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

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2018

or

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

For the transition period from ___________ to ___________

Commission File Number: 001-38078

ADOMANI, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**46-0774222** (I.R.S. Employer Identification No.)

4740 Green River Road, Suite 106
Corona, CA 92880
(Address of principal executive offices, including zip code)

(951) 407-9860
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

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

The number of shares outstanding of the registrant's only class of common stock as of October 23, 2018 was 72,732,292

ADOMANI, INC. AND SUBSIDIARIES
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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q ("Quarterly Report") contains "forward-looking statements" that involve substantial risks and uncertainties. Forward-looking statements relate to future events or our future financial performance or condition and involve known and unknown risks, uncertainties and other factors that could cause our actual results, levels of activity, performance or achievement to differ materially from those expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "should," "will" and "would" or the negatives of these terms or other comparable terminology.

You should not place undue reliance on forward-looking statements. The cautionary statements set forth in this Quarterly Report, including in "Risk Factors" and elsewhere, identify important factors which you should consider in evaluating our forward-looking statements. These factors include, among other things:

- Our ability to generate demand for our zero-emission or hybrid drivetrains and conversion kits in order to generate revenue;
- Our dependence upon external sources for the financing of our operations;
- Our ability to effectively execute our business plan;
- Our ability to scale our assembling and converting processes effectively and quickly from low volume production to high volume production;
- Our ability to manage our expansion, growth and operating expenses and reduce and adequately control the costs and expenses associated with operating our business;
- Our ability to obtain, retain and grow our customers;
- Our ability to enter into, sustain and renew strategic relationships on favorable terms;
- Our ability to achieve and sustain profitability;
- Our ability to evaluate and measure our current business and future prospects;
- Our ability to compete and succeed in a highly competitive and evolving industry;
- Our ability to respond and adapt to changes in electric or hybrid drivetrain technology; and
- Our ability to protect our intellectual property and to develop, maintain and enhance a strong brand.

You should read this Quarterly Report and the documents that we reference elsewhere in this Quarterly Report completely and with the understanding that our actual results may differ materially from what we expect as expressed or implied by our forward-looking statements. Factors that may cause or contribute to such differences include, but are not limited to, those discussed in greater detail, particularly in Part I, Item 2 (Management's Discussion and Analysis of Financial Condition and Results of Operations) and in Part II, Item 1A (Risk Factors) of this Quarterly Report. In light of the significant risks and uncertainties to which our forward-looking statements are subject, you should not place undue reliance on or regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified timeframe, or at all. These forward-looking statements represent our estimates and assumptions only as of the date of this Quarterly Report regardless of the time of delivery of this Quarterly Report. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this Quarterly Report.

Unless expressly indicated or the context requires otherwise, references in this Quarterly Report on Form 10-Q to "ADOMANI," "Company," "we," "our," and "us" refer to ADOMANI, Inc. and our subsidiaries.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ADOMANI, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)
(unaudited)

	September 30, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	$ 7,811	$ 2,446
Accounts receivable	1,573	-
Notes receivable, net	300	1,000
Inventory, net	-	225
Other current assets	1,546	778
Total current assets	11,230	4,449
Property and equipment, net	145	487
Other non-current assets	533	386
Total assets	$ 11,908	$ 5,322
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,005	$ 30
Accrued liabilities	706	514
Notes payable, net	-	2,149
Line of credit	1,400	-
Total current liabilities	3,111	2,693
Long-term liabilities		
Other non-current liabilities	236	289
Total liabilities	3,347	2,982
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, 5,000,000 authorized $0.00001 par value, none issued and outstanding as of September 30, 2018 and December 31, 2017	-	-
Common stock, 350,000,000 authorized $0.00001 par value, 72,732,292 and 68,070,930 issued and outstanding as of September 30, 2018 and December 31, 2017, respectively	1	1
Additional paid-in capital	61,279	45,316
Accumulated deficit	(52,719)	(42,977)
Total stockholders' equity	8,561	2,340
Total liabilities and stockholders' equity	$ 11,908	$ 5,322

See Accompanying Notes to Unaudited Consolidated Financial Statements.

ADOMANI, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited; in thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Sales	$ 2,619	$ -	$ 3,827	$ -
Cost of sales	2,528	-	3,729	-
Gross profit	91	-	98	-
Operating expenses				
General and administrative	1,533	11,716	9,320	18,363
Consulting	38	49	133	2,213
Research and development	45	38	641	557
Total operating expenses, net	1,616	11,803	10,094	21,133
Loss from operations	(1,525)	(11,803)	(9,996)	(21,133)
Other income (expense):				
Interest income (expense), net	43	(47)	148	(362)
Other income (expense)	1	(116)	109	(113)
Total other income (expense)	44	(163)	257	(475)
Loss before income taxes	(1,481)	(11,966)	(9,739)	(21,608)
Income tax expense	-	(1)	(3)	(3)
Net loss	$ (1,481)	$ (11,967)	$ (9,742)	$ (21,611)
Net loss per share to common stockholders:				
Basic and diluted	$ (0.02)	$ (0.18)	$ (0.14)	$ (0.33)
Weighted shares used in the computation of net loss per share:				
Basic and diluted	72,607,881	68,070,930	72,000,787	66,020,773

See Accompanying Notes to Unaudited Consolidated Financial Statements.

ADOMANI, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(in thousands, except per share data)
(unaudited)

	Common Stock		Additional Paid-In	Accumulated	Stockholders'
	Shares	Amount	Capital	Deficit	Equity
Balance, December 31, 2017	68,070,930	$ 1	$ 45,316	$ (42,977)	$ 2,340
Common stock issued for cash	3,666,667	-	11,000		11,000
Offering costs netted against proceeds from common stock issued for cash	-	-	(1,197)		(1,197)
Stock based compensation	-	-	6,061		6,061
Common stock issued for stock options exercised	994,695	-	99		99
Net loss	-	-	$ -	(9,742)	(9,742)
Balance, September 30, 2018	72,732,292	$ 1	$ 61,279	$ (52,719)	$ 8,561

See Accompanying Notes to Unaudited Consolidated Financial Statements.

ADOMANI, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Nine Months Ended	
	September 30, 2018	**September 30, 2017**
Cash flows from operating activities:		
Net loss	(9,742)	(21,611)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	28	11
Accretion of discount on note receivable	-	(46)
Amortization of debt discount	-	130
Provision for bad debt	200	-
Stock based compensation expense	6,061	15,653
Warrant issued for services	-	1,241
Loss on write-down of property and equipment	385	-
Gain on disposal of property and equipment	-	(1)
Write-down of inventory	15	-
Write-off of investment	-	120
Changes in assets and liabilities:		
Inventory	210	(390)
Accounts receivable	(1,573)	-
Other current assets	(843)	(59)
Other non-current assets	53	(5)
Accounts payable	975	75
Accrued liabilities	191	226
Other non-current liabilities	(53)	-
Net cash used in operating activities	(4,093)	(4,656)
Cash flows from investing activities:		
Purchase of property and equipment, net	(71)	(94)
Investment in note receivable, net	(200)	(500)
Proceeds from repayment of note receivable	500	-
Net cash provided by (used in) investing activities	229	(594)
Cash flows from financing activities:		
Proceeds from issuance of common stock	11,000	12,550
Proceeds from issuance of debt, net of issuance costs	-	500
Principal repayments of debt	(2,149)	(2,560)
Advances on line of credit	2,200	-
Principal repayments on line of credit	(800)	-
Proceeds from exercise of stock options	99	-
Payments for deferred offering costs	(1,121)	(1,703)
Net cash provided by financing activities	9,229	8,787
Net change in cash and cash equivalents	5,365	3,537
Cash and cash equivalents at the beginning of the period	2,446	938
Cash and cash equivalents at the end of the period	$ 7,811	$ 4,475
Supplemental cash flow disclosures:		
Cash paid for interest expense	$ 26	$ 288
Cash paid for income taxes	$ -	$ -
Non-cash transactions:		
Common stock issued due to debt conversion	$ -	$ 726
Deferred offering costs reclassified to equity	$ 76	$ 838
Common stock issued for prepaid services rescinded	$ -	$ 100
Common stock issued as offering costs	$ -	$ 1,250
Warrants issued as offering costs	$ -	$ 681

See Accompanying Notes to Unaudited Consolidated Financial Statements.

