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

FORM 10-K

(Mark one)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2017

[ ] 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 [X]

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 [X]

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 [X] 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 [X] 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", "smaller reporting company" and "emerging growth 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 [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act): Yes [ ] No [X]

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 as of the last business day of the registrant's most recently completed second fiscal quarter ($1.06) was $39,812,898. 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 30, 2018, there were 43,063,135 shares of the registrant's common stock outstanding.

INDEX

Forward Looking Statements

Part I		
Item 1.	Business	3
Item 1A	Risk Factors	13
Item 1B	Unresolved Staff Comments	28
Item 2	Properties	28
Item 3	Legal Proceedings	28
Item 4	Mine Safety Disclosures	28
Part II		
Item 5	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	29
Item 6	Selected Financial Data	32
Item 7	Management's Discussion and Analysis of Financial Condition and Results of Operations	33
Item 7A	Quantitative and Qualitative Disclosures About Market Risk	46
Item 8	Financial Statements and Supplementary Data	46
Item 9	Changes in and Disagreements With Accountants on Accounting and Financial Disclosures	46
Item 9A	Controls and Procedures	46
Item 9B	Other Information	47
Part III		
Item 10	Directors, Executive Officers and Corporate Governance	48
Item 11	Executive Compensation	55
Item 12	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	59
Item 13	Certain Relationships and Related Transactions and Director Independence	60
Item 14	Principal Accountant Fees and Services	62
Part IV		
Item 15	Exhibits and Financial Statements Schedules	63
Signatures		65

PART I

Forward-Looking Statements

This Annual Report on Form 10-K for the year ended December 31, 2017 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.

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.

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 acquisition and management in Argentina
Algodon Global Properties, LLC	AGP	Delaware, March 17, 2008	100% by AWLD	Holding company
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	Algodon 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. The Algodon Mansion was featured in an article by Huffington Post in January 2018, which praised the luxurious accommodations, impressive suites, and fine amenities of the hotel. In 2016, the Algodon Mansion hotel received an international award of excellence from TripExpert and was awarded 8th place in the 'Top 20 International Hideaway' category for Andrew Harper's 2016 Readers' Choice Awards.

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 13, 2018, Relais & Châteaux's global fellowship of individually owned and operated luxury hotels and restaurants has nearly 552 members in 63 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.

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. Since 2007, AWE has purchased additional land adjacent to the original 718-acre property, culminating in a 4,138-acre area 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 4,138-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 290 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 significantly increased our production capacity. During the production year of 2017 we produced 74,710 liters, which would translate to about 99,613 bottles or 8,300 cases of wine. During the production year of 2016, we produced over 100,000 liters, which would translate roughly to about 120,000 bottles or 10,000 cases, representing a production increase of 81% over the 2015 production year.

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 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 the United States, Algodon Fine Wines is available for sale online at Sherry-Lehmann.com (which ships to 39 states), at Sherry-Lehmann's iconic retail store in New York City, at Spec's Wines, Spirits and Finer Foods retail stores in Texas, and Wally's Wine & Spirits retail store located in Los Angeles. Algodon's Fine Wine's Malbec is currently featured on the esteemed wine list of West London's The Fat Duck, a Michelin 3-Star Restaurant, and arguably the U.K.'s most famous eatery.

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. On June 1, 2016, the Company executed an import and distribution agreement with Seaview Imports, with its principal location is at 48 Harbor Park Drive, Suite D, Port Washington, NY 10150.

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, and its 2014 Bonarda was awarded a gold medal at the 2017 New York World Wine & Spirits Competition. In 2016, Algodon's Black Label Malbec was awarded a gold medal in the Global Malbec Masters 2016 Wine Competition

Algodon Wine Estates – Real Estate Development

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.

Ginevra Sotheby's International Realty provides sales representation for AWLD's residential development. Ginevra Sotheby's International Realty is a leading luxury real estate firm in Buenos Aires, Argentina with listings in the most prestigious neighborhoods in the city of Buenos Aires and the rest of the country. Through Ginevra Sotheby's International Realty's website (ginevrasir.com), Algodon Wine Estates listings will be marketed on the sothebysrealty.com, to a global clientele.

AWLD is developing lots for sale to third party builders and is not engaged in any construction activity. During the first quarter of 2018, the Company closed on the sale of certain of its Phase 1 lots and recorded revenue of $870,000. In the next twelve months, the Company expects to be able to deed the remaining Phase 1 lots. Revenue is recorded when the deeds are issued. As of December 31, 2017, the Company has $1.7 million of deposits for pending sales.

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

Projects and Business Initiatives in Development

We intend to leverage our experiences in and knowledge of Argentina to develop a number of new business segments, all consistent with our Algodon-infused style and quality. The following summarizes two business segments we are presently developing or planning for the future.

E-commerce platforms with significant growth potential

We have begun developing U.S.-based e-commerce websites designed to deliver Argentine luxury goods, travel, and experiences to the U.S. marketplace and elsewhere around the globe. We believe the potential for scale here is particularly significant as Argentina is now making noteworthy re-entry to international trade. Currently, one of the few ways to buy Argentina goods is to travel there and buy local. We want to change that, and in a favorable economic and political climate, we seek to be in the forefront of opening Argentina’s luxury market to the millions of potential customers around the globe interested in luxury items and experiences from Argentina.

Project ARLUX is the e-commerce platform we are developing that will offer the very best of Argentina’s high end products and brands that reflect the quality and craftsmanship of a bygone era but which still flourishes in Argentina. Plans are to feature on this platform a wide variety of goods and services, including leather goods, apparel, high-end fashion, jewelry, other accessories and precious metal goods, fragrances, wine and spirits. We also plan to feature products incorporating the hides of two distinctly South American animals, the alpaca and vicuna, as well as Algodon’s own branded products, such as our wine resort, boutique hotel, premium wines, and more. We believe *Project ARLUX* could present an opportunity for significant growth.

Leveraging Argentinian culture and fashion

In the planning stages is *Project GAUCHO BUENOS AIRES,* a new concept of fashion that merges the traditional Gaucho style with a modern twist, infused with uniqueness and modern Buenos Aires glamour. With Argentina in the process of re-opening its borders, we believe it is poised to regain its status as a cultural and fashion exporter, and that there may be a sizeable appetite in the U.S. and elsewhere for luxury products that feature a distinctly Argentine point of view. We are excited about the potential for scale here.

The Business of DPEC Capital, Inc.

DPEC Capital, Inc. (“DPEC Capital”) was formed on February 9, 2001 under the name “InvestPrivate, Inc.” and on January 16, 2008 filed a Certificate of Amendment of Certificate of Incorporation changing its name to DPEC Capital, Inc. DPEC Capital was broker-dealer registered with the U.S. Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority (“FINRA”) and was charged with raising sufficient capital for the development of AWLD’s operations.. On November 29, 2016, our Board of Directors determined that it was in the Company’s best interest to close down DPEC Capital and we ceased our broker-dealer operations on December 31, 2016. On February 21, 2017, our request to FINRA for Broker-Dealer Withdrawal (“BDW”) became effective.

Mercari Communications Group, Ltd.

On December 20, 2016, the Company entered into a Stock Purchase Agreement (the “Transaction”) with China Concentric Capital Group, Inc. (the “Purchaser”), in which the Purchaser would purchase all 43,822,001 shares of common stock of Mercari Communications Group, Ltd., a Colorado corporation (“Mercari”) held by the Company and any additional shares of Mercari currently held by the Company (the “Shares”) for $260,000 (a net after fees and expenses of less than $200,000) (the “Purchase Price”).

On January 20, 2017, the Transaction was completed, and the Company assigned to the Purchaser all its right, title and interest to the Shares and to amounts payable to the Company for non-interest-bearing advances to Mercari, which advances, as of January 20, 2017, were in the aggregate amount of $150,087.

In connection with the Transaction, J.M. Walker & Associates (the "Escrow Agent") disbursed a total of $199,250 to the Company, a total of $60,000 in business consulting fees to three consultants, and $750 to the Escrow Agent for services.

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 78 full-time employees. In Argentina, AWLD also employs temporary, seasonal employees during the busy harvest season. In the United States, AWLD currently employs approximately 12 full-time employees. None of the employees in the United States 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

On December 10, 2015, Mauricio Macri took office as the new president of Argentina, along with his former finance minister Alfonso Prat-Gay and Luis Caputo, who replaced Prat-Gay in late 2016, have made a number of decisions in pursuit of economic reform, including removing currency controls, which resulted in a 30% devaluation of the peso in 2015. Is it not certain what other changes may take place, as President Macri implements his financial policy over time, 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 20.2 pesos per dollar in March 2018.

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.

Past 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 were other discussions in Argentina about the possibility of nationalizing other businesses and industries under former President Fernández, and even though she is no longer President, she was elected a Senator in late 2017. She has made several public statements about her intent to debate everything and take firm positions on her political ideals. It is too soon to know the impact and influence she will have on Argentine policies. The Macri administration has not announced any plans for nationalization and he spoke out against it during his campaign. However, there is no assurance that any investment in AWLD will be safe from government control or nationalization if he reverses his policies or is removed from office or replaced.

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 2017 was a cumulative 24.8%. In years past, the International Monetary Fund and other economic forecasting sources would not rely on the INDEC inflation rate and had to look to independent third-parties for inflation numbers due to interference and suspected distortions by former President Fernández. Although Argentina's INDEC inflation numbers appear to be more transparent and honest under the Macri administration, the inflation rate is very high. The country's target inflation rate for 2017 was between 12% and 17% which it exceeded. The failure to meet the target inflation rate is partly due to raised electricity and gas tariffs and partly due to wage settlements by trade unions that average around 20%. A high inflation rate has resulted in nationwide strikes in the past and could again as inflation has not dropped to target percentages. The Argentine peso was down against the United States dollar in 2017, where other South American countries' pesos have been up against the United States dollar. 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 continued 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, continued high inflation would 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 Argentine economy which in turn would likely increase the Company's costs and expenses, reduce its profitability and adversely affect its financial performance.

There has been a steady devaluation of the Argentine peso relative to the United States dollar in the last few years, primarily due to inflation. 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. As of December 31, 2017, the Argentine economy has not been designated as highly-inflationary for accounting purposes. The Company is closely monitoring any developments in Argentina and is evaluating the potential impact on its consolidated financial statements, if the Argentine economy is deemed to be highly inflationary.

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 March 2015, more than 500 creditors, separate from the hedge fund creditors, filed suit against Argentina for payment on the 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 and four of its major bond creditors entered into a settlement agreement whereby Argentina agreed to pay roughly $4.65 billion to those creditors to resolve the fifteen-year litigation. Subsequently, Argentina has also entered into settlement agreements with other bond default creditors who were not party to the original settlement which, in the aggregate, could have an estimated dollar value upwards of $10 billion.

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.

In April of 2016, after settling the litigation, Argentina was able to return to the international debt markets with a $16.5 billion century bond. The attractiveness of a century bond is debatable amongst investment advisers and its impact over the long-term in is this case unknown. In 2017, Argentina engaged in additional sales of bonds on international markets for around $13.4 billion. There can be no assurance that the Argentine government will not default on its obligations under these or any of its bonds if it experiences another economic crisis or has a change in political control. A new default by the Argentine government could lead to a new recession, even higher inflation, restrictions on Argentine companies access to 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 included limiting the ability of individuals and companies to exchange local currency (Argentine peso) into U.S. dollars and to transfer funds out of the country. At the time, public reports stated that government officials were micromanaging money flows by limiting dollar purchases and discouraging dividend payments and international wire transfers. As a result of these controls, Argentine companies had limited access to U.S. dollars through regular channels (e.g., banks) and consumers faced difficulty withdrawing and exchanging invested funds. Given the Company's investment in Argentine projects and developments, its ability to mobilize and access funds may be affected by the above-mentioned political actions, despite the efforts to repeal economic controls in the recent past.

In December 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. In January 2017, the country lifted the 120-day holding period for incoming funds hoping to increase the flow of money into the country and ease access for tourists, citizens and businesses. However, Argentina is still feeling the impact of removing currency controls and continued experiencing a decrease in the value of the Argentine peso throughout 2018.

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.

Additionally, unrest among the employment sector of the banking industry has led to strikes led by strong labor unions. This makes it difficult for citizens and businesses to conduct banking activities and decreases the level of trust people put into the Argentine banking system.

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 and rising utility rates. 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. In 2017, the government increased the tariffs on electricity and gas hoping to spur an increase in domestic energy production which increased the cost for these utilities for citizens. It is too soon to know whether this increase will in fact spur domestic energy production and ultimately achieve the goals of the government's plan.

The federal government has been taking a number of measures, including the tariff increase, 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 uncertain in Argentina.

President Macri has attempted to boost the real estate market in Argentina by lifting various currency restrictions. However, the real estate market has not rebounded from the crippling effect of past currency controls. As a result, the real estate market in Argentina is uncertain. It is possible that with time the efforts of President Macri will be fruitful but it is too soon to evaluate what the impact will be as the economy continues to change. Continued investment in real estate in Argentina is very risky and could never materialize in the way our business model plans. However, waiting to act on certain real estate endeavors will have negative consequences if the market sees an increase in competitiveness. 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 may desire to enter the market and compete with the Company in seeking land for acquisition, financial resources for development and prospective purchasers. 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 acquire and develop sought-after property 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.

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 in Argentina.

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 and U.S. import laws 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.

General Corporate Business Considerations

Insiders continue to have substantial control over the Company.

As of March 29, 2018, the Company's directors and executive officers hold the current right to vote approximately 16.5% of the Company's outstanding voting stock. Of this total, 13.5% 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 a limited public market for trading the Company's common stock and stockholders must be prepared to hold onto their shares indefinitely even after they are eligible for resale.

Although the Company's shares are quoted on the over-the-counter market, there is a limited 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. Stock prices on the OTCQB can vary dramatically and can be very volatile, especially where the volume of trading is relatively modest, as has been the case for Algodon 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.

The Company has incurred recurring losses from operations (continuing) of $7,685,390 and $6,560,871 for the years ended December 31, 2017 and 2016, respectively) and negative net operating cash flows of $8,075,299 and $6,469,560 for the years ended December 31, 2017 and 2016, respectively).We believe that these conditions 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.

Should the Company's application to uplist to NASDAQ not be approved, the Company may be required in December 2019 to redeem up to 902,670 Series B Shares at $10.00 per share.

While the Company expects that it will be successful in uplisting its common stock to the NASDAQ market, should that effort not be successful, the Company would be required, in December 2019, to redeem all Series B Shares that have not been previously converted to common stock. The cost to redeem these shares would likely have a materially adverse effect on the Company's financial position and would likely require either the liquidation of certain Company assets or an effort to raise new equity or debt financing. Whether the Company would be able to consummate any such transaction, should it need to do so, on economically beneficial terms or otherwise, cannot be presently known.

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.

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. Changing regulation 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 faces 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 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.

There is no guarantee that the Company's securities will be available for trading on a national stock exchange.

Although the Company has announced its intent to list a class of its securities on a national exchange such as NYSE MKT or NASDAQ, there is no assurance that the Company will ever do so or meet the requirements of such exchanges to list its securities. As a result, the stockholders of the Company may have a difficult time reselling their shares due to the thinly-traded volume of the shares on the OTCQB.

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 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 certain 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 may not pay dividends on its common stock and may not pay additional dividends on its Series B convertible preferred stock.

