(2) In accordance with a three-month FINRA-ordered suspension, Mr. Mathis resigned all positions he held with DPEC Capital, Inc. on May 30, 2012 and Mr. Tim F. Holderbaum was appointed CEO, Treasurer & Secretary. In September 2012, Mr. Holderbaum resigned his positions as CEO, Treasurer & Secretary and Mr. Mathis was reappointed as CEO, Treasurer & Secretary of DPEC Capital, Inc. Mr. Mathis resigned his position position as President and Secretary of DPEC Capital on September 29, 2015, and Mr. Keith Fasano was appointed President and Secretary of DPEC Capital, Inc.

(3) On April 13, 2015, Ms. Echevarria was appointed to these positions, replacing Mark Downey.

(4) Mr. Manzur Odstrcil was appointed Chief Operating Officer of TAR and AWE on April 11, 2015.

Executive Officers

Scott L. Mathis. Mr. Mathis is the founder of AWLD and has served as Chief Executive Officer and Chairman of the Board of Directors since its inception in April 1999. Mr. Mathis has over five years' experience serving as Chief Executive Officer and Chairman of the Board of Directors of Mercari Communications Group, Ltd., a public company. Mr. Mathis is also the founder, Chief Executive Officer, and Chairman of IPG, AGP and various other affiliated entities and assumed executive positions at DPEC Capital, Inc. in March 2001. In September 2015, Mr. Mathis resigned his position as President and Secretary for DPEC Capital, but remains on as a director and non-executive chairman. Since July 2009, Mr. Mathis has served as the Chief Executive Officer and Chairman of Hollywood Burger Holdings, Inc., a company he founded which is developing Hollywood-themed American fast food restaurants in Argentina and the United States. Since June 2011, Mr. Mathis has also served as the Chairman and Chief Executive Officer of InvestBio, Inc., a former subsidiary of AWLD that was spun off in 2010. Including his time with AWLD and its subsidiaries, Mr. Mathis worked for over 25 years in the securities brokerage field. From 1995-2000, he worked for National Securities Corporation and The Boston Group, L.P. Before that, he was a partner at Oppenheimer and Company and a Senior Vice President and member of the Directors Council at Lehman Brothers. Mr. Mathis also worked with Alex Brown & Sons, Gruntal and Company, Inc. and Merrill Lynch. Mr. Mathis received a Bachelor of Science degree in Business Management from Mississippi State University. The determination was made that Mr. Mathis should serve on AWLD's Board of Directors due to his executive level experience working in the real estate development industry and in several consumer-focused businesses, as well as his extensive experience in the securities brokerage and investment banking fields. He has also served on the board of directors of a number of non-public companies in the biotechnology industry.

Maria I. Echevarria. Ms. Echevarria was appointed Chief Financial Officer, Chief Operating Officer, Secretary and Compliance Officer for the Company effective April 13, 2015. She joined the Company as Corporate Controller in June of 2014 and had primary responsibility for the Company's corporate consolidation, policies and procedures as well as financial reporting for SEC compliance, coordinating budgets and projections, preparing financial presentations and analyzing financial data. Ms. Echevarria has over 15 years of experience in Accounting, Compliance, Finance, Information Systems and Operations. Her experience includes SEC reporting and financial analysis, and her career accomplishments include developing and implementing major initiatives such as SOX, BSA and AML reporting and valuation of financial instruments. Prior to her employment with the Company, Ms. Echevarria served as Director of Finance and Accounting for The Hope Center, a nonprofit, from 2008 to June 2014 overseeing Finance, Information Systems and Operations. From 2001 through 2008 she served as a Quality Control and Compliance Analyst, Financial Analyst, and Accounting Manager for Banco Popular in San Juan, Puerto Rico, where she specialized in Mortgage Quality Control, Compliance, Financial Analysis and Mortgage Accounting, and corresponding with the FHA, VA and other mortgage guarantors. Ms. Echevarria also coordinated audits and compliance programs related to reporting, remittances, escrow accounting and default management for Fannie Mae, Freddie Mac and other private investors. She has developed and taught accounting courses for Herzing University, and currently serves as an adjunct faculty member at Southern New Hampshire University. She is a CPA, licensed in New Jersey and Puerto Rico, and holds a B.B.A. in Accounting from the University of Puerto Rico and a MBA in Business from University of Phoenix. Mrs. Echevarria was born and raised in Puerto Rico, and is fluent in Spanish and English.

Julian H. Beale. Mr. Beale has served as a director of AWLD since its inception in April 1999. Since 1996, Mr. Beale has managed his own investments, which include listed "blue chip" shares, numerous speculative stocks, and real estate. Mr. Beale has over 10 years' experience serving as a director of Adacel Technologies Ltd., an Australian Stock Exchange listed company that provides air traffic simulations, training, and management activities. Mr. Beale is also a director of Private Branded Beverage Ltd., a private company, and since July 2009 a director of InvestBio, Inc. After 14 years in engineering and after forming a plastics processing company that he built to employ more than 200 people, Mr. Beale has since the early 1970's been involved in consulting and investing. In 1977, he was part of a consortium that purchased what became the Moonie Oil Company, a resources corporation that had interests in petroleum production. In 1984, he entered Federal Parliament (Australia). During his 12 years in politics, he held many Shadow Minister portfolios (i.e., cabinet level position with minority party). He has a Bachelor of Engineering degree from Sydney University, Australia and an MBA from Harvard University. The determination was made that Mr. Beale should serve on AWLD's Board of Directors due to his experience as a director for other public companies and as an investor in real estate.

Peter J.L. Lawrence. Mr. Lawrence has served as a director of AWLD since its inception in April 1999. Since 2000, Mr. Lawrence has been a director of Sprue Aegis plc, a U.K. company traded on the London Stock Exchange that designs and sells smoke and carbon monoxide detectors for fire-fighters principally in the U.K.; Chairman of Infinity IP, a private company involved with intellectual property and distribution in Australasia; and director of Hollywood Burger Holdings, Inc. Since June 2001, he has served as a director of InvestBio, Inc. Until recently, Mr. Lawrence was Chairman of Polastar plc, a UK company that specializes in the development, manufacture and sale of a patent- pending intelligent low-location lighting system. Prior to joining Polastar, Mr. Lawrence served as the Chairman of Associated British Industries plc, a company that manufactured car engine and aviation jointings and sealants for both original equipment manufacturers and after markets, specialty waxes and anti-corrosion coatings for the automotive tire and plastics industries. The company was acquired for £40 million in 1995 by AlliedSignal Corp. which was later acquired by Honeywell. Mr. Lawrence has additional experience as a director of a publicly-traded company by serving as a director of Beacon Investment Trust PLC, a London Stock Exchange-listed company from 2003 to June 2010. Beacon invested in small and recently floated companies on the Alternative Investment Market of the London Stock Exchange. Mr. Lawrence served on the investment committee of ABI Pension fund for 20 years as well as the investment committee of Coram Foundation Children Charity founded in 1939 as the Foundling Hospital from 1977 to 2004. He received a Bachelor of Arts in Modern History from Oxford University where he graduated with honors. The determination was made that Mr. Lawrence should serve on AWLD's Board of Directors due to his experience as an investor in smaller public companies and service as a director for a number of public companies.

Additional Key Personnel

Keith T. Fasano. Mr. Fasano was appointed President and Secretary of DPEC Capital, Inc. in September 2015 and he has been Chief Compliance Officer since February 2010. Since 2001, Mr. Fasano has served as a Managing Director at DPEC Capital, where his responsibilities have involved offering private equity investment opportunities to individual investors. Mr. Fasano has over 20 years of experience in the securities industry, particularly with managing portfolios for institutional and high net-worth individuals. He also assisted with the founding of Hollywood Burger Holdings, Inc. in 2009 and since then has continued to provide services to that company. Previously, Mr. Fasano held similar positions at Gilford Securities, Whale Securities, and Lehman Brothers. Mr. Fasano received his Bachelor of Arts in Economics from Rutgers University.

Sergio O. Manzur Odstrcil. Algodon Mansion & Algodon Wine Estates, Chief Financial Officer ("CFO") and Chief Operating Officer ("COO"). Mr. Manzur Odstrcil is an Argentina Certified Public Accountant whose professional experience includes administration and management positions with companies in Argentina, Brazil, Mexico and Chile. As CFO and COO for all of AWLD's Argentine subsidiaries, he is responsible for day-to-day management including financial planning and analysis, overseeing the implementation of financial strategies for the corporation, and for ensuring prudent corporate governance. Prior to joining Algodon, Mr. Manzur Odstrcil was the Administration and Finance Director for Bodega Francois Lurton since May 2007, where he was responsible for the design and development of a financial debt strategy and negotiations with banks and strategic suppliers to obtain credits. He was also responsible for the organization of new funding to the company for $4 million and also served as a member of the company's executive committee. From March 2002 to September 2006 he previously held the position of Country Controller for the Boston Scientific Corporation (BSC) in Chile, and prior to that he served as Controller for Southern Cone BSC in Buenos Aires and Mexico City. He also served as Senior Financial Analyst for BSC's Latin American Headquarters in Buenos Aires, as well as in Sao Paulo, Brazil, and prior to that he served as BSC's Accountant Analyst in Buenos Aires. Mr. Manzur Odstrcil began his career at Cerveceria y Malteria Quilmes in Argentina from 1997 to 1998. He obtained his MBA at INCAE in Costa Rica in 1996, and received his CPA from the Universidad Nacional de Tucumán, San Miguel de Tucumán, Argentina in 1994.

Advisors

Steven A. Moel, M.D., J.D. Senior Business Advisor, AWLD. Dr. Moel is a transactional attorney in private practice in Santa Barbara, California, and he serves as counsel and/or as an officer for many corporations and non-profits. He is presently: a member of the Board of Directors of Hollywood Burger Holdings, Inc.; Vice-President, Business Development and Mergers & Acquisitions of Virgilian, LLC (nutraceuticals/agricultural); Business Advisor and Vice-President, Finance, of via Market Consumer Products, LLC (manufacturer of consumer products); Vice-President, Business Development of Employment in Australia, LLC (immigrant worker/industry connections); Vice-President, Business Development and Senior Business Advisor of Agaia LLC (green cleaning products); and on the Advisory Board of Mahlia Collection (jewelry design/manufacturing). Previously, Dr. Moel has served as: CEO of U.S. Highland, which is traded on NASDAQ (UHLN) (motorcycles, motorsports); President, Chief Operating Officer and Executive Director of American Wine Group (wine production/distribution); Chairman of the Board and Chief Operating Officer of WayBack Granola Company (granola manufacturing); member of the Board of Directors of Grudzen Development Corp. (real estate); Chief Operating Officer and Chairman of the Board of Paradigm Technologies (electronics/computer developer); and President and Chief Executive Officer of Sem-Redwood Enterprises (stock pool). He was also a founder of Akorn, Inc., a biotechnology/ pharmaceutical company which is traded on the NASDAQ (AKRX), where he served as a Director on the Executive Board, and Vice-President of Mergers and Acquisitions. Dr. Moel is also a Board Certified Ophthalmologist who was in academic and private practice and has edited and authored multiple journal articles, medical studies, and text books, and is an Emeritus Fellow of the American Academy of Ophthalmology. His academic history includes University of Miami in Florida, the Santa Barbara College of Law, and West Virginia University Medical School.

Family Relationships

There are no family relationships among any of our executive officers and directors.

Term of Office

Each director will hold office until the next annual meeting of stockholders and until his successor is elected and qualified or until his earlier resignation or removal.

Involvement in Certain Legal Proceedings

See Part I, Item 3—Legal Proceedings.

Corporate Governance

In considering its corporate governance requirements and best practices, the Company looks to the NYSE MKT Listed Company manual. The manual is available through the Internet at http://wallstreet.cch.com/MKT/CompanyGuide/.

Board's Role and the Role of the Audit Committee in Risk Oversight

While management is charged with the day-to-day management of risks that the Company faces, the Board of Directors and the audit committee are responsible for oversight of risk management. The full Board and the audit committee have responsibility for general oversight of risks facing the Company. Specifically, the audit committee reviews and assesses the adequacy of the Company's risk management policies and procedures with regard to identification of the Company's principal risks, both financial and non-financial, and reviews updates on these risks from the Chief Financial Officer and the Chief Executive Officer. The audit committee also reviews and assesses the adequacy of the implementation of appropriate systems in order to mitigate and manage the principal risks.

Review and Approval of Transactions with Related Parties

On March 24, 2015 and effective April 15, 2015, the Board adopted a policy requiring that disinterested directors approve transactions with related parties which are not market-based transactions. Generally, the Board of Directors will approve transactions only to the extent the disinterested directors believe that they are in the best interests of the Company and on terms that are fair and reasonable (in the judgment of the disinterested directors) to the Company.

Audit Committee

The Board of Directors approved the Audit Committee Charter on March 24, 2015 to be effective April 15, 2015, in accordance with Section 3 (a)(58)(A) of the Exchange Act and NYSE MKT Rule 803(B) as modified for smaller reporting companies by NYSE MKT Rule 801(h). The Audit Committee was established to oversee the Company's corporate accounting and financial reporting processes and audits of its financial statements.

The members of our Audit Committee are Messrs. Beale and Lawrence. Mr. Lawrence is the chairman of the Audit Committee. The Board of Directors has determined that Julian H. Beale and Peter J.L. Lawrence are independent under SEC Rule 10A-3(b)(1) and NYSE MKT Rule 802(a). Management has determined that all members of the Audit Committee are "financially literate" as interpreted by management. No members of the audit committee have been qualified as an audit committee financial expert, as defined in the applicable rules of the SEC because the Board believes that the Company's status as a smaller reporting company does not require expertise beyond financial literacy.

The Audit Committee Charter deals with the establishment of the Audit Committee and sets out its duties and responsibilities. The Audit Committee will review and reassess the adequacy of the Audit Committee Charter on an annual basis. The Audit Committee Charter is available on our Company website at http://www.algodongroup.com.

No Nominating Committee

The Company has not established a nominating committee. Under the NYSE MKT Rule 804(a), if there is no nominating committee, nominations must be made by a majority of the independent directors. The Company believes that this is appropriate in light of the NYSE MKT rules on point and based on the fact that AWLD remains a smaller reporting company and (as described below) nominating decisions are made by the independent directors. In order to comply with the NYSE MKT rules, however effective April 15, 2015, the Board of Directors adopted a nomination procedure by which eligible stockholders may nominate a person to the Board of Directors. That procedure is as follows:

The Company will consider all recommendations from any person (or group) who holds and has (or collectively if a group have) held more than 5% of the Company's voting securities for longer than one year. Any stockholder who desires to submit a nomination of a person to stand for election of directors at the next annual or special meeting of the stockholders at which directors are to be elected must submit a notification of the stockholder's intention to make a nomination ("Notification") to the Company by the date mentioned in the most recent proxy statement under the heading "Proposal From Stockholders" as such date may be amended in cases where the annual meeting has been changed as contemplated in SEC Rule 14a-8(e), Question 5, and in that notification must provide the following additional information to the Company:

- Name, address, telephone number and other methods by which the Company can contact the stockholder submitting the Notification and the total number of shares beneficially owned by the stockholder (as the term "beneficial ownership" is defined in SEC Rule 13d-3);
- If the stockholder owns shares of the Company's voting stock other than on the records of the Company, the stockholder must provide evidence that he or she owns such shares (which evidence may include a current statement from a brokerage house or other appropriate documentation);
- Information from the stockholder regarding any intentions that he or she may have to attempt to make a change of control or to influence the direction of the Company, and other information regarding the stockholder any other persons associated with the stockholder that would be required under Items 4 and 5 of SEC Schedule 14A were the stockholder or other persons associated with the stockholder making a solicitation subject to SEC Rule 14a-12(c);
- Information from the stockholder regarding any intentions that he or she may have to attempt to make a change of control or to influence the direction of the Company, and other information regarding the stockholder any other persons associated with the stockholder that would be required under Items 4 and 5 of SEC Schedule 14A were the stockholder or other persons associated with the stockholder making a solicitation subject to SEC Rule 14a-12(c);
- All information required by Item 7 of SEC Schedule 14A with respect to the proposed nominee, which shall be in a form reasonably acceptable to the Company.

No Compensation Committee or Compensation Consultant

The Company has not established a compensation committee. The Company believes that this is appropriate in light of the NYSE MKT Exchange ("NYSE MKT") rules on point and based on the fact that the Company remains a smaller reporting company and (as described below) compensation decisions are made by the independent directors. Under the NYSE MKT Rule 805(a), if there is no compensation committee, compensation of the Chief Executive Officer (being Mr. Mathis) must be determined, or recommended to the Board of Directors for determination, by a majority of the independent directors on its Board. The CEO may not be present during voting or deliberations of his compensation.

In lieu of a formal charter, effective April 15, 2015, the Board adopted these guidelines to assist the Board with its duties and responsibilities in monitoring, approving and disclosing the Company's compensation philosophies and practices, in accordance with applicable rules and regulations of the U.S. Securities and Exchange Commission (the "SEC"), the Internal Revenue Service and the NYSE MKT.

All compensation decisions will be made by a majority of the independent directors who are "non-employee directors" as such term is defined Rule 16b-3 of the Securities Exchange Act of 1934 (the "Exchange Act") and not officers or employees of the Company or its subsidiaries and who meet the definition of "independent" as set forth in NYSE MKT Rule 805, and Section 10C of the Exchange Act and the rules and regulations promulgated thereunder. In addition, all independent directors must be "outside directors" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended.

NYSE MKT Rule 805(c)(1) enhances the independence requirements for directors in connection with compensation decisions by requiring that the directors "consider all factors specifically relevant to determining whether a director has a relationship to the listed company which is material to that director's ability to be independent from management in connection with the duties of a Compensation Committee member."

Responsibilities and authority of the independent directors are as follows:

- The independent directors will meet as often as they deem necessary or appropriate to perform their responsibilities. The independent directors may meet in person or by telephone conference call, and may act by unanimous written consent.
- The independent directors will make regular reports to the entire Board of Directors and will propose any necessary or appropriate action to the Board of Directors.
- The independent directors will be directly responsible for establishing annual and long-term performance goals and objectives for the Company's Chief Executive Officer and other executive officers, as well as setting the overall compensation philosophy for the Company. The directors should consider various factors when evaluating and determining the compensation terms and structure of its executive officers, including the following:

    - The executive's leadership and operational performance and potential to enhance long-term value to the Company's stockholders;
    - The Company's financial resources, results of operations, and financial projections;
    - Performance compared to the financial, operational and strategic goals established for the Company;
    - The nature, scope and level of the executive's responsibilities;
    - Competitive market compensation paid by other companies for similar positions, experience and performance levels; and
    - The executive's current salary, the appropriate balance between incentives for long-term and short-term performance.

- In fulfilling its compensation responsibilities, the independent directors will:

    - o Review and approve performance goals and objectives relevant to the compensation of the Company's Chief Executive Officer and other executive officers;
    - o Evaluate the performance of the Chief Executive Officer and other executive officers in light of approved performance goals and objectives;
    - o Establish the compensation of the Chief Executive Officer and other executive officers based upon the evaluation of the performance of the Chief Executive Officer and the other executive officers;
    - o Advise the entire Board of Directors on the setting of compensation for senior management whose compensation is not otherwise set by the committee;
    - o Grant options and awards under the Company's existing stock incentive plan;
    - o Subject to the necessary approval of the Board of Directors and/or the Company's stockholders, propose the adoption, amendment and termination of any stock option plans, pension and profit sharing plans, stock bonus plans, stock purchase plans, bonus plans, deferred compensation plans and other similar programs ("Compensation Plans");
    - o Make recommendations to the Board of Directors with respect to the Compensation Plans;
    - o Administer the Compensation Plans in accordance with their terms;
    - o Review and approve any severance or similar termination payments proposed to be made to any current or former executive officer of the Company; and
    - o Review such other compensation matters as the Chief Executive Officer or the Board of Directors of the Company requests.

Company management should be responsible for reviewing the base salary, annual bonus and long-term compensation levels for other Company employees. The entire Board of Directors should be responsible for significant changes to, or adoption, of new employee benefit plans.

NYSE MKT Rule 805(c)(1) enhances the independence requirements for directors in connection with compensation decisions by requiring that the directors "consider all factors specifically relevant to determining whether a director has a relationship to the listed company which is material to that director's ability to be independent from management in connection with the duties of a Compensation Committee member." The Board of Directors has determined that Messrs. Beale and Lawrence were independent under this requirement. Their independence is considered at each audit committee meeting.

Although NYSE MKT Rule 805(c)(3)(i) provides that a compensation committee may (in its discretion, not the discretion of the Board) retain compensation consultants, independent legal counsel, and other advisors, the independent directors acting as the compensation committee have not decided to do so.

