

# MCIG, INC.

## FORM 10-K/A (Amended Annual Report)

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

FORM 10-K  
Amendment #1

(MARK ONE)

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

FOR THE FISCAL YEAR ENDED APRIL 30, 2015

OR

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

FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

Commission file number: 333-175941

**mCig, Inc.**

(Exact name of registrant as specified in its charter)

NEVADA

(State or other jurisdiction of incorporation  
or organization)

27-4439285

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

433 North Camden Drive, 6<sup>th</sup> Floor, Beverly Hills, CA

(Address of principal executive offices)

Registrant's telephone number, including area code

90210

(Zip Code)

(310) 402-6937

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

Securities registered under Section 12(b) of the Act: None

Securities registered under Section 12(g) of the Act:

Common Stock, par value \$0.0001 per share  
(Title of class)

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

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

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

1

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§229.405 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company:

Large accelerated filer  Accelerated filer

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

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates as of the last business day of the registrant's most recently completed second fiscal quarter was approximately \$60,990,294. For purposes of the above statement only, all directors, executive officers and 10% shareholders are assumed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of August 28, 2015, there were 284,702,588 shares of common stock issued and outstanding.

Documents Incorporated By Reference: None

**EXPLANATORY NOTE – AMENDMENT**

Our purpose of this 10-K/A to our Annual Report on Form 10-K for the year ended April 30, 2015, as filed with the Securities and Exchange Commission on August 31, 2015 is to furnish XBRL tagging to the Form 10-K as required by Rule 405 of Regulation S-

T.

Users of this data are advised that pursuant to Rule 406T of Regulation S-T these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, are deemed not filed for purposes of section 18 of the Securities and Exchange Act of 1934, and otherwise are not subject to liability under those sections.

No other changes have been made to the Form 10-K other than those described herein.

2

## TABLE OF CONTENTS

	Page No
Part I	
Item 1. Business.	5
Item 1A. Risk Factors.	12
Item 1B. Unresolved Staff Comments.	21
Item 2. Properties.	21
Item 3. Legal Proceedings.	21
Item 4. Mine Safety Disclosures.	21
Part II	
Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.	22
Item 6. Selected Financial Data.	23
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.	23
Item 7A. Quantitative and Qualitative Disclosures About Market Risk.	28
Item 8. Financial Statements and Supplementary Data.	29
Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.	30
Item 9A. Controls and Procedures.	31
Item 9B. Other Information.	32
Part III	
Item 10. Directors, Executive Officers and Corporate Governance.	32
Item 11. Executive Compensation.	35
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.	37
Item 13. Certain Relationships and Related Transactions, and Director Independence.	39
Item 14. Principal Accounting Fees and Services.	39
Part IV	
Item 15. Exhibits, Financial Statement Schedules.	41
Signatures	43

3

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

*This Annual Report contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA") regarding management's plans and objectives for future operations including plans and objectives relating to our planned marketing efforts and future economic performance. The forward-looking statements and associated risks set forth in this Annual Report include or relate to, among other things, (a) our growth strategies, (b) anticipated trends and regulations in the our industry, (c) our ability to obtain and retain sufficient capital for future operations, and (d) our anticipated needs for working capital. These statements may be found under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Description of Business" Actual events or results may differ materially from those discussed in forward-looking statements as a result of various factors, including, without limitation, the risks outlined under "Risk Factors". In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this report will in fact occur.*

*The forward-looking statements herein are based on current expectations that involve a number of risks and uncertainties. Such forward-looking statements are based on assumptions described herein. The assumptions are based on judgments with respect to, among other things, future economic, competitive and market conditions, and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Accordingly, although we believe that the assumptions underlying the forward-looking statements are reasonable, any such assumption could prove to be inaccurate and therefore there can be no assurance that the results contemplated in forward-looking statements will be realized. In addition, as disclosed in "Risk Factors", there are a number of other risks inherent in our business and operations, which could cause our operating results to vary markedly and adversely from prior results or the results contemplated by the forward-looking statements. Management decisions, including budgeting, are subjective in many respects and periodic revisions must be made to reflect actual conditions and business developments, the impact of which may cause us to alter marketing, capital investment and other expenditures, which may also materially adversely affect our results of operations. In light of significant uncertainties inherent in the forward-looking information included in the report statement, the inclusion of such information should not be regarded as a representation by us or any other person that our objectives or plans will be achieved.*

*Any statement in this report that is not a statement of an historical fact constitutes a "forward-looking statement". Further, when we use the words "may", "expect", "anticipate", "plan", "believe", "seek", "estimate", "internal", and similar words, we intend to identify statements and expressions that may be forward-looking statements. We believe it is important to communicate certain of our expectations to our investors. Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions that could cause our future results to differ materially from those expressed in any forward-looking statements. Many factors are beyond our ability to control or predict. You are accordingly cautioned not to place undue reliance on such forward-looking statements. Important factors that may cause our actual results to differ from such forward-looking statements include, but are not limited to, the risks outlined under "Risk Factors" herein. The reader is cautioned that our Company does not have a policy of updating or revising forward-looking statements and thus the reader should not assume that silence by management of our Company over time means that actual events are bearing out as estimated in such forward-looking statements.*

## OTHER INFORMATION

Unless specifically set forth to the contrary, when used in this report, the terms "mCig, Inc.", "mCig", "we", "our", the "Company" and similar terms refer to mCig, Inc., a Nevada corporation. In addition, when used herein and unless specifically set forth to the contrary, "2014" refers to the year ended April 30, 2014, "2015" refers to the year ended April 30, 2015.

4

PART I

As used in this report, “we”, “us”, “our”, “mCig,” “Company” or “our Company” refers to mCig, Inc.