The Company has not paid dividends to date on its common stock. The Company does not contemplate or anticipate declaring or paying any dividends with respect to its common stock. The Company has paid $60,515 dividends to date on its Series B convertible preferred 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. 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 ("TAR") 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. This property is subject to encumbrances of which TAR is the guarantor.

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 4,138 acres. The property has a winery, 18-hole golf course, tennis courts, dining and a hotel. This property is also subject to encumbrances of which TAR is the guarantor.

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. We are not involved in any litigation that we believe is likely, individually or in the aggregate, to have a material adverse effect on our consolidated financial condition, results of operations or cash flows. Notwithstanding the above, in connection with the routine audit of DPEC Capital commenced in November 2016, the Company promptly responded to requests from the SEC regarding the reported unregistered sales of the Company's securities. The SEC audit was completed on March 30, 2017 with no finding of deficiencies in the course of the SEC's examination.

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 upgraded from the Pink Sheets of OTC Markets to the OTCQB Venture Marketplace. In fiscal years 2016 and 2017, because there were only limited and sporadic quotations of the Company's common stock and low volume, the Company does not believe that there was an established public trading market.

In light of the above, transactions of our common stock are currently reported under the symbol "VINO" on the OTCQB. The first trade on the over-the-counter market occurred on September 23, 2016. The following table sets forth the range of high and low bids reported in the over-the-counter market for our common stock. The prices reflect inter-dealer prices, do not include retail mark-ups, markdowns or commissions, and may not necessary reflect actual transactions.

Fiscal Year 2017	High	Low
First Quarter	$ 1.85	$ 0.91
Second Quarter	$ 1.20	$ 0.90
Third Quarter	$ 1.11	$ 0.80
Fourth Quarter	$ 2.50	$ 0.65

Fiscal Year 2016	High	Low
First Quarter (beginning on January 22)	$ 0.10	$ 0.10
Second Quarter	$ 800.00	$ 0.10
Third Quarter	$ 400.13	$ 0.25
Fourth Quarter	$ 3.00	$ 0.25

On July 21, 2017, the Company paid $60,515 in dividends to date on its Series B convertible preferred stock but has not paid any dividends with respect to 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 700 holders of the Company's common stock as of March 31, 2018.

On February 28, 2017, the Company amended its Amended and Restated Certificate of Designation of Series A Convertible Preferred Stock to reduce the number of shares designated as Series A Preferred Stock from 11,000,000 to 10,097,330.

Also on February 28, 2017, the Company filed the Certificate of Designation of Series B Convertible Preferred Stock designating 902,670 shares of preferred stock of the Company, par value $0.01 as Series B Convertible Preferred Stock (the "Series B Shares"). There are 902,670 Series B Shares currently outstanding. Holders of Series B Preferred Shares are entitled to, among other things, the following:

- 8% annual dividend, payable quarterly, within thirty (30) following the end of the quarter, subject only to a determination by the Company's Board of Directors that payment of dividends would jeopardize the Company's ongoing operations.

- A liquidation preference to be paid ahead of shares of the Company's common stock.

- Upon any uplisting or elevation of the Company's common stock to a national exchange such as NASDAQ or NYSE MKT, mandatory conversion to common stock, at a ratio of ten shares of common stock for each Series B Share.

- If Series B Shares have not been previously converted into common stock, redemption of Series B Shares equal to liquidated value of $10 per share, on the date that is two years following the December 4, 2017 termination of the offering of the Series B Shares.

- Each holder of Series B Shares shall be entitled to vote on all matters and shall be entitled to the number of votes determined by a formula set forth in the certificate of designation, subject to a maximum of ten votes per Series B Share. Holders of Series B Shares also vote as a class to the extent Series B Shares would be treated differently from another series of preferred stock, such as any action that would amend any of the rights, preferences or privileges of the holders of Series B Shares, or that would authorize the Company to issue a class of preferred stock that would be senior to Series B Shares, and in each such instance consent or approval of holders of at least 50.01% of the then outstanding Series B Shares would be required for such action to become effective.

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, 2017.

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:			
2008 Plan	6,939,265	$ 2.40	2,060,735
2016 Plan	2,295,000	1.53	2,082
Equity compensation plans not approved by security holders	-	-	-
Total	9,234,265	$ 2.18	2,062,817

Recent Sales of Unregistered Securities

Between January 27, 2017 and February 27, 2017, the Company sold convertible promissory notes to accredited investors in for total gross proceeds to the Company of $1,260,000. The notes have a 90-day maturity, and pay 8% annual interest. The principal amount of each note plus accrued interest are convertible into preferred shares. The investors 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 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 general solicitation was used in this offering and no commissions were paid. A Form D was filed on February 27, 2017 and the offering was terminated on the same day.

On March 31, 2017, the Company issued 126,739 shares of Series B convertible preferred stock to accredited investors upon the conversion of principal and interest on the notes, totaling, in the aggregate, $1,267,234. Holders of Series B Preferred will be entitled to, among other things, an annual dividend, liquidation preference, conversion to common stock of the Company upon certain events, redemption if not previously converted to common stock, and voting privileges. For this sale of securities, no general solicitation was used and 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. A Form D was filed with the SEC on February 27, 2017, amended and filed with the SEC on August 15, 2017, and amended again and filed with the SEC on December 7, 2017.

On January 7, 2017, the Company issued 25,000 common shares at $2.00 per share to accredited investors for cash proceeds of $50,000, and paid DPEC Capital Inc. cash commissions in the amount of $5,000 and warrants to purchase 2,500 shares of common stock at an exercise price of $2.00 per share. DPEC Capital, Inc., in turn, awarded such warrants to its registered representatives. For this sale of securities, no general solicitation was used and 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. A Form D was filed with the SEC on October 8, 2015 and an amended Form D was filed on December 8, 2016.

On or about January 17, 2017, at the request of the investor, the Company cancelled 2,500 shares of its common stock previously issued to one accredited investor and refunded the investor the full purchase price of the securities, which was $5,000. Warrants to purchase 250 shares of common stock and commissions in the amount of $500 were returned by DPEC Capital, Inc. to the Company.

On March 31, 2017, the Company issued 67,770 shares of common stock at $1.08 per share to employees for the year ended December 31, 2016 of the 401(k) profit sharing plan and issued 30,700 shares of common stock at $2.50 per share to employees for the year ended December 31, 2015 of the 401(k) profit sharing plan. For these sales of securities, no general solicitation was used and 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.

Between March 1, 2017 and December 4, 2017, the Company sold 775,931 shares of Series B convertible preferred stock at $10.00 per share for gross proceeds of $7,759,500 to accredited investors. Holders of Series B Preferred will be entitled to, among other things, an annual dividend, liquidation preference, conversion to common stock of the Company upon certain events, redemption if not previously converted to common stock, and voting privileges. For this sale of securities, no general solicitation was used, no commissions were paid, and 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. An initial Form D was filed on April 7, 2017, an amended Form D was filed on June 15, 2017, an amended Form D was filed on June 29, 2017, an amended Form D was filed on July 12, 2017, an amended Form D was filed on July 27, 2017, an amended Form D was filed on September 13, 2017, an amended Form D was filed on October 11, 2017, an amended Form D was filed on November 15, 2017, and an amended Form D was filed on December 7, 2017.

On July 1, 2017, the Company issued 62,270 shares of its common stock valued in the aggregate at $124,539 to an accredited investor to refund a real estate lot sale deposit in the amount of $82,500, which had been recorded as deferred revenue, and recorded $42,039 of interest expense related to this transaction.

On December 31, 2017, the Company sold a convertible promissory note (the "Convertible Debt") in the amount of $20,000 to an accredited investor. The note has a 90-day maturity, bears interest at 8% per annum and is convertible into the Company's common stock at a 10% discount to the price used for the sale of the Company's common stock in the Company's next private placement offering This provision resulted in a contingent beneficial conversion feature which will be recognized when the private placement offering commences and the contingency is resolved.

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.

Other than set forth below, we did not purchase any of our equity securities during the twelve months ended December 31, 2017.

In connection with the private placement transaction during the three months ended December 31, 2016, on or about January 17, 2017, at the request of the investor, the Company cancelled 2,500 shares of its common stock previously issued to one accredited investor and refunded the investor the full purchase price of the securities, which was $5,000. Warrants to purchase 250 shares of common stock and commissions in the amount of $500 were returned by DPEC Capital, Inc. to the Company.

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.

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 approximately 4,138 acres of Argentine rural land through AWE, 2,050 acres are considered land held for cultivation of fruit or vines and 2,088 was purchased during 2017 to provide additional access to AWE. 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. During the first quarter of 2018, the Company closed on the sale of certain of its Phase 1 lots and recorded revenue of $870,000. In the next twelve months, the Company expects to be able to deed the remaining Phase 1 lots. Revenue is recorded when the deeds are issued. As of December 31, 2017, the Company has $1.7 million of deposits for pending sales.

As reflected in our consolidated financial statements we have generated significant losses from operations of $7,685,390 and $6,560,871 for the years ended December 31, 2017 and 2016, 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 2017 and 2016, we raised, net of repayments, approximately $9,271,000 and $7,056,000, respectively 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. In August 2017, the Company completed a strategic acquisition of land directly adjacent to its existing property at AWE for $700,000, which more than doubles the size of AWE and provides room for continued expansion and growth. 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.

Liquidity

As reflected in our accompanying consolidated financial statements, we have generated significant losses which have resulted in a total accumulated deficit of approximately $75.5 million, 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 the years ended December 31, 2017 and 2016, stating that we have incurred significant losses and need to raise additional funds to meet our obligations and sustain our 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. 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 the marketing of our products and continue the development of our real estate holdings.

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 on a timely basis (including acquiring additional capital), our stockholders may lose their entire investment in us, because 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 we could ultimately be forced to discontinue our operations, liquidate and/or seek reorganization under the U.S. bankruptcy code.

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. The first trade on the over-the-counter market occurred on September 23, 2016.

Consolidated Results of Operations

Year Ended December 31, 2017 Compared to the Year Ended December 31, 2016

The following table represents selected items in our consolidated statements of operations for the years ended December 31, 2017 and 2016, respectively:

	For the Years Ended December 31,	
	2017	2016
Sales	$ 1,817,302	$ 1,526,075
Cost of sales	(1,946,900)	(1,760,451)
Gross loss	(129,598)	(234,376)
Operating Expenses		
Selling and marketing	347,808	154,626
General and administrative	7,014,919	6,107,016
Depreciation and amortization	193,065	64,853
Total operating expenses	7,555,792	6,326,495
Loss from Operations	(7,685,390)	(6,560,871)
Other Expenses		
Interest expense, net	320,571	207,913
Gain on sale of investment in subsidiary	(199,200)	-
Common Stock price modification	-	941,530
Warrant modification expenses	-	89,549
Total other expenses	121,371	1,238,992
Loss from Continuing Operations	(7,806,761)	(7,799,863)
Loss from Discontinued Operations	(105,751)	(2,242,278)
Net Loss	$ (7,912,512)	$ (10,042,141)
Deemed dividend to preferred stockholder	(345,079)	-
Net Loss Attributable to Common Stockholders	$ (8,257,591)	$ 10,042,141

Overview

We reported net losses from continuing operations of approximately $7.8 million and $7.8 million for the years ended December 31, 2017 and 2016, respectively. Increases in operating expenses and interest expense as described below were offset by a gain on the sale of our investment in a subsidiary, decreases in common stock price modification expense and warrant modification expense, as well as the impact of the devaluation of the Argentine peso during the period.

Revenues

Revenues from continuing operations were approximately $1.8 million and $1.5 million during the years ended December 31, 2017 and 2016, respectively, reflecting an increase of approximately $0.3 million or 20%. Increases in wine sale revenues of approximately $0.3 million, hotel and restaurant revenues of $0.1 million and agricultural revenues of $0.1 million were partially offset by a decrease of approximately $0.2 million resulting from the impact of the decline in the value of the Argentine peso ("ARS") vis-à-vis the U.S. dollar during 2017. There was an average devaluation of the Argentine peso from 14.76 for the year ended December 31, 2016 to 16.55 for the year ended December 31, 2017, which decreased the average worth of the Argentine peso from US $0.07 to $0.06.

Total sales from Argentina were ARS $26.9 million during the year ended December 31, 2017 as compared to ARS $26.5 million during the year ended December 31, 2016, reflecting a net increase of approximately ARS $0.4 million or 1.5%. Hotel room and event revenues were approximately ARS $14.1 million and ARS $12.5 million during both years ended December 31, 2017 and 2016, representing an increase of approximately ARS $1.6 million, or 12.7% due to higher occupancy and average room rates. Restaurant revenues were approximately ARS $5.2 million and 4.7 million during the years ended December 31, 2017 and 2016. Argentine winemaking revenues were approximately ARS $4.4 million and 7.7 million during the years ended December 31, 2017 and 2016, respectively, representing a decrease of approximately ARS $3.3 million or 43.1%; however, this decrease was offset by an increase in wine sale revenues in the United States and Europe as a result of our expansion of distribution channels and additional investments in marketing and sales staff. Other revenues, including golf, tennis and agricultural revenues, were ARS $3.3 million and ARS $1.7 million during the years ended December 31, 2017 and 2016, respectively. The increase of ARS $1.6 million is primarily due to an increase in agricultural revenues.

Gross loss

We generated a gross loss of approximately $130,000 from continuing operations for the year ended December 31, 2017 as compared to a gross loss of approximately $234,000 from continuing operations for the year ended December 31, 2016, representing a decrease of $105,000 or 45%. The improvement results primarily from the increase in winemaking revenues of approximately $280,000 and the increase in hotel and restaurant sales of approximately $125,000, partially offset by the $30,000 impact of the decline in the value of the Argentine peso vis-à-vis the U.S. dollar for the year ended December 31, 2017 compared to the year ended December 31, 2016, and by the increase in the cost of goods sold as described below.

Cost of sales, which consists of raw materials, direct labor and indirect labor associated with our business activities, increased by approximately $187,000 from approximately $1,760,000 for the year ended December 31, 2016 to approximately $1,947,000 for the year ended December 31, 2017. The $439,000 increase in hotel and restaurant costs and $72,000 increase in agricultural costs were partially offset by a $95,000 decrease in wine costs resulting from as significant hailstorm during 2016 and a $230,000 decrease in cost of sales resulting from the impact of the decline in the value of the Argentine peso vis-à-vis the U.S. dollar for the year ended December 31, 2017 compared to the year ended December 31, 2016.

The restaurant and golf and tennis business units at AWE realized negative margins in 2017 and 2016, 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 2017 and 2016, we recorded approximately $61,000 and $91,000, respectively, in inventory write-down as the result of significant hailstorms which damaged the vineyard in process.

Selling and marketing expenses

Selling and marketing expenses were approximately $348,000 and $155,000 from continuing operations, for the years ended December 31, 2017 and 2016, respectively, representing an increase of approximately $193,000 or 125%. The increase is primarily due to expenses incurred during 2017 of which approximately $100,000 was related to a shareholder event held during 2017 and approximately $93,000 related to marketing efforts to promote our international wine sales.