1. Organization and Operations

ADOMANI, Inc. ("we", "us", "our" or the "Company") is a provider of zero-emission electric and hybrid vehicles and replacement drivetrains that is focused on reducing the total cost of vehicle ownership. The Company's drivetrain systems are designed to help fleet operators unlock the benefits of green technology and address the challenges of traditional fuel price cost instability and local, state and federal environmental regulatory compliance. The Company designs and causes to be designed advanced zero-emission electric and hybrid drivetrain systems for integration in new school buses and medium to heavy-duty commercial fleet vehicles.

2. Summary of Significant Accounting Policies

Basis of Presentation—The consolidated financial statements and related disclosures as of September 30, 2018 and for the nine months ended September 30, 2018 and 2017 are unaudited, pursuant to the rules and regulations of the United States Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP") have been condensed or omitted pursuant to such rules and regulations. In our opinion, these unaudited financial statements include all adjustments (consisting only of normal recurring adjustments) necessary for the fair statement of the results for the interim periods. These unaudited financial statements should be read in conjunction with our audited financial statements for the years ended December 31, 2017 and 2016 included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017. The results of operations for the nine months ended September 30, 2018 are not necessarily indicative of the results to be expected for the full year.

Principles of Consolidation—The accompanying financial statements reflect the consolidation of the individual financial statements of ADOMANI, Inc., ADOMANI California, Inc., Adomani (Nantong) Automotive Technology Co. Ltd., School Bus Sales of California, Inc., and Zero Emission Truck and Bus Sales of Arizona, Inc. All significant intercompany accounts and transactions have been eliminated.

Use of Estimates—The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments—The carrying values of our financial instruments, including cash, notes receivable and accounts payable approximate their fair value due to the short-term nature of these financial instruments. Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 820, "Fair Value Measurement" defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It also establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1: Observable inputs such as quoted prices in active markets;

Level 2: Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: Unobservable inputs that are supported by little or no market data and that require the reporting entity to develop its own assumptions.

The Company does not have any assets or liabilities that are required to be measured and recorded at fair value on a recurring basis.

Revenue Recognition—The Company recognizes revenue from the sales of advanced zero-emission electric drivetrain systems for fleet vehicles and from contracting to provide related engineering services. In May 2014, the FASB issued new accounting guidance, ASC Topic 606, "Revenue from Contracts with Customers", to clarify the principles for recognizing revenue and to develop a common revenue standard for GAAP. The amendments in this guidance state that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This new guidance requires enhanced disclosures to help users of financial statements better understand the nature, amount, timing, and uncertainty of revenue that is recognized.

On January 1, 2018, the Company adopted ASC Topic 606 using the modified retrospective method applied to those contracts which were not completed as of January 1, 2018. Results for reporting periods beginning after January 1, 2018 are presented under ASC Topic 606, while prior period amounts are not adjusted and continue to be reported in accordance with the Company's historic accounting under ASC Topic 605.

The adoption of ASC Topic 606 did not result in a cumulative impact on the Company as of January 1, 2018 and the application of ASC Topic 606 had no impact on its statement of operations for the nine months ended September 30, 2018.

Net Loss Per Share—Basic net loss per share is calculated by dividing the Company's net loss applicable to common stockholders by the weighted average number of shares of common stock outstanding during the period. Diluted net loss per share is calculated by dividing the Company's net loss applicable to common stockholders by the diluted weighted average number of shares of common stock outstanding during the period. The diluted weighted average number of shares of common stock outstanding is the basic weighted number of shares of common stock adjusted for any potentially dilutive debt or equity securities.

Concentration of Credit Risk—The Company has credit risks related to cash and cash equivalents on deposit with a federally insured bank, as at times it exceeds the $250,000 maximum amount insured by the Federal Deposit Insurance Corporation.

Recent Accounting Pronouncements—In June 2018, the FASB issued Accounting Standards Update ("ASU") No. 2018-07, Compensation—Stock Compensation (Topic 718): "Improvements to Nonemployee Share-Based Payment Accounting." The amendment simplifies several aspects of the accounting for nonemployee share-based payment transactions resulting from expanding the scope of ASC Topic 718, Compensation—Stock Compensation to include share-based payment transactions for acquiring goods and services from nonemployees. The guidance is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2018. Early adoption is permitted, including any interim period, for reporting periods for which financial statements have not been issued, but no earlier than an entity's adoption date of ASC Topic 606. The Company is currently evaluating the provisions of this guidance and assessing its impact on the Company's financial statements and disclosures.

3. Property and Equipment, Net

Components of property and equipment, net, consist of the following as of September 30, 2018 and December 31, 2017:

	September 30, 2018	December 31, 2017
Furniture and fixtures	$ 41,799	$ 38,540
Leasehold improvements	11,638	11,638
Computers	53,704	53,704
Vehicles	67,299	-
Test/Demo vehicles	22,548	407,612
Total property and equipment	196,988	511,494
Less accumulated depreciation	(52,006)	(24,427)
Net property and equipment	$ 144,982	$ 487,067

Depreciation expense was $11,106 and $4,430 for the three months ended September 30, 2018 and 2017, respectively, and $27,579 and $10,108 for the nine months ended September 30, 2018 and 2017. During June 2018, the Company determined that a test/demonstration vehicle would not be further utilized for its intended purpose, thereby affecting future benefits from the asset, and, as such, in June 2018, the Company recognized a loss on write-down of property and equipment of $385,065 relating to the vehicle. The write-down was recorded to research and development expense, as the asset was used as part of research and development activities.

4. Notes Receivable

On June 29, 2017, the Company loaned $500,000 to an unaffiliated third party with engineering expertise in the electric bus technology industry, with whom the Company, at that time, expected it might seek an alliance at some future date, in order to provide it with working capital. The stated interest rate is 9% per annum, with interest payments due monthly beginning on July 31, 2017. The note is secured by the assets of the borrower and was scheduled to mature on December 31, 2017. In February 2018, the parties agreed to extend the maturity date of the note to June 30, 2018, and in June 2018, the parties agreed to further extend the maturity date of the note until September 30, 2018. The note, as amended, is subject to an extension fee of $35,000 due no later than the September 30, 2018 maturity date. The $35,000 extension fee is in lieu of the $25,000 extension fee required by the February 2018 amendment to the note. Per the terms of the note, as amended, the borrower was obligated to make past due interest payments in the aggregate amount of $18,750 on or before July 6, 2018. The Company received such past due interest payments on July 6, 2018. All subsequent interest payments prior to the September 30, 2018 maturity were made. The borrower failed to pay the $500,000 principal, along with unpaid and accrued extension fees of $35,000, by the September 30, 2018 maturity date, and the Company considers the note to be in default. The Company notified the borrower in writing of such default on October 1, 2018. The Company recorded a $200,000 allowance as bad debt expense against the note based on preliminary determination of recoverability from the assets owned by the unaffiliated third party.