## **ITEM 1. BUSINESS.**

### **Overview**

#### *Corporate History*

We were incorporated in the State of Nevada on December 30, 2010 originally under the name Lifetech Industries, Inc. Effective August 2, 2013, the name was changed from "Lifetech Industries, Inc." to "mCig, Inc." reflecting the new business model. Since October 2013, mCig, Inc. has positioned itself as a technology company focused on two long-term secular trends: (1) the decriminalization and legalization of marijuana for medicinal or recreational purposes - legalizing medicinal and recreational marijuana usage is steadily on the rise not only domestically but also internationally. Marijuana has been decriminalized in over twenty countries, in over five continents. Twenty-three states and the District of Columbia currently have laws legalizing marijuana in some form (See <http://www.governing.com/gov-data/safety-justice/state-marijuana-laws-map-medical-recreational.html>, which website is not incorporated into this filing). Management believes that by 2016 it is very likely that many more States will legalize the use and sale of recreational marijuana in forms similar to the States of Washington, Alaska, Oregon, and Colorado or the District of Columbia. (2) The adoption of electronic vaporizing cigarettes (commonly known as “eCigs”), as smokers move away from traditional cigarettes onto e-cigarettes. Smoking tobacco causes numerous health problems, including disease and death. Smoking becomes very addictive quickly, and the most difficult part is cessation. The Company contends that E-cigarettes offer a safer and healthier alternative to traditional tobacco cigarettes. E-cigarettes operate by heating a mixture of liquid nicotine and flavoring, which is then inhaled and exhaled in the same manner as a cigarette. However, e-cigarettes do not contain any tobacco or other dangerous additives. Scientific research has shown that the leading cause of cancer in smokers comes from the carcinogens in tobacco. As the movement towards personal health grows, smokers are trying to quit their harmful habits. Management believes that E-cigarettes provide a safe transition from harmful traditional cigarettes.

All agreements related to the Lifetech business were terminated and closed as of April 30, 2014. There is no impact on the current and future operations because all of these agreements are related to the previous business directions of the Company.

We manufacture and retail the mCig – an affordable loose-leaf eCig . Designed in the USA – the mCig provides a smoking experience by heating plant material, waxes, and oils delivering, in the Company’s opinion, a smoother inhalation experience. The Company also maintains an investment in Vapolution, Inc. which manufactures and retails home-use vaporizers such as the Vapolution 2.0. Through VitaCig, Inc., in which the Company is a controlling shareholder, the Company is engaged in the manufacturing and retailing of a nicotine-free eCig that delivers a water-vapor mixed with vitamins and natural flavors.

On January 23, 2014, the Company signed a Stock Purchase Agreement with Vapolution, Inc. which manufactures and retails home-use vaporizers. In accordance with this agreement, mCig, Inc. acquired 100% of Vapolution, Inc. As part of this transaction, mCig, Inc. issued 5,000,000 shares to shareholders of Vapolution, Inc. The shareholders of Vapolution, Inc. retained the right to rescind the transaction, which expired on January 23, 2015 but was extended to May 23, 2015 based on an Amended Stock Purchase Agreement executed on May 23, 2014.

5

Subsequently, on August 25, 2015, the final payment to the shareholders of Vapolution as extended to September 30, 2015 and the right to rescind the transaction was extended to March 31, 2016.

On January 23, 2014, Paul Rosenberg, CEO of mCig, Inc. has cancelled an equal amount (2,500,000 shares) of common shares owned by him resulting in a net non-dilutive transaction to existing mCig, Inc. shareholders. The remaining 2,500,000 of common shares owned by Paul Rosenberg will be cancelled to offset the 2,500,000 new shares issued from the treasury to complete the purchase of Vapolution, Inc.

On February 24, 2014, the Company entered into a Contribution Agreement with VitaCig, Inc. In accordance with this agreement, VitaCig, Inc. accepted the contribution by mCig, Inc. of specific assets consisting solely of pending trademarks for the term “VitaCig” filed with the USPTO and \$500 in cash as contribution in exchange for 500,135,000 shares of common capital stock representing 100% of the shares outstanding of VitaCig, Inc. mCig now owns approximately 46% of VitaCig shares.

On November 28, 2014, mCig completed the spin-off of VitaCig, Inc. (the “Spin-off”). Effective as of 11:59 p.m., New York City time, on November 28, 2014 (the “Distribution Date”), the Company distributed 270,135,000 shares of common stock of VitaCig, Inc., par value \$0.0001 per share (“VitaCig Common Stock”), to holders of mCig’s stockholders of record as a pro rata dividend. The record date for the dividend was November 28, 2014. The Ex-Dividend Date was set for November 25, 2014. mCig stockholders received one share of VitaCig Common Stock for every one share of common stock, par value \$0.0001 per share, of mCig. The Spin-off was completed for the purpose of legally and structurally separating VitaCig, Inc. from mCig. mCig retained 230,000,000 shares of common stock and remains as a 46% shareholder. The shares of common stock to be received by mCig shareholders were registered on a Form S-1 filed by VitaCig and declared effective by the Securities and Exchange Commission on November 5, 2014.

Our fiscal year end is April 30<sup>th</sup>.

#### ***Our Current Business***

We are engaged in the business of marketing and distributing electronic cigarettes, vaporizers and accessories under the mCig brands.

- mCig 2.0 is available for purchase through the mCig website ([www.chillcbdoil.com](http://www.chillcbdoil.com)) and through companies who've ordered them in bulk through the Company’s wholesale, distributor and retail programs;
- mCig 3.0 is available for purchase through the mCig owned website ([www.chillcbdoil.com](http://www.chillcbdoil.com)) and through companies who've ordered them in bulk through the Company’s wholesale, distributor and retail programs;
- mCig 4.0 is available for purchase through the mCig owned website ([www.chillcbdoil.com](http://www.chillcbdoil.com)) and through companies who've ordered them in bulk through the Company’s wholesale, distributor and retail programs;

6

#### ***In development:***

mCig, Inc. is currently in the process of researching and developing a future line of products including the mCig 3.5 and the LiqCig,

respectively. These products are still in the conceptual phase, as we hope to have these out sometime in 2016.