General and administrative expenses

General and administrative expenses were approximately $7,015,000 and $6,107,000 from continuing operations for the years ended December 31, 2017 and 2016, respectively, representing an increase of approximately $908,000 or 15%. The increase in general and administrative expenses is primarily related to approximately $721,000 increase in compensation related to increased corporate headcount, as certain CAP employees were hired for corporate management positions, $222,000 in increases of legal and professional fees related to the uplisting of our common stock, and approximately $288,000 increase in Argentine tax expense were partially offset by a $148,000 decrease in severance pay expense as well as the $152,000 impact of the decline in the value of the Argentine peso vis-à-vis the U.S. dollar for the year ended December 31, 2017 compared to the year ended December 31, 2016.

Depreciation and amortization expense

Depreciation and amortization expense was approximately $193,000 and $65,000 during the years ended December 31, 2017 and 2016, respectively, an increase of approximately $128,000 or 197%. It should be noted that approximately an additional $94,000 and $103,000 of depreciation and amortization expense was capitalized to inventory during the years ended December 31, 2017 and 2016, respectively. The increase in depreciation expense results from the purchases of property and equipment during the year. Most of our property and equipment is located in Argentina and the gross cost being depreciated is impacted by the devaluation of the Argentine peso relative to the U.S. dollar.

Interest expense, net

Interest expense was approximately $321,000 and $208,000 during the years ended December 31, 2017 and 2016, respectively, representing an increase of approximately $113,000 or 54%. The increase is primarily due to the Argentine bank loan (for principal of approximately $519,000) received during 2017, as well as amortization of debt discount on a loan for the purchase of land in Argentina.

Loss from Discontinued Operations

On November 29, 2016, our Board of Directors determined that it was in the Company's best interest to close down DPEC Capital and we ceased our broker-dealer operations December 31, 2016. On February 21, 2017, our request to FINRA for Broker-Dealer Withdrawal ("BDW") became effective. The loss from discontinued operations, incurred by the broker dealer operations, was approximately $106,000 for the year ended December 31, 2017.

AWLD also owned approximately 96.5% of Mercari Communications Group, Ltd. ("Mercari"), a public shell corporation current in its SEC reporting obligations. On December 20, 2016, we entered into a Stock Purchase Agreement with a Purchaser, whereby the Purchaser agreed to purchase all of our shares or Mercari for $260,000. The sale of Mercari stock was completed on January 20, 2017 and we received net proceeds after expenses of $199,200.

Liquidity and Capital Resources

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

	For the Years Ended December 31,	
	2017	2016
Cash	$ 358,303	$ 131,190
Working Capital Deficiency	$ (62,464)	$(1,643,034)

Based upon our working capital situation as of December 31, 2017, 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, 2017 and 2016, 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. which was discontinued at year end. During the year ended December 31, 2017, we issued 775,931 shares of Series B convertible preferred stock at $10.00 per share to accredited investors in a private placement transaction for gross proceeds of approximately $7,759,500, received proceeds of $1,280,000 from the issuance of convertible debt (of which $1,260,000 was subsequently converted to Series B convertible preferred stock), and issued 22,500 shares of common stock at $2.00 per share to accredited investors in a private placement transaction for net proceeds of $40,500. We also received $519,157 of cash proceeds from a bank loan.

During the year ended December 31, 2016, we issued 3,146,875 shares of common stock at prices from $2.00 to $2.50 per share for cash proceeds of $7,097,862. On June 1, 2016, we issued an additional 470,771 common shares for no consideration, to investors who had purchased shares between December 2015 and May 2016 at a price of $2.50 per share, in order to effectively reduce the per share price to $2.00 per share. All shares were issued to accredited investors in private placement transactions.

The proceeds from these financing activities were used to fund our existing operating deficits, 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.

Availability of Additional Funds

As a result of the above developments, we have been able to sustain operations. However, 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, 2017 and 2016

Net Cash Used in Operating Activities

Net cash used in operating activities for the years ended December 31, 2017 and 2016, amounted to approximately $8,075,000 and $6,470,000, respectively. During the year ended December 31, 2017 the net cash used in operating activities was primarily attributable to the net loss of approximately $7,913,000, adjusted for approximately $865,000 of non-cash expenses and $1,028,000 cash used by changes in the levels of operating assets and liabilities. During the year ended December 31, 2016 the net cash used in operating activities was primarily attributable to the net loss of approximately $10,042,000, adjusted for approximately $3,821,000 of non-cash expenses and $248,000 cash used 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, 2017 and 2016 amounted to approximately $849,000 and $549,000, respectively. During the year ended December 31, 2017 the net cash used in investing activities was primarily attributable to the purchase of property and equipment of approximately $930,000, partially offset by the proceeds from sale of investment in subsidiary of approximately $81,000. During the year ended December 31, 2016 the net cash used in investing activities was primarily attributable to the purchase of property and equipment of approximately $549,000.

Net Cash Provided by Financing Activities

Net cash provided by financing activities for the years ended December 31, 2017 and 2016 amounted to approximately $9,271,000 and $7,056,000, respectively. For the year ended December 31, 2017, the net cash provided by financing activities resulted primarily from the net proceeds from common stock offering of approximately $7,760,000, proceeds from convertible debt obligations of approximately $1,280,000, net proceeds from the issuance of equity securities of approximately $41,000, proceeds from loans payable of approximately $519,000 partially offset by net repayments of debt of approximately $267,000, and dividends paid of approximately $61,000. For the year ended December 31, 2016, the net cash provided by financing activities resulted primarily from the issuance of equity securities for net proceeds of approximately $7,098,000 and proceeds from loans payable of approximately $68,000, partially offset by net repayments of debt of approximately $110,000.

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. However, 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, 2017 and 2016 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 our 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, (18.5930 and 15.9681 for the Argentine Peso, and 0.7400 and 0.8103 for the British Pound at December 31, 2017 and 2016, respectively) and revenue and expense accounts are translated at a weighted average exchange rate for the period or for the year then ended (16.5483 and 14.7590 for the Argentine Peso and 0.7768 and 0.7406 for the British Pound for the years ended December 31, 2017 and 2016, 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 $292,900 and $52,528 for the years ended December 31, 2017 and 2016, 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.

There has been a steady devaluation of the Argentine peso relative to the United States dollar in the last few years, primarily due to inflation. 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. As of December 31, 2017, the Argentine economy has not been designated as highly-inflationary for accounting purposes. The Company is closely monitoring any developments in Argentina and is evaluating the potential impact on its consolidated financial statements, if the Argentine economy is deemed to be highly inflationary.

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 the year ended December 31, 2017 and December 31, 2016, we recorded a write-down in the value of inventory of approximately $61,000 and $91,000, respectively, as a result of hailstorms that occurred during each year.

Convertible Debt

The Company records a beneficial conversion feature ("BCF") related to the issuance of notes which are convertible at a price that is below the market value of the Company's stock when the note is issued. The intrinsic value of the BCF is recorded as debt discount which is amortized to interest expense over the life of the respective note using the effective interest method. Beneficial conversion features that are contingent upon the occurrence of a future event are recorded when the contingency is resolved.

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

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-owner 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.

Real Estate Lots Held for Sale

As the development of a real estate lot is completed and the lot becomes available for immediate sale in its present condition, the lot is marketed for sale and is included in real estate lots held for sale on the Company's balance sheet. Real estate lots held for sale are reported at the lower of carrying value or fair value less cost to sell. If the carrying value of a real estate lot held for sale exceeds its fair value less estimated selling costs, an impairment charge is recorded. The Company did not record any impairment charge in connection with real estate lots held for sale during the year ended December 31, 2017.

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, 2017 and 2016, respectively.

Segment Information

The FASB has established standards for reporting information on operating segments of an enterprise in interim and annual financial statements. We operate as one segment which is the business of real estate development in Argentina. Our chief operating decision-maker reviews our operating results on an aggregate basis and manages our operations as a single operating segment.

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 ("ASC 605") and most industry-specific guidance throughout ASC 605. The standard requires that an entity recognize 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. The guidance in ASU 2014-09 was revised in July 2015 to be effective for interim periods beginning on or after December 15, 2017 and should be applied on a transitional basis either 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. In 2016, FASB issued additional ASUs that clarify the implementation guidance on principal versus agent considerations (ASU 2016-08), on identifying performance obligations and licensing (ASU 2016-10), and on narrow-scope improvements and practical expedients (ASU 2016-12) as well as on the revenue recognition criteria and other technical corrections (ASU 2016-20). These new standards became effective for us on January 1, 2018 and will be adopted using the modified retrospective method through a cumulative-effect adjustment, if any, directly to retained earnings as of that date. We have performed a review of these new standards as compared to our current accounting policies for our product and services revenues, and did not identify any accounting changes that would materially impact the amount of reported revenues with respect to our product and services revenues. The adoption of ASU 2014-09 is not expected to have a material effect on our consolidated 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 consolidated financial statements and related disclosures.

In March 2016, the FASB issued ASU 2016-09, "Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting". The amendments were effective for public companies for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Several aspects of the accounting for share-based payment award transactions are simplified, including: (a) income tax consequences; (b) classification of awards as either equity or liabilities; and (c) classification in the statement of cash flows. The adoption of ASU 2016-09 did not have a material impact on our consolidated financial statements or disclosures.

In August 2016, the FASB issued ASU 2016-15, "Statement of Cash Flows - Classification of Certain Cash Receipts and Cash Payments (Topic 230)" which provides guidance on the presentation and classification of certain cash receipts and cash payments in the statement of cash flows in order to reduce diversity in practice. The ASU is effective for interim and annual periods beginning after December 15, 2017 with early adoption permitted. The adoption of ASU 2016-15 is not expected to have a material effect on our consolidated financial statements and related disclosures.

On February 22, 2017, the FASB issued ASU 2017-05, 'Other Income – Gains and Losses from the Derecognition of Nonfinancial Assets (Topic 610-20)", which requires that all entities account for the derecognition of a business in accordance with ASC 810, including instances in which the business is considered in substance real estate. The ASU is effective for annual periods, and interim periods therein, beginning after December 15, 2017. Early application is permitted. We do not expect the impact that the provisions of ASU 2017-05 to have a material impact on our consolidated financial statements and related disclosures.

In May 2017, the FASB issued ASU No. 2017-09, Compensation - Stock Compensation (Topic 718); Scope of Modification Accounting. The amendments in this ASU provide guidance that clarifies when changes to the terms or conditions of a share-based payment award must be accounted for as modifications. If the value, vesting conditions or classification of the award changes, modification accounting will apply. The guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. We do not expect the provisions of ASU 2017-09 to have a material impact on our consolidated financial statements and related disclosures.

We have implemented all new accounting standards that are in effect and may impact our consolidated financial statements and we do not believe that there are any other new accounting standards that have been issued that might have a material impact on our financial position or results of operations.

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, 2017, 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, 2017.

Changes in Internal Control over Financial Reporting

During the year ended December 31, 2017, there were no changes in our internal controls over financial reporting, or in other factors that

could significantly affect these controls, that materially affected, or are reasonably likely to materially affect, our internal control 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 September 28, 2017, the stockholders of the Company elected the entire slate of directors presented to the stockholders, with Marc Dumont and Steven Moel elected effective upon the uplisting of the Company's common stock to a national exchange.

Also on September 28, 2017, the stockholders (i) ratified and approved Marcum, LLP as the Company's independent registered accounting firm for the year ended December 31, 2017; (ii) approved, on an advisory basis, of the compensation of the Company's executive officers; (iii) approved, on an advisory basis, to conduct a stockholder's vote on the compensation of the Company's executive officers every three years; (iv) approved a reverse stock split of the outstanding shares of common stock in a range from one-for-two (1:2) up to one-for-six (1:6), or anywhere between, if required for the uplisting of the Company's common stock to a national exchange; and (v) approved the 2016 Equity Incentive Plan. Unless the uplisting to a national exchange occurs on or before June 30, 2018, the Board of Directors will need to seek approval from the stockholders again for the reverse stock split.

On December 17, 2017, the Board of Directors approved a reverse stock split of the outstanding shares of common stock of one-for-five shares (1:5), if required, effective upon the listing of the Company's common stock on a national exchange. The stock split has not yet been made effective because the company has not yet uplisted to a national exchange.

The Board of Directors of the Company reappointed Scott Mathis to continue to serve in the capacity of Chief Executive Officer of the Company and Maria Echevarria to continue to serve in the capacity of Chief Financial Officer of the Company.

The Board of Directors approved amendments to the Amended and Restated Bylaws of the Company which changed the quorum requirement from "the holders of not less than a majority of the shares entitled to vote at any meeting of the stockholders, present in person or by proxy, will constitute a quorum," to now read, "the holders of not less than 33% of the shares entitled to vote at any meeting of the stockholders, present in person or by proxy, will constitute a quorum."

In addition, the Board of Directors changed the stockholder vote required to authorize any corporate action other than the election of directors from a "majority in voting power of the shares entitled to vote on the subject matter" to now require "a majority in voting power of the shares entitled to vote on a subject matter and present at the meeting, whether in person or by proxy."

The Board of Directors approved amendments to the Company's Audit Committee Charter, effective upon the uplisting of the Company's common stock to a national exchange to change, among other items, the number of independent directors from at least two to at least three.

The Board of Directors adopted the Compensation Committee Charter effective upon the uplisting of the Company's common stock to a national exchange.

The Board of Directors approved adjustments to the purchase price or exercise price and to the number of shares of common stock issuable upon exercise of outstanding options and warrants.

PART III

ITEM 10. DIRECTORS, OFFICERS AND CORPORATE GOVERNANCE

Our management team 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 is 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	55	AWLD	Chairman, Chief Executive Officer, President	April, 1999
		TAR	General Manager (1)	December, 2007
		APII	General Manager (1)	March, 2009
		AWE	General Manager (1)	July, 2007
Maria I. Echevarria	39	AWLD	Chief Financial Officer, Chief Operating Officer, Secretary, Treasurer and Compliance Officer	April, 2015
		AEU	Chief Financial Officer	April, 2015
Julian H. Beale	83	AWLD	Director	April, 1999
Peter J.L. Lawrence	84	AWLD	Director	April, 1999
		AEU	Director	November, 2009
Sergio O. Manzur Odstrcil	48	TAR	Chief Financial Officer, Chief Operating Officer (2)	March, 2011
		APII	Chief Financial Officer	March, 2011
		AWE	Chief Financial Officer, Chief Operating Officer (2)	September, 2010

(1) Translation of Argentine statutory corporate office.

(2) 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 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. 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 2000. Mr. Lawrence has been a director of Sprue Aegis plc since 2000, 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. Mr. Lawrence served for many years as 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

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. Among the roles he has held and the various companies he has worked for are the following: 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 member of 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.

During the past ten years, except as provided below, none of the persons serving as executive officers and/or directors of the Company has been the subject matter of any of the following legal proceedings that are required to be disclosed pursuant to Item 401(f) of Regulation S-K including: (a) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (b) any criminal convictions; (c) any order, judgment, or decree permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; (d) any finding by a court, the SEC or the CFTC to have violated a federal or state securities or commodities law, any law or regulation respecting financial institutions or insurance companies, or any law or regulation prohibiting mail or wire fraud; or (e) any sanction or order of any self-regulatory organization or registered entity or equivalent exchange, association or entity. Further, no such legal proceedings are believed to be contemplated by governmental authorities against any director or executive officer.

While the settlement with the NASD resolved most of the issues in the case, a few remaining charges were not resolved, namely, whether Mr. Mathis inadvertently or willfully failed to properly make certain disclosures on his personal NASD Form U-4, specifically, the existence of certain federal tax liens on his Form U4 during the years 1996-2002.