The Company loaned an additional $500,000 to another unaffiliated third party in the zero-emissions technology industry in December 2016. This note is subject to monthly interest of $10,000 and was originally scheduled to mature on December 31, 2017. In January 2018, the parties agreed to extend the maturity of the note to April 30, 2018, and in April 2018, the parties agreed to further extend the maturity date of the note until June 30, 2018. In June 2018, the parties agreed to further extend the maturity date of the note to September 30, 2018. The note, as amended, is subject to an extension fee of $55,000 due no later than the September 30, 2018 maturity date. The $55,000 extension fee is in lieu of the $50,000 extension fee required by the prior April 2018 amendment to the note. The borrower repaid the principal outstanding under the note, along with accrued and unpaid interest of $14,603 and extension fees of $55,000, on August 15, 2018.

The Company loaned $200,000 pursuant to a secured promissory note to an unaffiliated third party in the energy storage technology industry in September 2018. The stated interest rate under the note is 9% per annum and any unpaid interest will become part of the principal balance after one year and will compound accordingly. The amount outstanding under the note will automatically convert into preferred stock of the borrower in connection with a financing that results in aggregate gross proceeds to the borrower of at least $500,000. Additionally, the Company may optionally convert into preferred stock of the borrower any or all of the amount outstanding under the note at any time. The note is secured by substantially all of the assets of the borrower and is scheduled to mature on December 31, 2020 unless conversion of the note occurs prior to that date. The note is reported as an other non-current asset on the consolidated balance sheet as of September 30, 2018.

5. Debt

On January 10, 2018, upon the Company's receipt of the proceeds from its follow-on offering (described in Note 6), the Company repaid the $2,149,000 of remaining principal and accrued and unpaid interest outstanding under the Company's 9% secured notes, originally issued during 2015.

Details of notes payable as of September 30, 2018 and December 31, 2017 are as follows:

	As of September 30, 2018	As of December 31, 2017
Notes Payable		
Principal amount outstanding	-	2,149,000
Cumulative discount for finance charges incurred	-	(514,753)
Cumulative discount for warrant	-	(349,042)
Cumulative discount for 9% notes	-	(50,000)
Cumulative amortization of finance charges	-	514,753
Cumulative amortization of warrant expense	-	349,042
Cumulative amortization of 9% notes	-	50,000
Subtotal of notes payable	-	2,149,000
Total of debt	$ -	$ 2,149,000

Effective May 2, 2018, the Company secured a line of credit from Morgan Stanley Private Bank, National Association ("Morgan Stanley"). Borrowings under the line of credit bear interest at 30-day LIBOR plus 2.0%. There is no maturity date for the line, but Morgan Stanley may at any time, in its sole discretion and without cause, demand the Company immediately repay any and all outstanding obligations under the line of credit in whole or in part. The line is secured by the cash and cash equivalents maintained by the Company in its Morgan Stanley accounts, which was approximately $7.5 million as of September 30, 2018, and borrowings under the line may not exceed 95% of such cash and cash equivalent balances, subject to a maximum of $7 million. Such borrowing threshold, however, is subject to change at Morgan Stanley's discretion and depends upon the holdings in the Company's accounts, the maturity dates of the securities in the accounts and the credit quality of the underlying insurers. As of September 30, 2018, the principal amount outstanding under this line of credit was approximately $1.4 million, and the undrawn borrowing availability was $5.6 million.

6. Common Stock

On January 9, 2018, the Company consummated the closing of a follow-on offering of units, each consisting of one share of common stock and a warrant to purchase 1.5 shares of common stock at an exercise price of $4.50. The Company sold an aggregate of 3,666,667 units for aggregate gross proceeds of approximately $11.0 million. Net proceeds received after deducting commissions, expenses and fees of approximately $1.2 million amounted to approximately $9.8 million. Under the terms of the underwriting agreement executed in connection with the follow-on offering, the Company issued to Boustead Securities, LLC and Roth Capital Partners, LLC warrants to purchase an aggregate of 256,667 shares of common stock. The warrants to purchase 256,667 shares of common stock were valued using the Black-Scholes option-pricing model, resulting in a fair market value of $598,737. The assumptions used in the valuation of the warrants issued to Boustead Securities, LLC and Roth Capital Partners, LLC included the term of five years, the exercise price of $3.75 per share, volatility of 92.20% and a risk-free interest rate of 2.13%. The fair value of these warrants was recorded as offering costs and netted against additional paid-in capital during the three months ended March 31, 2018.

During May, June and August 2018, certain non-employees exercised options to purchase an aggregate of 994,695 shares of common stock, for which the Company received aggregate gross proceeds of $99,470 (see Note 8).

7. Stock Warrants

As of September 30, 2018, the Company has issued warrants to purchase an aggregate of 7,556,323 shares of common stock. The Company's stock warrant activity for the nine months ended September 30, 2018 is summarized as follows:

	Number of Shares		Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)
Outstanding at December 31, 2017	1,799,659	$	4.42	3.37
Granted	5,756,664	$	4.47	
Forfeited				
Outstanding at September 30, 2018	7,556,323	$	4.45	4.02
Exercisable at September 30, 2018	7,556,323	$	4.45	4.02

As of September 30, 2018, the outstanding warrants have no intrinsic value.

8. Stock-Based Compensation

On March 6, 2018, Edward R. Monfort ceased serving as the Company's Chief Technology Officer. Upon Mr. Monfort's separation from service, the Company's board of directors suspended Mr. Monfort's outstanding options. Although such options remain outstanding, they were unexercisable as of September 30, 2018 and through the date of this Quarterly Report. As of September 30, 2018, outstanding options to purchase an aggregate of 14,297,902 shares of common stock are attributable to Mr. Monfort.

In March 2018, the Company determined that certain non-employees, to whom it previously granted options, were no longer providing services to the Company. As a result, the Company canceled unvested options to purchase 297,694 shares of common stock previously granted pursuant to Company's 2012 Stock Option and Stock Incentive Plan (the "2012 Plan"), effective as of February 28, 2018. In accordance with GAAP, the Company reversed $423,308 of previously recorded expense with respect to such unvested options. During May, June and August 2018, certain non-employees exercised options to purchase an aggregate of 994,695 shares of common stock, for which the Company received aggregate gross proceeds of $99,470. In June 2018, unexercised options to purchase an aggregate of 499,123 shares of common stock previously held by such non-employees terminated in accordance with their terms, and the Company agreed to extend the exercise period of one non-employee's option to purchase 207,968 shares of common stock until July 31, 2018. In July 2018, the Company agreed to further extend the exercise period of such option to August 31, 2018, and on August 31, 2018, such option expired unexercised.

In April 2018, the Company's board of directors granted to certain employees and directors options to purchase an aggregate of 655,000 shares of common stock pursuant to the Company's 2017 Equity Incentive Plan. The options vest over a three-year period, with one-third of the options vesting on the one-year anniversary of the grant date and the remainder vesting in equal installments thereafter. The exercise price for these options is $1.31 per share. The options were valued using the Black-Scholes option-pricing model, resulting in a fair market value of $229,643. The assumptions used in the valuation included an expected term of 5.75 years, volatility of 62% and a risk-free interest rate of 2.78%.

In June 2018, certain employees and directors agreed to voluntarily surrender options to purchase an aggregate of 3,450,000 shares of common stock at an exercise price of $10.49 per share previously issued to such individuals in March 2017 pursuant to the 2012 Plan. Neither the Company nor the holders of such options will have any further rights or obligations with respect to such options, or with respect to any shares of common stock that could have been purchased upon exercise of such options, and none of the holders of the options received any value from the Company in connection with such surrender. The Company recognized stock-based compensation expense relating to these options for the months of April and May 2018 and for 10 days for the month of June 2018, as these options vested monthly on the 10^{th} of each month. Accordingly, no additional stock-based compensation expense relating to these options has been recorded.