### **The Market for Electronic Cigarettes**

We compete in a highly competitive market that includes other e-cigarette marketing companies, as well as traditional tobacco companies. In this highly fragmented market, we have focused on building brand awareness early through viral adoption and word of mouth. In the future, we expect to employ additional marketing strategies while continuing to develop our supply chain and fulfillment capabilities.

We market our electronic cigarettes and vaporizers as an alternative to traditional tobacco cigarettes. We offer our products in three flavor combinations. Because electronic cigarettes offer a “smoking” experience without the burning of tobacco leaf, electronic cigarettes offer users the ability to satisfy their traditional cigarette cravings without smoke, tar, ash or carbon monoxide. In many cases electronic cigarettes may be used where tobacco-burning cigarettes may not. Electronic cigarettes may be used in some instances where for regulatory or safety reasons tobacco burning cigarettes may not be used. However, we cannot provide any assurances that future regulations may not affect where electronic cigarettes may be used.

According to the U.S. Centers for Disease Control and Prevention, in 2010, an estimated 45.3 million people, or 19.3% of adults, in the United States smoke cigarettes. According to the Tobacco Vapor Electronic Cigarette Association, an industry trade group, more than 3.5 million people currently use electronic cigarettes in the United States. In 2011, about 21% of adults who smoke traditional tobacco cigarettes had used electronic cigarettes, up from about 10% in 2010, according to the U.S. Centers for Disease Control and Prevention. Annual sales of electronic cigarettes in the United States are estimated to increase to \$1 billion in 2013 from \$500 million in 2012. Annual sales of traditional tobacco cigarettes, according to industry estimates, were \$80 billion in 2012.

### **Advertising**

Currently, we advertise our products primarily through our direct marketing campaign, on the Internet. We also attempt to build brand awareness through social media marketing activities, web-site promotions, and pay-per-click advertising campaigns.

We intend to strategically expand our advertising activities in 2015 and also increase our public relations campaigns to gain editorial coverage for our brands. Some of our competitors promote their brands through print media and through celebrity endorsements, and have substantial resources to devote to such efforts. We believe that our and our competitors’ efforts have helped increase our sales, our product acceptance and general industry awareness.

### **Distribution and Sales**

We offer our electronic cigarettes and related products through our online store at [www.mcig.org](http://www.mcig.org), which website is expressly not incorporated by reference into this filing, and through a Wholesale Distributor Reseller (WDR) program for large bulk orders. Since their introduction to the U.S. market, electronic cigarettes have predominantly been sold online, while tobacco products, most notably cigarettes are currently sold in approximately 400,000 retail locations.

7

An online store of mCig, Inc. was officially launched on September 17, 2013 and our online store for VitaCig, Inc. was beta-launched on April 1, 2014, and officially launched on April 15, 2014. We believe that future growth of electronic cigarettes is dependent on higher volume, lower margin sales channels, such as the broad based distribution network through which traditional cigarettes are sold.

### **Government Regulation**

Based on the December 2010 U.S. Court of Appeals for the D.C. Circuit’s decision in *Sottera, Inc. v. Food & Drug Administration*, 627 F.3d 891 (D.C. Cir. 2010), the United States Food and Drug Administration (the “FDA”) is permitted to regulate electronic cigarettes as “tobacco products” under the Family Smoking Prevention and Tobacco Control Act of 2009 (the “Tobacco Control Act”).

Under this Court decision, the FDA is not permitted to regulate electronic cigarettes as “drugs” or “devices” or a “combination product” under the Federal Food, Drug and Cosmetic Act unless they are marketed for therapeutic purposes.

Because we do not market our electronic cigarettes for therapeutic purposes, and our electronic cigarettes do not contain nicotine, we believe that our products should not fall under the regulatory oversight of the FDA. Nevertheless we believe it is important for any existing or potential investors to understand recent trends in government regulation relating to nicotine-based electronic cigarettes.

The Tobacco Control Act grants the FDA broad authority over the manufacture, sale, marketing and packaging of tobacco products, although the FDA is prohibited from issuing regulations banning all cigarettes or all smokeless tobacco products, or requiring the reduction of nicotine yields of a tobacco product to zero.

The Tobacco Control Act also requires establishment, within the FDA’s new Center for Tobacco Products, of a Tobacco Products Scientific Advisory Committee to provide advice, information and recommendations with respect to the safety, dependence or health issues related to tobacco products.

The Tobacco Control Act imposes significant new restrictions on the advertising and promotion of tobacco products. For example, the law requires the FDA to finalize certain portions of regulations previously adopted by the FDA in 1996 (which were struck down by the Supreme Court in 2000 as beyond the FDA’s authority). As written, these regulations would significantly limit the ability of manufacturers, distributors and retailers to advertise and promote tobacco products, by, for example, restricting the use of color, graphics and sound effects in advertising, limiting the use of outdoor advertising, restricting the sale and distribution of non-tobacco items and services, gifts, and sponsorship of events and imposing restrictions on the use for cigarette or smokeless tobacco products of trade or brand names that are used for non-tobacco products. The law also requires the FDA to issue future regulations regarding the promotion and marketing of tobacco products sold or distributed over the internet, by mail order or through other non-face-to-face transactions in order to prevent the sale of tobacco products to minors.

It is likely that the Tobacco Control Act could result in a decrease in tobacco product sales in the United States, including sales of our electronic cigarettes.

8

While the FDA has not yet mandated electronic cigarettes be regulated as tobacco products, during 2012, the FDA indicated that it intends to regulate electronic cigarettes under the Tobacco Control Act through the issuance of deeming regulations that would include electronic cigarettes under the definition of a “tobacco product” under the Tobacco Control Act subject to the FDA’s jurisdiction. The FDA initially announced that it would issue proposed deeming regulations by April 2013 and then extended the deadline to October 31, 2013. As of the date of this prospectus, the FDA had not taken such action.