Code of Business Conduct and Whistleblower Policy

On March 24, 2015 and effective April 15, 2015, our Board of Directors adopted a Code of Business Conduct and Whistleblower Policy (the "Code of Conduct"). The Code of Conduct applies to all of our officers and employees, including our principal executive officer, and principal accounting officer. Our Code of Conduct establishes standards and guidelines to assist our directors, officers, and employees in complying with both the Company's corporate policies and with the law and is posted at our website: www.algodongroup.com.

Insider Trading Policy

On March 24, 2015 and effective April 15, 2015, our Board of Directors adopted an Insider Trading Policy. The Insider Trading Policy applies to all of our officers, directors, and employees. Our Insider Trading Policy is posted at our website: www.algodongroup.com.

Stockholder Communications to the Board

Stockholders who are interested in communicating directly with members of the Board, or the Board as a group, may do so by writing directly to the individual Board member c/o Secretary, 135 Fifth Avenue, Floor 10, New York, NY 10010. The Company's Secretary will forward communications directly to the appropriate Board member. If the correspondence is not addressed to the particular member, the communication will be forwarded to a Board member to bring to the attention of the Board. The Company's Secretary will review all communications before forwarding them to the appropriate Board member.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16 of the Exchange Act requires that reports of beneficial ownership of common stock and changes in such ownership be filed with the Securities and Exchange Commission by Section 16 "reporting persons," including directors, certain officers, holders of more than 10% of the outstanding common stock and certain trusts of which reporting persons are trustees. We are required to disclose in this Annual Report each reporting person whom we know to have failed to file any required reports under Section 16 on a timely basis during the fiscal year ended December 31, 2015. To our knowledge, based solely on a review of copies of Forms 3, 4 and 5 filed with the Securities and Exchange Commission and written representations that no other reports were required, during the fiscal year ended December 31, 2015 our officers, directors and 10% stockholders complied with all Section 16(a) filing requirements applicable to them, except that each of Messrs. Mathis, Beale and Lawrence filed his respective Form 3 late, and Messrs. Beale, Downey, Echevarria, and Lawrence, Downey each filed one Form 4 late (each Form 4 relating to one transaction), and Mr. Mathis filed three Forms 4 late (relating to an aggregate of eight transactions) and the Wow Group, a 10% stockholder during the year ended December 31, 2014 filed its Form 3 late, and filed one Form 4 late, relating to one transaction.

Code of Ethics

On March 24, 2015 and effective April 15, 2015, the Company's Board of Directors adopted a Code of Ethics that is applicable to all of the Company's and its subsidiaries' employees, including the Company's Chief Executive Officer, Chief Financial Officer and Chief Compliance Officer. The Code of Ethics contains written standards that are designed to deter wrongdoing and to promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest; full, fair, accurate, timely and understandable public disclosures and communications, including financial reporting; compliance with applicable laws, rules and regulations; prompt internal reporting of violations of the code; and accountability for adherence to the code. A copy of the Code of Ethics is posted at our website at www.algodongroup.com.

ITEM 11. EXECUTIVE COMPENSATION

Summary Compensation Table

The following table provides information as to option awards held by each of the named executive officers of AWLD as of December 31, 2015. There have been no stock awards made to Mr. Mathis or Ms. Echevarria as of December 31, 2015.

Summary Compensation Table for Executive Officers

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards [1] ($)	Non-equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation [2] ($)	Total ($)
Scott L. Mathis	2015	401,700(3)	-	-	932,045	-	-	-	1,333,745
Chairman of the Board and Chief Executive Officer	2014	407,224(3)	-	-	357,847(4)	-	-	31,771	796,842
Mark Downey[5]	2015	92,506	-	-	-	-	-	-	92,506
Chief Financial Officer and Operating Officer	2014	157,301	25,000	-	191,380	-	-	-	373,681
Maria I Echevarria[6]	2015	125,000	20,000	-	95,765	-	-	-	240,765
Chief Financial Officer and Chief Operating Officer		-	-	-	-	-	-	-	-

(1) Represents the grant date full fair value of compensation costs of stock options granted during the respective year for financial statement reporting purposes, using the Black-Scholes option pricing model. Assumptions used in the calculation of these amounts are included in the Company's consolidated financial statements. Refer to the Outstanding Equity Awards at Fiscal Year End schedule regarding option details on an award-by-award basis.

(2) Includes all other compensation not reported in the preceding columns, including perquisites and other personal benefits, or property, unless the aggregate amount of such compensation is less than $10,000. Does not include certain fringe benefits made available on a nondiscriminatory basis to all the Company's employees, such as group health insurance, vacation and sick leave, and matching stock contributions issued in conjunction with AWLD's 401(k) plan. Amounts earned by Mr. Mathis in 2014 consist principally of legal fees paid on his behalf.

(3) Amount reflects earned compensation only. From time to time, Mr. Mathis deferred part of his compensation to accommodate AWLD's cash-flow needs. From 2009 through December 31, 2015, Mr. Mathis had a total of $899,532 accrued (earned but not paid) compensation, which does not include any commissions earned with CAP as all commissions were paid. Of the $401,700 and $407,244 earned by Mr. Mathis in 2015 and 2014, respectively, Mr. Mathis received $393,712 and $307,649 from AWLD in 2015 and 2014, respectively.

(4) Includes $75,238 fair value of stock options awarded to Mr. Mathis for his services as a director of the Company.

(5) Mark Downey was terminated as Chief financial Officer effective April 11, 2015. Mr. Downey's termination was primarily based on the Company's effort to reduce expenses and reconfigure staff more efficiently between the Company's New York office and Argentina operations, and not as the result of any disagreement with the Company practices or policies. Mr. Downey's 2015 salary amount shown above includes a severance payment of $18,750.

(6) Maria Echevarria was appointed Chief Financial Officer, Chief Operating Officer, Secretary and Compliance Officer effective April 13, 2015.

On September 28, 2015, we entered into a new employment agreement with Scott Mathis, our CEO. Among other things, the agreement provides for a three-year term of employment at an annual salary of $401,700 (subject to a 3% cost-of-living adjustment per year), bonus eligibility, paid vacation and specified business expense reimbursements. The agreement sets limits on the Mr. Mathis' annual sales of AWLD common stock. Mr. Mathis is subject to a covenant not to compete during the term of the agreement and following his termination for any reason, for a period of twelve months. Upon a change of control (as defined by the agreement), all of Mr. Mathis' outstanding equity-based awards will vest in full and his employment term resets to two years from the date of the change of control. Following Mr. Mathis's termination for any reason, Mr. Mathis is prohibited from soliciting Company clients or employees for one year and disclosing any confidential information of AWLD for a period of two years. The agreement may be terminated by the Company for cause or by the CEO for good reason, in accordance with the terms of the agreement.

Outstanding Equity Awards at Fiscal Year End

The following table provides information as to option awards held by each of the named executive officers of AWLD as of December 31, 2015. There have been no stock awards made to Mr. Mathis or Ms. Echevarria as of December 31, 2015.

	Option Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date
Scott L. Mathis	25,000	-	3.85	4/15/2016
	422,500	-	3.85	7/6/2016
	25,000	-	3.85	4/15/2017
	25,000	-	2.48	4/15/2018
	1,000,000	-	2.48	6/30/2018
	156,250(1)	343,750(1)	2.48	8/27/2019
	150,000	-	2.48	8/27/2019
	-	1,459,890(2)	2.20	6/8/2020
Maria I. Echevarria	-	150,000(3)	2.20	6/8/2020

(1) On August 27, 2014, Mr. Mathis was granted an option to acquire 500,000 shares of the Company's common stock, of which 31,250 shares underlying the option vested on November 27, 2014 and 31,250 shares vest every three months thereafter.

(2) On June 8, 2015, Mr. Mathis was granted an option to acquire 1,459,890 shares of the Company's common stock, of which 364,794 shares underlying the option vest on June 8, 2016, and 91,243 shares vest every three months thereafter.

(3) On June 8, 2015, Ms. Echevarria was granted an option to acquire 150,000 shares of the Company's common stock, of which 37,500 shares underlying the option vest on June 8, 2016, and 9,375 shares vest every three months thereafter.

Director Compensation

During the fiscal year ended December 31, 2015, our non-employee directors did not receive any compensation for their service on our board.

Summary of the 2008 Equity Incentive Plan

General Plan Information

The 2008 Equity Incentive Plan (the "Plan") was adopted by the Board of Directors (the "Board") on August 28, 2008 ("Effective Date"), and approved by a majority of the Company's stockholders on September 2, 2008. The Plan was subsequently amended with Board consent and majority stockholder consent to increase the aggregate number of shares issuable under the plan from 5,000,000 to 9,000,000, of which 60,564 remain available for issuance as of December 31, 2015. All key employees of the Company, including officers and directors, as well as non-employee directors, consultants and advisors are eligible to receive equity awards under the Plan, which may include incentive stock options, non-qualified stock options, restricted or unrestricted stock, performance awards, loans or supplemental grants. Upon termination of service to the Company, awards are forfeited immediately, or one or six months after termination, depending on the circumstances. The Plan provides for accelerated vesting of unvested outstanding options or restricted stock awards upon a change of control of the Company (a "Change in Control"). Performance awards and supplemental grants which relate only to the passage of time and continued employment terminate six months after the occurrence of a Change in Control. The Board of Directors administers the plan and has the authority to determine the amount, type and terms of awards granted under the Plan.

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

The following table sets forth certain information regarding our shares of common stock beneficially owned as of March 25, 2016, for (i) each stockholder known to be the beneficial owner of more than 5% of our outstanding shares of common stock (ii) each named executive officer and director, and (iii) all executive officers and directors as a group. A person is considered to beneficially own any shares: (a) over which such person, directly or indirectly, exercises sole or shared voting or investment power, or (b) of which such person has the right to acquire beneficial ownership at any time within 60 days through an exercise of stock options, warrants or convertible debt. Shares underlying such options, warrants, and convertible promissory notes, however, are only considered outstanding for the purpose of computing the percentage ownership of that person and are not considered outstanding when computing the percentage ownership of any other person. Unless otherwise indicated, voting and investment power relating to the shares shown in the table for our directors and executive officers is exercised solely by the beneficial owner or shared by the owner and the owner's spouse or children. In addition, the address of each of the persons set forth below (unless otherwise specified) is c/o AWLD, 135 Fifth Avenue, 10th Floor, New York, New York 10010.

Security Ownership of Certain Beneficial Owners and Management

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Common Stock Outstanding as of March 25, 2016(1)
More than 5% Stockholders		
The WOW Group, LLC	4,660,656	11.6%
Murdock and Janie Richard (2)	2,789,913	6.9%
Ralph & Mary Rybacki (3)	2,782,348	6.9%
Directors and Named Executive Officers		
Scott L. Mathis	7,241,874(4)	17.1%
Julian H. Beale	795,088(5)	1.9%
Peter J.L. Lawrence	893,200(6)	2.2%
Maria I. Echevarria	0(7)	*
All directors and executive officers as a group:	8,930,162(8)	20.4%

* Less than one percent

(1) Based on 40,201,566 shares of our common stock outstanding on March 25, 2016, and, with respect to each individual holder, rights to acquire our common stock exercisable within 60 days of March 25, 2016.

(2) Based on information contained on Schedule 13G filed by Murdock Richard on February 6, 2015. The principal business address of Mr. and Mrs. Richard is 5950 Sherry Lane, Suite 210, Dallas, TX 75225.

(3) Based on information contained on Schedule 13G filed by Ralph and Mary Rybacki on February 11, 2016. The principal business address of Mr, and Mrs. Rybacki is 500 Capital Drive, Lake Zurich, IL 60047.

(4) Consists of (a) 336,545 shares of common stock owned by Mr. Mathis directly; (b) 4,660,656 shares owned by The WOW Group, LLC, of which Mr. Mathis is a controlling member; (c) 98,399 shares owned by Mr. Mathis's 401(k) account; (d) warrants to acquire 311,274 shares of common stock, and (e) the right to acquire 1,835,000 shares of common stock subject to the exercise of options.

(5) Consists of (a) 97,588 shares of common stock owned by Mr. Beale directly; and (b) 697,500 shares of our common stock issuable upon the exercise of stock options.

(6) Consists of (a) 184,971 shares of our common stock owned by Mr. Lawrence directly; (b) 10,729 shares owned by Mr. Lawrence and his spouse as trustees for the Peter Lawrence 1992 Settlement Trust; and (c) 697,500 shares or our common stock issuable upon the exercise of stock options.

(7) Ms. Echevarria was appointed Chief Financial Officer, Chief Operating Officer, Secretary and Compliance Officer for the Company effective April 13, 2015. On June 8, 2015 she was awarded options for the purchase 150,000 shares of our common stock, of which 37,500 vest on June 8, 2016, and the remaining shares vest quarterly thereafter.

(8) Consists of 5,388,888 shares of our common stock, 3,230,000 shares of our common stock issuable upon the exercise of stock options, and 311,274 shares of our common stock issuable upon the exercise of warrants.

The WOW Group, LLC

Scott Mathis is a managing member and holds 56.57% of The WOW Group. Non-managing members include certain DPEC Capital employees, certain former DPEC Capital employees, and certain AWLD shareholders. The WOW Group's only asset is its 11.8% interest in AWLD as of December 31, 2015.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The following is a description of transactions during the last fiscal year in which the transaction involved a material dollar amount and in which any of the Company's directors, executive officers or holders of more than 5% of AWLD common stock and Series A Preferred on an as- converted basis had or will have a direct or indirect material interest, other than compensation which is described under "Executive Compensation."

- Scott Mathis, CEO and Chairman of the Company, loaned the Company $400,000 in April 2011 at 6% interest. The total loan principal and related interest were repaid in full during 2014. Additionally, Mr. Mathis in 2011 and 2012 invested a total of $800,000 in the Company's offering of convertible promissory notes on the same terms as other investors. During 2014, principal and interest of $373,958 and $207,327 were repaid in cash, and the remaining principal of $426,042 and the related interest were converted into 231,545 shares of Series A Preferred.

- Ralph Rybacki, an investor and a greater than 5% stockholder, is affiliated with Jomada Imports, a company that imported wines for AWE to the United States through December 31, 2015.

- Scott Mathis is Chairman and Chief Executive Officer of Hollywood Burger Holdings, Inc. ("HBH"), a private company he founded which is developing Hollywood-themed American fast food restaurants in Argentina and the United States. The Company has an expense sharing agreement with HBH to provide office space and other clerical services. General and administrative expenses were reduced by $126,766 and $172,796 during the years ended on December 31, 2015 and 2014, respectively, as a result of the expense sharing agreement. As of December 31, 2015 and 2014, HBH owes $177,755 and $96,354, respectively, to the Company under such and similar prior agreements.

- InvestBio, Inc. ("InvestBio") was a wholly-owned subsidiary of AWLD until it was spun-off to AWLD shareholders, effective September 30, 2010. The owners of more than 5% of InvestBio are Scott Mathis and Ralph Rybacki. The Board of Directors of InvestBio consists of Scott Mathis, Julian Beale, and Peter Lawrence. The Company has an expense sharing agreement with InvestBio to provide office space and other clerical services. General and administrative expenses were reduced by $15,960 and $15,960 during the years ended December 31, 2015 and 2014, respectively as a result of the agreement. InvestBio owed $380,472 and $389,512 to the Company under the expense sharing agreement as of December 31, 2015 and 2014, respectively, of which $376,000 and $289,000, respectively, is deemed unrecoverable and written off.

- AWLD processes payroll for Hollywood Burger Holdings, Inc. and allocates other expenses according to an Expense Sharing Agreement. Such expenses are recorded through an intercompany account and periodically paid by Hollywood Burger Holdings, Inc. General and administrative expenses were reduced by $39,000 and $53,000 during the years ended December 31, 2015 and 2014, respectively, as a result of the agreement. Hollywood Burger Holding owed $177,755 and $96,354 under the expense sharing agreement as of December 31, 2015 and 2014, respectively.

- DPEC Capital does pay regular brokerage commissions to its registered representatives according to the standard firm payout schedule, which includes the allocation of earned warrants. During 2015, in connection with the sale of AWLD common stock, the Company issued five-year warrants to its subsidiary DPEC Capital who acted as placement agent, to purchase 342,642 and 16,000 shares of AWLD common stock at an exercise price of $2.00 and $2.50 per share, respectively, including 100,188 warrants valued at $87,965 to Scott Mathis and 38,988 warrants valued at $34,231 to Keith Fasano, each in their capacity as registered representatives. Mr. Mathis and Mr. Fasano also received cash commissions of $173,330 and $56,637, respectively, related to the sale of common stock. Similarly, during 2014, in connection with the sale of Series A Preferred, the Company issued five-year warrants to DPEC Capital for the purchase 299,444 shares of Series A Preferred at an exercise price of $2.30 per share as well as warrants for the purchase of 50,000 shares of the Company's common stock at an exercise price of $2.00 per share. DPEC Capital, in turn, awarded such warrants to its registered representatives, including 169,082 warrants valued at $162,319 to Scott Mathis and 23,780 warrants valued at $22.829 to Keith Fasano, each in their capacity as registered representatives. Mr. Mathis and Mr. Fasano also received cash commissions of $74,264 and $61,452, respectively, related to the sale of Series A Preferred. The Company recorded $259,901 and $285,147 of stock-based compensation expense for the years ended December 31, 2015 and 2014, respectively, which is recorded within general and administrative expense in the consolidated statements of operations.

Warrants in Affiliates Earned by DPEC Capital

As noted above, DPEC Capital has earned warrants to purchase the shares of certain companies including AWLD affiliates for which DPEC Capital has provided investment banking and advisory services. It is the Company's policy to distribute part or all of the warrants it earned through serving as placement agent on various private placement offerings for a related but independent entity under common management, to registered representatives or other employees who provided investment banking services. During the fiscal year ended December 31, 2015, DPEC Capital earned warrants to purchase 156,016 shares of common stock in Hollywood Burger Holdings, Inc. in connection with providing investment banking services to Hollywood Burger Holdings, Inc., of which warrants for the purchase of 109,218 shares of common stock in Hollywood Burger Holdings, Inc. were awarded to its registered representatives. The Company recorded $44,801 of stock-based compensation expense for the year ended December 31, 2015 related to the warrants awarded to its registered representatives, which is recorded within general and administrative expense in the consolidated statements of operations. No warrants for the purchase of Hollywood Burger Holdings, Inc. common stock were earned by DPEC Capital during the year ended December 31, 2014

Director Independence

Our Board of Directors has undertaken a review of its composition and the independence of each director. Based on the review of each director's background, employment and affiliations, including family relationships, the Board of Directors has determined that two of our three directors (Julian Beale and Peter J.L. Lawrence) are "independent" under the rules and regulations of the SEC and the NYSE MKT. In making this determination, our Board of Directors considered the current and prior relationships that each non-employee director has with the Company and all other facts and circumstances our Board of Directors deemed relevant in determining their independence, including the beneficial ownership of the Company's capital stock. Mr. Mathis was not deemed independent as a result of his service as our Chief Executive Officer, as described in Item 10 and his significant stock ownership as described in Item 12.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the aggregate fees billed to us by Marcum, LLP, our independent registered public accounting firm, for the years ended December 31, 2015 and 2014:

	2015	2014
Audit fees (1)	$ 175,000	$ 277,500
Audit-related fees	8,000	-
Tax fees	25,200	30,600
	$ 208,200	$ 308,100

(1) Represents fees associated with the audit of the Company's consolidated financial statements for the fiscal years ended December 31, 2015 and 2014, and the reviews of the consolidated financial statements included in the Company's quarterly reports on Form 10-Q during 2015 and 2014.

Audit Committee Policies and Procedures.

The Board of Directors approved the audit committee charter effective April 15, 2015. The audit committee must pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for us by our independent auditors, subject to the de-minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act. Each year the independent auditor's retention to audit our financial statements, including the associated fee, is approved by the audit committee before the filing of the previous year's Annual Report on Form 10-K. At the beginning of the fiscal year, the audit committee will evaluate other known potential engagements of the independent auditor, including the scope of work proposed to be performed and the proposed fees, and approve or reject each service, taking into account whether the services are permissible under applicable law and the possible impact of each non-audit service on the independent auditor's independence from management. At each such subsequent meeting, the auditor and management may present subsequent services for approval. Typically, these would be services such as due diligence for an acquisition, that would not have been known at the beginning of the year.

Each new engagement of Marcum, LLP, has been approved by the Board, and none of those engagements made use of the de-minimus exception to the pre-approval contained in Section 10A(i)(1)(B) of the Exchange Act.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENTS AND SCHEDULE

EXHIBIT INDEX

The following documents are being filed with the Commission as exhibits to this Annual Report on Form 10K.