Stock option activity for the nine months ended September 30, 2018 is as follows:

	Number of Shares		Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)
Outstanding at December 31, 2017	30,375,000	$	1.33	4.0
Granted	655,000	$	1.31	
Exercised	(994,695)	$	0.10	
Canceled/Forfeited	(5,306,883)	$	7.05	
Outstanding at September 30, 2018	24,728,422	$	0.15	2.9
Exercisable at September 30, 2018	8,758,138	$	0.10	3.2

Stock-based compensation expense was approximately $317,222 and $10.6 million for the three months ended September 30, 2018 and 2017, respectively, and approximately $6.1 million and $15.7 million for the nine months ended September 30, 2018 and 2017, respectively, and is included in general and administrative expense in the accompanying unaudited consolidated statements of operations. As of September 30, 2018, the Company expects to recognize approximately $1.2 million of stock-based compensation expense for the non-vested portion of outstanding options over a weighted-average period of 1.1 years.

As of September 30, 2018, the Company's outstanding options have an intrinsic value of approximately $11.1 million, which includes the suspended options to purchase an aggregate of 14,297,902 shares of common stock that are attributable to Mr. Monfort.

9. Commitments

Employment Agreements—The Company had previously entered into an employment agreement with Mr. Monfort, with an effective date of June 1, 2016. The term of the employment agreement was two years, with an annual base salary of $120,000. Additionally, the Company agreed to pay up to $7,000 per month for invoiced expenses relating to research and development to ELO, LLC, which is owned by Mr. Monfort, as well as up to $3,000 per month for services to another consultant selected by Mr. Monfort. Effective as of March 6, 2018, the Company terminated its employment agreement with Mr. Monfort.

Operating Leases—In 2016, the Company signed a lease for office space in Los Altos, California, to serve as office space for its Northern California operations. The lease expired on February 28, 2018 and the Company executed a new 10-month lease in March 2018. The total amount due under the lease is $4,730 and the lease period is from March 1, 2018 through December 31, 2018.

In April 2017, the Company signed a lease for storage space in Phoenix, Arizona to serve as a location to store vehicles and other equipment utilized for marketing and trade-show purposes. The lease was on a month-to-month basis, and the total amount due monthly was $500. The lease was terminated in April 2018.

In February 2017, the Company signed a lease for storage space in Stockton, California to serve as a location to store vehicles and other equipment utilized for marketing and trade-show purposes. The lease is on a month-to-month basis and can be terminated by either party with 30-days' notice. The total amount due monthly is $1,000.

In October 2017, the Company signed a non-cancellable lease for its corporate office space in Corona, California, to serve as its corporate headquarters. The lease is for a period of 65 months, terminating February 28, 2023. The base rent for the term of the lease is $568,912. The total amount due monthly is $7,600 at commencement and will escalate to $10,560 by its conclusion. Additionally, the lease includes five months in which no rent payment is due.

Other Agreements—In 2015, the Company entered into a contract with THINKP3 to provide services with the goal of securing federal grant assistance for development of the Company's zero-emission and hybrid transportation solutions for school bus, commercial, government and utility fleets. The initial term of this contract was December 1, 2015 through November 30, 2016. On November 21, 2016, the parties renewed the agreement through November 30, 2017. On November 7, 2017, the Company renewed the agreement through November 30, 2018. Fees for these services are $8,000 per month. The contract can be terminated by either party with 30-days' advance notice.

The following table summarizes the Company's future minimum payments under contractual commitments, excluding debt, as of September 30, 2018:

	Payments due by period				
	Total	Less than one year	1 - 3 years	4 - 5 years	More than 5 years
Operating lease obligations	521,691	109,467	236,160	176,064	-
Employment contracts	870,000	420,000	400,000	50,000	-
Total	1,391,691	529,467	636,160	226,064	-

10. Contingencies

On August 2, 2018, Edward R. Monfort, the Company's former Chief Technology Officer and former director, filed a complaint, captioned Edward R. Monfort v. ADOMANI, Inc., et al., Case No.: 18CV332757, in the Superior Court of the State of California for the County of Santa Clara, against the Company and certain of its executive officers, alleging that the Company and the other defendants (i) breached the terms of certain common stock subscription agreements to which Mr. Monfort is a party, (ii) fraudulently deprived Mr. Monfort of certain purported equity in the Company and (iii) fraudulently induced Mr. Monfort to execute a release of claims in connection with his June 2016 employment agreement. Mr. Monfort seeks unspecified monetary damages, declaratory relief regarding the extent of his equity ownership in the Company and other relief. On August 24, 2018, the Company filed a notice of removal pursuant to which it removed the case to the United States District Court for the Northern District of California. On September 24, 2018, Mr. Monfort filed a motion for remand, seeking to remand the proceeding from the United States District Court for the Northern District of California back to the Superior Court of the State of California for the County of Santa Clara. The Company intends to oppose this motion for remand, and a hearing on the motion is currently scheduled for February 2019. The Company believes that Mr. Monfort's lawsuit is without merit and intends to vigorously defend the action.

On August 23, 2018, a purported class action lawsuit captioned M.D. Ariful Mollik v. ADOMANI, Inc. et al., Case No. RIC 1817493, was filed in the Superior Court of the State of California for the County of Riverside against the Company, certain of its executive officers, and the two underwriters of its offering of common stock under Regulation A in June 2017. This complaint alleges that documents related to the Company's offering of common stock under Regulation A in June 2017 contained materially false and misleading statements and that all defendants violated Section 12(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and that the Company and the individual defendants violated Section 15 of the Securities Act, in connection therewith. The plaintiff seeks on behalf of himself and all class members: (i) certification of a class under California substantive law and procedure; (ii) compensatory damages and interest in an amount to be proven at trial; (iii) reasonable costs and expenses incurred in this action, including counsel fees and expert fees; (iv) awarding of rescission or rescissionary damages; and (v) equitable relief at the discretion of the Court. Plaintiff's counsel has indicated that the plaintiff will be filing an amended complaint in the next several months, at which time the Company will respond accordingly. The Company believes that the purported class action lawsuit is without merit and intends to vigorously defend the action.

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

The following discussion of our financial condition and the results of operations should be read in conjunction with the unaudited consolidated financial statements and notes thereto included in this Quarterly Report on Form 10-Q ("Quarterly Report"). This discussion contains forward-looking statements that are subject to known and unknown risks, uncertainties, and other factors that may cause our actual results to differ materially from those expressed or implied by such forward-looking statements. These risks, uncertainties, and other factors include, among others, those identified under the "Cautionary Statement Regarding Forward-Looking Statements" above, and elsewhere in this Quarterly Report, particularly in Part II, Item 1A "Risk Factors," below.

Overview

We are a provider of advanced zero-emission electric and hybrid vehicles and replacement drivetrains that is focused on reducing the total cost of vehicle ownership. Our drivetrain systems are designed to help fleet operators unlock the benefits of green technology and address the challenges of traditional fuel price cost instability and local, state and federal environmental regulatory compliance.

We design and cause to be designed advanced zero-emission electric and hybrid drivetrain systems for integration in new school buses and medium to heavy-duty commercial fleet vehicles. We also design and cause to be designed patented conversion kits to replace conventional drivetrain systems for combustion powered vehicles with zero-emission electric or hybrid drivetrain systems. The hybrid drivetrain systems are available in both an assistive hybrid format and a full-traction format for use in private and commercial fleet vehicles of all sizes. We seek to expand our product offerings to include the sale of zero-emission systems in vehicles manufactured by outside original equipment manufacturer ("OEM") partners, but to be marketed, sold, warrantied and serviced through our developing distribution and service network.