The application of the Tobacco Control Act to electronic cigarettes could impose, among other things, restrictions on the content of nicotine in electronic cigarettes, the advertising, marketing and sale of electronic cigarettes, the use of certain flavorings and the introduction of new products. We cannot predict the scope of such regulations or the impact they may have on our company specifically or the electronic cigarette industry generally, though if enacted, they could have a material adverse effect on our business, results of operations and financial condition.

In this regard, total compliance and related costs are not possible to predict and depend substantially on the future requirements imposed by the FDA under the Tobacco Control Act. Costs, however, could be substantial and could have a material adverse effect on our business, results of operations and financial condition. In addition, failure to comply with the Tobacco Control Act and with FDA regulatory requirements could result in significant financial penalties and could have a material adverse effect on our business, financial condition and results of operations and ability to market and sell our products. At present, we are not able to predict whether the Tobacco Control Act will impact us to a greater degree than competitors in the industry, thus affecting our competitive position.

State and local governments currently legislate and regulate tobacco products, including what is considered a tobacco product, how tobacco taxes are calculated and collected, to whom and by whom tobacco products can be sold and where tobacco products may or may not be smoked. Certain municipalities have enacted local ordinances which preclude the use of electronic cigarettes where traditional tobacco burning cigarettes cannot be used and certain states have proposed legislation that would categorize electronic cigarettes as tobacco products, equivalent to their tobacco burning counterparts. If these bills become laws, electronic cigarettes may lose their appeal as an alternative to cigarettes; which may have the effect of reducing the demand for our products and as a result have a material adverse effect on our business, results of operations and financial condition.

The Tobacco industry expects significant regulatory developments to take place over the next few years, driven principally by the World Health Organization's Framework Convention on Tobacco Control ("FCTC"). The FCTC is the first international public health treaty on tobacco, and its objective is to establish a global agenda for tobacco regulation with the purpose of reducing initiation of tobacco use and encouraging cessation. Regulatory initiatives that have been proposed, introduced or enacted include:

- the levying of substantial and increasing tax and duty charges;
- restrictions or bans on advertising, marketing and sponsorship;
- the display of larger health warnings, graphic health warnings and other labeling requirements;
- restrictions on packaging design, including the use of colors and generic packaging;
- restrictions or bans on the display of tobacco product packaging at the point of sale, and restrictions or bans on cigarette vending machines;
- requirements regarding testing, disclosure and performance standards for tar, nicotine, carbon monoxide and other smoke constituents levels;
- requirements regarding testing, disclosure and use of tobacco product ingredients;
- increased restrictions on smoking in public and work places and, in some instances, in private places and outdoors;
- elimination of duty free allowances for travelers; and
- encouraging litigation against tobacco companies.

9

If electronic cigarettes are subject to one or more significant regulatory initiatives enacted under the FCTC, our business, results of operations and financial condition could be materially and adversely affected.

#### **Electronic cigarettes may become subject to regulation by the FDA.**

The FDA did not appeal the decision of the U.S. Court of Appeals for the D.C. Circuit in *Sottera, Inc. v. Food & Drug Administration* (2010) which held that e-cigarettes and other nicotine-containing products are not drugs or devices unless they are marketed for therapeutic purposes. The Court held further that electronic cigarettes and other nicotine-containing products can be regulated as "tobacco products" under the Food, Drug and Cosmetic Act. Consequently, the FDA may choose to develop regulations governing the manufacture, marketing and sale of e-cigarettes. For example, pursuant to the Family Smoking Prevention and Tobacco Control Act, the FDA has proposed rules that would extend the agency's tobacco authority to cover additional tobacco products, including our products. Potential FDA regulations or significant costs to comply with potential FDA regulations could have a materially adverse effect on our company's operations and profitability.

As part of its implementation of the Family Smoking Prevention and Tobacco Control Act signed by the President in 2009, the U.S. Food and Drug Administration proposed a new rule that would extend the agency's tobacco authority to cover additional tobacco products. Products that would be "deemed" to be subject to FDA regulation are those that meet the statutory definition of a tobacco product, including currently unregulated marketed products, such as electronic cigarettes (e-cigarettes), cigars, pipe tobacco, nicotine gels, waterpipe (or hookah) tobacco, and dissolvables not already under the FDA's authority. The FDA currently regulates cigarettes, cigarette tobacco, roll-your-own tobacco, and smokeless tobacco.

Consistent with currently regulated tobacco products, under the proposed rule, makers of newly deemed tobacco products would, among other requirements:

- Register with the FDA and report product and ingredient listings;
- Only market new tobacco products after FDA review;
- Only make direct and implied claims of reduced risk if the FDA confirms that scientific evidence supports the claim and that marketing the product will benefit public health as a whole; and
- Not distribute free samples.

In addition, under the proposed rule, the following provisions would apply to newly "deemed" tobacco products:

- Minimum age and identification restrictions to prevent sales to underage youth;
- Requirements to include health warnings; and
- Prohibition of vending machine sales, unless in a facility that never admits youth.

The FDA proposes different compliance dates for various provisions so that all regulated entities, including small businesses, will have adequate time to comply with the requirements of the proposed rule.

10

Products that are marketed for therapeutic purposes will continue to be regulated as medical products under the FDA's existing drug and device authorities in the Food, Drug & Cosmetic Act.

While all comments, data, research, and other information submitted to the docket will be considered, the FDA is requesting comments in certain areas, including:

- The FDA recognizes that different tobacco products may have the potential for varying effects on public health and is proposing two options for the categories of cigars that would be covered by this rule. The FDA specifically seeks comment on whether all cigars should be subject to deeming, and which other provisions of the proposed rule may be appropriate or not appropriate for different kinds of cigars.
- The FDA seeks answers to the many public health questions posed by products, such as e-cigarettes, that do not involve the burning of tobacco and inhalation of its smoke, as the agency develops an appropriate level of regulatory oversight for these products. The FDA seeks comment in this proposed rule as to how such products should be regulated.