Exhibit	Description
3.1	Amended and Restated Certificate of Incorporation filed September 30, 2013[1]
3.2	Amended and Restated Bylaws[1]
4.1	Amended and Restated Certificate of Designation of the Series A Preferred filed September 30, 2013 [1]
4.2	Diversified Private Equity Corp. 2008 Equity Incentive Plan; Amendment No. 1 dated January 18, 2011; and Amendment No. 2 dated September 14, 2012[1]
4.3	Form of Stock Option Certificate Pursuant to the 2008 Stock Option Plan[1]
10.1	Employment Agreement by and between Algodon Wines & Luxury Development Group, Inc. and Scott L. Mathis dated September 28, 2015[5]
10.2	Agreement of Lease between 135 Fifth Avenue LLC and Diversified Biotech Holdings Corp. dated July 1, 2006 and Amendment of Lease between 135 Fifth Avenue LLC and Diversified Private Equity Corp., dated September 1, 2010[1]
10.3	Second Amendment of Lease between 135 Fifth Avenue LLC and Diversified Private Equity Corp., dated July 10, 2015*
10.4	Warrant Agreement between Algodon Global Properties, LLC and DPEC Capital, Inc. dated July 18, 2008; Amendment No. 1 to Warrant Agreement dated April 13, 2009; and Form of Warrant Certificate[1]
10.5	Placement Agent Agreement between Hollywood Burger Holdings, Inc. and DPEC Capital, Inc. dated March 11, 2010; Initial Extension of Placement Agent Agreement dated October 8, 2010; Second Extension of Placement Agent Agreement dated July 8, 2011; Third Extension of Placement Agent Agreement dated September 7, 2011; and Fourth Extension of Placement Agent Agreement dated March 21, 2012[1]
10.6	Fifth Extension of Placement Agent Agreement between Hollywood Burger Holdings, Inc. and DPEC Capital, Inc. dated February 28, 2014*
10.7	Warrant Agreement between Hollywood Burger Holdings, Inc. and DPEC Capital, Inc. dated March 11, 2010; Initial Extension of Warrant Agent Agreement dated October 8, 2010; Second Extension of Warrant Agent Agreement dated March 21, 2012; and Form of Warrant Certificate[1]
10.8	Third Extension of Warrant Agreement between Hollywood Burger Holdings, Inc. and DPEC Capital, Inc. dated February 28, 2014*
10.9	Convertible Note Purchase Agreement dated June 24, 2011; Amendment No. 1 dated September 30, 2011; and Form of Convertible Promissory Note[1]
10.10	Placement Agent Agreement between Algodon Wines & Luxury Development Group, Inc. and DPEC Capital, Inc. dated October 1, 2012[1]
10.11	First Extension of Placement Agent Agreement between Algodon Wines & Luxury Development Group, Inc. and DPEC Capital, Inc., dated June 30, 2013; and Revised Second Extension and First Modification of October 1, 2012 Placement Agent Agreement[2]
10.12	Amended Revised Second Extension and First Modification of the October 1, 2012 Placement Agent Agreement dated as of September 8, 2014[3]
10.13	Warrant Agreement between Algodon Wines & Luxury Development Group, Inc. and DPEC Capital, Inc. dated October 1, 2012 and Form of Warrant Certificate[1]
10.14	Extension of Termination Date of Placement Agent Agreement, dated December 31, 2014; Second Extension of Termination Date of Placement Agent Agreement and Warrant Agreement, dated March 31, 2015; and Third Extension and Second Modification of the October 1, 2012 Placement Agent Agreement, dated as of October 1, 2015*

10.15	Extension of Warrant Agreement, dated July 9, 2014 Second Extension of Warrant Agreement, dated Sept. 8, 2014; and Third Extension of Warrant Agreement, dated October 1, 2015*
10.16	Letter Agreement between Maxim Group, LLC and the Company, dated January 11, 2016*
14.1	Code of Business Conduct and Ethics and Whistleblower Policy[4]
14.2	Audit Committee Charter[4]
21	Subsidiaries of Algodon Wines & Luxury Development Group, Inc.[4]
99.1	Algodon Wine Estates Property Map[1]
31.1	Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32	Certification of the Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
101.INS	XBRL Instance Document
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.DEF	XBRL Definition Linkbase Document
101.LAB	XBRL Label Linkbase Document
101.PRE	XBRL Presentation Linkbase Document

1. Incorporated by reference from the Company's Registration of Securities Pursuant to Section 12(g) on Form 10 dated May 14, 2014.
2. Incorporated by reference from the Company's Registration of Securities Pursuant to Section 12(g) on Amendment No. 2 to Form 10 dated August 13, 2014.
3. Incorporated by reference from the Company's Registration of Securities Pursuant to Section 12(g) on Amendment No. 3 to Form 10 dated September 12, 2014.
4. Incorporated by reference from the Company's Annual Report on Form 10-K, filed on March 31, 2015.
5. Incorporated by reference from the Company's Quarterly report on Form 10-Q, filed on November 16, 2015.

* Filed herewith.

** Furnished, not filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

ALGODON WINES & LUXURY DEVELOPMENT GROUP, INC.

Dated: March 30, 2016	By:	/s/ Scott L. Mathis Scott L. Mathis Principal Executive Officer
Dated: March 30, 2016	By:	/s/ Maria I. Echevarria Maria I. Echevarria Principal Financial and Accounting Officer

Pursuant to the requirement of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

Dated: March 30, 2016	By:	/s/ Scott L. Mathis Chief Executive Officer (principal executive officer) & Chairman of the Board
Dated: March 30, 2016	By:	/s/ Maria I. Echevarria Maria I. Echevarria Chief Financial Officer (principal financial and accounting officer)
Dated: March 30, 2016	By:	/s/ Julian H. Beale Julian H. Beale Director
Dated: March 30, 2016	By:	/s/ Peter J.L. Lawrence Peter J.L. Lawrence Director

ALGODON WINES & LUXURY DEVELOPMENT GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders
of Algodon Wines & Luxury Development Group, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheets of Algodon Wines & Luxury Development Group, Inc. and Subsidiaries (the "Company") as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive loss, changes in stockholders' equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Algodon Wines & Luxury Development Group, Inc. and Subsidiaries, as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 2, the Company has incurred significant losses and needs to raise additional funds to meet its obligations and sustain its operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Marcum LLP

Marcum LLP
New York, NY
March 30, 2016

ALGODON WINES & LUXURY DEVELOPMENT GROUP, INC.
AND SUBSIDIARIES
Consolidated Balance Sheets

	December 31, 2015	December 31, 2014
Assets		
Current Assets		
Cash	$ 110,645	$ 442,725
Accounts receivables, net	232,789	292,840
Accounts receivables - related parties, net	333,911	265,111
Advances and loans to registered representatives, net	189,612	208,019
Inventory	1,184,268	1,487,166
Prepaid expenses and other current assets, net	602,800	454,996
Total Current Assets	2,654,025	3,150,857
Property and equipment, net	4,454,969	6,668,504
Prepaid foreign taxes, net	360,015	672,541
Investment - related parties	127,202	294,653
Deposits	61,284	42,269
Total Assets	$ 7,657,495	$ 10,828,824
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 585,095	$ 719,997
Accrued expenses	1,869,808	2,655,791
Deferred revenue	1,384,317	1,229,029
Loans payable	-	100,000
Convertible and non-convertible debt obligations	287,500	337,500
Other liabilities	4,488	5,884
Total Current Liabilities	4,131,208	5,048,201
Other liabilities, non-current portion	399,119	-
Total Liabilities	4,530,327	5,048,201
Commitments and Contingencies		
Stockholders' Equity		
Series A convertible preferred stock, par value $0.01 per share; 11,000,000 shares authorized; 902,670 shares available for issuance; 0 shares issued and outstanding at December 31, 2015 and 2014, respectively.	-	-
Common stock, par value $0.01 per share; 80,000,000 shares authorized; 38,879,333 and 35,745,831 shares issued and 38,874,922 and 35,741,020 shares outstanding as of December 31, 2015 and 2014, respectively.	388,793	357,458
Additional paid-in capital	69,933,147	62,517,913
Accumulated other comprehensive loss	(9,591,274)	(7,770,214)
Accumulated deficit	(57,589,428)	(49,310,464)
Treasury stock, at cost, 4,411 shares at December 31, 2015 and 2014	(14,070)	(14,070)
Total Stockholders' Equity	3,127,168	5,780,623
Total Liabilities and Stockholders' Equity	$ 7,657,495	$ 10,828,824

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

ALGODON WINES & LUXURY DEVELOPMENT GROUP, INC.
AND SUBSIDIARIES
Consolidated Statements of Operations

	For the Years Ended December 31, 2015	For the Years Ended December 31, 2014
Sales	$ 2,008,145	$ 2,114,912
Cost of sales	(2,225,813)	(2,127,086)
Gross loss	(217,668)	(12,174)
Operating Expenses		
Selling and marketing	246,432	335,754
General and administrative	7,270,721	7,910,767
Depreciation and amortization	224,580	279,082
Total operating expenses	7,741,733	8,525,603
Loss from Operations	(7,959,401)	(8,537,777)
Other Expenses		
Interest expense, net	319,563	305,524
Loss on extinguishment of convertible debt	-	220,126
Total other expenses	319,563	525,650
Net Loss	(8,278,964)	(9,063,427)
Cumulative preferred stock dividends	-	(672,766)
Net Loss Attributable to Common Stockholders	$ (8,278,964)	$ (9,736,193)
Net Loss Per Share Attributable to Common Stockholders:		
Basic and Diluted	$ (0.22)	$ (0.34)
Weighted Average Number of Common Shares Outstanding:		
Basic and Diluted	37,681,332	28,697,949

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

ALGODON WINES & LUXURY DEVELOPMENT GROUP, INC.
AND SUBSIDIARIES
Consolidated Statements of Comprehensive Loss

	For the Years Ended December 31,			
	2015		2014	
Net Loss	$	(8,278,964)	$	(9,063,427)
Other Comprehensive Loss				
Foreign currency translation adjustments		(1,821,060)		(1,567,513)
Total Comprehensive Loss	$	(10,100,024)	$	(10,630,940)

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

ALGODON WINES & LUXURY DEVELOPMENT GROUP, INC.
AND SUBSIDIARIES
Consolidated Statement of Changes in Stockholders' Equity

	Series A Convertible Preferred Stock		Common Stock		Treasury Stock		Additional Paid-In	Accumulated Other Comprehensive	Accumulated	Total Stockholders'
	Shares	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**	**Capital**	**Loss**	**Deficit**	**Equity**
Balance - December 31, 2013	6,871,363	68,713	23,761,436	237,614	4,411	(14,070)	50,847,039	(6,202,701)	(40,247,037)	$ 4,689,558
Stock-based compensation:										
Common stock issued under 401(k) profit sharing plan	-	-	21,454	215	-	-	48,057	-	-	48,272
Options and warrants	-	-	-	-	-	-	853,169	-	-	853,169
Common stock issued for services	-	-	60,485	605	-	-	135,487	-	-	136,092
Common stock issued for exercised options	-	-	197,726	1,977	-	-	47,982	-	-	49,959
Series A convertible preferred stock issued for cash	2,748,995	27,490	-	-	-	-	6,295,187	-	-	6,322,677
Common stock issued for cash	-	-	1,223,349	12,233	-	-	2,434,464	-	-	2,446,697
Exchange of loans payable and accrued interest for common stock	-	-	384,051	3,841	-	-	764,262	-	-	768,103
Exchange of 12.5 % convertible notes for Series A convertible preferred stock	92,811	928	-	-	-	-	212,537	-	-	213,465
Exchange of 10 % convertible notes for Series A convertible preferred stock	384,161	3,842	-	-	-	-	879,729	-	-	883,571
Conversion of Series A preferred stock into common stock	(10,097,330)	(100,973)	10,097,330	100,973	-	-	-	-	-	-
Comprehensive loss:										
Net loss	-	-	-	-	-	-	-	-	(9,063,427)	(9,063,427)
Other comprehensive loss	-	-	-	-	-	-	-	(1,567,513)	-	(1,567,513)
Balance -December 31, 2014	-	-	35,745,831	357,458	4,411	(14,070)	62,517,913	(7,770,214)	(49,310,464)	5,780,623
Stock-based compensation:										
Common stock issued under 401(k) profit sharing plan	-	-	36,700	367	-	-	73,033	-	-	73,400
Options and warrants	-	-	-	-	-	-	1,042,135	-	-	1,042,135
Common stock issued for cash	-	-	3,096,802	30,968	-	-	6,300,066	-	-	6,331,034
Comprehensive loss:										
Net loss	-	-	-	-	-	-	-	-	(8,278,964)	(8,278,964)
Other comprehensive loss	-	-	-	-	-	-	-	(1,821,060)	-	(1,821,060)
Balance -December 31, 2015	-	$ -	38,879,333	$ 388,793	4,411	$ (14,070)	$ 69,933,147	$ (9,591,274)	$ (57,589,428)	$ 3,127,168

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

ALGODON WINES & LUXURY DEVELOPMENT GROUP, INC.
AND SUBSIDIARIES
Consolidated Statements of Cash Flows

	For the Years Ended December 31, 2015	2014
Cash Flows from Operating Activities		
Net loss	$ (8,278,964)	$ (9,063,427)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	1,118,884	926,202
Net realized & unrealized investment losses	167,451	23,542
Depreciation and amortization	224,580	279,082
Provision for uncollectable assets	(49,073)	90,232
Write-off of inventory	193,146	-
Prepaid compensation amortization	19,121	13,000
Loss on extinguishment of convertible debt	-	220,126
Decrease (increase) in assets:		
Accounts receivable	(206,755)	(77,775)
Inventory	(284,924)	(355,612)
Deposits	(19,266)	(906)
Prepaid expenses and other current assets	(154,192)	(279,787)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(558,249)	875,878
Deferred revenue	731,991	303,070
Other liabilities	558,542	(5,797)
Total Adjustments	1,741,256	2,011,255
Net Cash Used in Operating Activities	(6,537,708)	(7,052,172)
Cash Used in Investing Activities		
Purchase of property and equipment	(470,442)	(653,995)
Net Cash Used in Investing Activities	(470,442)	(653,995)
Cash Provided by Financing Activities		
Proceeds from issuance of promissory notes	-	325,000
Repayments of promissory notes	(100,000)	(331,019)
Repayments of convertible debt obligations	(50,000)	(729,022)
Proceeds from common stock offering	6,331,034	2,446,697
Proceeds from preferred stock offering	-	5,532,877
Proceeds from the exercise of stock options	-	49,959
Net Cash Provided by Financing Activities	6,181,034	7,294,492
Effect of Exchange Rate Changes on Cash	495,036	646,982
Net (Decrease) Increase in Cash	(332,080)	235,307
Cash - Beginning of Year	442,725	207,418
Cash - End of Year	$ 110,645	$ 442,725

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

ALGODON WINES & LUXURY DEVELOPMENT GROUP, INC.
AND SUBSIDIARIES
Consolidated Statements of Cash Flows

	For the years ended December 31,	
	2015	**2014**
Supplemental Disclosures of Cash Flow Information:		
Interest paid	$ 248,567	$ 471,103
Income taxes paid	$ 25,049	$ 66,846
Non-Cash Investing and Financing Activity		
Issuance of preferred stock previously subscribed	$ -	$ 789,800
Debt and interest converted to equity	$ -	$ 1,645,012
Preferred stock converted into common stock	$ -	$ 100,973
Common stock issued to settle operational expenses	$ -	$ 136,092
Accrued stock based compensation converted to equity	$ 73,400	$ 48,272

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

1. ORGANIZATION

Through its wholly-owned subsidiaries, Algodon Wines & Luxury Development Group, Inc. ("Company", "Algodon Partners", "AWLD"), a Delaware corporation that was incorporated on April 5, 1999, currently invests in, develops and operates international real estate projects.

As wholly-owned subsidiaries of AWLD, InvestProperty Group, LLC ("IPG") and Algodon Global Properties, LLC ("AGP") operate as holding companies that invest in, develop and operate global real estate and other lifestyle businesses such as wine production and distribution, golf, tennis, and restaurants. AWLD operates its properties through its ALGODON® brand. IPG and AGP have invested in two ALGODON® brand projects located in Argentina. The first project is Algodon Mansion, a Buenos Aires-based luxury boutique hotel property that opened in 2010 and is owned by the Company's subsidiary, The Algodon – Recoleta, SRL ("TAR"). The second project is the redevelopment, expansion and repositioning of a Mendoza-based winery and golf resort property now called Algodon Wine Estates ("AWE"), the integration of adjoining wine producing properties, and the subdivision of a portion of this property for residential development.

AWLD's wholly owned subsidiary, DPEC Capital, Inc. ("CAP"), is a broker-dealer registered with the Financial Industry Regulatory Authority ("FINRA"), the Securities and Exchange Commission ("SEC") and the Securities Investor Protection Corporation ("SIPC") and clears its securities transactions on a fully disclosed basis with another broker-dealer. CAP provides brokerage securities trading; private equity and venture capital investments; and advisory and other financial services to customers. CAP, in its normal course of business, enters into and may be a party to private equity transactions with AWLD and certain related affiliates (see Note 8 – Investments and Fair Value of Financial Instruments, Note 15 – Related Party Transactions, Note 17 – Stockholders' Equity – Warrants and Note 19 – Subsequent Events – Warrants).

AWLD's wholly owned subsidiary Algodon Europe, Ltd., is a United Kingdom wine distribution company. AWLD also owns approximately 96.5% of Mercari Communications Group, Ltd. ("Mercari"), a public shell corporation that is current in its SEC reporting obligations and is a ready target for merger or sale. Mercari is a consolidated subsidiary of the Company and the noncontrolling interest is negligible.

2. GOING CONCERN AND MANAGEMENT'S LIQUIDITY PLANS

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset amounts or the classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company incurred losses of $8,278,964 and $9,063,427 during the years ended December 31, 2015 and 2014, respectively. Cash used in operating activities was $6,537,708 and $7,052,172 for the years ended December 31, 2015 and 2014, respectively. Based upon projected revenues and expenses, the Company believes that it may not have sufficient funds to operate for the next twelve months. The aforementioned factors raise substantial doubt about the Company's ability to continue as a going concern.

2. GOING CONCERN AND MANAGEMENT'S LIQUIDITY PLANS, continued

The Company needs to raise additional capital in order to expand its business objectives. The Company funded its operations for the years ended December 31, 2015 and 2014, primarily through the sale of common stock for net proceeds of $6,331,034 and $2,446,697, respectively, and during the year ended December 31, 2014, the Company sold preferred stock for net proceeds of $5,532,877 and received $49,959 proceeds from the exercise of stock options. (See Note 16 – Stockholders' Equity). During the years ended December 31, 2015 and 2014, the Company repaid convertible promissory notes of $50,000 and $729,022, respectively (see Note 11 – Convertible Debt Obligations), and notes payable of $100,000 and $331,019, respectively.

The Company presently has enough cash on hand to sustain its operations on a month to month basis. Historically, the Company has been successful in raising funds to support its capital needs. Management believes that it will be successful in obtaining additional financing; however, no assurance can be provided that the Company will be able to do so. Further, there is no assurance that these funds will be sufficient to enable the Company to attain profitable operations or continue as a going concern. To the extent that the Company is unsuccessful, the Company may need to curtail its operations and implement a plan to extend payables and reduce overhead until sufficient additional capital is raised to support further operations. There can be no assurance that such a plan will be successful. Such a plan could 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, liquidate and/or seek reorganization in bankruptcy. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include all of the accounts of Algodon Wines & Luxury Development Group, Inc. and the Company's consolidated subsidiaries. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

Use of Estimates

To prepare financial statements in conformity with accounting principles generally accepted in the United States of America, the Company must make estimates and assumptions. These estimates and assumptions affect the reported amounts in the financial statements, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant estimates and assumptions of the Company include the valuation of equity instruments, the useful lives of property and equipment and reserves associated with the realizability of certain assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Foreign Currency Translation

The Company's functional and reporting currency is the United States Dollar. The functional currencies of the Company's operating subsidiaries are their local currencies (United States Dollar, Argentine Peso and British Pound). There has been a steady devaluation of the Argentine Peso relative to the United States Dollar in recent years. Assets and liabilities are translated into U.S. dollars at the balance sheet date (12.9441 and 8.5411 at December 31, 2015 and 2014, respectively), and revenue and expense accounts are translated at a weighted average exchange rate for the year then ended (9.2495 and 8.1095 for the years ended December 31, 2015 and 2014, respectively).