Our drivetrain systems can be built with options for remote monitoring, electric power-export and various levels of grid-connectivity. Our zero-emission systems may also grow to include automated charging infrastructure and "intelligent" stationary energy storage that enables fast vehicle charging, emergency back-up facility power, and access to the developing, grid-connected opportunities for the aggregate power available from groups of large battery packs.

We generated minimal revenue from inception through June 30, 2018. We generated sales revenue of $425,000 in the fourth quarter of 2017, sales revenue of $1.2 million for the six months ended June 30, 2018 and sales revenue of $2.6 million for the three months ended September 30, 2018, resulting in sales revenue of $3.8 million for the nine months ended September 30, 2018. For the years ended December 31, 2017 and 2016, our net losses were $21.9 million and $10.7 million, respectively. For the nine months ended September 30, 2018 and 2017, our net losses were $9.7 million and $21.6 million, respectively, and for the three months ended September 30, 2018 and 2017, our net losses were $1.5 million and $12.0 million, respectively.

Factors Affecting Our Performance

We believe that the growth and future success of our business depend on various opportunities, challenges and other factors, including the following:

New customers. We are competing with other companies and technologies to help fleet managers and their districts/companies more efficiently and cost-effectively manage their fleet operations. Once these fleet managers have decided they want to buy from us, we still face challenges helping them obtain financing options to reduce the cost barriers to purchasing. We may also encounter customers with inadequate electrical services at their facilities that may delay their ability to purchase from us.

Investment in growth. We plan to continue to invest for long-term growth. We anticipate that our operating expenses will increase in the foreseeable future as we invest in research and development to enhance our zero-emission systems; design and develop our drivetrains and their components and coordinate the manufacturing thereof; increase our sales and marketing to acquire new customers; and increase our general and administrative functions to support our growing operations. We believe that these investments will contribute to our long-term growth, although they will adversely affect our results of operations in the near term. In addition, the timing of these investments can result in fluctuations in our annual and quarterly operating results.

Zero-emission electric and hybrid drivetrain experience. Our dealer and service network is not currently established, although we do have certain agreements in place. One issue they may have, and we may encounter, is finding appropriately trained technicians with zero-emission electric and hybrid drivetrain experience. Our performance will depend on having a robust dealer and service network, which will require appropriately trained technicians to be successful. Because vehicles that use our technology are based on a different platform than traditional internal combustion engines, individuals with sufficient training in zero-emission electric and hybrid vehicles may not be available to hire, and we may need to expend significant time and expense training the employees we do hire. If we are not able to attract, assimilate, train or retain additional highly qualified personnel in the future, or do so cost-effectively, our performance would be significantly and adversely affected.

Market growth. We believe the market for all-electric and hybrid solutions for alternative fuel technology, and all-electric and hybrid vehicles in particular, will continue to grow as more purchases of new zero emission vehicles and as more conversions of existing fleet vehicles to zero-emission vehicles are made. However, unless the costs to produce such vehicles decrease dramatically, purchases of our products will continue to depend in large part on financing subsidies from government agencies.

Sales revenue growth from additional products. We seek to add to our product offerings additional zero-emission vehicles of all sizes manufactured by outside OEM partners, to be marketed, sold, warrantied and serviced through our developing distribution and service network.

Sales revenue growth from additional geographic markets. We believe that growth opportunities for our products exist internationally in addition to domestically, and through, among other potential entities, our wholly-owned subsidiary Adomani (Nantong) Automotive Technology Co. Ltd. ("ADOMANI China"), we will be pursuing international growth as well. Our future performance will depend in part upon the growth of these additional markets. Accordingly, our business and operating results will be significantly affected by our ability to timely enter and effectively address these emerging markets and the speed with which and extent to which demand for our products in these markets grows.

Components of Results of Operations

Sales

Sales are recognized from the sales of advanced zero-emission electric and hybrid drivetrain systems for fleet vehicles and from contracting to provide engineering services. Sales are recognized in accordance with ASC Topic 606, as discussed in Note 2 to our unaudited consolidated financial statements included in this Quarterly Report.

Cost of Sales

Cost of sales includes those costs related to the development, manufacture, and distribution of our products. Specifically, we include in cost of sales each of the following: material costs (including commodity costs); freight costs; labor and other costs related to the development and manufacture of our products; and other associated costs. Cost of sales for long-term contracts are recognized proportionate to the prescribed gross profit of each contract. Cost of sales also includes costs related to the valuation of inventory due to impairment, obsolescence, or shrinkage.

General and Administrative Expenses

General and administrative expenses include all corporate and administrative functions that support our company, including personnel-related expense and stock-based compensation costs; costs related to investor relations activities; warranty costs, including product recall and customer satisfaction program costs; consulting costs; marketing-related expenses; and other expenses relating to our operations that cannot be included in cost of sales.

Consulting and Research and Development Costs

These expenses are related to our consulting and research and development activity.

Other Income/Expenses, Net

Other income/expenses include non-operating income and expenses, including interest income and expense.

Provision for Income Taxes

We account for income taxes in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 740 "Income Taxes," which requires the recognition of deferred income tax assets and liabilities for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under FASB ASC Topic 740, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that we will not realize tax assets through future operations. Because we have incurred only losses to this point, no provision for income taxes has been made.

Results of Operations

The following discussion compares operating data for the three and nine months ended September 30, 2018 to September 30, 2017:

Sales

Sales were $2.6 million and $0 for the three months ended September 30, 2018 and 2017, respectively, and $3.8 million and $0 for the nine months ended September 30, 2018 and 2017, respectively. Sales for the three and nine months ended September 30, 2018 consisted of products and services sold to Blue Bird Corporation, and work performed under a U.S. Department of Energy ("DOE") grant awarded to Blue Bird Corporation for which we were selected to provide products and services.

Cost of Sales

Cost of sales were $2.5 million and $0 for the three months ended September 30, 2018 and 2017, respectively, and $3.7 million and $0 for the nine months ended September 30, 2018 and 2017, respectively. Cost of sales for the three months ended September 30, 2018 consisted of costs related to products and services sold to Blue Bird Corporation, and work performed under the DOE grant discussed in "Sales" above. Cost of sales for the nine months ended September 30, 2018 consisted of costs related to products and services sold to Blue Bird Corporation, and work performed under the DOE grant discussed in "Sales" above, as well as a $15,000 write-down of inventory carrying cost recorded during the three months ended March 31, 2018.

General and Administrative Expenses

General and administrative expenses decreased by $10.2 million for the three months ended September 30, 2018 as compared to the prior-year period. This is primarily due to decreases of $10.3 million in non-cash stock-based compensation expense and $66,684 in other general and administrative expenses, offset by an increase of $175,000 in bad debt expense. The decrease in stock-based compensation expense primarily relates to an expense reduction resulting from the forfeiture of options to purchase an aggregate of 3,450,000 shares of common stock previously issued to certain employees and directors in March 2017. Non-cash expenses included in general and administrative expenses for the three months ended September 30, 2018 were approximately $528,000 and primarily consisted of $317,000 in stock-based compensation expense and $200,000 in bad debt expense.

General and administrative expenses decreased by $9.0 million for the nine months ended September 30, 2018 as compared to the prior-year period. This is primarily due to a $9.6 million decrease in non-cash stock-based compensation expense, offset by increases of $549,202 in legal and professional fees, investor relations expenses, insurance expense, bad debt expense related to a note receivable and other general and administrative expenses. The decrease in stock-based compensation expense primarily relates to an expense reduction resulting from the forfeiture of options to purchase an aggregate of 3,450,000 shares of common stock previously issued to certain employees and directors in March 2017. Non-cash expenses included in general and administrative expenses for the nine months ended September 30, 2018 were approximately $6.7 million and primarily consisted of $6.1 million in stock-based compensation expense and $200,000 in bad debt expense.