In December 2007, the FINRA Office of Hearing Officers ("OHO") held that Mr. Mathis negligently failed to make certain disclosures on his Form U4 concerning personal tax liens, and to have willfully failed to make other required U4 disclosures regarding those tax liens. (All of the underlying tax liabilities were paid in 2003 so 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 other 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 has never disputed that he failed to make or timely make these disclosures on his Form U4; he only disputed the willfulness finding. He appealed the decision (principally with respect to the willfulness issue) to the FINRA National Adjudicatory Council ("NAC"). In December 2008, NAC affirmed the OHO decision pertaining to the "willful" issue, and slightly broadened the finding. Thereafter, Mr. Mathis appealed the NAC decision to the Securities and Exchange Commission and thereafter to the U.S. Court of Appeals. In each instance, the decision of the NAC was affirmed.

While under FINRA's rules, the finding that Mr. Mathis was found to have acted willfully subjects him to a "statutory disqualification," in September 2012, Mathis submitted to FINRA an application on Form MC-400 in which he sought permission to continue to work in the securities industry notwithstanding the fact that he is subject to a statutory disqualification. That application was approved in April 2015.

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:

  - Review and approve performance goals and objectives relevant to the compensation of the Company's Chief Executive Officer and other executive officers;

  - Evaluate the performance of the Chief Executive Officer and other executive officers in light of approved performance goals and objectives;

  - 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;

  - Advise the entire Board of Directors on the setting of compensation for senior management whose compensation is not otherwise set by the committee;

  - Grant options and awards under the Company's existing stock incentive plan;

  - 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");

  - Make recommendations to the Board of Directors with respect to the Compensation Plans;

  - Administer the Compensation Plans in accordance with their terms;

  - Review and approve any severance or similar termination payments proposed to be made to any current or former executive officer of the Company; and

  - 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 Ethics

On March 24, 2015 and effective April 15, 2015, the Company's Board of Directors adopted a Code of Ethics and Whistleblower Policy 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 Office and on December 17, 2017, the Board of Directors approved technical and administrative amendments to the Company's Code of Business Conduct and Whistleblower Policy. 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.

On December 17, 2017, the Board of Directors approved technical and administrative amendments to the Company's Code of Business Conduct and Whistleblower Policy. A copy of the amended Code of Business Conduct and Whistleblower Policy of the Company is posted at our website at 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, 2017. 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, 2017 our officers, directors and 10% stockholders complied with all Section 16(a) filing requirements applicable to them, except that Mr. Beale has not yet filed a Form-4 related to stock options granted to him in December 2017.

ITEM 11. EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth, for our named executive officers, the compensation earned in the years ended December 31:

Summary Compensation Table for Executive Officers

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards (1) ($)	All Other Compensation ($)	Total ($)
Scott L. Mathis[(2)]	2017	426,164	-	-	97,243	-	523,407
Chairman of the Board and Chief Executive Officer	2016	404,713	-	-	-	-	404,713
Maria I Echevarria[(3)]	2017	150,000	35,000	-	16,407	-	201,407
Chief Financial Officer and Chief Operating Officer	2016	150,000	25,000	-	-	-	175,000

(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) 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.

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

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, 2017. There have been no stock awards made to Mr. Mathis or Ms. Echevarria as of December 31, 2017.

Name	Option Awards			
	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	-	2.48	4/15/2018
	1,000,000	-	2.48	6/30/2018
	406,250(1)	93,750(1)	2.48	8/27/2019
	150,000	-	2.48	8/27/2019
	912,432(2)	547,458(2)	2.20	6/8/2020
	-(3)	300,000(3)	1.10	11/17/2022
Maria I. Echevarria	93,750(4)	56,250(4)	2.20	6/8/2020
	-(5)	50,000(5)	1.10	11/17/2022

(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 November 17, 2017, Mr. Mathis was granted an option to acquire 300,000 shares of the Company's common stock, of which 75,000 shares underlying the option vest on December 17, 2018, and 18,750 shares vest every three months thereafter.

(4) 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.

(5) On November 17, 2017, Ms. Echevarria was granted an option to acquire 50,000 shares of the Company's common stock, of which 12,500 shares underlying the option vest on December 17, 2018, and 3,125 shares vest every three months thereafter.

Director Compensation

The following table sets forth compensation received by our non-employee directors:

		Director Compensation				
	Year	Fees Earned or Paid in Cash ($)	Bonus ($)	Stock Awards ($)	Option Awards[1] ($)	Total ($)
Peter Lawrence (2)	2017	-	-	-	16,207	16,207
	2016	-	-	-	119,710	119,710
Julian Beale (3)	2017	-	-	-	16,207	16,207
	2016	-	-	-	119,710	119,710

(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.

(2) As of December 31, 2017, Mr. Lawrence held options to acquire 725,000 shares of the Company's common stock, of which 608,334 were vested and exercisable.

(3) As of December 31, 2017, Mr. Beale held options to acquire 725,000 shares of the Company's common stock, of which 608,334 were vested and exercisable.

Summary of the Company's Equity Incentive Plans

General Plan Information

The 2008 Equity Incentive Plan (the "2008 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 2008 Plan was subsequently amended with Board consent and majority stockholder consent to increase the aggregate number of shares issuable under the 2008 Plan from 5,000,000 to 9,000,000, of which 2,060,735 remain available for issuance as of December 31, 2017.

On July 11, 2016, the Board of Directors adopted the 2016 Stock Option Plan (the "2016 Plan") and approved by a majority of the Company's stockholders on September 28, 2017. Under the 2016 Plan, 1,224,308 shares of common stock of the Company are authorized for issuance, with an automatic annual increase on January 1 of each year equal to 2.5% of the total number of shares of common stock outstanding on such date, on a fully diluted basis. As of December 31, 2017, there are 2,082 shares available for issuance under the 2016 Plan. On January 1, 2018, the number of shares available under the 2016 Plan was automatically increased by 1,076,689 shares for a total of 1,078,771 shares available. Authorized shares under the 2016 Plan may be subject to adjustment upon determination by the committee in the event of a corporate transaction including but not limited to a stock split, recapitalization, reorganization, or merger.

The 2016 Plan includes two types of options, stock appreciation rights, restricted stock and restricted stock units, performance awards and other stock-based awards. Options intended to qualify as incentive stock options under Section 422 of the Internal Revenue Code of 1986, as amended are referred to as incentive options. Options which are not intended to qualify as incentive options are referred to as non-qualified options.

The 2016 Plan is administered and interpreted by the Company's compensation committee, or the entire Board of Directors. In addition to determining who will be granted options or other awards under the 2016 Plan and what type of awards will be granted, the committee has the authority and discretion to determine when awards will be granted and the number of awards to be granted. The committee also may determine the terms and conditions of the awards; amend the terms and conditions of the awards; how the awards may be exercised whether in cash or securities or other property; establish, amend, suspend, or waive applicable rules and regulations and appoint agents to administer the 2016 Plan; take any action for administration of the 2016 Plan; and adopt modifications to comply with laws of non-U.S. jurisdictions.

Participants in the 2016 Plan consist of Eligible Persons, who are employees, officers, consultants, advisors, independent contractors, or directors providing services to the Company or any affiliate of the Company as determined by the committee. The committee may take into account the duties of persons selected, their present and potential contributions to the success of Company and such other considerations as the committee deems relevant to the purposes of the 2016 Plan.

The exercise price of any option granted under the 2016 Plan must be no less than 100% of the "fair market value" of the Company's common stock on the date of grant. Any incentive stock option granted under the 2016 Plan to a person owning more than 10% of the total combined voting power of the common stock must be at a price of no less than 110% of the fair market value per share on the date of grant.

Awards remain exercisable for a period of six months (but no longer than the original term of the award) after a participant ceases to be an employee or the consulting services are terminated due to death or disability. All restricted stock held by the participant becomes free of all restrictions, and any payment or benefit under a performance award is forfeited and cancelled at time of termination unless the participant is irrevocably entitled to such award at the time of termination, where termination results from death or disability. Termination of service as a result of anything other than death or disability results in the award remaining exercisable for a period of one month (but no longer than the original term of the award) after termination and any payment or benefit under a performance award is forfeited and cancelled at time of termination unless the participant is irrevocably entitled to such award at the time of termination. All restricted stock held by the participant becomes free of all restrictions unless the participant voluntarily resigns or is terminated for cause, in which event the restricted stock is transferred back to the Company.

The committee may amend, alter, suspend, discontinue or terminate the 2016 Plan at any time; *provided*, *however*, that, without the approval of the stockholders of the Company, no such amendment, alteration, suspension, discontinuation or termination shall be made that, absent such approval: (i) violates the rules or regulations of the Financial Industry Regulatory Authority, Inc. (FINRA) or any other securities exchange that are applicable to the Company; (ii) causes the Company to be unable, under the Internal Revenue Code, to grant incentive stock options under the 2016 Plan; (iii) increases the number of shares authorized under the 2016 Plan other than the 2.5% increase per year; (iv) permits the award of options or stock appreciation rights at a price less than 100% of the fair market value of a share on the date of grant of such award, as prohibited by the 2016 Plan or the repricing of options or stock appreciation rights, as prohibited by the 2016 Plan; or (v) would prevent the grant of options or stock appreciation rights that would qualify under Section 162(m) of the Internal Revenue Code.

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

As of March 28, 2018, the Company had 43,067,546 shares of common stock issued and 43,063,135 outstanding, as well as 902,670 shares of Series B convertible preferred stock issued and outstanding. The following table sets forth certain information regarding our shares of common stock and Series B convertible preferred stock beneficially owned as of March 28, 2018, 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 of Common Stock(1)	Percent of Common Stock Outstanding as of March 28, 2018(1)	Amount and Nature of Beneficial Ownership of Series B Stock	Percent of Series B Stock Outstanding as of March 28, 2018	Total Voting Power(9)
More than 5% Stockholders					
The WOW Group, LLC	3,823,548	7.3%	-	-	7.4%
Murdock and Janie Richard [2]	2,789,913(2)	5.4%	-	-	5.4%
Ralph & Mary Rybacki [3]	2,782,348(3)	5.3%	-	-	5.4%
Directors and Named Executive Officers					
Scott L. Mathis	7,400,467(4)	13.4%	2,100	*	13.5%
Julian H. Beale	705,922(5)	1.3%	-	-	1.4%
Peter J.L. Lawrence	804,034(6)	1.5%	-	-	1.5%
Maria I. Echevarria	103,700(7)	*	-	-	
All directors and executive officers as a group:	9,014,123(8)	16.2%	2,100	*	16.4%

* Less than one percent

(1) Calculated in accordance with Rule 13d-3 of the Securities Exchange Act of 1934. Includes Series B convertible preferred stock converted to common on a 1:10 basis which as of March 28, 2017 equals 9,026,700.

(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) 3,823,548 shares owned by The WOW Group, LLC, of which Mr. Mathis is a controlling member; (c) 119,999 shares owned by Mr. Mathis's 401(k) account; (d) 21,000 shares of common stock issuable upon the conversion of Series B convertible preferred stock; (e) warrants to acquire 358,200 shares of common stock, and (f) the right to acquire 2,741,175 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) 608,334 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) 608,334 shares or our common stock issuable upon the exercise of stock options.

(7) Consists of (a) 575 shares owned by Mrs. Echevarria's 401(k) account and (b) 103,125 shares of our common stock issuable upon the exercise of stock options.

(8) Consists of 4,573,955 shares of our common stock, 21,000 shares of our common stock issuable upon the conversion of Series B convertible preferred stock 3,513,468 shares of our common stock issuable upon the exercise of stock options, and 358,200 shares of our common stock issuable upon the exercise of warrants.

(9) Calculated based common stock being entitled to a total of 43,063,135 votes as of March 28, 2018 and Series B preferred stock being entitled to a total of 8,535,557 votes as of March 28, 2018.

The WOW Group, LLC

Scott Mathis is a managing member and holds 69.57% of The WOW Group. Non-managing members include certain former DPEC Capital employees and certain AWLD stockholders. The WOW Group's only asset is its interest in AWLD as of December 31, 2017.

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 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. The Company was entitled to receive reimbursements of general and administrative expenses incurred during the years ended on December 31, 2017 and 2016 in the amount of $342,299 and $124,428, respectively, as a result of the expense sharing agreement. As of December 31, 2017 and 2016, HBH owes $724,591 and $363,389, 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 stockholders, 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. The Company was entitled to receive $10,640 of reimbursements of general and administrative expenses incurred during each the years ended on December 31, 2017 and 2016, respectively, as a result of the agreement. InvestBio owed $396,116 and $396,067 to the Company under the expense sharing agreement as of December 31, 2017 and 2016, respectively, of which $396,000 and $387,000, respectively, is deemed unrecoverable and written off.

- DPEC Capital paid regular brokerage commissions to its registered representatives according to the standard firm payout schedule, which includes the allocation of earned warrants. On January 7, 2017, in connection with the sale of its equity securities, the Company issued five-year warrants to its subsidiary, DPEC Capital who acted as placement agent, for the purchase of 2,500 shares of its common stock at $2.00 per share. On January 17, 2017, due to the refund to an investor, warrants to purchase 250 shares of common stock and commissions in the amount of $500 were returned by DPEC Capital, Inc. to the Company. The total value of the 2,250 warrants was $1,105. During 2016, 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 in his capacity as a registered representative. Mr. Mathis also received cash commissions of $173,330 related to the sale of common stock during the year ended December 31, 2016. The Company recorded $1,105 and $262,113 of stock-based compensation expense for the years ended December 31, 2017 and 2016, respectively, related to the issuance of warrants, which is recorded within general and administrative expenses in the consolidated statements of operations.

- On June 1, 2016, the Company modified the warrants granted to DPEC Capital between December 2015 and May 2016, such that the exercise price was adjusted from $2.50 per share to $2.00 per share, and the aggregate number of shares available to be purchased in connection with the warrants was increased from 198,807 to 245,883 shares. The Company recorded warrant modification expense of $68,548 related to the modification of the CAP Warrants.

Warrants in Affiliates Earned by DPEC Capital

As noted above, DPEC Capital earned warrants to purchase the shares of certain companies including AWLD affiliates for which DPEC Capital has provided investment banking and advisory services. It was the Company's policy to distribute part or all of the warrants DPEC Capital 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, 2016, DPEC Capital earned warrants to purchase 75,745 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 53,022 shares of common stock in Hollywood Burger Holdings, Inc. were awarded to its registered representatives. The Company recorded $0 and $19,392 of stock-based compensation expense for the years ended December 31, 2017 and 2016, respectively, related to the warrants awarded to its registered representatives, which is recorded within discontinued operations in the consolidated statements of operations.

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, 2017 and 2016:

	2017	2016
Audit fees (1)	$ 235,000	$ 227,500
Audit-related fees	13,000	5,000
Tax fees	27,500	27,500
	$ 275,500	$ 260,000

(1) Represents fees associated with the audit of the Company's consolidated financial statements for the fiscal years ended December 31, 2017 and 2016, and the reviews of the consolidated financial statements included in the Company's quarterly reports on Form 10-Q during 2017 and 2016.

(2) Represents primarily travel costs associated with the audit Company's consolidated financial statements for the fiscal years ended December 31, 2017 and 2016.