Resulting translation adjustments are made directly to accumulated other comprehensive income. Losses arising from exchange rate fluctuations on transactions denominated in a currency other than the functional currency of $360,170 and $223,904 for the years ended December 31, 2015 and 2014, respectively, are recognized in operating results in the consolidated statements of operations. The Company engages in foreign currency denominated transactions with customers and suppliers, as well as between subsidiaries with different functional currencies.

A highly inflationary economy is defined as an economy with a cumulative inflation rate of approximately 100 percent or more over a three-year period. If a country's economy is classified as highly inflationary, the functional currency of the foreign entity operating in that country must be remeasured to the functional currency of the reporting entity. The official cumulative inflation rate for Argentina over the last three years approximated 64%, although the International Monetary Fund has concerns regarding the accuracy of the official data.

Accounts Receivable

Accounts receivable primarily represent receivables from hotel guests who occupy rooms and wine sales to commercial customers. The Company provides an allowance for doubtful accounts when it determines that it is more likely than not a specific account will not be collected. The allowance for doubtful accounts was $5,882 and $10,530 as of December 31, 2015 and 2014, respectively. Bad debt expense for the years ended December 31, 2015 and 2014 was $93,755 and $41,299, respectively. Write-offs of accounts receivable for the years ended December 31, 2015 and 2014 were $10,347 and $21,424, respectively.

Inventory

Inventories are comprised primarily of vineyard in process, wine in process, finished wine, plus food and beverage items and are stated at the lower of cost or market, with cost being determined on the first-in, first-out method. Costs associated with winemaking, and other costs associated with the creation of products for resale, are recorded as inventory. Vineyard in process represents the monthly capitalization of farming expenses (including farming labor costs, usage of farming supplies and depreciation of the vineyard and farming equipment) associated with the growing of grape, olive and other fruits during the farming year which culminates with the February/March harvest. Wine in process represents the capitalization of costs during the winemaking process (including the transfer of grape costs from vineyard in process, winemaking labor costs and depreciation of winemaking fixed assets, including tanks, barrels, equipment, tools and the winemaking building). Finished wines represents wine available for sale and includes the transfer of costs from wine in process once the wine is bottled and labeled. Other inventory consists of olives, other fruits, golf equipment and restaurant food.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Inventory, continued

In accordance with general practice within the wine industry, wine inventories are included in current assets, although a portion of such inventories may be aged for periods longer than one year. As required, the Company reduces the carrying value of inventories that are obsolete or in excess of estimated usage to estimated net realizable value. The Company's estimates of net realizable value are based on analyses and assumptions including, but not limited to, historical usage, future demand and market requirements. Reductions to the carrying value of inventories are recorded in cost of sales. If future demand and/or pricing for the Company's products are less than previously estimated, then the carrying value of the inventories may be required to be reduced, resulting in additional expense and reduced profitability. During 2015, the Company recorded a write-down in the value of work-in-process inventory of $193,146 as a result of two hailstorms that occurred during the year. Inventory write-downs during 2014 were negligible.

Property and Equipment

Investments in property and equipment are recorded at cost. These assets are depreciated using the straight-line method over their estimated useful lives as follows:

Buildings	10 - 30 years
Furniture and fixtures	3 - 10 years
Vineyards	7 - 20 years
Machinery and equipment	3 - 20 years
Leasehold improvements	3 - 5 years
Computer hardware and software	3 - 5 years

The Company capitalizes internal vineyard improvement costs when developing new vineyards or replacing or improving existing vineyards. These costs consist primarily of the costs of the vines and expenditures related to labor and materials to prepare the land and construct vine trellises. Expenditures for repairs and maintenance are charged to operating expense as incurred. The cost of properties sold or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts at the time of disposal and resulting gains and losses are included as a component of operating income. Real estate development consists of costs incurred to ready the land for sale, including primarily costs of infrastructure as well as master plan development and associated professional fees. Such costs will be allocated to individual lots proportionately based on square meters and those allocated costs will be derecognized upon the sale of individual lots. Given that they are not currently in service, capitalized real estate development costs are currently not being depreciated. Land is an inexhaustible asset and is not depreciated.

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 and directors, the fair value of the award is measured on the grant date and for non-employees, the fair value of the award is generally re-measured on financial reporting dates and vesting dates until the service period is complete. The fair value amount of the shares expected to ultimately vest is then recognized over the period for which services are required to be provided in exchange for the award, usually the vesting period. The estimation of stock-based awards that will ultimately vest requires judgment, and to the extent actual results or updated estimates differ from original estimates, such amounts are recorded as a cumulative adjustment in the period that the estimates are revised. The Company considers many factors when estimating expected forfeitures, including types of awards, employee class, and historical experience.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Concentrations

The Company maintains cash with major financial institutions. Cash held in US bank institutions is currently insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 at each institution. No similar insurance or guarantee exists for cash held in Argentina bank accounts. There were aggregate uninsured cash balances of $45,055 and $135,098 at December 31, 2015 and 2014, respectively.

Foreign Operations

The following summarizes key financial metrics associated with the Company's foreign operations (these financial metrics are immaterial for the Company's operations in the United Kingdom):

	For The Years Ended December 31,	
	2015	**2014**
Assets- Argentina	$ 6,254,631	$ 9,307,515
Assets- U.S.	1,402,864	1,521,309
Assets- Total	$ 7,657,495	$ 10,828,824
Liabilities- Argentina	$ 2,222,456	$ 2,809,734
Liabilities- U.S.	2,307,871	2,238,467
Liabilities- Total	$ 4,530,327	$ 5,048,201

	For The Years Ended December 31,	
	2015	**2014**
Revenues- Argentina	$ 1,842,356	$ 2,050,966
Revenues- U.S.	165,789	63,946
Revenues- Total	$ 2,008,145	$ 2,114,912
Net Loss- Argentina	$ 2,434,321	$ 2,574,787
Net Loss- U.S.	5,844,643	6,488,640
Net Loss- Total	$ 8,278,964	$ 9,063,427

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Comprehensive Income (Loss)

Comprehensive income is defined as the change in equity of a business during a period from transactions and other events and circumstances from non-owners sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. The guidance requires other comprehensive income (loss) to include foreign currency translation adjustments.

Impairment of Long-Lived Assets

When circumstances, such as adverse market conditions, indicate that the carrying value of a long-lived asset may be impaired, the Company performs an analysis to review the recoverability of the asset's carrying value, which includes estimating the undiscounted cash flows (excluding interest charges) from the expected future operations of the asset. These estimates consider factors such as expected future operating income, operating trends and prospects, as well as the effects of demand, competition and other factors. If the analysis indicates that the carrying value is not recoverable from future cash flows, an impairment loss is recognized to the extent that the carrying value exceeds the estimated fair value. Any impairment losses are recorded as operating expenses, which reduce net income. There were no impairments of long-lived assets for the years ended December 31, 2015 and 2014.

Segment Information

The FASB has established standards for reporting information on operating segments of an enterprise in interim and annual financial statements. The Company operates in one segment which is the business of real estate development in Argentina. The Company's chief operating decision-maker reviews the Company's operating results on an aggregate basis and manages the Company's operations as a single operating segment. Certain activities of the Company such as the U.S. Broker Dealer Operations, are considered a service or support division to the Company, by providing capital raising efforts, substantially to support the AWLD real estate development activities, and are not considered a business for segment purposes.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Revenue Recognition

The Company earns revenues from its real estate, hospitality, food & beverage, broker-dealer and other related services. Revenues from rooms, food and beverage, and other operating departments are recognized as earned at the time of sale or rendering of service. Cash received in advance of the sale or rendering of services is recorded as deferred revenue on the consolidated balance sheets. Deferred revenues associated with real estate lot sale deposits are recognized as revenues (along with any outstanding balance) when the lot sale closes and the deed is provided to the purchaser. Other deferred revenues primarily consist of deposits accepted by the Company in connection with agreements to sell barrels of wine. These wine barrel deposits are recognized as revenues (along with any outstanding balance) when the barrel of wine is shipped to the purchaser. Sales taxes and value added ("VAT") taxes collected from customers and remitted to governmental authorities are presented on a net basis within revenues in the consolidated statements of operations.

The Company operates within a single operating segment, because all of its operations are in support of the Company's branding strategy and its associated real estate development initiatives. However, the Company does track revenues associated with its different products and services, as follows:

	For The Years Ended December 31,	
	2015	2014
Hotel rooms and events	$ 851,389	$ 904,323
Restaurants	519,255	595,284
Winemaking	372,035	438,082
Agricultural	13,336	80,529
Broker-dealer	135,476	(18,606)
Golf, tennis and other	116,654	115,300
Total revenues	$ 2,008,145	$ 2,114,912

For the years ended December 31, 2015 and 2014, the Company recorded unrealized losses on affiliate warrants of $184,530 and $23,542, respectively, which is included in broker-dealer revenues above.

Income Taxes

The Company accounts for income taxes under the liability method, which requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statements and tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax loss and tax credit carry forwards. The Company additionally establishes a valuation allowance to reflect the likelihood of realization of deferred tax assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Net Loss per Common Share

Basic loss per common share is computed by dividing net loss attributable to common stockholders by the weighted average number of common shares outstanding during the period. Diluted loss per common share is computed by dividing net loss attributable to common stockholders by the weighted average number of common shares outstanding, plus the impact of common shares, if dilutive, resulting from the exercise of outstanding stock options and warrants and the conversion of convertible instruments.

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

	December 31,	
	2015	**2014**
Options	8,939,436	7,806,836
Warrants	1,382,186	1,069,674
Convertible instruments	-	297,805
Total potentially dilutive shares	10,321,622	9,174,315

Prepaid Compensation

Loans are given to certain registered representatives of CAP as an incentive for their affiliation with the Company. The registered representatives sign an agreement with CAP which specifies that portions of the loan will be forgiven on specific dates over a specified term, typically up to a five-year period. The loan is then amortized on a straight-line basis, which is included in general and administrative expenses in the accompanying statements of operations. In the event a registered representative's affiliation with the Company terminates prior to the fulfillment of their contract, the registered representative is required to repay the unforgiven balance and the related accrued interest (rates up to 3% currently). The Company considers establishing an allowance for uncollectible amounts to reflect the amount of loss that can be reasonably estimated by management. Determination of the estimated amount of uncollectible loans includes consideration of the amount of credit extended, the affiliation status and the length of time each receivable has been outstanding, as it relates to each individual registered representative. As of December 31, 2015 and 2014, the Company had $234,490 and $9,000 of unforgiven principal balances with active registered representatives and $1,750 and $2,000 of accumulated amortization, respectively, which is included in prepaid expenses and other current assets in the consolidated balance sheets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Advances and Loans to Registered Representatives

Advances and loans to registered representatives of the Company's subsidiary CAP represent short-term loans to registered representatives of the Company. The Company has the right to recover such advances from other monies owed to the registered representatives in the ordinary course of business. The determination of the uncollectible accounts is based on the amount of credit extended, the length of time each receivable has been outstanding and future compensation prospects, as it relates to each individual registered representative. The allowance for uncollectible amounts reflects the amount of loss that can be reasonably estimated by management and is included as part of general and administrative expenses in the accompanying statements of operations. As of December 31, 2015 and 2014, the Company has reserved approximately $118,000 and $118,000 for any potential non-collection, respectively.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2015 and 2014 was $92,050 and $153,696, respectively.

Reclassifications

Certain prior year balances have been reclassified in order to conform to current year presentation. These reclassifications have no effect on previously reported results of operations or loss per share.

New Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers," ("ASU 2014-09"). ASU 2014-09 supersedes the revenue recognition requirements in ASC 605 - Revenue Recognition and most industry-specific guidance throughout the ASC. The standard requires that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. ASU 2014-09 should be applied retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying ASU 2014-09 recognized at the date of initial application. To allow entities additional time to implement systems, gather data and resolve implementation questions, the FASB issued ASU No. 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date, in August 2015, to defer the effective date of ASU No. 2014-09 for one year, which is fiscal years beginning after December 15, 2017. The Company is currently evaluating the impact of the adoption of ASU 2014-09 on its consolidated financial statements or disclosures.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

New Accounting Pronouncements, continued

In June 2014, the FASB issued ASU 2014-12, "Compensation - Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide that a Performance Target could be Achieved after the Requisite Service Period," ("ASU 2014-12"). The amendments in ASU 2014-12 require that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. A reporting entity should apply existing guidance in ASC Topic No. 718, "Compensation - Stock Compensation" as it relates to awards with performance conditions that affect vesting to account for such awards. The amendments in ASU 2014-12 are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Early adoption is permitted. Entities may apply the amendments in ASU 2014-12 either: (a) prospectively to all awards granted or modified after the effective date; or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the consolidated financial statements and to all new or modified awards thereafter. The adoption of ASU 2014-12 is not expected to have a material impact on the Company’s consolidated financial statement or its disclosures.

In July 2015, the FASB issued ASU 2015-11, "Inventory (Topic 330): Simplifying the Measurement of Inventory," which applies to inventory that is measured using first-in, first-out ("FIFO") or average cost. Under the updated guidance, an entity should measure inventory that is within scope at the lower of cost and net realizable value, which is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. Subsequent measurement is unchanged for inventory that is measured using last-in, last-out ("LIFO"). This ASU is effective for annual and interim periods beginning after December 15, 2016, and should be applied prospectively with early adoption permitted at the beginning of an interim or annual reporting period. The Company is currently evaluating the impact of adopting this guidance.

In November 2015, FASB issued ASU No. 2015-17, “Income Tax (Topic 740): Balance Sheet Classification of Deferred Taxes” (“ASU 2015-17”). This ASU requires that all deferred tax assets and liabilities, along with any related valuation allowance, be classified as noncurrent on the balance sheet. The adoption of ASU 2015-17 is not expected to have a material impact on the Company’s consolidated financial statement or its disclosures.

In February 2016, the FASB issued ASU 2016-02, “Leases (Topic 842)” (“ASU 2016-02”), which increases the transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. ASU 2016-02 will require lessees to recognize a right-of-use (ROU) asset for its right to use the underlying asset and a lease liability for the corresponding lease obligation for leases with terms of more than twelve months. Both the ROU asset and lease liability will initially be measured at the present value of the future minimum lease payments over the lease term. Subsequent measurement, including the presentation of expenses and cash flows, will depend on the classification of the lease as either a finance or an operating lease. Accounting by lessors will remain largely unchanged from current U.S. GAAP. ASU 2016-02 is effective for fiscal years beginning after December 15, 2018, and interim periods within those years, with early adoption permitted, and is to be applied as of the beginning of the earliest period presented using a modified retrospective approach. The Company is currently evaluating the impact that the provisions of ASU 2016-02 will have on the Company’s financial statements and related disclosures.

In March 2016, the FASB issued ASU No. 2016-08, “Revenue from Contracts with Customers - Principal versus Agent Considerations.” This Update provides clarifying guidance regarding the application of ASU No. 2014-09 - *Revenue From Contracts with Customers* when another party, along with the reporting entity, is involved in providing a good or a service to a customer. In these circumstances, an entity is required to determine whether the nature of its promise is to provide that good or service to the customer (that is, the entity is a principal) or to arrange for the good or service to be provided to the customer by the other party (that is, the entity is an agent). The amendments in the Update clarify the implementation guidance on principal versus agent considerations. The Update is effective, along with ASU 2014-09, for annual and interim periods beginning after December 15, 2017. The adoption of ASU 2016-8 is not expected to have a material impact on the Company’s consolidated financial statement or its disclosures.

Other accounting standards that have been issued or proposed by the FASB or other standard-setting bodies that do not require adoption until a future date are not expected to have a material impact on the Company’s consolidated financial statements upon adoption.

4. INVENTORY

Inventory at December 31, 2015 and 2014 is comprised of the following:

	December 31,	
	2015	2014
Vineyard in Process	$ 180,582	$ 247,234
Wine in Process	826,851	990,923
Finished Wine	104,159	118,869
Other	72,676	130,140
Total	$ 1,184,268	$ 1,487,166

5. NET CAPITAL REQUIREMENTS

The Company's subsidiary, CAP, as a registered broker-dealer, is subject to the SEC's Uniform Net Capital Rule 15c3-1 that requires the maintenance of minimum net capital. This requires that CAP maintain minimum net capital of $5,000 and requires that the ratio of aggregate indebtedness, as defined, to net capital, shall not exceed 15 to 1.

As of December 31, 2015 and 2014, CAP's net capital exceeded the requirement by $32,078 and $12,860, respectively.

The Company had a percentage of aggregate indebtedness to net capital of approximately 96% and 432% as of December 31, 2015 and 2014, respectively.

Advances, dividend payments and other equity withdrawals are restricted by the regulations of the SEC, and other regulatory agencies are subject to certain notification and other provisions of the net capital rules of the SEC. The Company qualifies under the exemptive provisions of Rule 15c3-3 as the Company does not carry security accounts for customers or perform custodial functions related to customer securities.

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	December 31, 2015	December 31, 2014
Buildings	$ 3,305,715	$ 4,720,507
Real estate development	939,551	1,238,461
Land	481,431	729,612
Furniture and fixtures	508,642	709,775
Vineyards	442,707	670,925
Machinery and equipment	562,551	827,205
Leasehold improvements	164,375	164,375
Computer hardware and software	82,043	97,506
	6,487,015	9,158,366
Less: Accumulated depreciation and amortization	(2,032,046)	(2,489,862)
Property and equipment, net	$ 4,454,969	$ 6,668,504

Depreciation and amortization of property and equipment was $393,717 and $466,592 for the years ended December 31, 2015 and 2014, respectively, of which $224,580 and $279,082 was recorded as expense in the accompanying statement of operations, and $169,137 and $187,510 was capitalized to inventory, respectively. Most of our property and equipment is located in Argentina and the gross cost being depreciated declined year-over-year due to the devaluation of the Argentine peso relative to the United States dollar.

7. PREPAID FOREIGN TAXES

Prepaid foreign taxes, net, of $360,015 and $672,541 at December 31, 2015 and 2014, respectively, consists primarily of prepaid VAT. VAT credits are recovered, through VAT collections on subsequent sales of products by the Company. Prepaid VAT tax credits do not expire. Management considers the historical and projected revenues, expenses and capital expenditures in making this assessment.

In assessing the realization of the prepaid foreign taxes, management considers whether it is more likely than not that some portion or all of the prepaid foreign taxes will not be realized. Based on this assessment, management has recorded a valuation allowance related to prepaid foreign taxes of $457,447 and $602,375 as of December 31, 2015 and 2014, respectively.

8. INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or developed by the Company. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

Level 1 - Valued based on quoted prices at the measurement date for identical assets or liabilities trading in active markets. Financial instruments in this category generally include actively traded equity securities.

Level 2 - Valued based on (a) quoted prices for similar assets or liabilities in active markets; (b) quoted prices for identical or similar assets or liabilities in markets that are not active; (c) inputs other than quoted prices that are observable for the asset or liability; or (d) from market corroborated inputs. Financial instruments in this category include certain corporate equities that are not actively traded or are otherwise restricted.

Level 3 - Valued based on valuation techniques in which one or more significant inputs is not readily observable. Included in this category are certain corporate debt instruments, certain private equity investments, and certain commitments and guarantees.

Investments – Related Parties at Fair Value:

As of December 31, 2015	Level 1	Level 2	Level 3	Total
Warrants- Affiliates	$ -	$ -	$ 127,202	$ 127,202

As of December 31, 2014	Level 1	Level 2	Level 3	Total
Warrants- Affiliates	$ -	$ -	$ 294,653	$ 294,653

8. INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS, continued

A reconciliation of Level 3 assets is as follows:

		Warrants
Balance - December 31, 2013	$	318,195
Received		-
Allocated to employees as compensation		-
Unrealized loss		(23,542)
Balance - December 31, 2014		294,653
Received		63,997
Allocated to employees as compensation		(44,800)
Unrealized loss		(186,648)
Balance - December 31, 2015	$	127,202
Accumulated unrealized loss related to investments at fair value at December 31, 2015	$	(33,058)

It is the Company's policy to distribute part or all of the warrants CAP earns through serving as placement agent on various private placement offerings for a related but independent entity under common management, to registered representatives or other employees who provided investment banking services. The total compensation expense (fair value) recorded related to these distributed warrants is $44,800 and $0 for the years ended December 31, 2015 and 2014, respectively, and is classified as general and administrative expense in the consolidated statements of operations. Warrants retained by the Company's broker-dealer subsidiary are marked to market at each reporting date using the Black-Scholes option pricing model.