Consulting Expenses

Consulting expenses decreased by $11,181 for the three months ended September 30, 2018 as compared to the prior-year period. This decrease is due to a reduction in consulting activity in the current-year period. Consulting expenses decreased by $2.1 million for the nine months ended September 30, 2018 as compared to the prior-year period. This decrease was primarily due to the issuance of a warrant to purchase 350,000 shares of common stock, which was valued at $1.2 million, and the payment of $800,000, in each case pursuant to the terms of a settlement agreement we entered into during the nine months ended September 30, 2017.

Research and Development Expenses

Research and development expenses increased by $6,790 for the three months ended September 30, 2018, as compared to the prior-year period, due to the timing of certain expenditures made for research and development activity. Research and development expenses increased by $84,468 for the nine months ended September 30, 2018, as compared to the prior-year period, due to expanded product development in 2018.

Liquidity and Capital Resources

From our incorporation in 2012 until the completion of our offering of common stock under Regulation A in June 2017, we financed our operations and capital expenditures through the issuance of equity capital, convertible notes and notes payable. A significant portion of this funding was provided by affiliated stockholders, although we also raised significant equity capital in late 2015, and we raised the majority of our previously outstanding notes in 2015 from non-affiliated third parties. On January 9, 2018, we completed a public offering of 3,666,667 units for net proceeds, after deducting commissions, expenses and fees of approximately $1.2 million, of approximately $9.8 million.

As of September 30, 2018, we had cash and cash equivalents of $7.8 million. We believe that our existing cash and cash equivalents will be sufficient to fund our operations for the next 12 months and beyond. However, if we do not successfully execute our business plan, we may need additional capital to continue our operations and support the increased working capital requirements associated with the fulfillment of purchase orders. As of September 30, 2018, we had a backlog of six zero-emission electric school buses and eight drivetrains, which consists of unfilled firm orders for products under signed contracts with customers. Additionally, on October 5, 2018, we received an order for an additional sixteen drivetrains.

The sale of additional equity securities in the future could result in additional dilution to our stockholders and those securities may have rights senior to those of our common stock. The incurrence of additional indebtedness in the future would result in increased debt service obligations and could result in operating and financial covenants that would restrict our operations. Such capital, if required, may not be available on terms that are favorable to us or at all. We are currently incurring operating deficits that are expected to continue for the foreseeable future, and as we begin to execute our marketing plan, we expect our operating deficit will continue to grow until we begin to generate a sufficient level of revenue from our sales and marketing efforts.

Debt

As of September 30, 2018, we have no conventional debt outstanding, as we repaid the $2,149,000 secured notes payable outstanding as of December 31, 2017 in January 2018. Additionally, as of September 30, 2018 the principal amount outstanding under our line of credit from Morgan Stanley Private Bank, National Association ("Morgan Stanley"), was $1.4 million, and the undrawn borrowing availability was $5.6 million. See "Credit Facilities" below.

Regulation A Offering

On June 9, 2017, we completed an offering of common stock under Regulation A. We sold 2,852,275 shares of common stock for gross proceeds of $14,261,375, of which $1,711,365 was paid to certain selling stockholders for 342,273 shares they sold in the offering.

Follow-On Public Offering

On January 9, 2018, we completed a public offering of 3,666,667 units for net proceeds, after deducting commissions, expenses, and fees of approximately $1.2 million, of approximately $9.8 million. Each unit sold in the offering consisted of one share of our common stock and a warrant to purchase 1.5 shares of our common stock at an exercise price of $4.50.

Options to Purchase Common Stock

As of September 30, 2018, we had outstanding options to purchase 24,728,422 shares of common stock, net of exercises, cancellations, and forfeitures, as discussed below. As of September 30, 2018, 8,758,138 shares of common stock were issuable upon the exercise of options vested at such date at an exercise price of $0.10 per share. If all vested options to purchase common stock were exercised, we would receive proceeds of $875,814 and we would be required to issue 8,758,138 shares of common stock. There can be no assurance, however, that any such options will be exercised.

On March 6, 2018, Edward R. Monfort ceased serving as our Chief Technology Officer. Upon Mr. Monfort's separation from service, our board of directors suspended Mr. Monfort's outstanding options. Although such options remain outstanding, they were unexercisable as of September 30, 2018 and through the date of this Quarterly Report. As of September 30, 2018, outstanding options to purchase an aggregate of 14,297,902 shares of common stock are attributable to Mr. Monfort.

In March 2018, we determined that certain non-employees, to whom we previously granted options, were no longer providing services to us. As a result, we canceled unvested options to purchase 297,694 shares of common stock previously granted pursuant to our 2012 Stock Option and Stock Incentive Plan (the "2012 Plan"), effective as of February 28, 2018. In accordance with U.S. generally accepted accounting principles, we reversed $423,308 of previously recorded expense with respect to such unvested options. During May, June and August 2018, certain non-employees exercised options to purchase an aggregate of 994,695 shares of common stock, for which we received aggregate gross proceeds of $99,470. In June 2018, unexercised options to purchase an aggregate of 499,123 shares of common stock previously held by such non-employees terminated in accordance with their terms, and we agreed to extend the exercise period of one non-employee's option to purchase 207,968 shares of common stock until July 31, 2018. In July 2018, we agreed to further extend the exercise period of such option to August 31, 2018, and on August 31, 2018, such option expired unexercised.

In April 2018, our board of directors granted to certain employees and directors options to purchase an aggregate of 655,000 shares of common stock pursuant to our 2017 Equity Incentive Plan. The options vest over a three-year period, with one-third of the options vesting on the one-year anniversary of the grant date and the remainder vesting in equal installments thereafter. The exercise price for these options is $1.31 per share. The options were valued using the Black-Scholes option-pricing model, resulting in a fair market value of $229,643. The assumptions used in the valuation included an expected term of 5.75 years, volatility of 62% and a risk-free interest rate of 2.78%.

In June 2018, certain employees and directors agreed to voluntarily surrender options to purchase an aggregate of 3,450,000 shares of common stock at an exercise price of $10.49 per share previously issued to such individuals in March 2017 pursuant to the 2012 Plan. Neither we nor the holders of such options will have any further rights or obligations with respect to such options, or with respect to any shares of common stock that could have been purchased upon exercise of such options, and none of the holders of the options received any value from us in connection with such surrender. We recognized stock-based compensation expense relating to these options for the months of April and May 2018 and for 10 days for the month of June 2018, as these options vested monthly on the 10th of each month. Accordingly, no additional stock-based compensation expense relating to these options has been recorded.

Credit Facilities

Effective May 2, 2018, we secured a line of credit from Morgan Stanley. Borrowings under the line of credit bear interest at 30-day LIBOR plus 2.0%. There is no maturity date for the line, but Morgan Stanley may at any time, in its sole discretion and without cause, demand that we immediately repay any and all outstanding obligations under the line of credit in whole or in part. The line is secured by cash and cash equivalents maintained by us in our Morgan Stanley accounts, which was approximately $7.5 million at September 30, 2018, and borrowings under the line may not exceed 95% of our cash and cash equivalent balances, subject to a maximum of $7 million. Such borrowing threshold, however, is subject to change at Morgan Stanley's discretion and depends upon the holdings in our accounts, the maturity dates of the securities in the accounts and the credit quality of the underlying insurers. As of September 30, 2018, the principal amount outstanding under this line of credit was $1.4 million, and the undrawn borrowing availability was $5.6 million.