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-minimis 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
2.1	Stock Purchase Agreement between the Company and China Concentric Capital Group, Inc., dated December 20, 2016[3]
2.2	First Amendment to the Stock Purchase Agreement between the Company and China Concentric Capital Group, Inc., dated January 17, 2017[3]
2.3	Escrow Agreement between the Company, China Concentric Capital Group, Inc., and J.M. Walker & Associates, dated December 16, 2016[3]
2.4	First Amendment to the Escrow Agreement between the Company, China Concentric Capital Group, Inc., and J.M. Walker & Associates, dated January 17, 2017[3]
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	Amendment No. 1 to the Amended and Restated Certificate of Designation of Series A Convertible Preferred Stock, dated February 28, 2017[2]
4.3	Certificate of Designation of Series B Convertible Preferred Stock, dated February 28, 2017[2]
4.4	Diversified Private Equity Corp. 2008 Equity Incentive Plan; Amendment No. 1 dated January 18, 2011; and Amendment No. 2 dated September 14, 2012[1]
4.5	Form of Stock Option Certificate Pursuant to the 2008 Stock Option Plan[1]
4.6	2016 Stock Option Plan.[3]
4.7	First Amendment to 2016 Stock Option Plan as adopted by the Board of Directors on October 20, 2016.[3]
10.1	Employment Agreement by and between Algodon Wines & Luxury Development Group, Inc. and Scott L. Mathis dated September 28, 2015[6]

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[5]
10.4	Investor Relations Consulting Agreement between MZHCI, LLC and the Company, dated April 8, 2016[7]
14.1	Amended Code of Business Conduct and Ethics and Whistleblower Policy[8]
14.2	Audit Committee Charter[4]
21.1	Subsidiaries of Algodon Wines & Luxury Development Group, Inc.[3]
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**
99.1	Algodon Wine Estates Property Map[1]
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 Current Report on Form 8-K, filed on March 2, 2017.
3. Incorporated by reference from the Company's Annual Report on Form 10-K, filed on March 31, 2017.
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 Annual Report on Form 10-K, filed on March 30, 2016.
6. Incorporated by reference from the Company's Quarterly report on Form 10-Q, filed on November 16, 2015.
7. Incorporated by reference from the Company's Quarterly Report on Form 10-Q, filed on May 16, 2016.
8. Incorporated by reference from the Company's Current Report on Form 8-K, filed on December 20, 2017.

* 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, 2018	By: */s/ Scott L. Mathis* Scott L. Mathis Principal Executive Officer
Dated: March 30, 2018	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, 2018	By: */s/ Scott L. Mathis* Chief Executive Officer (principal executive officer) & Chairman of the Board
Dated: March 30, 2018	By: */s/ Maria I. Echevarria* Maria I. Echevarria Chief Financial Officer (principal financial and accounting officer)
Dated: March 30, 2018	By: */s/ Julian H. Beale* Julian H. Beale Director
Dated: March 30, 2018	By: */s/ Peter J.L. Lawrence* Peter J.L. Lawrence Director

ALGODON WINES & LUXURY DEVELOPMENT GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
TABLE OF CONTENTS

Report of Independent Registered Public Accounting Firm	F-2
Consolidated Balance Sheets as of December 31, 2017 and 2016	F-3
Consolidated Statements of Operations for the Years Ended December 31, 2017 and 2016	F-4
Consolidated Statements of Comprehensive Loss for the Years Ended December 31, 2017 and 2016	F-5
Consolidated Statements of Changes in Temporary Equity and Stockholders' (Deficiency) Equity for the Years Ended December 31, 2017 and 2016	F-6
Consolidated Statements of Cash Flows for the Years Ended December 31, 2017 and 2016	F-7
Notes to Consolidated Financial Statements	F-9

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Algodon Wines & Luxury Development Group, Inc. and Subsidiaries (the "Company") as of December 31, 2017 and 2016, and the related consolidated statements of operations, comprehensive loss, changes in temporary equity and stockholders' (deficiency) equity and cash flows for each of the two years in the period ended December 31, 2017 and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2017 and 2016, and the consolidated results of its operations and its cash flows for each of the two years in the period ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph – Going Concern

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.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. 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, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting, 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.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Marcum LLP

Marcum LLP

We have served as the Company's auditor since 2013.

New York, NY
March 30, 2018

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

	December 31,			
	2017		2016	
Assets				
Current Assets				
Cash	$	358,303	$	131,190
Accounts receivable, net		188,067		179,637
Accounts receivable - related parties, net		851,016		648,951
Advances and loans to employees		284,496		232,057
Inventory		1,388,666		1,186,189
Real estate lots held for sale		151,906		-
Prepaid expenses and other current assets, net		159,465		105,429
Current assets of discontinued operations		-		52,734
Total Current Assets		3,381,919		2,536,187
Property and equipment, net		4,532,890		3,971,733
Prepaid foreign taxes, net		342,312		337,917
Investment - related parties		26,401		42,688
Deposits		61,284		61,284
Total Assets	$	8,344,806	$	6,949,809
Liabilities, Temporary Equity and Stockholders' (Deficiency) Equity				
Current Liabilities				
Accounts payable	$	415,318	$	349,180
Accrued expenses, current portion		1,000,521		1,691,743
Deferred revenue		1,732,664		1,884,606
Loans payable, current portion, net of debt discount		256,724		31,312
Convertible Debt obligations		20,000		162,500
Current portion of other liabilities		19,156		15,776
Current liabilities of discontinued operations		-		44,104
Total Current Liabilities		3,444,383		4,179,221
Accrued expenses, non-current portion		247,515		344,127
Other liabilities, non-current portion		11,474		-
Loans payable, non-current portion, net of debt discount		634,930		-
Total Liabilities		4,338,302		4,523,348
Commitments and Contingencies				
Series B convertible redeemable preferred stock, par value $0.01 per share, 902,670 shares authorized, 902,670 and 0 shares issued and outstanding as of December 31, 2017 and 2016, respectively. Liquidation value (including dividends) of $9,311,264 at December 31, 2017.		9,026,824		-
Stockholders' (Deficiency) Equity				
Preferred stock, 11,000,000 shares authorized:				
Series A convertible preferred stock, par value $0.01 per share; 10,097,330 shares authorized; no shares are available for issuance.		-		-
Common stock, par value $0.01 per share; 80,000,000 shares authorized; 43,067,546 and 42,915,379 shares issued and 43,063,135 and 42,910,968 shares outstanding as of December 31, 2017 and 2016, respectively.		430,674		429,153
Additional paid-in capital		80,902,967		80,102,189
Accumulated other comprehensive loss		(10,795,810)		(10,459,242)
Accumulated deficit		(75,544,081)		(67,631,569)
Treasury stock, at cost, 4,411 shares at December 31, 2017 and 2016		(14,070)		(14,070)
Total Stockholders' (Deficiency) Equity		(5,020,320)		2,426,461
Total Liabilities, Temporary Equity and Stockholders' (Deficiency) Equity	$	8,344,806	$	6,949,809

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,	
	2017	**2016**
Sales	$ 1,817,302	$ 1,526,075
Cost of sales	(1,946,900)	(1,760,451)
Gross loss	(129,598)	(234,376)
Operating Expenses		
Selling and marketing	347,808	154,626
General and administrative	7,014,919	6,107,016
Depreciation and amortization	193,065	64,853
Total operating expenses	7,555,792	6,326,495
Loss from Operations	(7,685,390)	(6,560,871)
Other Expenses		
Interest expense, net	320,571	207,913
Gain on sale of investment in subsidiary	(199,200)	-
Common stock price modification	-	941,530
Warrant modification expenses	-	89,549
Total other expenses	121,371	1,238,992
Loss from Continuing Operations	(7,806,761)	(7,799,863)
Loss from Discontinued Operations	(105,751)	(2,242,278)
Net Loss	(7,912,512)	$ (10,042,141)
Dividends to preferred stockholders	(345,079)	-
Net Loss Attributable to Common Stockholders	$ (8,257,591)	$ (10,042,141)
Net loss per basic and diluted common share:		
Loss from continuing operations	$ (0.19)	$ (0.19)
Loss from discontinued operations	-)	(0.06)
Net loss per common share	$ (0.19)	$ (0.24)
Weighted Average Number of Common Shares Outstanding:		
Basic and Diluted	42,996,124	41,078,655

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,	
	2017	**2016**
Net Loss	$ (7,912,512)	$ (10,042,141)
Other Comprehensive Loss		
Foreign currency translation adjustments	(336,568)	(867,968)
Total Comprehensive Loss	$ (8,249,080)	$ (10,910,109)

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 Temporary Equity and Stockholders' (Deficiency) Equity

	Series B Convertible Redeemable Preferred Stock		Common Stock		Treasury Stock		Additional Paid-In	Accumulated Other Comprehensive	Accumulated	Total Stockholders' (Deficiency)
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Loss	Deficit	Equity
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
Common stock issued for cash	-	-	3,146,875	31,468	-	-	7,066,394	-	-	7,097,862
Common stock issued for price modification	-	-	470,771	4,708	-	-	936,822	-	-	941,530
Exchange of 12.5% notes for common stock	-	-	37,700	377	-	-	75,056	-	-	75,433
Stock-based compensation:										
Common stock issued under 401(k) profit sharing plan	-	-	30,700	307	-	-	76,443	-	-	76,750
Options and warrants	-	-	-	-	-		1,131,056	-	-	1,131,056
Vesting of restricted stock	-	-	350,000	3,500	-		793,722	-	-	797,222
Warrant modification expense	-	-					89,549	-	-	89,549
Comprehensive loss:										
Net loss	-	-	-	-	-			-	(10,042,141)	(10,042,141)
Other comprehensive loss	-	-	-	-	-			(867,968)	-	(867,968)
Balance - December 31, 2016	-	-	42,915,379	429,153	4,411	(14,070)	80,102,189	(10,459,242)	(67,631,569)	2,426,461
Series B preferred stock issued for cash	775,931	7,759,500	-	-	-	-	-	-	-	-
Common stock issued for cash, net of issuance costs of $4,500	-	-	22,500	225	-	-	40,275	-	-	40,500
Common stock issued in satisfaction of deferred revenue	-	-	62,270	622	-	-	123,917	-	-	124,539
Exchange of 8% notes for Series B preferred stock	126,739	1,267,324	-	-	-	-	-	-	-	-
Stock-based compensation:										
Common stock issued under 401(k) profit sharing plan	-	-	67,770	678	-	-	73,190	-	-	73,868
Options and warrants	-	-	-	-	-	-	623,907	-	-	623,907
Dividends paid	-	-	-	-	-	-	(60,515)	-	-	(60,515)
True-up to transfer agent's records	-	-	(373)	(4)	-	-	4	-	-	-
Comprehensive loss:										
Net loss	-	-	-	-	-	-	-	-	(7,912,512)	(7,912,512)
Other comprehensive loss	-	-	-	-	-	-	-	(336,568)	-	(336,568)
Balance - December 31, 2017	902,670	$9,026,824	43,067,546	$430,674	4,411	$(14,070)	$80,902,967	$ (10,795,810)	$ (75,544,081)	$ (5,020,320)

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,	
	2017	**2016**
Cash Flows from Operating Activities		
Net loss	$ (7,912,512)	$ (10,042,141)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation:		
401(k) stock	81,386	73,868
Options and warrants	623,907	1,131,056
Restricted stock	-	797,222
Common stock price modification expense	-	941,530
Warrant modification expense	-	89,549
Net realized and unrealized investment losses	16,287	92,825
Depreciation and amortization	193,065	64,853
Amortization of debt discount	12,217	-
Provision for uncollectible assets	76,215	543,909
Write-down of inventory	61,000	91,479
Prepaid compensation amortization	-	3,000
Other non-cash income, net	-	(8,311)
Gain on sale of investment in subsidiary	(199,200)	-
Decrease (increase) in assets:		
Accounts receivable	(246,917)	(339,739)
Inventory	(394,728)	(246,391)
Prepaid expenses and other current assets	(124,378)	(288,685)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(511,902)	(186,236)
Deferred revenue	246,881	790,372
Other liabilities	3,380	22,280
Total Adjustments	(162,787)	3,572,581
Net Cash Used in Operating Activities	(8,075,299)	(6,469,560)
Cash Flows from Investing Activities		
Purchase of property and equipment	(930,368)	(548,834)
Proceeds from sale of investment in subsidiary	81,114	-
Net Cash Used in Investing Activities	(849,254)	(548,834)
Cash Flows from Financing Activities		
Proceeds from loans payable	519,157	68,001
Repayments of loans payable	(104,645)	(35,128)
Proceeds from convertible debt obligations	1,280,000	-
Repayments of debt obligations	(162,500)	(75,000)
Dividends paid	(60,515)	-
Proceeds from sale of Series B Preferred stock	7,759,500	-
Proceeds from common stock offering, net of issuance costs	40,500	7,097,862
Net Cash Provided by Financing Activities	9,271,497	7,055,735
Effect of Exchange Rate Changes on Cash	(119,831)	(16,796)
Net Increase in Cash	227,113	20,545
Cash - Beginning of Period	131,190	110,645
Cash - End of Period	$ 358,303	$ 131,190

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, continued

	For the Years Ended December 31,	
	2017	**2016**
Supplemental Disclosures of Cash Flow Information:		
Interest paid	$ 185,364	$ 149,795
Income taxes paid	$ -	$ -
Non-Cash Investing and Financing Activity		
Accrued stock based compensation converted to equity	$ 73,868	$ 76,750
Exchange of 8% notes for Series B preferred stock	$ 1,267,324	$ -
Exchange of 12.5% notes for common stock	$ -	$ 75,433
Land purchased in exchange for note payable	$ 517,390	$ -
Common stock issued in satisfaction of deferred revenue	$ 124,539	$ -

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 Algodon Europe, Ltd., is a United Kingdom wine distribution company.

Through December 31, 2016, AWLD's wholly owned subsidiary, DPEC Capital, Inc. ("CAP"), was 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 cleared its securities transactions on a fully disclosed basis with another broker-dealer. CAP provided brokerage securities trading; private equity and venture capital investments; and advisory and other financial services to customers, including AWLD and certain related affiliates. On November 29, 2016, the Company's Board of Directors determined that it was in the Company's best interest to close down CAP and the Company ceased its broker-dealer operations on December 31, 2016. On February 21, 2017, the Company's request to FINRA for Broker-Dealer Withdrawal ("BDW") became effective (see Note 4 – Discontinued Operations).

AWLD also owned approximately 96.5% of Mercari Communications Group, Ltd. ("Mercari"), a public shell corporation current in its SEC reporting obligations. On December 20, 2016 AWLD entered into a Stock Purchase Agreement with a Purchaser, whereby the Purchaser agreed to purchase all of AWLD's shares of Mercari for $260,000. The sale of Mercari stock was completed on January 20, 2017 and AWLD received net proceeds after expenses of $199,200.