The fair value of the warrants was determined based on the Black-Scholes option pricing model, which requires the input of highly subjective assumptions, including the expected share price volatility. Given that such shares were not publicly-traded, the Company developed an expected volatility figure based on a review of the historical volatilities, over a period of time, of similarly positioned public companies within the industry.

The Company's financial instruments include cash, accounts receivable, advances and loans to registered representatives, accounts payable, accrued expenses, other liabilities, loans payable and convertible debt obligations. The carrying value of these instruments approximate fair value, as they bear terms and conditions comparable to market, for obligations with similar terms and maturities.

9. ACCRUED EXPENSES

Accrued expenses are comprised of the following:

	December 31,	
	2015	2014
Accrued compensation and payroll taxes	$ 1,400,498	$ 2,003,866
Accrued taxes payable	97,428	186,559
Accrued interest	255,497	321,729
Other accrued expenses	116,385	143,637
Accrued expenses, current	1,869,808	2,655,791
Accrued payroll tax obligations, non-current	399,119	-
Total accrued expenses	$ 2,268,927	$ 2,655,791

During May 2015, the Company entered into a payment plan, under which it agreed to pay its Argentine payroll tax obligations over a period of 36 months. The current portion of payments due under the plan is $172,471 included in accrued compensation and payroll taxes above. The non-current portion of accrued expenses represents payments under the plan that are scheduled to be paid after twelve months.

10. DEFFERED REVENUES

Deferred revenues are comprised of the following:

	December 31,	
	2015	2014
Real estate lot sales deposits	$ 1,175,990	$ 1,174,339
Other	208,327	54,690
Total	$ 1,384,317	$ 1,229,029

The Company accepts deposits in conjunction with agreements to sell real estate building lots at Algodon Wine Estates in the Mendoza wine region of Argentina. These lot sale deposits are generally denominated is US dollars. As of December 31, 2015 and 2014, the Company had executed agreements to sell real estate building lots for aggregate proceeds of $2,924,983 and $2,667,383, respectively. Sixteen lots have been sold, and two additional lots are currently in advanced negotiations. The Company expects to close on the sale of twelve lots and record the deeds during 2016. To date, no deeds have been issued.

11. CONVERTIBLE AND NON-CONVERTIBLE DEBT OBLIGATIONS

The Company's debt obligations consist of the following:

	December 31,											
	2015						2014					
	Principal		Interest (1)		Total		Principal		Interest (1)		Total	
8% Convertible Notes	$	237,500	$	220,884	$	458,384	$	287,500	$	188,988	$	476,488
12.5% Convertible Notes		50,000		34,613		84,613		50,000		25,433		75,433
Total	$	287,500	$	255,497	$	542,997	$	337,500	$	214,421	$	551,921

[1] Accrued interest is included as a component of accrued expenses on the consolidated balance sheets.

8% Convertible Notes

During an offering that ended on September 30, 2010, IPG issued convertible notes with an interest rate of 8% and an amended maturity date of March 31, 2011 (the "8% Notes"). During the years ended December 31, 2015 and 2014, principal of $50,000 and $221,750, respectively, and accrued interest of $0 and $50,892, respectively, were repaid in cash. As of December 31, 2015 and 2014, principal of $237,500 and $287,500, respectively, and accrued interest of $220,884 and $188,988, respectively, remained outstanding. The notes matured on March 31, 2011 and are no longer convertible. Interest continues to accrue based on the interest rate stated above.

12.5% Convertible Notes

During an offering that ended on October 31, 2011, AWLD issued convertible notes with an interest rate of 12.5% and an amended maturity date of August 29, 2012 (the "12.5% Notes"). During 2014, pursuant to certain limited time offers, holders elected to exchange principal and interest of $86,500 and $51,319 into 92,811 shares of Series A Convertible Preferred Stock ("Series A Preferred"). The fair value of the equity securities issued exceeded the value of the extinguished debt by $75,644, which was recorded as a loss on extinguishment. During the years ended December 31, 2015 and 2014, principal of $0 and $4,000, respectively, was repaid in cash. As of December 31, 2015 and 2014, principal of $50,000 and $50,000, respectively and accrued interest of $34,613 and $25,433, respectively, remained outstanding. The notes matured on August 29, 2012 and, are no longer convertible. Interest continues to accrue based on the interest rate stated above.

11. CONVERTIBLE AND NON-CONVERTIBLE DEBT OBLIGATIONS, continued

10% Convertible Notes

During an offering that ended on June 15, 2012, AWLD issued convertible notes with an interest rate of 10% and an amended maturity date of August 29, 2012 (the "10% Notes"). During the year ended December 31, 2014, principal and interest of $503,272 and $292,366, respectively, was repaid in cash. In addition, during 2014, holders elected to exchange principal and interest of $726,381 and $12,708 for 384,161 shares of Series A Preferred pursuant to certain limited time offers. The fair value of the equity securities issued exceeded the value of the extinguished debt by $144,482, which was recorded as a loss on extinguishment. See Note 14 – Related Party Transactions for details associated with the related party components of the above. As of December 31, 2014 there were no principal or interest balances that remained outstanding related to the 10% Notes.

12. LOANS PAYABLE

As of December 31, 2013, the Company had loans payable to independent lenders of $458,480. On April 25, 2014, principal and related accrued interest of $450,000 and $88,987, respectively, were converted into 269,492 shares of the Company's common stock. See Note 14 – Related Party Transactions for details associated with loans payable to related parties that were repaid during 2014.

On January 7, 2014, the Company issued a note payable in the amount of $100,000 to an independent lender. The note and related accrued interest of $2,438 were exchanged for 51,220 shares of the Company's common stock on April 16, 2014.

On July 24, 2014, the Company issued a note payable in the amount of $125,000 to an independent lender. The note and related accrued interest of $1,678 were exchanged for 63,339 shares of the Company's common stock on September 11, 2014.

On March 7, 2014, the Company issued a note payable in the amount of $100,000 to a single independent lender. The note bore interest at 8% per annum and was payable on demand at any time after March 6, 2015. On April 21, 2015, the Company repaid the principal of $100,000 and the related accrued interest of $11,233.

13. INCOME TAXES

The Company files tax returns in United States ("U.S.") Federal, state and local jurisdictions, plus Argentina and the United Kingdom ("U.K.").

United States and international components of income before income taxes were as follows:

	For The Years Ended December 31,	
	2015	2014
United States	$ (5,837,026)	$ (6,468,460)
International	(2,441,938)	(2,594,967)
Income (loss) before income taxes	$ (8,278,964)	$ (9,063,427)

13. INCOME TAXES, continued

The income tax provision (benefit) consisted of the following:

	For The Years Ended December 31, 2015	For The Years Ended December 31, 2014
Federal		
Current	$ -	$ -
Deferred	(1,849,290)	(2,648,686)
State and local		
Current	-	-
Deferred	(571,104)	(817,977)
Foreign		
Current	-	-
Deferred	135,468	73,697
	(2,284,926)	(3,392,966)
Change in valuation allowance	2,284,926	3,392,966
Income tax provision (benefit)	$ -	$ -

For the years ended December 31, 2015 and December 31, 2014, the expected tax expense (benefit) based on the statutory rate is reconciled with the actual tax expense (benefit) as follows:

	For The Years Ended December 31, 2015	For The Years Ended December 31, 2014
U.S. federal statutory rate	(34.0%)	(34.0%)
State taxes, net of federal benefit	(6.9%)	(9.0%)
Permanent differences	2.8%	2.1%
Write-off of deferred tax asset	2.3%	3.0%
Foreign minimum presumed income tax credit	1.6%	0.8%
Foreign rate differential	1.3%	1.1%
Other	5.3%	(1.4%)
Change in valuation allowance	27.6%	37.4%
Income tax provision (benefit)	0.0%	0.0%

13. INCOME TAXES, continued

As of December 31, 2015 and December 31, 2014, the Company's deferred tax assets consisted of the effects of temporary differences attributable to the following:

	December 31, 2015	December 31, 2014
Net operating loss	$ 18,480,962	$ 16,134,419
Stock based compensation	1,678,231	1,716,612
Argentine tax credits	455,436	590,904
Accruals and other	563,390	592,447
Receivable allowances	247,811	211,296
Total deferred tax assets	21,425,830	19,245,678
Valuation allowance	(21,369,226)	(19,084,300)
Deferred tax assets, net of valuation allowance	56,604	161,378
Excess of book over tax basis of warrants	(56,604)	(161,378)
Net deferred tax assets	$ -	$ -

As of December 31, 2015 and December 31, 2014, the Company had approximately $40,875,000 and $35,825,000 of gross U.S. net operating loss ("NOL") carryovers which may be carried forward for 20 years and begin to expire in 2019. These NOL carryovers are subject to annual limitations under Section 382 of the U.S. Internal Revenue Code when there is a greater than 50% ownership change, as determined under the regulations. Based on our analysis, there was a change of control on or about June 30, 2012 and we have determined that, due to the annual limitations under Section 382, approximately $7,566,000 of NOLs will expire unused and are not included in available NOLs stated above. Therefore, we have reduced the related deferred tax asset for U.S. NOL carryovers by approximately $3,367,000 from June 30, 2012 forward. The Company's U.S. NOL's generated through the date of the ownership change on June 30, 2012 are subject to an annual limitation of approximately $1,004,000.

As of December 31, 2015 and December 31, 2014, the Company had approximately $440,000 and $432,000 of gross U.K. NOL carryovers which do not expire. Finally, as of December 31, 2015 and December 31, 2014, the Company had approximately $455,000 and $591,000 of Argentine tax credits which may be carried forward 10 years and begin to expire in 2015.

Foreign earnings are assumed to be permanently reinvested. U.S. federal income taxes have not been provided on undistributed earnings of our foreign subsidiary.

13. INCOME TAXES, continued

In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the future generation of taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and taxing strategies in making this assessment. Based on this assessment, management has established a full valuation allowance against all of the net deferred tax assets for each period, since it is more likely than not that all of the deferred tax assets will not be realized. The valuation allowance for the years ended December 31, 2015 and 2014 increased by approximately $2,393,000 and $3,393,000, respectively.

Management has evaluated and concluded that there were no material uncertain tax positions requiring recognition in the Company's consolidated financial statements as of December 31, 2015 and 2014. The Company does not expect any significant changes in its unrecognized tax benefits within twelve months of the reporting date. The Company has U.S. tax returns subject to examination by tax authorities beginning with those filed for the year ended December 31, 2012. The Company's policy is to classify assessments, if any, for tax related interest as interest expense and penalties as general and administrative expenses in the consolidated statements of operations.

14. RELATED PARTY TRANSACTIONS

Assets

Accounts receivable – related parties of $333,911 and $265,111 at December 31, 2015 and 2014, respectively, represents the net realizable value of advances made to related, but independent, entities under common management.

See Note 8 – Investments and Fair Value of Financial Instruments, for a discussion of the Company's investment in warrants of a related, but independent, entity.

Liabilities

The CEO and Chairman of the Company (the "CEO") periodically advanced funds to the Company and he was repaid when the Company was able to do so. During 2014, the outstanding loan principal and related accrued interest of $331,019 and $60,983, respectively, were repaid in full.

14. RELATED PARTY TRANSACTIONS, continued

Liabilities, continued

Additionally, in 2011 and 2012 the CEO invested a total $800,000 in the Company's offering of convertible promissory notes on the same terms as other investors, earning a 10% interest rate. During 2014, principal and accrued interest of $373,958 and $207,327 was repaid in cash, and the remaining principal of $426,042 and the related accrued interest of $37,048 were converted into 231,545 shares of Series A Preferred.

Revenues

For the years ended December 31, 2015 and 2014, CAP recorded $315,102 and $0 of private equity and venture capital fees arising from private placement transactions on behalf of a related entity under common management. Of the 2015 amounts, $251,556 represents cash fees and $63,546 represents fees in the form of warrants, which were recorded at fair value as of the grant date using the Black- Scholes option pricing model.

Expense Sharing

On April 1, 2010, the Company entered into an agreement with a related entity, of which AWLD's CEO is Chairman and Chief Executive Officer, and AWLD's CFO is an executive officer, to share expenses such as office space, support staff and other operating expenses. The agreement was amended on January 1, 2015 to update for current use of personnel, office space, professional services and material. General and administrative expenses were reduced by $126,766 and $172,796 during the years ended December 31, 2015 and 2014, respectively as a result of the agreement. The entity owed $177,755 and $96,354, respectively, as of December 31, 2015 and 2014, under such and similar prior agreements.

The Company has an expense sharing agreement with a related entity to share expenses such as office space and other clerical services. The owners of more than 5% of that entity include (i) AWLD's chairman, and (ii) a more than 5% owner of AWLD. General and administrative expenses were reduced by $15,960 and $15,960 during the years ended December 31, 2015 and 2014, respectively as a result of the agreement. The entity owed $380,472 and $389,512 to the Company under the expense sharing agreement as of December 31, 2015 and 2014, respectively, of which $376,000 and $289,000, respectively, is deemed unrecoverable and written off.

Other Relationships

An investor and a greater than 5% stockholder of the Company is affiliated with the Company that imported wines for AWE to the United States through December 31, 2015.

15. BENEFIT CONTRIBUTION PLAN

The Company sponsors a 401(k) profit-sharing plan ("401(k) Plan") that covers substantially all of its employees in the United States. The 401(k) Plan provides for a discretionary annual contribution, which is allocated in proportion to compensation. In addition, each participant may elect to contribute to the 401(k) Plan by way of a salary deduction.

A participant is always fully vested in their account, including the Company's contribution. For the years ended December 31, 2015 and 2014, the Company recorded a charge associated with its contribution of approximately $77,000 and $73,000, respectively. This charge has been included as a component of general and administrative expenses in the accompanying consolidated statements of operations. The Company issues shares of its common stock to settle these obligations based on the fair market value of its common stock on the date the shares are issued (shares were issued at $2.00 and $2.30 per share during 2015 and 2014, respectively.)

16. STOCKHOLDERS' EQUITY

Authorized Shares

Pursuant to the Company's Amended and Restated Certificate of Incorporation, the Company is authorized to issue up to 80,000,000 shares of common stock, $0.01 par value per share. As of December 31, 2015 and 2014, there were 38,879,333 and 35,745,831 shares of common stock issued, and 38,874,922 and 35,741,420 shares outstanding, respectively.

The Company is authorized to issue up to 11,000,000 shares of Series A Preferred, $0.01 par value per share, of which 902,670 shares are available for issuance as of December 31, 2015. As of December 31, 2015 and 2014, there were no shares of preferred stock outstanding.

Application for Quotation on OTC Bulletin Board

On January 20, 2016 FINRA cleared the Company's request to submit quotations on the OTC Bulletin Board and in OTC Link. In addition, the Company submitted its application for quotation on the OTCQB marketplace and was approved on March 7, 2016.

Convertible Preferred Stock

During the year ended December 31, 2014, the Company issued 2,748,995 shares of Series A Preferred to accredited investors in a private placement transaction for gross proceeds of $6,322,677.

On July 14, 2014, the Company's Registration Statement on Form 10 filed with the SEC on May 14, 2014, as amended on July 3, 2014 and August 13, 2014, September 12, 2014, October 23, 2014 and December 12, 2014, became effective with the result that the Company became subject to the reporting requirements under Section 13 of the Securities Exchange Act of 1934. As a result, the 10,097,330 outstanding shares of Series A Preferred were automatically converted into 10,097,330 aggregate shares of common stock. As a result of the conversion, the investors were no longer eligible for dividend payments, and all liquidation preferences were extinguished.

16. STOCKHOLDERS' EQUITY, continued

Common Stock

In January 2014, the Company issued 10,485 shares of common stock to settle certain accounts payable for $23,591 or an average of $2.25 per share of common stock.

In February 2014, the Company issued 166,305 shares of common stock to settle cashless exercised options for the purchase of 566,946 shares of common stock at an exercise price of $1.59 per share and issued 31,421 shares of common stock to settle an exercised option for the aggregate purchase price of $49,959 or $1.59 per share of common stock.

In March 2014, the Company issued 21,454 shares of common stock at $2.25 per share to settle its 2013 obligation (an aggregate of $48,272 representing the combination of employee contributions and Company matching contributions) to the Company's 401(k) profit-sharing plan.

In April 2014, the Company engaged a financial advisor for a six month term (subject to immediate termination by either party) for consideration comprised of a $15,000 cash fee and the issuance of 50,000 shares of common stock, valued at $2.25 per share or $112,501.

During 2014, the Company issued 1,223,349 shares of its common stock at $2.00 per share for cash proceeds of $2,446,697.

See Note 12 – Loans Payable for details associated with the 2014 exchange of loans payable and the related accrued interest into common stock.

See Note 16 – Stockholders' Equity – Convertible Preferred Stock for details associated with the 2014 conversion of Series A Preferred into common stock.

On June 30, 2015, the Company issued 36,700 shares of common stock at $2.00 per share to settle its 2014 obligation, (an aggregate of $73,400 representing the combination of employee contributions and Company matching contributions), to the Company's 401(k) profit-sharing plan.

During 2015, the Company issued 2,821,942 shares of common stock at $2.00 per share for cash proceeds of $5,643,884, and issued 274,860 shares of common stock at $2.50 per share for cash proceeds at $687,150.

16. STOCKHOLDERS' EQUITY, continued

Accumulated Other Comprehensive Loss

For the years ended December 31, 2015 and 2014, the Company recorded $1,821,060 and $1,567,513, respectively, of foreign currency translation adjustments as accumulated other comprehensive loss.

Warrants

During 2014, in connection with the sale of Series A Preferred, the Company issued five-year warrants to its subsidiary CAP, who acted as placement agent, to purchase 299,444 shares of Series A Preferred at an exercise price of $2.30 per share as well as warrants for the purchase of 50,000 shares of the Company's common stock at an exercise price of $2.00 per share. CAP, in turn, awarded such warrants to its registered representatives and recorded $285,147 of stock-based compensation expense for the year ended December 31, 2014 within general and administrative expense in the consolidated statements of operations.

During 2015, in connection with the sale of its common stock, the Company issued five-year warrants to CAP, who acted as a placement agent, to purchase 342,642 shares of the Company's common stock at $2.00 per share, and 16,000 shares of the Company's common stock at $2.50 per share. CAP, in turn, awarded such warrants to its registered representatives and recorded $259,901 of stock-based compensation expense for the year ended December 31, 2015 within general and administrative expense of the consolidated statement of operations.

A summary of warrants activity during the years ended December 31, 2015 and 2014 is presented below:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life in Years	Intrinsic Value
Outstanding, December 31, 2013	899,156	$ 2.54		
Issued	349,444	2.26		
Exercised	-	-		
Cancelled	(178,926)	3.70		
Outstanding, December 31, 2014	1,069,674	2.26		
Issued	358,642	2.00		
Exercised	-	-		
Cancelled	(46,130)	1.59		
Outstanding, December 31, 2015	1,382,186	$ 2.10	3.15	$ 391,030
Exercisable, December 31, 2015	1,382,186	$ 2.10	3.15	$ 391,030

16. STOCKHOLDERS' EQUITY, continued

Warrants, continued

A summary of outstanding and exercisable warrants as of December 31, 2015 is presented below:

Warrants Oustanding			Warrants Exercisable	
Exercise Price	Exercisable Info	Outstanding Number of Warrants	Weighted Average Remaining Life In Years	Exercisable Number of Warrants
$ 2.00	Common Stock	392,642	4.5	392,642
$ 2.30	Preferred Stock	973,544	5.0	973,544
$ 2.50	Common Stock	16,000	2.6	16,000
	Total	1,382,186		1,382,186

Equity Incentive Plans

The Company's 2001 Equity Incentive Plan, as amended (the "2001 Plan"), and the 2008 Equity Incentive Plan, as amended (the "2008 Plan"), were approved by the Company's Board and shareholders on June 21, 2001 and August 25, 2008, respectively. The plans provide for grants to purchase up to an aggregate of 342,700 shares, and 9,000,000 shares, respectively. Both equity plans permit the granting of incentive and non-qualified stock options, restricted and unrestricted stock, loans and grants, and performance awards. Under all plans, (1) awards may be granted to employees, consultants, independent contractors, officers and directors; (2) the maximum term of any award shall be ten years from the date of grant; (3) the exercise price of any award shall not be less than the fair value on the date of grant. On June 21, 2011, the 2001 Plan expired, such that no new awards may be granted from the 2001 Plan, but all outstanding awards continue to run their course. The Company intends to issue new shares of common stock to satisfy any plan obligations.