Failure to comply with FDA regulatory requirements could result in significant financial penalties and could have a material adverse effect on our business, financial condition and results of operations and ability to market and sell our products.

#### *Direct Competitors*

We believe that our products afford us a competitive advantage which makes our product unique. Companies that are our closest competitors include OpenVAPE and Vaporbrands International, Inc. We view many of these companies as potential acquisition targets.

#### *Competitive Advantages*

We believe we are positioned to show a strong performance in our industry for the following reasons:

- We believe we are a market leader in the niche for electronic cigarettes related products.
- We compete primarily on the basis of product quality, brand recognition, brand loyalty, service, marketing, advertising and price.
- We believe that through our continuous product upgrades and new product and service offerings, we can distinguish ourselves from the competition.
- We have developed various product offerings that allow us to provide high quality products/services and maintain a great customer experience.
- We believe we have a solid business model that relies on multiple revenue streams and has been extended by adding multiple products/services through the acquisitions that took place in 2014.
- We pride ourselves on providing well above average customer service to our customers thus generating a high degree of loyalty and involvement of members to the brand.

11

- We are adverse to toxic financing and plan to grow organically and through accretive acquisitions.
- We have a marketing skill set that enables us to continue to grow virally and attract new customers at a low cost.

#### **Research and Development Activities**

We have invested approximately \$37,000 and \$0 for the years ended April 30, 2015 and 2014, respectively on website and product development activities.

#### **Employees**

As of April 30, 2015, we had no full-time employees and 20 independent contractors (including three members of management).

#### **ITEM 1A. RISK FACTORS.**

*Investing in our securities involves a high degree of risk. You should carefully consider the following risk factors as well as other information contained herein, including our financial statements and the related notes. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties that we are unaware of, or that we currently deem immaterial, also may become important factors that affect us. If any of the following risks occur, our business, financial condition or results of operations could materially and adversely be affected. In that case, the trading price of our securities could decline, and you may lose some or all of your investment.*

#### ***We have incurred losses in the past and cannot assure you that we will achieve or maintain profitable operations.***

As of April 30, 2015, we had an accumulated deficit of \$5,267,144. Our accumulated deficit is primarily due to, among other reasons, the establishment of our business infrastructure and operations, stock-based compensation expenses and increases in our marketing expenditures to grow sales of our electronic cigarettes. For the year ended April 30, 2015, we had net loss of \$4,869,448 compared to a net loss of \$121,566 for the year ended April 30, 2014. However, we cannot assure you that we will continue to generate operating profits on a sustainable basis as we continue to expand our infrastructure, further develop our marketing efforts and otherwise implement our growth initiatives.

#### ***The market for electronic cigarettes is a niche market, subject to a great deal of uncertainty and is still evolving.***

Electronic cigarettes, having recently been introduced to market, are at an early stage of development, represent a niche market and are evolving rapidly and are characterized by an increasing number of market entrants. Our future sales and any future profits are substantially dependent upon the widespread acceptance and use of electronic cigarettes. Rapid growth in the use of and interest in, electronic cigarettes is recent, and may not continue on a lasting basis. The demand and market acceptance for these products is subject to a high level of uncertainty.

Therefore, we are subject to all of the business risks associated with a new enterprise in a niche market, including risks of unforeseen capital requirements, failure of widespread market acceptance of electronic cigarettes, in general or, specifically our products, failure to establish business relationships and competitive disadvantages as against larger and more established competitors.

***Electronic cigarettes may become subject to regulation by the FDA.***

The FDA did not appeal the decision of the U.S. Court of Appeals for the D.C. Circuit in *Sottera, Inc. v. Food & Drug Administration* (2010) which held that e-cigarettes and other nicotine-containing products are not drugs or devices unless they are marketed for therapeutic purposes. The Court held further that electronic cigarettes and other nicotine-containing products can be regulated as “tobacco products” under the Food, Drug and Cosmetic Act. Consequently, the FDA may choose to develop regulations governing the manufacture, marketing and sale of e-cigarettes. Potential FDA regulations or significant costs to comply with potential FDA regulations could have a materially adverse effect on our company’s operations and profitability. Failure to comply with FDA regulatory requirements could result in significant financial penalties and could have a material adverse effect on our business, financial condition and results of operations and ability to market and sell our products.

***New product faces intense media attention and public pressure .***

Our product is new to the marketplace and since its introduction certain members of the media, politicians, government regulators and advocate groups, including independent doctors have called for an outright ban of all electronic cigarettes, pending regulatory review and a demonstration of safety. A ban of this type would likely have the effect of terminating our United States’ sales and marketing efforts of certain products which we may currently market or have plans to market in the future. Such a ban would also likely cause public confusion as to which products are the subject of the ban and which are not and would have a material adverse effect on our business, financial condition and performance.

***The recent development of electronic cigarettes has not allowed the medical profession to study the long-term health effects of electronic cigarette use.***

Because electronic cigarettes were recently developed, the medical profession has not had a sufficient period of time to study the long-term health effects of electronic cigarette use. Currently, therefore, there is no way of knowing whether or not electronic cigarettes are safe for their intended use. If the medical profession were to determine conclusively that electronic cigarette usage poses long-term health risks, electronic cigarette usage could decline, which could have a material adverse effect on our business, results of operations and financial condition.

***If we experience product recalls, we may incur significant and unexpected costs and our business reputation could be adversely affected.***

We may be exposed to product recalls and adverse public relations if our products are alleged to cause illness or injury, or if we are alleged to have violated governmental regulations. A product recall could result in substantial and unexpected expenditures that could exceed our product recall insurance coverage limits and harm to our reputation, which could have a material adverse effect on our business, results of operations and financial condition. In addition, a product recall may require significant management time and attention and may adversely impact on the value of our brands. Product recalls may lead to greater scrutiny by federal or state regulatory agencies and increased litigation, which could have a material adverse effect on our business, results of operations and financial condition.