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 from continuing operations of $7,806,761 and $7,799,863 during the years ended December 31, 2017 and 2016, respectively. Cash used in operating activities was $8,075,299 and $6,469,560 for the years ended December 31, 2017 and 2016, 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 continue to pursue its business objectives. The Company funded its operations for the years ended December 31, 2017 and 2016, primarily through the proceeds from the sale of Series B Preferred stock of $7,759,500 and $0, respectively, proceeds from convertible debt obligations of $1,280,000 and $0, respectively, proceeds from the sale of common stock for net proceeds of $40,500 and $7,097,862, respectively, and proceeds from loans payable of $519,157 and $68,001, respectively. During the years ended December 31, 2017 and 2016, the Company repaid debt obligations of $162,500 and $75,000, respectively (see Note 12 –Debt Obligations), repaid notes payable of $104,645 and $35,128, respectively (see Note 11 – Loans Payable), and paid dividends of $60,515 and $0, 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 its 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

Discontinued Operations

The Company accounted for its decision to close down its broker-dealer subsidiary, CAP, as discontinued operations in accordance with the guidance provided in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 360, "Accounting for Impairment or Disposal of Long-Lived Assets," and ASC Topic 205, "Presentation of Financial Statements," which require that a disposal of a component of an entity, or a group of components of an entity, that represents a strategic shift that has, or will have, a major effect on the reporting entity's operations and financial results shall be reported in the financial statements as discontinued operations. Accordingly, the results of operations for CAP during the periods presented are reclassified into separate line items in the statements of operations. Assets and liabilities are also reclassified into separate line items on the related balance sheets for the periods presented.

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 (18.5930 and 15.9681 for the Argentine Peso, and 0.7400 and 0.8103 for the British Pound at December 31, 2017 and 2016, respectively), and revenue and expense accounts are translated at a weighted average exchange rate for the years then ended (16.5483 and 14.7590 for the Argentine Peso and 0.7768 and 0.7406 for the British Pound for the years ended December 31, 2017 and 2016, 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 $292,900 and $52,528 for the years ended December 31, 2017 and 2016, 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.

There has been a steady devaluation of the Argentine peso relative to the United States dollar in the last few years, primarily due to inflation. 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. As of December 31, 2017, the Argentine economy has not been designated as highly-inflationary for accounting purposes. The Company is closely monitoring any developments in Argentina and is evaluating the potential impact on its consolidated financial statements, if the Argentine economy is deemed to be highly inflationary.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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 $3,421 and $7,001, as of December 31, 2017 and 2016, respectively. Bad debt expense for the years ended December 31, 2017 and 2016 was $127,087 and $10,990, respectively. Write-offs of accounts receivable for the years ended December 31, 2017 and 2016 were $2,913 and $6,484, 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 net realizable value (which is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation), 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.

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. The Company carries inventory at the lower of cost or net realizable value in accordance with ASC 330 “Inventory” and 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 the years ended December 31, 2017 and 2016, the Company recorded write-downs in the value of inventory of $61,000 and $91,479 as the result of hailstorms.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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.

Real Estate Lots Held for Sale

As the development of a real estate lot is completed and the lot becomes available for immediate sale in its present condition, the lot is marketed for sale and is included in real estate lots held for sale on the Company's balance sheet. Real estate lots held for sale are reported at the lower of carrying value or fair value less cost to sell. If the carrying value of a real estate lot held for sale exceeds its fair value less estimated selling costs, an impairment charge is recorded. The Company did not record any impairment charge in connection with real estate lots held for sale during the years ended December 31, 2017 or 2016.

Convertible Debt

The Company records a beneficial conversion feature ("BCF") related to the issuance of notes which are convertible at a price that is below the market value of the Company's stock when the note is issued. The intrinsic value of the BCF is recorded as debt discount which is amortized to interest expense over the life of the respective note using the effective interest method. Beneficial conversion features that are contingent upon the occurrence of a future event are recorded when the contingency is resolved.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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 accounts for forfeitures as they occur.

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 $146,952 and $73,633 at December 31, 2017 and 2016, respectively.

Foreign Operations

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

	As of December 31,	
	2017	**2016**
Assets - Argentina	$ 6,781,285	$ 5,456,317
Assets - U.S.	1,563,521	1,285,338
Assets of continuing operations	$ 8,344,806	$ 6,741,655
Liabilities - Argentina	$ 3,743,164	$ 2,883,656
Liabilities - U.S.	595,138	1,595,588
Liabilities of continuing operations	$ 4,338,302	$ 4,479,244

	For the Years Ended December 31,	
	2017	**2016**
Revenues - Argentina	$ 1,665,568	$ 1,478,946
Revenues - U.S.	151,734	47,129
Revenues from continuing operations	$ 1,817,302	$ 1,526,075
Net loss - Argentina	$ (2,212,286)	$ 1,693,684
Net loss - U.S.	(5,594,475)	6,106,179
Net loss from continuing operations	$ (7,806,761)	$ 7,799,863

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-owner 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, 2017 and 2016.

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.

Revenue Recognition

The Company earns revenues from its real estate, hospitality, food & beverage, and other related services. Revenues from rooms, food and beverages, 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 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Revenue Recognition, continued

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 from continuing operations associated with its different products and services, as follows:

	For the Years Ended December 31,	
	2017	2016
Hotel rooms and events	$ 850,645	$ 846,245
Restaurants	314,822	317,258
Winemaking	471,374	246,918
Agriculture	78,795	25,647
Golf, tennis and other	101,665	90,007
Total revenues	$ 1,817,302	$ 1,526,075

Revenues from the Company's broker-dealer are included in income from discontinued operations for the years ended December 31, 2016.

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Net Loss per Common Share

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

	For the Years Ended December 31,	
	2017	2016
Options	9,234,265	8,024,265
Warrants	1,465,296	1,901,480
Series B convertible preferred stock	9,026,700	-
Total potentially dilutive shares [(1)]	19,726,261	9,925,745

[(1)] In addition, $20,000 of convertible debt is convertible into common stock at a 10% discount to the price used for the sale of the of the Company's common stock in a future private placement offering.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2017 and 2016 was $151,749 and $57,987, respectively.

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 ("ASC 605") and most industry-specific guidance throughout ASC 605. The standard requires that an entity recognize 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. The guidance in ASU 2014-09 was revised in July 2015 to be effective for interim periods beginning on or after December 15, 2017 and should be applied on a transitional basis either 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. In 2016, FASB issued additional ASUs that clarify the implementation guidance on principal versus agent considerations (ASU 2016-08), on identifying performance obligations and licensing (ASU 2016-10), and on narrow-scope improvements and practical expedients (ASU 2016-12) as well as on the revenue recognition criteria and other technical corrections (ASU 2016-20). These new standards became effective for us on January 1, 2018 and will be adopted using the modified retrospective method through a cumulative-effect adjustment, if any, directly to retained earnings as of that date. The Company has performed a review of these new standards as compared to our current accounting policies for its product and services revenues. As of December 31, 2017, the Company has not identified any accounting changes that would materially impact the amount of reported revenues with respect to its product and services revenues.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

New Accounting Pronouncements, continued

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 consolidated financial statements and related disclosures.

In March 2016, the FASB issued ASU 2016-09, "Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting". The amendments were effective for public companies for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Several aspects of the accounting for share-based payment award transactions are simplified, including: (a) income tax consequences; (b) classification of awards as either equity or liabilities; and (c) classification in the statement of cash flows. The adoption of ASU 2016-09 did not have a material impact on the Company's consolidated financial statements or disclosures.

In August 2016, the FASB issued ASU 2016-15, "Statement of Cash Flows - Classification of Certain Cash Receipts and Cash Payments (Topic 230)" which provides guidance on the presentation and classification of certain cash receipts and cash payments in the statement of cash flows in order to reduce diversity in practice. The ASU is effective for interim and annual periods beginning after December 15, 2017 with early adoption permitted. The adoption of ASU 2016-15 is not expected to have a material effect on the Company's consolidated financial statements and related disclosures.

On February 22, 2017, the FASB issued ASU 2017-05, 'Other Income – Gains and Losses from the Derecognition of Nonfinancial Assets (Topic 610-20)", which requires that all entities account for the derecognition of a business in accordance with ASC 810, including instances in which the business is considered in substance real estate. The ASU is effective for annual periods, and interim periods therein, beginning after December 15, 2017. Early application is permitted. The Company does not expect the impact that the provisions of ASU 2017-05 to have a material impact on the Company's consolidated financial statements and related disclosures.

In May 2017, the FASB issued ASU No. 2017-09, Compensation - Stock Compensation (Topic 718); Scope of Modification Accounting. The amendments in this ASU provide guidance that clarifies when changes to the terms or conditions of a share-based payment award must be accounted for as modifications. If the value, vesting conditions or classification of the award changes, modification accounting will apply. The guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. The Company does not expect the provisions of ASU 2017-09 to have a material impact on the Company's consolidated financial statements and related disclosures.

4. DISCONTINUED OPERATIONS

On November 29, 2016, the Company's Board of Directors determined that it was in the Company's best interest to close down CAP and the Company ceased is broker-dealer operations December 31, 2016. On February 21, 2017, the Company's request to FINRA for Broker-Dealer Withdrawal ("BDW") became effective.

Results of Discontinued Operations

Summarized operating results of discontinued operations are presented in the following table:

	For the Years Ended December 31,	
	2017	2016
Revenues	$ -	$ 12,192
Gross profit	$ -	$ 12,192
Operating expenses	$ (105,772)	$ (2,254,551)
Interest income, net	$ 21	$ 81
Loss from discontinued operations	$ (105,751)	$ (2,242,278)

Revenues from discontinued operations includes non-cash warrant revenues from affiliates of $0 and $22,972, as well as unrealized losses on affiliate warrants of $0 and $92,824 for the years ended December 31, 2017 and 2016, respectively.

Operating expenses from discontinued operations includes non-cash warrant and stock compensation totaling, in the aggregate, $3,763 and $284,092 for the years ended December 31, 2017 and 2016, respectively.

Summarized assets and liabilities of discontinued operations are presented in the following table:

	December 31,	
	2017	2016
Prepaid expenses and other current assets	$ -	$ 52,734
Total current assets of discontinued operations	$ -	$ 52,734
Accounts payable and accrued expenses	$ -	$ 44,104
Total current liabilities of discontinued operations	$ -	$ 44,104

5. INVENTORY

Inventory at December 31, 2017 and 2016 is comprised of the following:

	December 31, 2017	December 31, 2016
Vineyard in process	$ 349,458	$ 239,978
Wine in process	865,762	741,158
Finished wine	63,964	128,461
Other	109,482	76,592
Total	$ 1,388,666	$ 1,186,189

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	December 31, 2017	December 31, 2016
Buildings	$ 2,793,972	$ 2,911,847
Real estate development	1,057,002	930,671
Land	881,035	386,794
Furniture and fixtures	448,431	441,944
Vineyards	308,204	358,868
Machinery and equipment	617,907	563,703
Leasehold improvements	164,375	164,375
Computer hardware and software	161,788	75,105
	6,432,714	5,833,307
Less: Accumulated depreciation and amortization	(1,899,825)	(1,861,574)
Property and equipment, net	$ 4,532,890	$ 3,971,733

Real estate development costs in the aggregate of $151,906, incurred in connection with twelve real estate lots that were completed during the period were transferred from property and equipment and are held for sale at December 31, 2017 and are included in real estate lots held for sale on the accompanying consolidated balance sheets.

Depreciation and amortization of property and equipment was $286,695 and $168,236 for the years ended December 31, 2017 and 2016, respectively, of which $193,065 and $64,853 was recorded as expense in the accompanying statement of operations, and $93,630 and $103,383 was capitalized to inventory, respectively. Most of our property and equipment is located in Argentina and gross asset costs and accumulated depreciation reported in US dollars are impacted by the devaluation of the Argentine peso relative to the U.S. dollar.

7. PREPAID FOREIGN TAXES

Prepaid foreign taxes, net, of $342,312 and $337,917 at December 31, 2017 and 2016, respectively, consists primarily of prepaid value added tax ("VAT") credits. VAT credits are recovered through VAT collections on subsequent sales of products by the Company. Prepaid VAT tax credits do not expire.

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. Management considers the historical and projected revenues, expenses and capital expenditures in making this assessment. Based on this assessment, management has recorded a valuation allowance related to prepaid foreign taxes of $392,593 and $421,656 as of December 31, 2017 and 2016, 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, 2017	Level 1	Level 2	Level 3	Total
Warrants - Affiliates	$ -	$ -	$ 26,401	$ 26,401

As of December 31, 2016	Level 1	Level 2	Level 3	Total
Warrants - Affiliates	$ -	$ -	$ 42,688	$ 42,688

8. INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS, continued

Investments – Related Parties at Fair Value, continued

A reconciliation of Level 3 assets is as follows:

		Warrants
Balance - December 31, 2015	$	127,202
Received		27,703
Allocated to employees as compensation		(19,392)
Unrealized loss		(92,825)
Balance - December 31, 2016		42,688
Unrealized loss		(16,287)
Balance - December 31, 2017	$	26,401
Accumulated unrealized loss related to investments at fair value at December 31, 2017	$	(40,447)

It had been the Company's policy to distribute part or all of the warrants CAP 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. The Company recorded $19,392 of compensation expense (fair value) related to these distributed warrants for the year ended December 31, 2016. There was no compensation expense recorded related to distributed warrants for the year ended December 31, 2017. Warrants retained by the Company are marked-to-market at each reporting date using the Black-Scholes option pricing model. Unrealized losses on affiliate warrants of $16,287 were recorded during the year ended December 31, 2017 and $92,825 for the year ended December 31, 2016 are included in revenues on the accompanying consolidated statements of operations.

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 short term financial instruments include cash, accounts receivable, advances and loans to employees, accounts payable, accrued expenses, other liabilities, loans payable and 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,	
	2017	2016
Accrued compensation and payroll taxes	$ 463,604	$ 1,030,015
Accrued taxes payable	63,550	79,926
Accrued interest	255,481	270,761
Other accrued expenses	217,886	311,041
Accrued expenses, current	1,000,521	1,691,743
Accrued payroll tax obligations, non-current	247,515	344,127
Total accrued expenses	$ 1,248,036	$ 2,035,870

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 $138,052 and $226,078 as of December 31, 2017 and 2016, respectively, which is 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. The Company incurred interest expenses of $113,679 related to this payment plan.

10. DEFERRED REVENUES

Deferred revenues are comprised of the following:

	December 31,	
	2017	2016
Real estate lot sales deposits	$1,685,725	$1,652,180
Other	46,939	232,426
Total	$1,732,664	$1,884,606

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 in U.S. dollars. As of December 31, 2017, and 2016, the Company had executed agreements to sell real estate building lots for aggregate proceeds of $3,667,423 and $3,541,512, respectively. To date, twenty-five lots have been sold. The Company expects to close on the sale of these lots and record the deeds during 2018. During the first quarter of 2018, the Company closed on the sale of certain of its Phase 1 lots and recorded revenue of $870,000.

11. LOANS PAYABLE

On March 6, 2016, the Company entered into a short-term loan payable in exchange for proceeds of $34,701 (ARS $500,000) which was used to pay certain payroll and payroll tax obligations. The loan matured on May 6, 2016 and bore interest of 10% over term of the loan. All principal and interest due under the loan payable was repaid in full on May 6, 2016.

On November 7, 2016, the Company received a bank loan in the amount of $33,300 (ARS $500,000). The loan had no stated maturity date and bore interest at 10% per month, and interest payments are due monthly. The loan was paid in full on March 13, 2017. The Company paid interest of $7,978 (ARS $125,000) and $6,470 (ARS $100,000) for the years ended December 31, 2017 and 2016, respectively, related to this loan.

On March 31, 2017, the Company received a bank loan in the amount of $519,156 (ARS $8,000,000). The loan bears interest at 24.18% per annum and is due on March 1, 2021. Principal and interest will be paid in forty-two monthly installments beginning on October 1, 2017 and ending on March 1, 2021. The loan is secured by the Algodon Mansion and does not contain any covenants. The principal balance on the bank loan is $398,306 at December 31, 2017. The Company incurred interest expense of $100,115 on this loan during the year ended December 31, 2017.