Stock Options

The Company has computed the fair value of options granted using the Black-Scholes option pricing model. There is currently no public trading market for the shares of AWLD common stock underlying the Company's 2001 Plan and 2008 Plan. Accordingly, the fair value of the AWLD common stock was estimated by management based on observations of the cash sales prices of AWLD equity securities. Forfeitures are estimated at the time of valuation and reduce expense ratably over the vesting period. This estimate will be adjusted periodically based on the extent to which actual forfeitures differ, or are expected to differ, from the previous estimate, when it is material. The expected term of options granted to consultants represents the contractual term, whereas the expected term of options granted to employees and directors was estimated based upon the "simplified" method for "plain-vanilla" options. Given that the Company's shares are not publicly traded, the Company developed an expected volatility figure based on a review of the historical volatilities, over a period of time, of similarly positioned public companies within its industry. The risk-free interest rate was determined from the implied yields from U.S. Treasury zero-coupon bonds with a remaining term consistent with the expected term of the options. The Company estimated forfeitures related to options at an annual rate of 5% for options outstanding at December 31, 2015.

16. STOCKHOLDERS' EQUITY, continued

Stock Options, continued

On August 27, 2014, the Company granted five-year options to purchase an aggregate of 2,649,000 shares of common stock at an exercise price of $2.48 to employees, officers, directors and consultants of the Company, pursuant to the 2008 Plan. The options vest as follows: (i) 550,000 shares vest over a five year period with one-fourth vesting on August 27, 2015 and the remainder vesting quarterly thereafter; (ii) 1,115,000 shares vest over a four year period with one-fourth vesting on August 27, 2015 and the remainder vesting quarterly thereafter; (iii) 1,000 shares vest over a four year period with one-fourth vesting on August 27, 2015 and the remainder vesting yearly thereafter; (iv) 483,000 shares vest over a one year period with one-fourth vesting on August 27, 2015 and the remainder vesting yearly thereafter; and (v) 500,000 shares vest over a four year period with one-sixteenth vesting on November 27, 2014 and the remainder vesting quarterly thereafter. The options had an aggregate grant date value of $1,489,951, of which, options granted to employees, officers and directors had an aggregate grant date fair value of $1,191,308, which will be recognized ratably over the vesting period, while options granted to consultants had an aggregate grant date value of $298,643, which will be re-measured on financial reporting dates and vesting dates until the service period is complete.

On June 15, 2015, the Company granted five-year options to purchase an aggregate of 2,211,890 shares of common stock to employees, officers, directors and consultants of the Company, pursuant to the 2008 Plan. Options to purchase an aggregate of 2,201,890 shares had an exercise price of $2.20 per share and an option to purchase 10,000 shares of common stock had an exercise price of $3.30 per share. The options vest over a four year period with one-fourth vesting on June 8, 2016 and the remainder vesting quarterly thereafter. The options had an aggregate grant date value of $1,409,900, of which, options granted to employees, officers and directors had an aggregate grant date fair value of $1,251,384, which will be recognized ratably over the vesting period, while options granted to consultants had an aggregate grant date value of $158,516, which will be re-measured on financial reporting dates and vesting dates until the service period is complete.

In applying the Black-Scholes option pricing model, the Company used the following assumptions:

	For The Years Ended December 31,	
	2015	2014
Risk free interest rate	1.06% - 1.10%	0.25% - 1.14%
Expected term (years)	2.53 - 3.59	1.01 - 3.54
Expected volatility	45.9% - 46.1%	46.1% - 46.4%
Expected dividends	0%	0%
Forfeiture rate	5.0%	5.0%

The weighted average grant date fair value per share of options granted during the years ended December 31, 2015 and 2014 was $0.64 and $0.56, respectively.

16. STOCKHOLDERS' EQUITY, continued

Stock Options, continued

During April 2015, in connection with certain employee separation agreements, the Company modified options to purchase an aggregate of 132,671 shares of common stock such that (a) previously vested options to purchase 68,671 shares of common stock will remain outstanding and exercisable until their original expiration dates notwithstanding the termination and (b) an unvested option to purchase 64,000 shares of common stock will become vested immediately and will remain outstanding and exercisable until its original expiration date notwithstanding the termination. During the year ended December 31, 2015, the Company recorded incremental stock-based compensation expense of $40,300 in connection with the modification of the options.

During the years ended December 31, 2015 and 2014, the Company recorded stock-based compensation expense of $782,234 and $568,022, respectively, related to stock option grants, which is reflected as general and administrative expenses in the consolidated statements of operations. As of December 31, 2015, there was $1,970,981 of unrecognized stock-based compensation expense related to stock option grants that will be amortized over a weighted average period of 3.2 years, of which $399,333 of unrecognized expense is subject to non-employee mark-to-market adjustments.

A summary of options activity during the years ended December 31, 2015 and 2014 is presented below:

	Number of Options	Weighted Average Exercise Price Warrants	Weighted Average Exercise Price Warrants	Intrinsic Value
Outstanding, December 31, 2013	7,136,236	$ 2.85		
Granted	2,649,000	2.48		
Exercised	(598,367)	1.59		
Cancelled	(784,965)	2.67		
Forfeited	(595,068)	2.79		
Outstanding, December 31, 2014	7,806,836	2.85		
Granted	2,211,890	2.20		
Exercised	-	-		
Cancelled	(643,836)	2.95		
Forfeited	(435,454)	2.51		
Outstanding, December 31, 2015	8,939,436	$ 2.70	2.9	$ 754,890
Exercisable, December 31, 2015	5,432,487	$ 2.95	2.0	$ 71,221

The following table presents information related to stock options as of December 31, 2015:

Options Outstanding		Options Exercisable	
Exercise Price	Outstanding Number of Options	Weighted Average Remaining Life In Years	Exercisable Number of Options
$ 2.20	2,191,890	-	-
2.48	4,866,125	2.8	3,561,066
3.30	10,000	-	-
3.50	25,000	2.5	25,000
3.85	1,846,421	0.5	1,846,421
	8,939,436	2.0	5,432,487

17. COMMITMENTS AND CONTINGENCIES

Legal Matters

The Company is involved in litigation and arbitrations from time to time in the ordinary course of business. The Company does not believe that the outcome of any such pending or threatened litigation will have a material adverse effect on its financial condition or results of operations. However, as is inherent in legal proceedings, there is a risk that an unpredictable decision adverse to the company could be reached. The Company records legal costs associated with loss contingencies as incurred. Settlements are accrued when, and if, they become probable and estimable.

Regulatory Matters

In December 2007, the FINRA Office of Hearing Officers ("OHO") held that Mr. Mathis negligently failed to make certain disclosures on his Form U4 to reflect the filing of certain personal federal tax liens. (All of the underlying tax liabilities were paid in full by Mr. Mathis in 2003 and the liens were released in 2003.) After several appeals regarding the willfulness finding, Mr. Mathis served a suspension, which was completed on September 4, 2012, and all fines have been paid.

Under applicable FINRA rules, the finding that Mr. Mathis acted willfully subjected him to a "statutory disqualification" which would have prevented him from working in the securities industry. In accordance with FINRA rules, Mr. Mathis filed Form MC-400 with FINRA in September 2012, requesting that he be permitted to continue to work in the securities industry and in October 2014, FINRA's Member Regulation Department recommended approval of the MC-400 application. On April 30, 2015, FINRA's National Adjudicatory Council (NAC) agreed with the recommendation of Member Regulation and further approved the application so that Mr. Mathis can continue to work in the securities industry. At the time that FINRA provided notice of the NAC's approval, it informed CAP that such approval would become effective at such time that the Securities and Exchange Commission issued an acknowledgement letter. On August 20, 2015, the Securities and Exchange Commission issued an acknowledgement letter to FINRA and as a result, the approval of Mr. Mathis's MC-400 application is now effective.

Employment Agreement

The CEO has an employment agreement which commenced on January 1, 2003 which automatically renews for annual periods following the initial two-year term. The agreement may be terminated by either party upon three months written notice in advance of any renewal date. Compensation pursuant to the agreement includes an annual salary of $250,000 (subject to annual increases of 5% beginning with the first automatic renewal), bonus eligibility, paid vacation and specified business expense reimbursements. The agreement sets limits on the CEO's annual sales of AWLD common stock. If the CEO's employment is terminated by the Company without cause or by the CEO for good reason, then the salary is payable for the remainder of the then current term, plus an additional six months. Upon a change of control (1) the CEO's options fully vest; (2) the employment term resets to one year from the date of the change of control; (3) the CEO has the right to resign during the thirty day period commencing on the one year anniversary of the change of control and then receive, within thirty days of his termination, a lump sum payment equal to his then current annual salary. The CEO is not permitted to solicit AWLD clients or employees during a two-year non-solicitation period following his termination.

17. COMMITMENTS AND CONTINGENCIES, continued

Employment Agreement, continued

On September 28, 2015, the Company entered into a new employment agreement with its CEO, (the "Employment Agreement"). Among other things, the Employment Agreement provides for a three-year term of employment at an annual salary of $401,700 (subject to a 3% cost-of-living adjustment per year), bonus eligibility, paid vacation and specified business expense reimbursements. The Employment Agreement sets limits on the Mr. Mathis' annual sales of AWLD common stock. Mr. Mathis is subject to a covenant not to compete during the term of the Employment Agreement and following his termination for any reason, for a period of twelve months. Upon a change of control (as defined by the Employment Agreement), all of Mr. Mathis' outstanding equity-based awards will vest in full and his employment term resets to two years from the date of the change of control. Following Mr. Mathis's termination for any reason, Mr. Mathis is prohibited from soliciting Company clients or employees for one year and disclosing any confidential information of AWLD for a period of two years. The Employment Agreement may be terminated by the Company for cause or by the CEO for good reason, in accordance with the terms of the Employment Agreement.

Effective September 29, 2015, Mr. Mathis resigned his position as President and Secretary for DPEC Capital, Inc. but remained on as a director and non-executive chairman. The same day, Mr. Fasano was appointed President and Secretary in addition to his continuing role as Chief Compliance Officer of DPEC Capital, Inc.

Commitments

The Company leases office space in New York City under an operating lease which expired on August 31, 2015. During July 2015, the Company entered into the second amendment of this lease (the Second Lease Amendment). Pursuant to the terms of the Second Lease Amendment, annual rent for the New York City office is increased from $156,000 to $217,800 effective September 1, 2015, is subject to modest specified annual rent increases, and the lease is extended through August 31, 2020.

Future minimum payments on these operating leases are as follows:

For The Years Ended December 31,	Amount
2016	$ 219,978
2017	226,577
2018	233,375
2019	240,376
2020	163,424
Total	$ 1,083,730

Rent expense for this property, for the years ended December 31, 2015 and 2014 was $139,107 and $129,168, respectively, net of reimbursements under expense sharing agreements (see Note 14 – Related Party Transactions – Expense Sharing).

18. SUBSEQUENT EVENTS

Management has evaluated all subsequent events to determine if events or transactions occurring through the date that the consolidated financial statements were issued, require adjustment to or disclosure in the consolidated financial statements.

Foreign Currency Exchange Rates

The Argentine Peso to United States Dollar exchange rate was 14.4284, 12.9441 and 8.5411 at March 25, December 31, 2015 and December 31, 2014, respectively.

Sale of Common Stock

During the period from January 1, 2016 through March 25, 2016, the Company sold 976,644 shares of its common stock for gross proceeds of $2,441,610.

Entry Into a Material Agreement

On or about January 11, 2016, the Company entered into an agreement with Maxim Group LLC ("Maxim") to provide general financial advisory and investment banking services to the Company. Pursuant to the terms of the agreement, Maxim will receive a monthly fee of $7,500 for the duration of the agreement, which may be terminated by either party after six months, provided that 30 days' written notice be provided. In connection with that agreement, the Company issued 350,000 shares of common stock valued at $2.50 per share to Maxim.

Exhibit 10.3

SECOND AMENDMENT OF LEASE

Amendment dated as of July 10, 2015, between 135 FIFTH AVENUE, LLC having an office at 441 Lexington Avenue, New York, New York 10017 ("Landlord"), and ALGODON WINES & LUXURY DEVELOPMENT GROUP, INC. (formerly known as Diversified Biotech Holdings Corp.) ("Tenant"), having an office at 135 Fifth Avenue, New York, New York 10010

WITNESSETH:

WHEREAS, Landlord and Tenant are parties to a certain lease dated as of July 1, 2006, as amended by agreement dated September 1, 2010 (hereinafter called the "Lease") for the entire tenth floor, in the building known as 135 Fifth Avenue, New York, New York as more particularly described in the Lease, and

WHEREAS, the parties hereto desire to amend the Lease upon the terms, covenants and conditions hereinafter provided;

NOW, THEREFORE, for value received, the parties agree as follows:

1. Effective as of September 1, 2015, the following paragraphs listed below of Article 41 of the Lease shall be deleted and replaced with the following paragraphs:

   (b) "Annual Rent" shall mean $217,800.

   (c) "Annual Rent Increase Date" shall mean September 1, 2016.

   (n) "Security Deposit" shall mean $61,284. Accordingly, Tenant is depositing with Landlord, upon execution hereof, $22,284, which together with the previously deposited funds, shall total the Security Deposit.

   (o) "Tax Base Year" shall mean the twelve month period from July 1, 2015 to June 30, 2016.

   (q) "Term" shall mean the term of this Lease as extended by this Amendment for a period of five years commencing September 1, 2015 and ending August 31, 2020.

   (s) "Water Charge" shall mean $150.

2. Except as herein modified and amended, the Lease is hereby ratified and confirmed.

IN WITNESS WHEREOF, the undersigned have duly executed this Amendment as of the date first above written.

SM

LANDLORD:
135 FIFTH AVENUE LLC

____

TENANT:
ALGODON WINES & LUXURY DEVELOPMENT GROUP, INC.

____

By signature below, Guarantor consents to this Amendment and agrees that the previously executed Guaranty of ease applies to the Lease as amended hereby

____

Scott L. Mathis

Exhibit 10.6

FIFTH EXTENSION OF PLACEMENT AGENT AGREEMENT
(INITIALLY DATED MARCH 11, 2010)

Dated as of: February 28, 2014

Hollywood Burger Holdings, Inc.
135 Fifth Avenue, 10th Floor
New York, New York 10010

Ladies and Gentlemen:

This shall confirm that Hollywood Burger Holdings, Inc., a Delaware corporation (the "Company"), hereby agrees with DPEC Capital, Inc., a Delaware corporation (the "Placement Agent"), to extend the terms of their Placement Agent Agreement, dated March 11, 2010 (hereinafter the "PAA"), as previously modified and extended on October 8, 2010 (the "Initial Extension"), on July 8, 2011 (the "Second Extension"), as of September 7, 2011 (the "Third Extension"), and on March 21, 2012 (the "Fourth Extension"), to the sale by the Company of its Common Stock via individual subscriptions, commencing on or about February 28, 2014 (hereinafter, the "2014 Subscription Offering"). Except as expressly modified herein, all of the terms and provisions set forth in the PAA and Initial, Second, Third and Fourth Extensions shall remain in full force and effect, and all capitalized terms used therein shall have the same meanings herein.

The modifications to the PAA, as previously extended, are as follows, numbered to correlate to the paragraph of the PAA being modified hereby:

1. The Relevant Terms of the 2014 Subscription Offering.

A. In connection with the 2014 Subscription Offering, the Company hereby engages the Placement Agent to act as its exclusive placement agent in connection with the issuance and sale by the Company on an individual subscription basis shares of its common stock, $.01 per share par value (the "Shares"), at a price of $.75 per share. Under the 2014 Subscription Offering, there shall be no express limit as to the number of Shares which may be sold, so all references in the PAA to the "Maximum Offering" shall no longer have any effect on the rights and duties of the parties hereto.

D. The Offering 2014 Subscription Offering has no pre-determined termination date. As such, all references in the PAA to the "Termination Date" shall no longer have any effect on the rights and duties of the parties hereto.

2. Representations and Warranties of the Company.

The Company hereby represents and warrants as follows:

B. The authorized capital stock of the Company consists of 100,000,000 shares of Common Stock, par value $.01 per share. Of this total, as of the commencement of the 2014 Subscription Offering, 63,596,696 Shares are issued and outstanding, and there are no shares that have been issued but which are held in treasury. There are no shares of preferred stock outstanding. As of the date hereof, the Company has 13,791,311 shares of Common Stock reserved for issuance upon the exercise of stock options, equity incentives and warrants. All of the issued and outstanding Shares of the capital stock of the Company are, and all shares of Common Stock reserved for issuance will be, upon issuance in accordance with the terms specified in the instruments or agreements pursuant to which they are issuable, duly authorized, validly issued, fully paid, and non-assessable.

By signing below, the Company and the Placement Agent confirm that all of the representations made by each party in the PAA remain accurate as of the date of this Fifth Extension Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

DPEC CAPITAL, INC.

By: /s/ Keith Fasano
Name: Keith Fasano
Title: Director of Compliance

HOLLYWOOD BURGER HOLDINGS, INC.

By: /s/ Scott L. Mathis
Name: Scott L. Mathis
Title: President

Exhibit 10.8

FIFTH EXTENSION OF PLACEMENT AGENT AGREEMENT (INITIALLY DATED MARCH 11, 2010)

Dated as of: February 28, 2014

Hollywood Burger Holdings, Inc.
135 Fifth Avenue, 10th Floor
New York, New York 10010

Ladies and Gentlemen:

This shall confirm that Hollywood Burger Holdings, Inc., a Delaware corporation (the "Company"), hereby agrees with DPEC Capital, Inc., a Delaware corporation (the "Placement Agent"), to extend the terms of their Placement Agent Agreement, dated March 11, 2010 (hereinafter the "PAA"), as previously modified and extended on October 8, 2010 (the "Initial Extension"), on July 8, 2011 (the "Second Extension"), as of September 7, 2011 (the "Third Extension"), and on March 21, 2012 (the "Fourth Extension"), to the sale by the Company of its Common Stock via individual subscriptions, commencing on or about February 28, 2014 (hereinafter, the "2014 Subscription Offering"). Except as expressly modified herein, all of the terms and provisions set forth in the PAA and Initial, Second, Third and Fourth Extensions shall remain in full force and effect, and all capitalized terms used therein shall have the same meanings herein.

The modifications to the PAA, as previously extended, are as follows, numbered to correlate to the paragraph of the PAA being modified hereby:

1. The Relevant Terms of the 2014 Subscription Offering.

A. In connection with the 2014 Subscription Offering, the Company hereby engages the Placement Agent to act as its exclusive placement agent in connection with the issuance and sale by the Company on an individual subscription basis shares of its common stock, $.01 per share par value (the "Shares"), at a price of $.75 per share. Under the 2014 Subscription Offering, there shall be no express limit as to the number of Shares which may be sold, so all references in the PAA to the "Maximum Offering" shall no longer have any effect on the rights and duties of the parties hereto.

D. The Offering 2014 Subscription Offering has no pre-determined termination date. As such, all references in the PAA to the "Termination Date" shall no longer have any effect on the rights and duties of the parties hereto.

2. Representations and Warranties of the Company.

The Company hereby represents and warrants as follows:

B. The authorized capital stock of the Company consists of 100,000,000 shares of Common Stock, par value $.01 per share. Of this total, as of the commencement of the 2014 Subscription Offering, 63,596,696 Shares are issued and outstanding, and there are no shares that have been issued but which are held in treasury. There are no shares of preferred stock outstanding. As of the date hereof, the Company has 13,791,311 shares of Common Stock reserved for issuance upon the exercise of stock options, equity incentives and warrants. All of the issued and outstanding Shares of the capital stock of the Company are, and all shares of Common Stock reserved for issuance will be, upon issuance in accordance with the terms specified in the instruments or agreements pursuant to which they are issuable, duly authorized, validly issued, fully paid, and non-assessable.

By signing below, the Company and the Placement Agent confirm that all of the representations made by each party in the PAA remain accurate as of the date of this Fifth Extension Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

DPEC CAPITAL, INC.

By: /s/ Keith Fasano
Name: Keith Fasano
Title: Director of Compliance

HOLLYWOOD BURGER HOLDINGS, INC.

By: /s/ Scott L. Mathis
Name: Scott L. Mathis
Title: President

Exhibit 10.14

EXTENSION OF TERMINATION DATE
OF PRIVATE PLACEMENT OFFERING

Dated effective as of: December 31, 2014

Algodon Wines & Luxury Development Group, Inc. (the "Company") and DPEC Capital, Inc. (the "Placement Agent") hereby confirm their agreement to extend, from December 31, 2014 to March 31, 2015, the termination date for the Company's Amended Subscription Agreement and the Amended Placement Agent Agreement (the "PAA") between the Company and the Placement Agent, both of which were dated September 8, 2014, in accordance with the terms set forth in the Company's Private Placement Memorandum/Amended Subscription Agreement, dated September 8, 2014 and the PPA, respectively.