Capital Expenditures

We do not have any contractual obligations for ongoing capital expenditures at this time. We do, however, purchase equipment necessary to conduct our operations on an as needed basis.

Cash Flows

The following table summarizes our cash flows from operating, investing, and financing activities for the nine months ended September 30, 2018 and 2017.

	Nine Months Ended	
	September 30, 2018	September 30, 2017
Consolidated Statements of Cash Flow Data:		
Net cash used in operating activities	$ (4,293)	$ (4,656)
Net cash provided by (used in) investing activities	229	(594)
Net cash provided by financing activities	9,229	8,787
Increase in cash and cash equivalents	$ 5,165	$ 3,537

Operating Activities

Cash used in operating activities is primarily the result of our operating losses, reduced by the impact of non-cash expenses, including stock-based compensation amounts.

Net cash used in operating activities decreased by $561,712 to $4.1 million for the nine months ended September 30, 2018 compared to net cash used in operating activities of $4.7 million for the nine months ended September 30, 2017. The decrease in net cash used in operating activities was due to a decrease in net loss of $11.9 million, offset by a net increase in operating assets and liabilities and non-cash expenses that used $11.3 million, primarily due to a reduction in non-cash stock-based compensation expense, deposits on the manufacture of drivetrains and timing of accounts receivable receipts.

We expect cash used in operating activities to fluctuate significantly in future periods as a result of a number of factors, some of which are outside of our control, including, among others: the success we achieve in generating revenue; the success we have in helping our customers obtain financing to subsidize their purchases of our products; our ability to efficiently develop our dealer and service network; the costs of batteries and other materials utilized to make our products; the extent to which we need to invest additional funds in research and development; and the amount of expense we incur to satisfy future warranty claims.

Investing Activities

Net cash provided by investing activities during the nine months ended September 30, 2018 increased by $823,014 to $229,441, as compared to cash used in investing activities of $593,573 during the nine months ended September 30, 2017. The increase in net cash provided by investing activities during the nine months ended September 30, 2018 was due to the repayment of a note by a third party, offset by the acquisition of property and equipment and the issuance of a note in a lesser principal amount to another third party, whereas net cash used in investing activities during the nine months ended September 30, 2017 was due to the acquisition of property and equipment and the issuance of a note to a third party.

Financing Activities

Net cash provided by financing activities during the nine months ended September 30, 2018 increased by $442,657 to $9.2 million, as compared to $8.8 million during the nine months ended September 30, 2017. Net cash provided by financing activities during the nine months ended September 30, 2018 consisted of approximately $9.8 million in net proceeds from the closing of our follow-on offering on January 9, 2018, $1.4 million in net proceeds received under our line of credit with Morgan Stanley and $99,470 in proceeds received from the exercise of stock options, offset by the $2.1 million repayment of notes payable principal and related accrued and unpaid interest.

Net cash provided by financing activities during the nine months ended September 30, 2017 consisted of net proceeds of $12.6 million received from the closing of our offering of common stock under Regulation A and net notes payable proceeds of $500,000, offset by a $2.6 million repayment of notes payable principal and related accrued and unpaid interest payments and $1.7 million in costs related to our Regulation A offering.

Contractual Obligations

Except as set forth below, during the three months ended September 30, 2018, there were no material changes in our contractual obligations and commitments, as described in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2017.

As of September 30, 2018, the principal amount outstanding under our line of credit with Morgan Stanley was approximately $1.4 million, and the undrawn borrowing availability was $5.6 million. Borrowings under the line of credit bear interest at 30-day LIBOR plus 2.0%. There is no maturity date for the line, but Morgan Stanley may at any time, in its sole discretion and without cause, demand that we immediately repay any and all outstanding obligations under the line of credit in whole or in part. The line is secured by the cash and cash equivalents maintained by us in our Morgan Stanley accounts, which was approximately $7.5 million as of September 30, 2018, and borrowings under the line may not exceed 95% of such cash and cash equivalent balances, subject to a maximum of $7 million. Such borrowing threshold, however, is subject to change at Morgan Stanley's discretion and depends upon the holdings in the Company's accounts, the maturity dates of the securities in the accounts and the credit quality of the underlying insurers.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

Contingencies

Certain conditions may exist as of the date the financial statements are issued which may result in a loss to us, but which will only be resolved when one or more future events occur or fail to occur. We, in consultation with our legal counsel as appropriate, assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against us or unasserted claims that may result in such proceedings, we, in consultation with legal counsel, evaluate the perceived merits of any legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or expected to be sought therein. If the assessment of a contingency indicates it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in our financial statements. If the assessment indicates a potentially material loss contingency is not probable, but is reasonably possible, or is probable, but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss, if determinable and material, would be disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed.

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, 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 vesting dates and interim financial reporting dates until the service period is complete. The fair value amount is then recognized over the period during which services are required to be provided in exchange for the award, usually the vesting period. The fair value of our common stock was estimated by management based on observations of the cash sales prices of its common shares. Awards granted to directors are treated on the same basis as awards granted to employees.

Fair Value Measurement

The carrying values of our financial instruments, including cash, notes receivable and accounts payable approximate their fair value due to the short-term nature of these financial instruments. FASB ASC Topic 820, "Fair Value Measurement" defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It also establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1: Observable inputs such as quoted prices in active markets;

Level 2: Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: Unobservable inputs for which there is little or no market data, and which require the reporting entity to develop its own assumptions.

We do not have any assets or liabilities that are required to be measured and recorded at fair value on a recurring basis.

Jumpstart Our Business Startups Act of 2012 ("JOBS Act")

We are an "emerging growth company" ("EGC"), as defined in the JOBS Act. The JOBS Act contains provisions that, among other things, reduce certain reporting requirements for EGCs. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards, and, therefore, will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies. We have chosen to rely on the other exemptions and reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, as an EGC we are not required to, among other things, (i) being permitted to provide only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure, (ii) not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting, (iii) not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements, (iv) reduced disclosure obligations regarding executive compensation or (v) exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We will retain our EGC status until the first to occur of: (i) the end of the fiscal year in which the fifth anniversary of the completion of our initial public offering occurs, (ii) the end of the fiscal year in which our annual revenues exceed $1 billion, (iii) the date on which we issue more than $1 billion in non-convertible debt during any three-year period or (iv) the date on which we qualify as a "large accelerated filer."

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are exposed to market risks in the ordinary course of our business. We do not currently face material market risks.

Interest Rate Risk

We are currently subject to interest rate risk in connection with borrowings under our line of credit with Morgan Stanley, which bears interest at variable rates. As of September 30, 2018, the principal amount outstanding under this line of credit was approximately $1.4 million, and the undrawn borrowing availability was $5.6 million. Based on the amounts outstanding under the line of credit at September 30, 2018, a hypothetical 10% adverse movement in 30-day LIBOR would increase our annual interest expense by approximately $140,000. To the extent that we incur additional indebtedness, we may increase our exposure to risk from interest rate fluctuations. We currently do not engage in any interest rate hedging activity and we have no intention to do so in the foreseeable future.

Our cash and cash equivalents include cash in readily available checking and money market accounts. These investments are not dependent on interest rate fluctuations that may cause the principal amount of these investments to fluctuate, and we do not expect such fluctuation will have a material impact on our financial conditions.