On August 19, 2017, the Company purchased 845 hectares of land adjacent to its existing property at AWE. The Company paid $100,000 at the date of purchase and executed a note payable in the amount of $600,000 with a stated interest rate of 0% and with quarterly payments of $50,000 beginning on December 18, 2017 and ending August 18, 2021. At the date of purchase, the Company took possession of the property, with full use and access, and will receive the deed to the property after $400,000 of the purchase price has been paid. The Company imputed interest on the note at 7% per annum and recorded a discounted note balance of $517,390 on August 19, 2017. Amortization of the note discount in the amount of $12,217 for the year ended December 31, 2017 is recorded as interest expense on the accompanying consolidated statements of operations. The balance on the note was $479,607, net of debt discount of $70,393 on December 31, 2017, of which $118,886 (net of discount of $31,114) is included in loans payable, net, current and $360,721 (net of discount of $39,279) is included in loans payable, net, non-current in the accompanying consolidated balance sheets.

Future minimum principal payments under the loans payable are as follows:

Years ending December 31,	Total Payment
2018	$ 285,445
2019	272,934
2020	272,934
2021	130,734
2022	-
	$ 962,047

12. DEBT OBLIGATIONS

8% 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 "Debt Obligations"). During the years ended December 31, 2017 and 2016, principal of $162,500 and $75,000, respectively, and accrued interest of $52,500 and $0, respectively, was repaid in cash. During the years ended December 31, 2017 and 2016 the Company accrued interest expense of $37,219 and $49,877, respectively, on the 8% Notes. As of December 31, 2017, and 2016, principal of $0 and $162,500, respectively, and accrued interest of $255,481 and $270,761, respectively, remained outstanding. The Company made interest payments of $52,500 during the year ended December 31, 2017. The principal balance at December 31, 2016 was no longer convertible, since the note was past its maturity date. Accrued interest at December 31, 2017 and 2016 is not convertible.

On December 31, 2017, the Company sold a convertible promissory note (the "Convertible Debt") in the amount of $20,000 to an accredited investor. The note has a 90-day maturity, bears interest at 8% per annum and is convertible into the Company's common stock at a 10% discount to the price used for the sale of the Company's common stock in the Company's next private placement offering This provision resulted in a contingent beneficial conversion feature which will be recognized when the private placement offering commences and the contingency is resolved.

12.5% 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"). On January 1, 2016, principal and interest of $50,000 and $25,433, respectively, related to the 12.5% Notes were exchanged for 37,700 shares of the Company's common stock at $2.00 per share, in connection with a one-time offer that was not pursuant to the original terms of the note. An additional $9,180 of accrued interest related to the 12.5% Notes was derecognized during the first quarter of 2016. As of December 31, 2017 and 2016, there is no principal or interest outstanding related to the 12.5% Notes.

Between January 27, 2017 and February 27, 2017, the Company sold convertible promissory notes to accredited investors for total gross proceeds to the Company of $1,260,000. The notes had a 90-day maturity, paid 8% annual interest and were convertible into the Company's Series B convertible preferred stock (the "Series B Preferred Stock") at a conversion price of $10 per share, beginning fifteen days after being notified of the Series B Preferred Stock offering. On March 31, 2017, the $1,260,000 of principal plus $7,324 of accrued interest owed on the convertible promissory notes was converted into 126,739 shares of Series B Preferred Stock (See Note 16 - Stockholders' (Deficiency) Equity).

12. DEBT OBLIGATIONS

12.5% Notes, continued

The Company's debt obligations are summarized below:

	December 31,					
	2017			2016		
	Principal	Interest [1]	Total	Principal	Interest [1]	Total
Debt Obligations	$ -	$ 255,481	$ 255,481	$ 162,500	$ 270,761	$ 433,261
Convertible Debt	20,000	-	$ 20,000	-	-	$ -
	$ 20,000	$ 255,481	$ 275,481	$ 162,500	$ 270,761	$ 433,261

(1) Accrued interest is included as a component of accrued expenses on the consolidated balance sheets. (See Note 9 – Accrued Expenses)

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,	
	2017	2016
United States	$ (5,654,598)	$ (8,624,371)
International	(2,257,914)	(1,417,770)
Loss before income taxes	$ (7,912,512)	$ (10,042,141)

13. INCOME TAXES, continued

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

	For the Years Ended December 31,	
	2017	2016
Federal		
Current	$ -	$ -
Deferred	5,378,411	(2,668,413)
State and local		
Current	-	-
Deferred	(2,099,305)	(824,069)
Foreign		
Current	-	-
Deferred	19,576	403
	3,298,682	(3,492,079)
Change in valuation allowance	(3,298,682)	3,492,079
Income tax provision (benefit)	$ -	$ -

For the years ended December 31, 2017 and December 31, 2016, 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,	
	2017	2016
U.S. federal statutory rate	(34.0%)	(34.0%)
State taxes, net of federal benefit	(11.0%)	(8.2%)
Permanent differences	1.8%	4.5%
Write-off of deferred tax asset	1.6%	4.6%
Change in tax rates	86.0%	(2.3%)
Prior period adjustments	(3.0%)	0.4%
Other	0.3%	0.2%
Change in valuation allowance	(41.7%)	34.8%
Income tax provision (benefit)	0.0%	0.0%

13. INCOME TAXES, continued

As of December 31, 2017 and December 31, 2016, the Company's deferred tax assets consisted of the effects of temporary differences attributable to the following:

	For the Years Ended December 31,	
	2017	2016
Net operating loss	$ 19,315,973	$ 21,887,309
Stock based compensation	1,381,566	1,845,969
Argentine tax credits	439,541	455,032
Accruals and other	5,708	263,122
Receivable allowances	428,814	429,084
Total deferred tax assets	21,571,601	24,880,516
Valuation allowance	(21,562,624)	(24,861,306)
Deferred tax assets, net of valuation allowance	8,976	19,210
Excess of book over tax basis of warrants	(8,976)	(19,210)
Net deferred tax assets	$ -	$ -

As of December 31, 2017, the Company had approximately $56,552,000, $62,687,000 and $42,040,000 of gross U.S. federal, state and local 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 $6,315,000 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 $2,810,000 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. To date, no additional annual limitations have been triggered, but the Company remains subject to the possibility that a future greater than 50% ownership change could trigger additional annual limitation on the usage of NOLs.

As of December 31, 2017, the Company had approximately $442,000 of gross U.K. NOL carryovers which do not expire. Finally, as of December 31, 2017, the Company had approximately $440,000 of Argentine tax credits which may be carried forward 10 years and begin to expire in 2018.

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 year ended December 31, 2017 decreased by approximately $3,299,000 and for the year ended December 31, 2016 increased by approximately $3,492,000.

13. INCOME TAXES, continued

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, 2017 and 2016. 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, 2014 (or the year ended December 31, 1999 if the Company were to utilize its NOLs). No tax audits were commenced or were in process during the years ended December 31, 2017 and 2016. 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.

The Tax Cuts and Jobs Act (the "Act") was enacted in December 2017 making significant changes to the Internal Revenue Code. Changes include but are not limited to (a) the reduction of the U.S. corporate income tax rate from 35% to 21% for tax years beginning after December 31, 2017; (b) the transition of U.S. international tax taxation from a worldwide tax system to a territorial system; and (c) a one-time transition tax on the mandatory deemed repatriation of foreign earnings. The latter two changes aren't expected to impact the Company as its Argentine and U.K entities generated cumulative losses. The change in tax law required the Company to remeasure existing net deferred tax assets using the lower rate in the period of enactment resulting in an income tax expense of approximately $6.8 million which is fully offset by the corresponding tax benefit of $6.8 million from the reduction in the valuation allowance in the year ended December 31, 2017. There were no specific impacts of Tax Reform that could not be reasonably estimated which the Company accounted for under the prior tax law. However, further analysis of the estimates and guidance on the application of the law, could result in additional revisions during the allowable one-year measurement period, as outlined in Staff Accounting Bulletin No. 118.

14. RELATED PARTY TRANSACTIONS

Assets

Accounts receivable – related parties of $851,016 and $648,951 at December 31, 2017 and 2016, respectively, represents the net realizable value of advances made to related, but independent, entities under common management, of which $451,201 and $579,346 represents amounts owed to the Company in connection with expense sharing agreements as described below.

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.

14. RELATED PARTY TRANSACTIONS, continued

Expense Sharing

On April 1, 2010, the Company entered into an agreement with a related, but independent, entity under common management, of which AWLD's Chief Executive Officer ("CEO") is Chairman and Chief Executive Officer, and AWLD's Chief Financial Officer ("CFO") is Chief Financial Officer, to share expenses such as office space, support staff and other operating expenses. The agreement was amended on January 1, 2017 to update for the current use of personnel, office space, professional services. During the years ended December 31, 2017 and 2016, the Company recorded a contra-expense of $342,299 and $124,428, respectively, related to the reimbursement of general and administrative expenses as a result of the agreement. The entity owed $724,591 and $363,389, respectively, as of December 31, 2017 and 2016, under such and similar prior agreements. The amount owed to the Company will be repaid in installments through October 1, 2018, pursuant to a repayment schedule agreed upon by the Company and the related entity on March 24, 2017. Through March 10, 2018, the related entity has repaid approximately $136,000 of the amount that was owed to the Company at December 31, 2017.

The Company has an expense sharing agreement with a different 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. During each of the years ended December 31, 2017 and 2016, the Company was entitled to receive $10,640 in reimbursement of general and administrative expenses as a result of the agreement. The entity owed $396,116 and $396,067 to the Company under the expense sharing agreement as of December 31, 2017 and 2016, respectively, of which $396,000 and $387,000, respectively, is deemed unrecoverable and reserved.

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, 2017 and 2016, the Company recorded a charge associated with its contribution of $81,386 and $73,869, 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 $1.09 and $2.50 per share during 2017 and 2016, respectively.)

16. STOCKHOLDERS' (DEFICIENCY) EQUITY

Amended and Restated Certification of Designation

On February 28, 2017, the Company filed an Amended and Restated Certificate of Designation with the Secretary of State of the state of Delaware, decreasing the number of shares of the Company's preferred stock designated as Series A Convertible Preferred Stock to 10,097,330 shares.

Authorized Shares

The Company is authorized to issue up to 80,000,000 shares of common stock, $0.01 par value per share effective September 30, 2013. As of December 31, 2017 and 2016, there were 43,067,546 and 42,915,379 shares of common stock issued, and 43,063,135 and 42,910,968 shares outstanding, respectively.

The Company is authorized to issue up to 11,000,000 shares of preferred stock, $0.01 par value per share, of which 10,097,330 shares are designated as Series A convertible preferred stock, and 902,670 shares are designated as Series B convertible preferred stock. As of December 31, 2017, and 2016, there were 902,670 and 0 shares, respectively, of Series B preferred stock outstanding. There were no shares of Series A preferred stock outstanding at December 31, 2017 or 2016, and no additional shares of Series A preferred stock are available to be issued.

16. STOCKHOLDERS' (DEFICIENCY) EQUITY, continued

Equity Incentive Plans

The Company's 2008 Equity Incentive Plan, as amended (the "2008 Plan"), was approved by the Company's Board and stockholders on August 25, 2008. The 2008 Plan provides for grants for the purchase of up to an aggregate 9,000,000 shares, including incentive and non-qualified stock options, restricted and unrestricted stock, loans and grants, and performance awards. As of December 31, 2017, there are 2,060,735 shares available for issuance under the 2008 Plan.

On July 11, 2016, the Board of Directors adopted the 2016 Stock Option Plan (the "2016 Plan"), which was approved by the Company's shareholders on September 28, 2017. Under the 2016 Plan, 1,224,308 shares of common stock of the Company are authorized for issuance, with an automatic annual increase on January 1 of each year equal to 2.5% of the total number of shares of common stock outstanding on such date, on a fully diluted basis. During the year ended December 31, 2017 and 2016, options for the exercise of 1,395,000 and 900,000 shares have been granted under the 2016 plan, and as of December 31, 2017, there are 2,082 shares available for issuance under the 2016 Plan. On January 1, 2018, the number of shares available under the plan was automatically increased by 1,076,689 shares for a total of 1,078,771 shares available.

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.

Series B Preferred Stock

On February 28, 2017, the Company filed a Certificate of Designation with the Secretary of State of the state of Delaware, designating 902,670 shares of the Company's preferred stock as Series B Convertible Preferred Stock ("Series B") at a par value of $0.01 per share.

The Series B shares were offered for sale to accredited investors pursuant to a private placement memorandum dated March 1, 2017. The offering ended on December 4, 2017. During the year ended December 31, 2017, the Company sold 775,931 shares of Series B at $10.00 per share for gross proceeds of $7,759,500 and issued 126,739 shares of Series B in connection with the conversion of certain convertible promissory notes (see Note 12 – Debt Obligations).

The Series B stockholders are entitled to cumulative cash dividends at an annual rate of 8% of the Series B liquidation value (equal to face value of $10 per share), as defined, payable when, as and if declared by the Board of Directors. Cumulative dividends earned by the Series B stockholders were $345,079 during the year ended December 31, 2017. On July 12, 2017, the Board declared a $60,515 dividend on the Series B preferred stock. Cumulative unpaid dividends in arrears related to the Series B totaled $284,564 as of December 31, 2017.

Each share of Series B stock is entitled the number of votes determined by dividing $10 by the fair market value of the Company's common stock on the date that the Series B shares were issued, up to a maximum of ten votes per share of Series B stock.

16. STOCKHOLDERS' (DEFICIENCY) EQUITY, continued

Series B Preferred Stock, continued

Each Series B share is convertible at the option of the holder into 10 shares of the Company's common stock and is automatically converted into common stock upon the uplisting of the Company's common stock to a national securities exchange. On the second anniversary of the December 4, 2017 termination of the Series B offering, if the Series B has not previously automatically converted to common stock upon the uplisting of the Company's common stock to a national exchange, the Company will redeem all then-outstanding Series B shares at a price equal to the liquidation value of $10 per share, plus all unpaid accrued and accumulated dividends. As a result of this redemption feature and the fact that the Series B shares contain a substantive conversion option, the Series B shares are classified as temporary equity.

Common Stock

On January 1, 2016, the Company issued 37,700 shares of the Company's common stock at $2.00 per share in exchange for principal and interest of $75,433 due under the 12.5% Notes (see Note 12 – Debt Obligations).

On March 31, 2016, the Company issued 30,700 shares of common stock at $2.50 per share to settle its 2015 obligation, (an aggregate of $76,750 representing the Company's 401(k) matching contributions), to the Company's 401(k) profit-sharing plan.

During 2016, the Company issued 1,608,200 shares of common stock at $2.50 per share and 1,538,675 shares of common stock at $2.00 per share for aggregate cash proceeds of $7,097,862.

On June 1, 2016, the Company issued an additional 470,771 common shares for no consideration, to investors who had purchased shares between December 2015 and May 2016 at a price of $2.50 per share, in order to effectively reduce the per share price to $2.00 per share. The Company recorded a charge of $941,530 related to the issuance of these shares during the year ended December 31, 2016, which is recorded as common stock price modification expense in the accompanying consolidated statements of operations.