DPEC CAPITAL, INC.

By: /s/ Keith Fasano
Name: Keith Fasano
Title: Chief Compliance Officer

ALGODON WINES & LUXURY DEVELOPMENT GROUP, INC.

By: /s/ Mark Downey
Name: Mark Downey
Title: Chief Operating Officer

SECOND EXTENSION OF TERMINATION DATE OF
PLACEMENT AGENT AGREEMENT AND WARRANT AGREEMENT

Dated as of: March 31, 2015

Algodon Wines & Luxury Development Group, Inc. (the "Company") and DPEC Capital, Inc. (the "Placement Agent") hereby confirm their agreement to extend, from March 31, 2015 to April 30, 2015, plus up to an additional 30 days at the discretion of the Company and the Placement Agent, the termination date for (1) the Amended Placement Agent Agreement between the Company and the Placement Agent, dated September 8, 2014 and first extended on December 31, 2014, and (2) the Amended Warrant Agreement between the Company and the Placement Agent, dated September 8, 2014 and first extended on December 31, 2014.

DPEC CAPITAL, INC.	**ALGODON WINES & LUXURY DEVELOPMENT GROUP, INC.**
By: /s/ Keith Fasano	By: /s/ Scott Mathis
Name: Keith Fasano	Name: Scott Mathis
Title: Chief Compliance Officer	Title: Chief Executive Officer

THIRD EXTENSION AND SECOND MODIFICATION OF PLACEMENT AGENT AGREEMENT (INITIALLY DATED OCTOBER 1, 2012)

Dated as of: October 1, 2015

ALGODON WINES & LUXURY DEVELOPMENT GROUP, INC.
135 Fifth Avenue, 10th Floor
New York, New York 10010

Ladies and Gentlemen:

This shall confirm that Algodon Wines & Luxury Development Group, Inc., a Delaware corporation (the "Company") and DPEC Capital, Inc., a Delaware corporation (the "Placement Agent"), hereby agree to extend and modify the terms of their Placement Agent Agreement, dated October 1, 2012 (hereinafter the "PAA"), as initially extended by the First Extension of Placement Agent Agreement, dated June 30, 2013 and by the Amended Revised Second Extension of Placement Agent Agreement, dated June 30, 2014. Except as expressly modified herein, all of the terms and provisions set forth in the PAA shall remain in full force and effect, and all capitalized terms used herein shall have the same meanings therein. The modifications to the PAA are as follows:

(1) The most recent version of Sections 1.A. and 1.D. of the PAA are hereby deleted in their entirety and replaced with the following:

1. Offering.

A. The Company hereby engages the Placement Agent to act as exclusive placement agent in connection with the issuance and sale by the Company (the "2015 Contingent Common Stock Offering") of up to 10,000,000 of shares of its Common Stock, $.01 par value per share (plus up to an additional 2,500,000 Shares which the Company reserves the right to issue on the same terms provided herein) (the "Shares"), at a price of $2.50 per share. A sale of 12,500,000 Shares shall be referred to as the "Maximum Offering."

D. The 2015 Contingent Common Stock Offering will terminate on the earlier of (a) the date the Company qualifies to trade its common stock on the OTCQB tier of the OTC Markets or (b) November 22, 2015 (the "Contingency Failure Date") (unless the Company extends the Contingency Failure Date to no more than 60 days later).

(2) The most recent version of Section 4.B. of the PAA is hereby deleted in its entirety and replaced with the following:

4. Representations and Warranties of the Company.

B. The authorized capital stock of the Company consists of 80,000,000 shares of common stock ("Common Shares") and 11,000,000 shares of preferred stock, par value $.01 per share (the "Preferred Shares"). Of this total, as of August 31, 2015, 38,604,473 Common Shares are issued, which includes 4,411 shares held in treasury, and zero Preferred Shares are issued. As of the date hereof, the Company has reserved 1,274,313 Common Shares for issuance upon the exercise of stock options (the "Stock Options") that have been granted to members of the Company's Board of Directors, advisors, certain employees and others. As of the date hereof, the Company has reserved 8,956,311 Common Shares for issuance upon the exercise of warrants to the Placement Agent in connection with prior offerings (together with the Stock Options, the "Option Securities"). All of the issued and outstanding shares of the capital stock of the Company are, and all Common Shares reserved for issuance will be, upon issuance in accordance with the terms specified in the instruments or agreements pursuant to which they are issuable, duly authorized, validly issued, fully paid, and non-assessable. Except for the outstanding Option Securities, there are no outstanding options, warrants, rights to acquire or subscribe to, or commitments of any nature to which the Company is a party or may be bound, requiring the issuance or sale of any class of capital stock or other equity securities, or securities or rights convertible into or exchangeable for such shares or other equity securities.

(3) Additional modifications.

(a) All references in the PAA to the "Offering" are hereby deleted and replaced with the "2015 Contingent Common Stock Offering."

(b) The reference in the most recent version of Section 1.C. to "March 31, 2015" is hereby deleted and replaced with "November 22, 2015 (unless the Company extends this date to no more than 60 days later)."

(c) The reference in Section 10.B to "Mark Downey" is hereby deleted and replaced with "Maria Echevarria."

(4) Confirmation of representations.

By signing below, the Company and the Placement Agent confirm that all of the representations made by each party in the PAA remain accurate as of the date of this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date first written above.

DPEC CAPITAL, INC.

By: /s/ Maria Echevarria
Name: Maria Echevarria
Title: Chief Operations Officer

ALGODON WINES & LUXURY DEVELOPMENT GROUP, INC.

By: /s/ Scott L. Mathis
Name: Scott L. Mathis
Title: President

Exhibit 10.15

EXTENSION OF WARRANT AGREEMENT
(INITIALLY DATED OCTOBER 1, 2012)

Dated as of: July 9, 2014

Algodon Wines & Luxury Development Group, Inc.
135 Fifth Avenue, 10th Floor
New York, New York 10010

Ladies and Gentlemen:

This shall confirm that Algodon Wines & Luxury Development Group, Inc., a Delaware corporation (the "Company"), hereby agrees with DPEC Capital, Inc., a Delaware corporation (the "Placement Agent"), to extend the terms of their Warrant Agreement, dated October 1, 2012 (the "Warrant Agreement"), to a second offering being conducted by the Company, commencing on or about July 9, 2014 (hereinafter, the "Second Offering"). Except as expressly modified herein, all of the terms and provisions set forth in the Warrant Agreement shall apply with respect to the Second Offering.

The modifications to the Warrant Agreement are as follows:

1. As of July 9, 2014, all references to the "Offering" shall refer to the Company's proposed private placement of up to 10,000,000 shares of common stock of the Company, $.01 par value per share (plus up to an additional 3,000,000 shares on the same terms), at an offering price of $3.00 per share.

2. To the extent the Warrant Agreement pertains to the Second Offering, all references to the "Exercise Price" shall be understood to be $3.00 per share.

3. The legend referred to in paragraph 8.1 of the Warrant Agreement shall read as follows:

> **THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO (i) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, (ii) TO THE EXTENT APPLICABLE, RULE 144 UNDER SUCH ACT (OR ANY SIMILAR RULE UNDER SUCH ACT RELATING TO THE DISPOSITION OF SECURITIES), OR (iii) AN OPINION OF COUNSEL, IF SUCH OPINION SHALL BE REASONABLY SATISFACTORY TO COUNSEL FOR THE ISSUER, THAT AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT IS AVAILABLE.**
>
> **THE TRANSFER OR EXCHANGE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS RESTRICTED IN ACCORDANCE WITH THE EXTENSION OF WARRANT AGREEMENT BETWEEN THE ISSUER AND DPEC CAPITAL, INC. DATED AS OF JULY 9, 2014, AS AMENDED AND REVISED.**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

DPEC CAPITAL, INC.	ALGODON WINES & LUXURY DEVELOPMENT GROUP, INC.
By: /s/ Keith Fasano	By: /s/ Scott L. Mathis
Name: Keith Fasano	Name: Scott L. Mathis
Title: Chief Compliance Officer	Title: President

SECOND EXTENSION OF WARRANT AGREEMENT
(INITIALLY DATED OCTOBER 1, 2012)

Dated as of: September 8, 2014

Algodon Wines & Luxury Development Group, Inc.
135 Fifth Avenue, 10th Floor
New York, New York 10010

Ladies and Gentlemen:

This shall confirm that Algodon Wines & Luxury Development Group, Inc., a Delaware corporation (the “Company”), hereby agrees with DPEC Capital, Inc., a Delaware corporation (the “Placement Agent”), to extend the terms of their Warrant Agreement, dated October 1, 2012 (the “Warrant Agreement”), as previously amended and extended on July 9, 2014 (the “Initial Extension”), to a second offering being conducted by the Company, commencing on or about July 9, 2014, as amended on September 8, 2014 (hereinafter, the “Amended Second Offering”). Except as expressly modified herein, all of the terms and provisions set forth in the Warrant Agreement and the Initial Extension shall apply with respect to the Amended Second Offering.

The modifications to the Warrant Agreement are as follows:

1. As of September 8, 2014, all references to the “Offering” shall refer to the Company’s proposed private placement of up to 5,000,000 shares of common stock of the Company, $.01 par value per share (plus up to an additional 1,500,000 shares on the same terms), at an offering price of $2.00 per share.

2. To the extent the Warrant Agreement pertains to the Amended Second Offering, all references to the “Exercise Price” shall be understood to be $2.00 per share.

3. The legend referred to in paragraph 8.1 of the Warrant Agreement shall read as follows:

> **THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO (i) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, (ii) TO THE EXTENT APPLICABLE, RULE 144 UNDER SUCH ACT (OR ANY SIMILAR RULE UNDER SUCH ACT RELATING TO THE DISPOSITION OF SECURITIES), OR (iii) AN OPINION OF COUNSEL, IF SUCH OPINION SHALL BE REASONABLY SATISFACTORY TO COUNSEL FOR THE ISSUER, THAT AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT IS AVAILABLE.**
>
> **THE TRANSFER OR EXCHANGE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS RESTRICTED IN ACCORDANCE WITH THE EXTENSION OF WARRANT AGREEMENT BETWEEN THE ISSUER AND DPEC CAPITAL, INC. DATED AS OF SEPTEMBER 8, 2014, AS AMENDED AND REVISED.**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

DPEC CAPITAL, INC.	**ALGODON WINES & LUXURY DEVELOPMENT GROUP, INC.**
By: /s/ Keith Fasano	By: /s/ Scott L. Mathis
Name: Keith Fasano	Name: Scott L. Mathis
Title: Chief Compliance Officer	Title: President

THIRD EXTENSION OF WARRANT AGREEMENT
(INITIALLY DATED OCTOBER 1, 2012)

Dated as of: October 1, 2015

Algodon Wines & Luxury Development Group, Inc.
135 Fifth Avenue, 10th Floor
New York, New York 10010

Ladies and Gentlemen:

This shall confirm that Algodon Wines & Luxury Development Group, Inc., a Delaware corporation (the "Company"), hereby agrees with DPEC Capital, Inc., a Delaware corporation (the "Placement Agent"), to extend the terms of their Warrant Agreement, dated October 1, 2012 (the "Warrant Agreement"), as previously amended and extended on July 9, 2014 and September 8, 2014 (the "Initial Extensions"), to a third offering being conducted by the Company, commencing on or about October 1, 2015 (hereinafter the "2015 Contingent Common Stock Offering"). Except as expressly modified herein, all of the terms and provisions set forth in the Warrant Agreement and the Initial Extensions shall apply with respect to the 2015 Contingent Common Stock Offering.

The modifications to the Warrant Agreement are as follows:

1. All references to the "Offering" shall refer to the 2015 Contingent Common Stock Offering of up to 10,000,000 shares of common stock of the Company, $.01 par value per share (plus up to an additional 2,500,000 shares on the same terms), at an offering price of $2.50 per share.

2. To the extent the Warrant Agreement pertains to the 2015 Contingent Common Stock Offering, all references to the "Exercise Price" shall be understood to be $2.50 per share.

3. The legend referred to in paragraph 8.1 of the Warrant Agreement shall read as follows:

> **THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO (i) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, (ii) TO THE EXTENT APPLICABLE, RULE 144 UNDER SUCH ACT (OR ANY SIMILAR RULE UNDER SUCH ACT RELATING TO THE DISPOSITION OF SECURITIES), OR (iii) AN OPINION OF COUNSEL, IF SUCH OPINION SHALL BE REASONABLY SATISFACTORY TO COUNSEL FOR THE ISSUER, THAT AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT IS AVAILABLE.**
>
> **THE TRANSFER OR EXCHANGE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS RESTRICTED IN ACCORDANCE WITH THE THIRD EXTENSION OF WARRANT AGREEMENT BETWEEN THE ISSUER AND DPEC CAPITAL, INC. DATED AS OF OCTOBER 1, 2015, AS AMENDED AND REVISED.**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

DPEC CAPITAL, INC.	ALGODON WINES & LUXURY DEVELOPMENT GROUP, INC.
By: ______________________	By: ______________________
Name: Keith Fasano	Name: Scott L. Mathis
Title: Chief Compliance Officer	Title: President

Exhibit 10.16

January 11, 2016

Mr. Scott L. Mathis
Chief Executive Officer
Algodon Wines & Luxury Development Group, Inc. 135
Fifth Avenue, 10th Floor
New York, NY 10010

Dear Mr. Mathis:

We are pleased that Algodon Wines & Luxury Development Group, Inc. (" **Algodon**" or the "**Company**") has decided to retain Maxim Group LLC ("**Maxim**") to provide general financial advisory and investment banking services to the Company as set forth herein. This letter agreement ("**Agreement**") will confirm Maxim's acceptance of such retention and set forth the terms of our engagement.

1. Retention. The Company hereby retains Maxim as its exclusive financial advisor and investment banker to provide general financial advisory and investment banking services, and Maxim accepts such retention on the terms and conditions set forth in this Agreement. In connection with this Agreement, Maxim may provide certain or all of the following services (collectively referred to as the "**Advisory Services**"):

(a) provide a valuation analysis of the Company including:
   I. Comparable company analysis;
   II. Precedent transaction analysis;
   III. Asset valuation using standard asset appraisal methodologies;

(b) assist management of the Company and advise the Company with respect to its strategic planning process and business plans including an analysis of markets, positioning, financial models, organizational structure, potential strategic alliances and capital requirements;

(c) advise the Company on matters relating to its capitalization including a potential public up listing;

(d) assist management of the Company with the preparation of the Company's marketing materials and investor presentations;

(e) assist the Company with strategic introductions;

(f) work closely with the Company's management team to develop a set of long and short-term goals with special focus on enhancing corporate and shareholder value. This will include assisting the Company in determining key business actions, including assistance with strategic partnership discussions and review of financing requirements, intended to help enhance shareholder value and exposure to the investment community;

(g) advise the Company on potential financing alternatives and merger and acquisition criteria and activity, including facilitation and negotiation of any financial or structural aspects of such alternatives; and

(h) provide such other financial advisory and investment banking services upon which the parties may mutually agree.

It is expressly understood and agreed that Maxim shall be required to perform only such tasks as may be necessary or desirable in connection with the rendering of its services hereunder and therefore may not perform all of the tasks enumerated above during the term of this Agreement. Moreover, it is further understood that Maxim need not perform each of the above-referenced tasks in order to receive the fees described in Section 3. It is further understood that Maxim's tasks may not be limited to those enumerated in this paragraph.

2. Information. In connection with Maxim's activities hereunder, the Company will cooperate with Maxim and furnish Maxim upon request with all information regarding the business, operations, properties, financial condition, management and prospects of the Company (all such information so furnished being the "**Information**") which Maxim deems appropriate and will provide Maxim with access to the Company's officers, directors, employees, independent accountants and legal counsel. The Company represents and warrants to Maxim that all Information made available to Maxim hereunder will be complete and correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in light of the circumstances under which such statements are or will be made. The Company further represents and warrants that any projections and other forward-looking information provided by it to Maxim will have been prepared in good faith and will be based upon assumptions which, in light of the circumstances under which they are made, are reasonable. The Company recognizes and confirms that Maxim: (i) will use and rely primarily on the Information and on information available from generally recognized public sources in performing the services contemplated by this Agreement without having independently verified the same; (ii) does not assume responsibility for the accuracy or completeness of the Information and such other information; and (iii) will not make an appraisal of any assets of the Company. Any advice rendered by Maxim pursuant to this Agreement may not be disclosed publicly without Maxim's prior written consent. Maxim hereby acknowledges that certain of the Information received by Maxim may be confidential and/or proprietary, including Information with respect to the Company's technologies, products, business plans, marketing, and other Information which must be maintained by Maxim as confidential. Maxim agrees that it will not disclose such confidential and/or proprietary Information to any other companies in the industry in which the Company is involved, or use such Information for any purpose unrelated to the services to be provided pursuant to this Agreement. In addition, Maxim represents that it has written procedures regarding information barriers and restricting the dissemination of material non-public information.

3. Compensation. As consideration for Maxim's services pursuant to this Agreement, Maxim shall be entitled to receive, and the Company agrees to pay Maxim, the following compensation:

(a) The Company shall pay to Maxim a non-refundable monthly fee of $7,500 (USD) for the term of this Agreement; however in no event shall the Company pay fewer than six (6) monthly fee payments to Maxim. The monthly fee payments are payable at the beginning of each month upon execution of this Agreement until the termination of the Agreement (subject to the minimum six month time period detailed in the preceding sentence). The monthly fee payments shall be payable by wire or other immediately available funds. The fees appearing in Exhibit B (hereto, the "**Fee Schedule**") shall be earned by and paid to Maxim by the Company in connection with any Financings or Transactions (as such terms are defined hereafter) undertaken by the Company, the terms of which will be will be mutually agreed upon under separate advisory, placement agency and/or underwriting agreements. The fees enumerated in Exhibit B are separate and apart from the monthly fee payments enumerated earlier in this paragraph.

(b) In addition to the monthly fee, the Company will also issue to Maxim or its designees 450,000 shares of the Company's Common Stock ("**Common Stock**"). The Common Stock shall be issued and shall vest based on the following schedule:

a. 350,000 restricted shares of Common Stock will be issued to Maxim upon execution of this Agreement. 1/9 or 11.1% of those shares shall vest upon the execution of the Agreement, with an additional 1/9 or 11.1% to vest on each successive month thereafter until either this Agreement is terminated or 350,000 shares have vested. In the event this Agreement is terminated before all 350,000 shares have vested, all unvested shares shall be promptly returned to the Company along with any requested documentation (such as a signed stock power) needed to effect a transfer of ownership of such shares back to the Company;
b. 100,000 restricted shares of Common Stock upon an uplisting of the Company's Common Stock to a national exchange (NASDAQ or NYSE MKT).

The restricted shares of Common Stock will have unlimited piggyback registration rights and the same rights afforded other holders of the Company's Common Stock.

(c) The Company and Maxim acknowledge and agree that, in the course of performing services hereunder, Maxim may communicate with (as the Company's advisor) or introduce the Company to third parties who may be interested in providing financing to the Company (a "**Financing**") or in entering into a transaction with the Company, including, without limitation, a merger, acquisition or sale of stock or assets (in which the Company may be the acquiring or the acquired entity), joint venture, strategic alliance or other similar transaction (any such transaction, a "**Transaction**"). The Company agrees that if during the term of this Agreement or within twelve (12) months from the effective date of the termination of this Agreement either the Company or any party to whom the Company was introduced by Maxim or who was contacted by Maxim on behalf of the Company in connection with its services for the Company hereunder proposes a Financing or any Transaction involving the Company, then, if any such Financing or Transaction is consummated, the Company shall pay to Maxim fees in accordance with the Fee Schedule; provided, however, that if Maxim's services are limited to making an introduction to another investment bank or intermediary ("Party") that executes a Financing or a Transaction with the Company and Maxim does not render any services in connection with a Transaction other than an introduction, the fee hereunder shall be reduced to 1/3 or 33.3% of the applicable fee set forth in the Fee Schedule. Alternatively, Maxim can enter into a fee sharing agreement with the Party based the applicable fee set forth in the Fee Schedule. Such fees shall be payable to Maxim in cash at the closing or closings of the Financing or Transaction to which it relates. Should Maxim's fee hereunder be limited to the fee for making an introduction, it can earn an additional fee for services provided as a sales agent in a Financing.

4. Expenses. In addition to payment to Maxim of the compensation set forth in Section 3 hereof, the Company shall promptly upon request from time to time reimburse Maxim for all reasonable expenses (including, without limitation, fees and disbursements of counsel (capped at $5,000) and all travel and other out-of-pocket expenses) incurred by Maxim in connection with its engagement hereunder. Maxim will provide the Company an invoice and copies of receipts pursuant to its expenses and such expenses (excepting legal fees) shall not exceed $2,500 without prior authorization of the Company.