***We face intense competition and our failure to compete effectively could have a material adverse effect on our business, results of operations and financial condition.***

Competition in the electronic cigarette industry is intense. We compete with other sellers of electronic cigarettes, most notably Lorillard, Inc., Altria Group, Inc. and Reynolds American Inc., through their electronic cigarettes business segments; the nature of our competitors is varied as the market is highly fragmented and the barriers to entry into the business are low.

13

We compete primarily on the basis of product quality, brand recognition, brand loyalty, service, marketing, advertising and price. We are subject to highly competitive conditions in all aspects of our business. The competitive environment and our competitive position can be significantly influenced by weak economic conditions, erosion of consumer confidence, competitors’ introduction of low-priced products or innovative products, cigarette excise taxes, higher absolute prices and larger gaps between price categories, and product regulation that diminishes the ability to differentiate tobacco products.

Our principal competitors are “big tobacco”, U.S. cigarette manufacturers of both conventional tobacco cigarettes and electronic cigarettes like Altria Group, Inc., Lorillard, Inc. and Reynolds American Inc. We compete against “big tobacco” who offers not only conventional tobacco cigarettes and electronic cigarettes but also smokeless tobacco products such as “snus” (a form of moist ground smokeless tobacco that is usually sold in sachet form that resembles small tea bags), chewing tobacco and snuff.

Furthermore, we believe that “big tobacco” will devote more attention and resources to developing and offering electronic cigarettes as the market for electronic cigarettes grows. Because of their well-established sales and distribution channels, marketing expertise and significant resources, “big tobacco” is better positioned than small competitors like us to capture a larger share of the electronic cigarette market. We also compete against numerous other smaller manufacturers or importers of cigarettes. There can be no assurance that we will be able to compete successfully against any of our competitors, some of whom have far greater resources, capital, experience, market penetration, sales and distribution channels than us. If our major competitors were, for example, to significantly increase the level of price discounts offered to consumers, we could respond by offering price discounts, which could have a materially adverse effect on our business, results of operations and financial condition.

***We may not be unable to promote and maintain our brands.***

We believe that establishing and maintaining the brand identities of our products is a critical aspect of attracting and expanding a large customer base. Promotion and enhancement of our brands will depend largely on our success in continuing to provide high quality products. If our customers and end users do not perceive our products to be of high quality, or if we introduce new products or enter into new business ventures that are not favorably received by our customers and end users, we will risk diluting our brand identities and decreasing their attractiveness to existing and potential customers.

Moreover, in order to attract and retain customers and to promote and maintain our brand equity in response to competitive pressures, we may have to increase substantially our financial commitment to creating and maintaining a distinct brand loyalty among our customers. If we incur significant expenses in an attempt to promote and maintain our brands, our business, results of operations and financial condition could be adversely affected.

***We rely primarily on a Chinese factory for the production of our products.***

We rely almost exclusively on a Chinese factory, specifically our principle supplier, Bauway H.K. Investments, for the manufacturing of mCig’s. Therefore, our ability to maintain operations is dependent on this third-party manufacturer. Bauway H.K. Investments holds the capacity to produce 20,000 mCig’s. Currently, it takes our manufacturer approximately 8 hours to produce 1,000 mCig’s.

It currently involves the following raw materials: Stainless Steel Tubing for Battery housing and Atomizing Chambers. Atomizing Chambers are composed of a battery powered wire assembly housed on top of a ceramic base. Battery type used is Lithium Polymer

360mAh which is housed inside of the stainless steel tubing. The mouthpiece is made of food grade silicon.

Plastic USB Charger for battery assembly holds a small PCB to regulate charging. Another small PCB controls the battery function and voltage which is controlled by a clickable plastic power button seated in the stainless steel tubing that can be pressed rapidly in succession to power on/power off the battery and adjust its voltage. A small stainless steel cleaning tool is included along with cardboard for packaging and plastic blister packaging printed with instructions and branding.

Significantly all of our raw materials are provided by Shenzhen Bauway Technology Co., Ltd. from the factory of Bauway H.K. Investment Limited in Shenzhen, China.

Further, the following represent the processes in this production by the manufacturer. Our average mCig orders of 5,000 units take around 3 weeks to come in to our warehouse from the time of the original order placement from our Chinese manufacturer. Furthermore, we do not currently have any exclusive product or distribution arrangements with our manufacturer and the loss or disruption of the production of our products could have a material adverse effect on our business, financial condition and results of operations.

The dollar amount of backlog orders believed to be firm, as of a recent date and as of a comparable date in the preceding fiscal year, together with an indication of the portion thereof not reasonably expected to be filled within the current fiscal year, and seasonal or other material aspects of the backlog. (There may be included as firm orders government orders that are firm but not yet funded and contracts awarded but not yet signed, provided an appropriate statement is added to explain the nature of such orders and the amount thereof. The portion of orders already included in sales or operating revenues on the basis of percentage of completion or program accounting shall be excluded.)

**Potential Risks in Public Perception Associated with Chinese Factories.**

Should Chinese factories continue to draw public criticism for exporting unsafe products, we may be adversely and materially affected by the stigma associated with Chinese production. This in turn would negatively affect our business operations, our revenues, and our financial projections and prospects.

*We expect that new products and/or brands we develop will expose us to risks that may be difficult to identify until such products and/or brands are commercially available.*

We are currently developing, and in the future will continue to develop, new products and brands, the risks of which will be difficult to ascertain until these products and/or brands are commercially available. For example, we are developing new formulations, packaging and distribution channels. Any negative events or results that may arise as we develop new products or brands may adversely affect our business, financial condition and results of operations.