Foreign Currency Exchange Rate Risk

The majority of our expenses are denominated in the U.S. dollar. As we continue our commercialization efforts internationally, we may generate revenue and incur expenses denominated in currencies other than the U.S. dollar, a majority of which we expect to be denominated in Chinese Yuan. As a result, if and when the operations of ADOMANI China expand in the future, our revenue may be significantly impacted by fluctuations in foreign currency exchange rates. We may face risks associated with the costs of raw materials, primarily batteries, if and when we enter production. To the extent these and other risks materialize, they could have a material effect on our operating results or financial condition. We currently anticipate that our international selling, marketing and administrative costs related to foreign sales will be largely denominated in the same foreign currency, which may mitigate our foreign currency exchange risk exposure.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this Quarterly Report. Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures (a) were effective to ensure that information that we are required to disclose in reports that we file or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and (b) include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the three months ended September 30, 2018 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, cannot provide absolute assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs. Similarly, an evaluation of controls cannot provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Except as set forth below, we know of no material, existing or pending, legal proceedings against our Company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial stockholder, is an adverse party or has a material interest adverse to our interest.

On August 2, 2018, Edward R. Monfort, our former Chief Technology Officer and former director, filed a complaint, captioned Edward R. Monfort v. ADOMANI, Inc., et al., Case No.: 18CV332757, in the Superior Court of the State of California for the County of Santa Clara, against us and certain of our executive officers, alleging that we and the other defendants (i) breached the terms of certain common stock subscription agreements to which Mr. Monfort is a party, (ii) fraudulently deprived Mr. Monfort of certain purported equity in the Company and (iii) fraudulently induced Mr. Monfort to execute a release of claims in connection with his June 2016 employment agreement. Mr. Monfort seeks unspecified monetary damages, declaratory relief regarding the extent of his equity ownership in the Company and other relief. On August 24, 2018, we filed a notice of removal pursuant to which we removed the case to the United States District Court for the Northern District of California. On September 24, 2018, Mr. Monfort filed a motion for remand, seeking to remand the proceeding from the United States District Court for the Northern District of California back to the Superior Court of the State of California for the County of Santa Clara. We intend to oppose this motion for remand, and a hearing on the motion is currently scheduled for February 2019. We believe that Mr. Monfort's lawsuit is without merit and intend to vigorously defend the action.

On August 23, 2018, a purported class action lawsuit captioned M.D. Ariful Mollik v. ADOMANI, Inc. et al., Case No. RIC 1817493, was filed in the Superior Court of the State of California for the County of Riverside against us, certain of our executives officers, and the two underwriters of our offering of common stock under Regulation A in June 2017 . This complaint alleges that documents related to our offering of common stock under Regulation A in June 2017 contained materially false and misleading statements and that all defendants violated Section 12(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and that we and the individual defendants violated Section 15 of the Securities Act, in connection therewith. The plaintiff seeks on behalf of himself and all class members: (i) certification of a class under California substantive law and procedure; (ii) compensatory damages and interest in an amount to be proven at trial; (iii) reasonable costs and expenses incurred in this action, including counsel fees and expert fees; (iv) awarding of rescission or rescissionary damages; and (v) equitable relief at the discretion of the Court. Plaintiff's counsel has indicated that the plaintiff will be filing an amended complaint in the next several months, at which time we will respond accordingly. We believe that the purported class action lawsuit is without merit and intend to vigorously defend the action.

ITEM 1A. RISK FACTORS

Except as set forth below, there were no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2017, as filed with the SEC on March 12, 2018.

Nasdaq may delist our common stock from trading on its exchange, which could limit stockholders' ability to trade our common stock.

As a listed company on Nasdaq, we are required to meet certain financial, public float, bid price and liquidity standards on an ongoing basis in order to continue the listing of our common stock. If we fail to meet these continued listing requirements, our common stock may be subject to delisting. As previously reported, on August 16, 2018, we received a letter from the staff of the Listing Qualifications Department of Nasdaq notifying us that, for the previous 30 consecutive business days, the bid price for our common stock had closed below the minimum $1.00 per share requirement for continued listing on The NASDAQ Capital Market under Nasdaq's Listing Rule 5550(a)(2), which requires a minimum bid price of $1.00 per share. In accordance with Nasdaq Listing Rule 5810(c)(3)(A), if during the 180 calendar days following the date of the notification, or prior to February 12, 2019, the closing bid price of our common stock is at or above $1.00 for a minimum of 10 consecutive business days, but generally no more than 20 consecutive business days, the staff of the Listing Qualifications Department of Nasdaq will provide us with written confirmation of compliance. If we do not achieve compliance with the minimum bid price requirement by February 12, 2019, we may be eligible for an additional 180 calendar days compliance period if we meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for The NASDAQ Capital Market, with the exception of the minimum bid price requirement, and would need to provide written notice of our intention to cure the deficiency during the second compliance period, by effecting a reverse stock split, if necessary. However, if it appears to the staff of the Listing Qualifications Department of Nasdaq that we will not be able to cure the deficiency, or if we are otherwise not eligible, the staff would notify us that our securities would be subject to delisting. In the event of such notification, we may appeal the staff's determination to delist our securities, but the staff may refuse to grant our request for continued listing. If our common stock is delisted and we are not able to list our common stock on another national securities exchange, we expect our securities would be quoted on an over-the-counter market. If this were to occur, our stockholders could face significant material adverse consequences, including limited availability of market quotations for our common stock and reduced liquidity for the trading of our securities. In addition, we could experience a decreased ability to issue additional securities and obtain additional financing in the future.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

A list of exhibits is set forth on the Exhibit Index immediately following the signature page of this Quarterly Report on Form 10-Q and is incorporated herein by reference.

SIGNATURES

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

ADOMANI, INC.

Date: October 24, 2018	By:	/s/ James L. Reynolds James L. Reynolds President and Chief Executive Officer (Principal Executive Officer)
Date: October 24, 2018	By:	/s/ Michael K. Menerey Michael K. Menerey Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit Index

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer					X
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer					X
32.1#	18 U.S.C. Section 1350 Certification of Chief Executive Officer, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2#	18 U.S.C. Section 1350 Certification of Chief Financial Officer, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.INS	XBRL Instance Document*					X
101.SCH	XBRL Taxonomy Extension Schema Document*					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document*					X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document*					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document*					X
101.DEF	XBRL Taxonomy Extension Definitions Linkbase Document*					X

\# The information in Exhibits 32.1 and 32.2 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall they be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act (including this report), unless the Registrant specifically incorporates the foregoing information into those documents by reference.

* In accordance with Rule 402 of Regulation S-T, this interactive data file is deemed not filed or part of this Quarterly Report for purposes of Sections 11 or 12 of the Securities Act or Section 18 of the Exchange Act and otherwise is not subject to liability under these sections.

Exhibit 31.1

Certification Pursuant to
Rules 13a-14(a) and 15d-14(a) of the
Securities Exchange Act of 1934

I, James L. Reynolds, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ADOMANI, Inc.;

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

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

4. 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)) 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) 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

   (c) 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.

Date: October 24, 2018

By: */s/ James L. Reynolds*
James L. Reynolds
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULE 13a-14(a) OR RULE 15d-14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

I, Michael K. Menerey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ADOMANI, Inc.;

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

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

4. 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)) 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) 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

(c) 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.

Date: October 24, 2018

By: */s/ Michael K. Menerey*
Michael K. Menerey
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350

In connection with the Quarterly Report of ADOMANI, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James L. Reynolds, Chief Executive Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

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

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 24, 2018

By: *_/s/ James L. Reynolds_*
Name: James L. Reynolds
Title: Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by 18 U.S.C. Section 1350 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. This certification will not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that Section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates it by reference.

Exhibit 32.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350**

In connection with the Quarterly Report of ADOMANI, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael K. Menerey, Chief Financial Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

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

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 24, 2018

By: *\/s/ Michael K. Menerey*
Michael K. Menerey
Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by 18 U.S.C. Section 1350 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. This certification will not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that Section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates it by reference.