5. Indemnification. The Company agrees to indemnify Maxim in accordance with the indemnification and other provisions attached to this Agreement as Exhibit A (the "**Indemnification Provisions**"), which provisions are incorporated herein by reference and shall survive the termination or expiration of this Agreement.

6. Future Rights. As additional consideration for its services hereunder and as an inducement to cause Maxim to enter into this Agreement, if at any time during the term of this Agreement or within twelve (12) months from the effective date of the termination of this Agreement, the Company proposes to effect a public offering of its securities on a US exchange, private placement of securities or other Financing, the Company shall offer to retain Maxim as lead book running manager of such offering, or as its exclusive agent in connection with such Financing or other matter, upon such terms as the parties may mutually agree, such terms to be set forth in a separate engagement letter or other agreement between the parties. Such offer shall be made in writing in order to be effective. The Company shall not offer to retain any other investment banking firm in connection with any such offering or financing, on terms more favorable than those discussed with Maxim without offering to retain Maxim on such more favorable terms. Maxim shall notify the Company within ten (10) days of its receipt of the written offer contemplated above as to whether or not it agrees to accept such retention. If Maxim should decline such retention, the Company shall have no further obligations to Maxim, except as specifically provided for herein. For avoidance of confusion, the provisions of this paragraph shall not apply to the private placement offering being conducted by the Company as of the commencement of this Agreement. Furthermore, and notwithstanding the foregoing, the Company's subsidiary, OPEC Capital, Inc., is understood to have a prior right to conduct or manage any offering contemplated in this paragraph during such time that it is legally authorized to do so.

7. Other Activities. The Company acknowledges that Maxim has been, and may in the future be, engaged to provide services as an underwriter, placement agent, finder, advisor and investment banker to other companies in the industry in which the Company is involved. Subject to the confidentiality provisions of Maxim contained in Section 2 hereof, the Company acknowledges and agrees that nothing contained in this Agreement shall limit or restrict the right of Maxim or of any member, manager, officer, employee, agent or representative of Maxim, to be a member, manager, partner, officer, director, employee, agent or representative of, investor in, or to engage in, any other business, whether or not of a similar nature to the Company's business, nor to limit or restrict the right of Maxim to render services of any kind to any other corporation, firm, individual or association. Maxim may, but shall not be required to, present opportunities to the Company.

8. Term and Termination; Survival of Provisions. Either Maxim or the Company may terminate this Agreement at any time upon thirty (30) days' prior written notice to the other party after the six (6) month anniversary of this Agreement. In the event of such termination, the Company shall pay and deliver to Maxim: (i) all compensation earned through the date of such termination **("Termination Date")** pursuant to any provision of Section 3 hereof; (ii) all compensation which may be earned by Maxim after the Termination Date pursuant to Section 3 hereof; and (iii) and shall reimburse Maxim for all expenses incurred by Maxim in connection with its services hereunder pursuant to Section 4 hereof. All such fees and reimbursements due to Maxim pursuant to the immediately preceding sentence shall be paid to Maxim on or before the Termination Date (in the event such fees and reimbursements are earned or owed as of the Termination Date) or upon the closing of a Financing or Transaction or any applicable portion thereof (in the event such fees are due pursuant to the terms of Section 3 hereof). Notwithstanding anything expressed or implied herein to the contrary: (i) any other agreement entered into between Maxim and the Company may only be terminated in accordance with the terms thereof, notwithstanding an actual or purported termination of this Agreement, and (ii) the terms and provisions of Sections 3, 4, 5 (including, but not limited to, the Indemnification Provisions attached to this Agreement and incorporated herein by reference), 6, 8, 9, 10, 11, 15 and 17 shall survive the termination of this Agreement.

9. Notices. All notices will be in writing and will be effective when delivered in person or sent via facsimile and confirmed by letter, to the party to whom it is addressed at the following addresses or such other address as such party may advise the other in writing:

To the Company:
Mr. Scott L. Mathis Chief Executive Officer
Algodon Wines & Luxury Development Group, Inc.
135 Fifth Avenue, 10th Floor
New York, NY 10010
Telephone: (212) 739-7677

With a copy to:
Eric S. Hutner, Esq.
Hutner Klarish LLP
1359 Broadway, Suite 2001
New York, NY 10018
Telephone: (212) 391-9235
Facsimile: (212) 981-9122

To Maxim:
James Siegel, Esq.
Maxim Group LLC
405 Lexington Avenue
New York, NY10174
Telephone: (212) 895-3508
Facsimile: (212) 895-3860

Mr. Clifford Teller Maxim Group LLC
405 Lexington Avenue
New York, NY 10174

10. Governing Law; Jurisdiction; Waiver of Jury Trial. This Agreement shall be enforced, governed by and construed in accordance with the laws of New York without regard to principles of conflict of laws. Any controversy between the parties to this Agreement, or out of shall be resolved by arbitration before the Financial Industry Regulatory Authority ("FINRA") in New York City. The following arbitration agreement should be read in conjunction with these disclosures:

(a) ARBITRATION IS FINAL AND BINDING ON THE PARTIES;
(b) THE PARTIES ARE WAIVING THEIR RIGHT TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT TO JURY TRIAL;
(c) PRE-ARBITRATION DISCOVERY IS GENERALLY MORE LIMITED THAN AND DIFFERENT FROM COURT PROCEEDING;
(d) THE ARBITRATORS' AWARD IS NOT REQUIRED TO INCLUDE FACTUAL FINDING OR LEGAL REASONING AND ANY PARTY'S RIGHT TO APPEAL OR TO SEEK MODIFICATION OF RULINGS BY THE ARBITRATORS IS STRICTLY LIMITED; AND

ARBITRATION AGREEMENT ANY AND ALL CONTROVERSIES, DISPUTES OR CLAIMS BETWEEN THE UNDERSIGNED AND YOU OR YOUR AGENTS, REPRESENTATIVES, EMPLOYEES, DIRECTORS, OFFICERS OR CONTROL PERSONS, ARISING OUT OF, IN CONNECTION WITH, FROM OR WITH RESPECT TO (a) ANY PROVISIONS OF OR THE VALIDITY OF THIS AGREEMENT OR ANY RELATED AGREEMENTS, (b) THE RELATIONSHIP OF THE PARTIES HERETO, OR (c) ANY CONTROVERSY ARISING OUT OF YOUR BUSINESS
January 11, 2016

SHALL BE CONDUCTED PURSUANT TO THE CODE OF ARBITRATION PROCEDURE OF FINRA. ARBITRATION MUST BE COMMENCED BY SERVICE OF A WRITTEN DEMAND FOR ARBITRATION OR A WRITTEN NOTICE OF INTENTION TO ARBITRATE. IF YOU ARE A PARTY TO SUCH ARBITRATION, TO THE EXTENT PERMITTED BY THE RULES OF THE APPLICABLE ARBITRATION TRIBUNAL, THE ARBITRATION SHALL BE CONDUCTED IN NEW YORK, NEW YORK. THE DECISION AND AWARD OF THE ARBITRATORS(S) SHALL BE CONCLUSIVE AND BINDING UPON ALL PARTIES, AND ANY JUDGMENT UPON ANY AWARD RENDERED MAY BE ENTERED IN A COURT HAYING JURISDICTION THEREOF, AND NEITHER PARTY SHALL OPPOSE SUCH ENTRY.

11. Amendments. This Agreement may not be modified or amended except in a writing duly executed by the parties hereto.

12. Headings. The section headings in this Agreement have been inserted as a matter of reference and are not part of this Agreement.

13. Successors and Assigns. The benefits of this Agreement shall inure to the parties hereto, their respective successors and assigns and to the indemnified parties hereunder and their respective successors and assigns, and the obligations and liabilities assumed in this Agreement shall be binding upon the parties hereto and their respective successors and assigns. Notwithstanding anything contained herein to the contrary, neither Maxim nor the Company shall assign any of its obligations hereunder without the prior written consent of the other party.

14. No Third Party Beneficiaries. This Agreement does not create, and shall not be construed as creating, any rights enforceable by any person or entity not a party hereto, except those entitled to the benefits of the Indemnification Provisions. Without limiting the foregoing, the Company acknowledges and agrees that Maxim is not being engaged as, and shall not be deemed to be, an agent or fiduciary of the Company's stockholders or creditors or any other person by virtue of this Agreement or the retention of Maxim hereunder, all of which are hereby expressly waived.

15. Waiver. Any waiver or any breach of any of the terms or conditions of this Agreement shall not operate as a waiver of any other breach of such terms or conditions or of any other term or condition, nor shall any failure to insist upon strict performance or to enforce any provision hereof on any one occasion operate as a waiver of such provision or of any other provision hereof or a waiver of the right to insist upon strict performance or to enforce such provision or any other provision on any subsequent occasion. Any waiver must be in writing.

16. Counterparts. This Agreement may be executed in any number of counterparts and by facsimile transmission, each of which shall be deemed to be an original instrument, but all of which taken together shall constitute one and the same agreement. Facsimile and electronic signatures shall be deemed to be original signatures for all purposes.

17. Disclaimers. Maxim and the Company further agree that neither Maxim nor any of its affiliates or any of its/their respective officers, directors, controlling persons (within the meaning of Section 15 of the Act or Section 20 of the Exchange Act of 1934), employees or agents shall have any liability to the Company, its security holders or creditors, or any person asserting claims on behalf of or in the right of the Company (whether direct or indirect, in contract, tort, for an act of negligence or otherwise) for any losses, fees, damages, liabilities, costs, expenses or equitable relief arising out of or relating to this Agreement or the Advisory Services rendered herein, except for losses, fees, damages, liabilities, costs or expenses that arise out of or are based on any action of or failure to act by Maxim and that are finally and fully judicially determined (or determined by a properly constituted arbitration panel) to have resulted solely from the gross negligence or willful misconduct of Maxim.

If the terms of our engagement as set forth in this letter are satisfactory to you, please confirm by signing and returning one copy of this letter, together with a check or wire for $7,500 representing the initial monthly payment in connection with the Agreement.

Very truly yours, MAXIM GROUP LLC
By: /s/Karl Brenza
Karl Brenza
Senior Managing Director

By: /s/Clifford Teller
Clifford Teller
Executive Managing Director, & Head of Investment Banking

Agreed to and accepted this 11th day of January, 2016

ALGODON WINES & LUXURY DEVELOPMENT GROUP, INC.

/s/Scott L. Mathis
Name: Scott L. Mathis
Title: Chief Executive Officer

Exhibit A

INDEMNIFICATION PROVISIONS

Capitalized terms used in this Exhibit shall have the meanings ascribed to such terms in the Agreement to which this Exhibit is attached.

The Company agrees to indemnify and hold harmless Maxim and each of the other Indemnified Parties (as hereinafter defined) from and against any and all losses, claims, damages, obligations, penalties, judgments, awards, liabilities, costs, expenses and disbursements, and any and all actions, suits, proceedings and investigations in respect thereof and any and all legal and other costs, expenses and disbursements in giving testimony or furnishing documents in response to a subpoena or otherwise (including, without limitation, the costs, expenses and disbursements, as and when incurred, of investigating, preparing, pursing or defending any such action, suit, proceeding or investigation (whether or not in connection with litigation in which any Indemnified Party is a party)) (collectively, "**Losses**"), directly or indirectly, caused by, relating to, based upon, arising out of, or in connection with, Maxim's acting for the Company, including, without limitation, any act or omission by Maxim in connection with its acceptance of or the performance or non-performance of its obligations under the Agreement between the Company and Maxim to which these indemnification provisions are attached and form a part (the **"Agreement"),** any breach by the Company of any representation, warranty, covenant or agreement contained in the Agreement (or in any instrument, document or agreement relating thereto, including any Agency Agreement), or the enforcement by Maxim of its rights under the Agreement or these indemnification provisions, except to the extent that any such Losses are found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from the gross negligence or willful misconduct of the Indemnified Party seeking indemnification hereunder. The Company also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company for or in connection with the engagement of Maxim by the Company or for any other reason, except to the extent that any such liability is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from such Indemnified Party's gross negligence or willful misconduct.

These Indemnification Provisions shall extend to the following persons (collectively, the " **Indemnified Parties**") Maxim, its present and former affiliated entities, managers, members, officers, employees, legal counsel, agents and controlling persons (within the meaning of the federal securities laws), and the officers, directors, partners, stockholders, members, managers, employees, legal counsel, agents and controlling persons of any of them. These indemnification provisions shall be in addition to any liability which the Company may otherwise have to any Indemnified Party.

If any action, suit, proceeding or investigation is commenced, as to which an Indemnified Party proposes to demand indemnification, it shall notify the Company with reasonable promptness; provided, however, that any failure by an Indemnified Party to notify the Company shall not relieve the Company from its obligations hereunder. An Indemnified Party shall have the right to retain counsel of its own choice to represent it, and the fees, expenses and disbursements of such counsel shall be borne by the Company. Any such counsel shall, to the extent consistent with its professional responsibilities, cooperate with the Company and any counsel designated by the Company. The Company shall be liable for any settlement of any claim against any Indemnified Party made with the Company's written consent. The Company shall not, without the prior written consent of Maxim, settle or compromise any claim, or permit a default or consent to the entry of any judgment in respect thereof, unless such settlement, compromise or consent (i) includes, as an unconditional term thereof, the giving by the claimant to all of the Indemnified Parties of an unconditional release from all liability in respect of such claim, and (ii) does not contain any factual or legal admission by or with respect to an Indemnified Party or an adverse statement with respect to the character, professionalism, expertise or reputation of any Indemnified Party or any action or inaction of any Indemnified Party.

In order to provide for just and equitable contribution, if a claim for indemnification pursuant to these indemnification provisions is made but it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) that such indemnification may not be enforced in such case, even though the express provisions hereof provide for indemnification in such case, then the Company shall contribute to the Losses to which any Indemnified Party may be subject (i) in accordance with the relative benefits received by the Company and its stockholders, subsidiaries and affiliates, on the one hand, and the Indemnified Party, on the other hand, and (ii) if (and only it) the allocation provided in clause (i) of this sentence is not permitted by applicable law, in such proportion as to reflect not only the relative benefits, but also the relative fault of the Company, on the one hand, and the Indemnified Party, on the other hand, in connection with the statements, acts or omissions which resulted in such Losses as well as any relevant equitable considerations. No person found liable for a fraudulent misrepresentation shall be entitled to contribution from any person who is not also found liable for fraudulent misrepresentation. The relative benefits received (or anticipated to be received) by the Company and its stockholders, subsidiaries and affiliates shall be deemed to be equal to the aggregate consideration payable or receivable by such parties in connection with the transaction or transactions to which the Agreement relates relative to the amount of fees actually received by Maxim in connection with such transaction or transactions. Notwithstanding the foregoing, in no event shall the amount contributed by all Indemnified Parties exceed the amount of fees and value of other consideration previously received by Maxim pursuant to the Agreement.

Neither termination nor completion of the Agreement shall affect these Indemnification Provisions which shall remain operative and in full force and effect. The Indemnification Provisions shall be binding upon the Company and its successors and assigns and shall inure to the benefit of the Indemnified Parties and their respective successors, assigns, heirs and personal representatives.

Exhibit B
FEE SCHEDULE

Capitalized terms used in this Exhibit shall have the meanings ascribed to such terms in the Agreement to which this Exhibit is attached.

1. **For any Financing, the Company shall:**

(i) pay Maxim a cash fee of eight percent (8.0%) of the amount of capital raised, invested or committed; and
(ii) pay Maxim a cash fee for unallocated expenses of one percent(l.0%) of the amount of capital raised, invested or committed; and
(iii) deliver a warrant to Maxim (the "**Agent Warrant**") to purchase shares of the Company's common stock (the "**Common Stock**") equal to nine percent (9.0%) of the number of shares of Common Stock underlying the securities issued in the Financing. Such Agent Warrant will be issued at each Closing and shall provide, among other things, that the Agent Warrant shall (i) be exercisable at an exercise price of 110% to the price of the securities (or the exercise price of the securities) issued to the investors in the Financing, (ii) expire five (5) years from the date of issuance, (iii) contain any anti-dilution protection provided to the investors in the Financing, if any, (iv) include customary registration rights, including the registration rights provided to the investors, (v) contain provisions for cashless exercise and (vi) include such other terms as are normal and customary for warrants of this type.

2. **Transaction Fees:**

The Transaction Fees shall be payable to Maxim in cash at the closing or closings of the Transaction to which it relates and shall be equal to three percent (3%) of Transaction consideration as defined below. The amount of consideration paid in a Transaction shall include, for purposes of calculating such fee, all forms of consideration paid or received, directly or indirectly, by the Company and/or its stockholders in such Transaction, including, without limitation, cash, securities, notes or other evidences of indebtedness, assumption of liabilities (whether by operation of law or otherwise), or any combination thereof. If all or portion of the consideration paid in the Transaction is other than cash or securities, then the value of such noncash consideration shall be the fair market value thereof on the date the Transaction is consummated as mutually agreed upon in good faith by the Company and Maxim. If such noncash consideration consists of common stock, options, warrants or rights for which a public trading market existed prior to the consummation for the Transaction, then the value of such securities shall be determined based upon the closing or last sales price thereof on the date of the consummation of the Transaction. If such non-cash consideration consists of newly-issued, publicly-traded common stock, options, warrants or rights for which no public trading market existed prior to the consummation of the Transaction, then the value thereof shall be the average of the closing prices for the twenty (20) trading days subsequent to the fifth trading day after the consummation of the Transaction. In such event, the fee payable to Maxim pursuant to this Section 3 shall be paid on the thirtieth (30^{th}) trading day subsequent to consummation of the Transaction. If no public market exists for the common stock, options, warrants or other rights issued in the Transaction, then the value thereof shall be as mutually agreed upon in good faith by the Company and Maxim. If the non-cash consideration paid in the Transaction consists of preferred stock or debt securities (regardless of whether a public trading market existed for such preferred stock or debt securities prior to consummation of the Transaction or exists thereafter), the value thereof shall be the maximum liquidation value (without regard to accrued dividends) of the preferred stock or the principal amount of the debt securities, as the case may be. If all or a portion of the consideration payable in connection with the Transaction includes contingent future payments, then the Company shall pay to Maxim an additional cash fee, determined in accordance with this Section 3, as, when and if such contingency payments are received. However, in the event of an installment purchase at a fixed price and fixed time schedule, the Company agrees to pay Maxim the percentage fee to which it is entitled promptly upon receipt by the Company or the entity the Company has acquired. If with respect to any non-cash consideration the Company and Maxim are unable to agree on the fair market value thereof, then such value shall be determined by submission of the question to a reputable appraisal firm with experience valuing property of the nature of the subject consideration acceptable to the Company and Maxim (the fees and expenses of whom shall be borne equally by the Company and Maxim).

EXHIBIT 31.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Scott L. Mathis, certify that:

1. I have reviewed this annual report on Form 10-K of Algodon Wines & Luxury Development Group, Inc. for the years ended December 31, 2015 and 2014;

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

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

4. The registrant's other certifying officer 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) [Omitted pursuant to Exchange Act Rule 13a-14 of the Securities Exchange Act of 1934];

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

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (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 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 involves management or other employees who have a significant role in the registrant's internal control over financial reporting

March 30, 2016

/s/ Scott L. Mathis
Name: Scott L. Mathis
Title: Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF THE PRINCIPAL ACCOUNTING OFFICER

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Maria I. Echevarria, certify that:

1. I have reviewed this annual report on Form 10-K of Algodon Wines & Luxury Development Group, Inc. for the years ended December 31, 2015 and 2014;

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

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

4. The registrant's other certifying officer 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) [Omitted pursuant to Exchange Act Rule 13a-14 of the Securities Exchange Act of 1934];

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

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (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 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 involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 30, 2016

/s/ Maria I. Echevarria
Name: Maria I. Echevarria
Title: Chief Financial Officer
(Principal Accounting Officer)

Exhibit 32

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

In connection with the Annual Report of Algodon Wines & Luxury Development Group, Inc. (the "Company") on Form 10-K for the year ended December 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Scott L. Mathis, as Chief Executive Officer and principal executive officer and Maria I. Echevarria, as Chief Financial Officer and principal financial officer of the Company hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of the undersigned's knowledge and belief, that:

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

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

/s/ Scott L. Mathis
Scott L. Mathis
Chief Executive Officer and Principal Executive Officer

Dated: March 30, 2015

/s/ Maria I. Echevarria
Maria I. Echevarria
Chief Financial Officer and Principal Financial Officer

Dated: March 30, 2015

This certification accompanies this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.