*Internet security poses a risk to our e-commerce sales.*

At present we generate a portion of our sales through e-commerce sales on our websites. We manage our websites and e-commerce platform internally and as a result any compromise of our security or misappropriation of proprietary information could have a material adverse effect on our business, financial condition and results of operations. We rely on encryption and authentication technology licensed from third parties to provide the security and authentication necessary to effect secure Internet transmission of confidential information, such as credit and other proprietary information.

Advances in computer capabilities, new discoveries in the field of cryptography or other events or developments may result in a compromise or breach of the technology used by us to protect client transaction data. Anyone who is able to circumvent our security measures could misappropriate proprietary information or cause material interruptions in our operations. We may be required to expend significant capital and other resources to protect against security breaches or to minimize problems caused by security breaches. To the extent that our activities or the activities of others involve the storage and transmission of proprietary information, security breaches could damage our reputation and expose us to a risk of loss and/or litigation. Our security measures may not prevent security breaches. Our failure to prevent these security breaches may result in consumer distrust and may adversely affect our business, results of operations and financial condition.

***Credit card payment processors and merchant account pose a risk.***

We accept credit cards as a means of payment for the sale of our products. If we are unable to find suitable providers or an alternative method of payment for our customers, our cash-flow will be constrained and our sales may be effected which may have a material adverse effect on our performance, financial condition and results of operations.

***Product exchanges, returns, warranty claims, defect and recalls may adversely affect our business.***

Any and all products are subject to customer service claims, malfunctions and defects, which may subject us to requests for product exchanges, returns, warranty claims and recalls. If we are unable to maintain a certain degree of quality control of our products we will incur costs of replacing and or recalling our products and servicing our customers. Any product returns, exchanges, and or recalls we may make will have a material adverse effect on our business, our operations and our profitability and will likely result in the loss of customers and goodwill.

Moreover products that do not meet our quality control standards and or those products that do not comply with U.S. safety and health standards or that may be defective may reduce the effectiveness, enjoyment and or cause harm to property, person and or death to persons who use the product. Any such instance will likely result in claims against us and potentially subject us to liability and legal claims which may cause injury to our reputation, goodwill and operating results.

***Warranties***

Warranty reserves include management's best estimate of the projected costs to repair or to replace any items under warranty, based on actual warranty experience as it becomes available and other known factors that may impact our evaluation of historical data. We review our reserves at least quarterly to ensure that our accruals are adequate in meeting expected future warranty obligations, and we will adjust our estimates as needed. Initial warranty data can be limited early in the launch of a product and accordingly, the adjustments that we record may be material. Because of the nature of our products, customers are made aware that as soon as a mCig is packed with marijuana, they automatically void their warranty, primarily because it is against federal laws to mail a product that has been in proximity of marijuana. As a result, the products that can be returned as a warranty replacement is extremely limited. As a result, due to the Company's warranty policy, the Company did not have any significant warranty expenses to report as of Fiscal Year End April 30, 2015. Based on these actual expenses, the warranty reserve, as estimated by management as of April 30, 2015 was at \$0. Any adjustments to warranty reserves are to be recorded in cost of sales.

16

It is likely that as we start selling higher priced products, that are not affected by federal shipping laws and/or are not single use items (such as eLiquid Juice Vaporizer), we will acquire additional information on the projected costs to service work under warranty and may need to make additional adjustments. Further, a small change in our warranty estimates may result in a material charge to our reported financial results.

***Product exchanges and product returns***

The total for product exchanges and product returns as of April 30, 2015 were immaterial. As a result, all product exchanges and product returns were recorded as a reduction to revenues.

***Risks Associated with Our Common Stock***

***The market price of our common stock has been and may continue to be volatile or may decline regardless of the Company's operating performance, and you may not be able to resell your shares at or above the initial public offering price and the price of our common stock may fluctuate significantly.***

Since the commencement of trading of our common stock on the OTC Markets, the market price of our common stock has been volatile, and fluctuates widely in price in response to various factors, which are beyond our control. Since the commencement of trading of our common stock on the OTC Markets, the price of our common stock went from approximately \$0.08 / per share to almost \$0.90 / per share in less than 3 months. However, after experiencing growth, the stock declined by almost 50% within the next 3 months (where the price of the stock as of fiscal year ending April 30, 2015 we are trading approximately at \$0.06 / per share). We attribute this large fluctuation especially on the industry that we operate in. Management believes that our price is also affected by the industry in which we operate such that, when the industry is doing well, we believe our stock price will benefit but when the industry is experience a down turn, we will not be immune from the decline.

Furthermore, we must note that the price of our common stock is not necessarily indicative of our operating performance or long-term business prospects. In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our common stock. Factors such as the following could cause the market price of our common stock to fluctuate substantially:

***Volatility in our common stock price may subject us to securities litigation.***

The market for our common stock is characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will continue to be more volatile than a seasoned issuer for the indefinite future. In the past, plaintiffs have often initiated securities class action litigation against a company following periods of volatility in the market price of its securities. We may, in the future, be the target of similar litigation. Securities litigation could result in substantial costs and liabilities to us and could divert our management's attention and resources from managing our operations and business.

17

***The Company may issue more shares in connection with future mergers or acquisitions, which could result in substantial dilution to existing shareholders.***

Our Certificate of Incorporation authorizes the issuance of 560,000,000 shares of common stock. Any future merger or acquisition effected by us may result in the issuance of additional securities without stockholder approval and may result in substantial dilution in the percentage of our common stock held by our then-current stockholders. Moreover, the common stock issued in any such merger or acquisition transaction may be valued on an arbitrary or non-arm's-length basis by our management, resulting in an additional reduction in the percentage of common stock held by our then existing stockholders. Our Board of Directors has the power to issue any or all of such authorized but unissued shares without stockholder approval. To the extent that additional shares of common stock or preferred stock are issued in connection with a future business combination or otherwise, dilution to the interests of our stockholders will occur, and the rights of the holders of common stock could be materially and adversely affected.