On January 7, 2017, the Company issued 25,000 shares of common stock at $2.00 per share for gross cash proceeds of $50,000 and paid $5,000 of placement agent fees and issued warrants to purchase 2,500 shares of common stock at an exercise price of $2.00 per share related to this transaction.

On or about January 17, 2017, at the request of the investor, the Company cancelled 2,500 shares of its common stock previously issued to one accredited investor and refunded the investor the full purchase price of the securities, which was $5,000. Warrants to purchase 250 shares of common stock and commissions in the amount of $500 were returned by DPEC Capital, Inc. to the Company.

On March 31, 2017, the Company issued 67,770 shares of common stock at $1.09 per share to settle its 2016 obligation, (an aggregate of $73,868) representing the Company's 401(k) matching contributions) to the Company's 401(k) profit-sharing plan.

On July 1, 2017, the Company issued 62,270 shares of its common stock valued in the aggregate at $124,539 to refund a real estate lot sale deposit in the amount of $82,500, which had been recorded as deferred revenue, and recorded $42,039 of interest expense related to this transaction.

16. STOCKHOLDERS' (DEFICIENCY) EQUITY, continued

Restricted Stock Awards

On January 11, 2016, the Company issued 350,000 shares of restricted stock with a grant date value of $875,000 to Maxim Group, LLC ("Maxim"), in connection with entering into an agreement with Maxim for general financial advisory and investment banking services see Note 17 – Commitments and Contingencies, Consulting Agreements). The shares vested 11.11% in connection with the execution of the agreement, and vest 11.11% monthly thereafter. The shares are marked to market when they vest, and unvested shares are marked to market at each reporting period, with the current fair value expensed over the vesting period. During the year ended December 31, 2016, the Company recognized $797,222 of stock-based compensation expense related to the vesting of this award, which is included in general and administrative expenses in the accompanying consolidated statement of operations. The shares are fully vested and there is no unrecognized stock-based compensation expense related to these shares as of December 31, 2016. On or about October 28, 2016, the Company terminated its agreement with Maxim.

Accumulated Other Comprehensive Loss

For the years ended December 31, 2017 and 2016, the Company recorded $336,568 and $867,968, respectively, of foreign currency translation adjustments as accumulated other comprehensive loss.

Warrants

During 2016, in connection with the sale of its common stock, the Company issued five-year warrants to CAP, who acted as placement agent, for the purchase of 194,694 shares of the Company's common stock at $2.00 per share and 172,307 shares of the Company's common stock at $2.50 per share. CAP, in turn, awarded such warrants to its registered representatives and recorded $262,113 of stock-based compensation expense for the year ended December 31, 2016, which is recorded within discontinued operations in the accompanying statements of operations (see Note 4 – Discontinued Operations).

On January 7, 2017, in connection with the sale of its equity securities, the Company issued five-year warrants to its subsidiary, DPEC Capital who acted as placement agent, for the purchase of 2,500 shares of its common stock at $2.00 per share. On January 17, 2017, due to the refund to an investor, warrants to purchase 250 shares of common stock and commissions in the amount of $500 were returned by DPEC Capital, Inc. to the Company. CAP, in turn, awarded such warrants to its registered representatives and recorded $1,105 of stock-based compensation for the year ended December 31, 2017, within discontinued operations in the accompanying statement of operations (see Note 4 – Discontinued Operations).

16. STOCKHOLDERS' (DEFICIENCY) EQUITY, continued

Warrants, continued

Pursuant to the Company's Investor Relations Consulting Agreement (see Note 17 – Commitments and Contingencies – Consulting Agreements), the Company granted five-year warrants for the purchase of 75,000 shares of the Company's common stock to MZHCI LLC ("MZHCI") on April 18, 2016 and granted five-year warrants for the purchase of an additional 75,000 shares of the Company's common stock on October 18, 2016 (collectively, the "IR Warrants"). The warrants, as granted, had an exercise price of $2.50 per share, and vested three months from the date of grant. As of the effective date of the agreement, the IR Warrants had an aggregate value of $103,500, and the unvested warrants are subject to mark to market adjustments at each reporting and vest date, and which is amortized through the vesting period for each respective grant. During the years ended December 31, 2017 and 2016, the Company recorded $137 and $73,393 of stock-based compensation related to the amortization of the IR Warrants, which is recorded within general and administrative expense in the consolidated statement of operations. On October 8, 2016, the IR Warrants were amended such that the exercise price was adjusted from $2.50 per share to $2.00 per share. The Company recorded warrant modification expense of $21,001 related to the modification of the IR Warrants.

Warrants granted during 2017 and 2016 had a weighted average grant date value of $0.52 and $0.80, respectively, and were valued using the Black-Scholes pricing model, with the following assumptions:

	For the Years Ended December 31,	
	2017	2016
Risk free interest rate	1.92%	1.01 - 1.93%
Expected term (years)	5.00	5.00
Expected volatility	44.0%	44.0% - 46.0%
Expected dividends	0.0%	0.0%
Forfeiture rate	5.0%	5.0%

The expected term of warrants represents the contractual term of the warrant. Given that the Company's shares were not publicly traded through September 23, 2016, the Company developed an expected volatility based on a review of the historical volatilities, over a period of time equivalent to the contractual term of the warrant, 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 contractual term of the warrants.

16. STOCKHOLDERS' (DEFICIENCY) EQUITY, continued

Warrants, continued

A summary of warrants activity during the years ended December 31, 2017 and 2016 is presented below:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life in Years	Intrinsic Value
Outstanding, December 31, 2015	1,382,186	2.10		
Issued	519,294	2.17		
Exercised	-	-		
Cancelled	-	-		
Outstanding, December 31, 2016	1,901,480	2.20		
Issued	2,250	2.00		
Exercised	-	-		
Cancelled	(438,434)	2.30		
Outstanding, December 31, 2017	1,465,296	$ 2.17	2.4	$ -
Exercisable, December 31, 2017	1,465,296	$ 2.17	2.4	$ -

A summary of outstanding and exercisable warrants as of December 31, 2017 is presented below:

Warrants Outstanding			Warrants Exercisable	
Exercise Price	Exercisable Into	Outstanding Number of Warrants	Weighted Average Remaining Life in Years	Exercisable Number of Warrants
$ 2.00	Common Stock	741,879	3.0	741,879
$ 2.30	Common Stock	535,110	1.1	535,110
$ 2.50	Common Stock	188,307	3.2	188,307
	Total	1,465,296		1,465,296

Modification of CAP Warrants

On June 1, 2016, in connection with the issuance of common stock for the purpose of modifying the investor price per share see Common Stock, above), the Company modified CAP Warrants granted between December 2015 and May 2016, such that the exercise price was adjusted from $2.50 per share to $2.00 per share, and the aggregate number of shares available to be purchased in connection with the warrants was increased from 198,807 to 245,883 shares. The Company recorded warrant modification expense of $68,548 related to the modification of the CAP Warrants.

16. STOCKHOLDERS' (DEFICIENCY) EQUITY, continued

Stock Options

On July 19, 2016, the Company granted five-year options to purchase a total of 400,000 shares of common stock at an exercise price of $2.20 to two members of the Company's Board of Directors pursuant to the 2016 Plan. The options vested one-third on the date of grant and one-third on each of the two anniversaries subsequent to the date of grant. The options had an aggregate grant date value of $239,421.

On October 20, 2016, the Company granted five-year options for the purchase of 100,000 shares of the Company's common stock to an employee of the Company and five-year options for the purchase of an aggregate 400,000 shares of the Company's common stock to Company consultants, under the 2016 Plan. The options had an exercise price of $2.20 and vested 25% at the date of grant and 25% on each of the three anniversaries subsequent to the date of the grant. The options had an aggregate grant date fair value of $302,025, of which options granted to an employee had a grant date fair value of $60,405, which will be recognized ratably over the vesting period, and options granted to consultants had an aggregate grant date fair value of $241,620 which will be re-measured on financial reporting dates and vesting dates until the service period is complete.

On November 17, 2017, the Company granted five-year options for the purchase of 1,395,000 shares of the Company's common stock under the 2016 Plan, of which options for the purchase of an aggregate of 940,000 shares of common stock were granted to certain employees of the Company, options for the purchase of an aggregate of 100,000 shares of common stock were granted to two members of the Board of Directors, and options for the purchase 355,000 shares of common stock were granted to Company consultants. The options had an exercise price of $1.10 per share and vest 25% at the first anniversary of date of grant, with the remaining shares vesting ratably on a quarterly basis over the following three years. The options had an aggregate grant date fair value of $452,120, of which options granted to employees and members of the Board of Directors had a grant date fair value of $337,064, which will be recognized ratably over the vesting period, and options granted to consultants had an aggregate grant date fair value of $115,056, which will be re-measured on financial reporting dates and vesting dates until the service period is complete.

The Company has computed the fair value of options granted using the Black-Scholes option pricing model. In applying the Black-Scholes option pricing model, the Company used the following assumptions:

	For the Years Ended December 31,	
	2017	2016
Risk free interest rate	2.06%	0.84% - 1.267%
Expected term (years)	3.5 - 4.5	3.25 - 3.5
Expected volatility	42.30%	44.0% - 46.1 %
Expected dividends	0.00%	0.0%

16. STOCKHOLDERS' EQUITY, continued

Stock Options, continued

Until September 23, 2016, there was no public trading market for the shares of AWLD common stock underlying the Company's 2001 Plan and 2008 Plan and 2016 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 were not publicly traded, the Company developed an expected volatility based on a review of the historical volatilities, over a period of time equivalent to the expected term of the options, 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, 2017. There were 1,395,000 and 900,000 stock options granted during the years ended December 31, 2017 and 2016, respectively.

The weighted average grant date fair value per share of options granted during the years ended December 31, 2017 and 2016 was $0.32 and $0.60, respectively.

During the years ended December 31, 2017 and 2016, the Company recorded stock-based compensation expense of $622,665 and $795,550, respectively, related to stock option grants, which is reflected as general and administrative expenses (classified in the same manner as the grantees' wage compensation) in the consolidated statements of operations. As of December 31, 2017, there was $1,436,888 of unrecognized stock-based compensation expense related to stock option grants that will be amortized over a weighted average period of 1.8 years, of which $149,829 of unrecognized expense is subject to non-employee mark-to-market adjustments.

16. STOCKHOLDERS' EQUITY, continued

Stock Options, continued

A summary of options activity during the years ended December 31, 2017 and 2016 is presented below:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Life in Years	Intrinsic Value
Outstanding, December 31, 2015	8,939,436	2.70		
Granted	900,000	-		
Exercised	-	-		
Expired	(1,771,421)	3.85		
Forfeited	(43,750)	3.85		
Outstanding, December 31, 2016	8,024,265	2.39		
Granted	1,395,000	1.10		
Exercised	-	-		
Expired	(75,000)	3.85		
Forfeited	(110,000)	2.39		
Outstanding, December 31, 2017	9,234,265	$ 2.18	2.2	$ -
Exercisable, December 31, 2017	6,233,960	$ 2.40	1.5	$ -

The following table presents information related to stock options as of December 31, 2017:

Options Outstanding		Options Exercisable	
Exercise Price	Outstanding Number of Options	Weighted Average Remaining Life in Years	Exercisable Number of Options
$ 1.10	1,395,000	N/A	-
$ 2.20	3,031,890	2.8	1,849,116
$ 2.48	4,772,375	1.0	4,353,594
$ 3.30	10,000	2.4	6,250
$ 3.50	25,000	1.0	25,000
	9,234,265	1.5	6,233,960

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. Notwithstanding the above, in connection with the routine audit of DPEC capital commenced in November 2016, the Company has promptly responded to requests from the SEC regarding the reported unregistered sales of the Company's securities. The SEC audit was completed on March 30, 2017 with no finding of deficiencies in the course of the SEC's examination. The Company records legal costs associated with loss contingencies as incurred. Settlements are accrued when, and if, they become probable and estimable.

Employment Agreement

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 CEO's annual sales of AWLD common stock. The CEO 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 the CEO's 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 the CEO's termination for any reason, the CEO 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.

Consulting Agreements

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 this agreement, Maxim received a monthly cash fee of $7,500 for the duration of the agreement, which could be terminated by either party at any time after nine months, or upon 30 days prior written notice to the other party. In connection with the agreement, the Company issued 350,000 shares of restricted common stock valued at $2.50 per share to Maxim (see Note 16 – Stockholders' (Deficiency) Equity). On or about October 28, 2016, the Company terminated its agreement with Maxim.

The Company entered into an Investor Relations Consulting Agreement effective April 8, 2016 (the "IR Agreement") with MZHCI to provide consulting services with respect to financial markets and exchanges, competitors, business acquisitions and other related matters in exchange for consideration of $6,500 of cash per month plus five-year warrants for the purchase of up to 150,000 shares of the Company's common stock at an exercise price of $2.50 per share (see Note 16 – Stockholders' (Deficiency) Equity – Warrants).

17. COMMITMENTS AND CONTINGENCIES, continued

Importer Agreement

The Company entered into an agreement (the "Importer Agreement") with an importer (the "Importer") effective June 1, 2016, pursuant to which the Company has engaged the Importer as its sole and exclusive importer, distributor and marketing agent of wine in the United States for certain minimum sales quantities at prices mutually agreed upon by the Company and the Importer. The Importer Agreement terminates on December 31, 2020 and is automatically renewable for an indefinite number of successive three-year terms. Unless terminated by the Company or the Importer for cause, as defined in the Importer Agreement.

Lease Commitments

The Company leases office space in New York City under an operating lease (as amended) which expires on August 31, 2020. Rent expense for this property was $192,237 and $189,928 for the years ended December 31, 2017 and 2016, respectively, net of expense allocation to affiliates (see Note 14 – Related Party Transactions – Expense Sharing).

Future minimum payments on these operating leases are as follows:

For the Years Ending December 31,	Amount
2018	$ 233,375
2019	240,376
2020	163,424
Total	$ 637,175

Reverse Stock Split

On December 12, 2017, the Company's Board of Directors approved a five-for-one reverse stock split, to be effective upon the Company's uplisting to a national stock exchange.

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 20.16, 18.5930 and 15.9681 at March 27, 2018, December 31, 2017 and December 31, 2016, respectively.

Exhibit 21.1

Subsidiaries of Algodon Wines & Luxury Development Group, Inc.

1. InvestProperty Group, LLC, a Delaware limited liability company

2. Algodon Global Properties, LLC, a Delaware limited liability company

3. DPEC Capital, Inc., a Delaware corporation (dormant)

4. The Algódon – Recoleta S.R.L., an Argentine Sociedad de Responsabilidad Limitada (owned 100% through InvestProperty Group, LLC, Algodon Global Properties, LLC, and Algodon Properties II S.R.L.)

5. Algodon Europe Limited, a United Kingdom private company (owned 100% by InvestProperty Group, LLC)

6. Algodon Properties II S.R.L., an Argentine Sociedad de Responsabilidad Limitada (owned 100% through InvestProperty Group, LLC and Algodon Global Properties, LLC)

7. Algodon Wine Estates S.R.L., an Argentine Sociedad de Responsabilidad Limitada (owned 100% through InvestProperty Group, LLC, Algodon Global Properties, LLC, Algodon Properties II S.R.L. and The Algódon – Recoleta S.R.L.)

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 year ended December 31, 2017;

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

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

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (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, 2018

/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 year ended December 31, 2017;

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

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

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (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, 2018

/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, 2017, 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, 2018

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

Dated: March 30, 2018

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.