***The Company's Series A Preferred Stock is held by our CEO and carries super majority voting rights and became convertible in April 2015.***

On September 23, 2013, the Company entered into a Share Cancellation / Exchange / Return to Treasury Agreement with Paul Rosenberg, the chief executive officer of mCig, Inc., for the cancellation of 230,000,000 shares of our common stock held by Mr. Rosenberg in exchange for 23,000,000 shares of our company's Series A Preferred Stock. The Series A Preferred shares of mCig, Inc. carry ten (10) votes per each share of Preferred stock while mCig, Inc.'s common shares carry one (1) vote per each share outstanding. Consequently, the result of all matters to be voted upon by the shareholders may be controlled by Mr. Rosenberg, who can base his vote upon his best judgment and his fiduciary duty to the shareholders. Mr. Rosenberg has a lock up contractual agreement to not convert the Series A Preferred shares until April 30, 2015. After this time (and as of the date of the filing of this report), he may convert the shares to common stock, substantially diluting the common shareholders. As the sole director and the holder of the majority of capital voting shares there is a risk that Mr. Rosenberg can reverse his decision or convert his Series A Convertible Shares after April 30, 2015, significantly diluting the common stock. There are no plans or intentions for Mr. Rosenberg to convert his Series A Preferred Stock at present or after April 30, 2015.

***We do not anticipate paying cash dividends for the foreseeable future, and therefore investors should not buy our stock if they wish to receive cash dividends.***

We have not paid dividends in the past and do not expect to pay dividends for the foreseeable future, and any return on investment may be limited to potential future appreciation on the value of our common stock.

We currently intend to retain any future earnings to support the development and expansion of our business and do not anticipate paying cash dividends in the foreseeable future. Our payment of any future dividends will be at the discretion of our board of directors after taking into account various factors, including without limitation, our financial condition, operating results, cash needs, growth plans, and the terms of any credit agreements that we may be party to at the time. To the extent we do not pay dividends, our stock may be less valuable because a return on investment will only occur if and to the extent our stock price increases, which may never occur. In addition, investors must rely on sales of their common stock after price appreciation as the only way to realize their investment, and if the price of our stock does not appreciate, then there will be no return on investment. Investors seeking cash dividends should not purchase our common stock.

18

Our officers, directors, and principal stockholders (greater than 5% stockholders) collectively control approximately 50% of our outstanding common stock. As a result, these stockholders will be able to affect the outcome of, or exert significant influence over, all matters requiring stockholder approval, including the election and removal of directors and any change in control. In particular, this concentration of ownership of our common stock could have the effect of delaying or preventing a change in control of us or otherwise discouraging or preventing a potential acquirer from attempting to obtain control of us. This, in turn, could have a negative effect on the market price of our common stock. It could also prevent our stockholders from realizing a premium over the market prices for their shares of common stock. Moreover, the interests of this concentration of ownership may not always coincide with our interests or the interests of other stockholders, and accordingly, they could cause us to enter into transactions or agreements that we would not otherwise consider.

***Our common stock may be considered a "penny stock," and thereby be subject to additional sale and trading regulations that may make it more difficult to sell.***

Our common stock is considered to be a "penny stock." It does not qualify for one of the exemptions from the definition of "penny stock" under Section 3a51-1 of the Exchange Act. Our common stock is a "penny stock" because it meets one or more of the following conditions (i) the stock trades at a price less than \$5.00 per share; (ii) it is not traded on a "recognized" national exchange or (iii) it is not quoted on the NASDAQ Global Market, or has a price less than \$5.00 per share. The principal result or effect of being designated a "penny stock" is that securities broker-dealers participating in sales of our common stock are subject to the "penny stock" regulations set forth in Rules 15-2 through 15g-9 promulgated under the Securities Exchange Act. For example, Rule 15g-2 requires broker-dealers dealing in penny stocks to provide potential investors with a document disclosing the risks of penny stocks and to obtain a manually signed and dated written receipt of the document at least two business days before effecting any transaction in a penny stock for the investor's account. Moreover, Rule 15g-9 requires broker-dealers in penny stocks to approve the account of any investor for transactions in such stocks before selling any penny stock to that investor. This procedure requires the broker-dealer to (i) obtain from the investor information concerning his or her financial situation, investment experience and investment objectives; (ii) reasonably determine, based on that information, that transactions in penny stocks are suitable for the investor and that the investor has sufficient knowledge and experience as to be reasonably capable of evaluating the risks of penny stock transactions; (iii) provide the investor with a written statement setting forth the basis on which the broker-dealer made the determination in (ii) above; and (iv) receive a signed and dated copy of such statement from the investor, confirming that it accurately reflects the investor's financial situation, investment experience and investment objectives. Compliance with these requirements may make it more difficult and time consuming for holders of our common stock to resell their shares to third parties or to otherwise dispose of them in the market or otherwise.

***FINRA sales practice requirements may limit a shareholder's ability to buy and sell our common shares.***

In addition to the "penny stock" rules described above, FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common shares, which may limit our ability to buy and sell our stock and have an adverse effect on the market for our shares.

19

***Rule 144 sales in the future may have a depressive effect on the company's stock price as an increase in supply of shares for sale, with no corresponding increase in demand will cause prices to fall.***

All of the outstanding shares of common stock held by the present officers, directors, and affiliate stockholders are "restricted securities" within the meaning of Rule 144 under the Securities Act of 1933, as amended. As restricted shares, these shares may be resold only pursuant to an effective registration statement or under the requirements of Rule 144 or other applicable exemptions from registration under the Securities Act of 1933 and as required under applicable state securities laws. Rule 144 provides in essence that a person who is an affiliate or officer or director who has held restricted securities for six months may, under certain conditions, sell every three months, in brokerage transactions, a number of shares that does not exceed the greater of 1.0% of a Company's issued and outstanding common stock. There is no limit on the amount of restricted securities that may be sold by a non-affiliate after the owner has held the restricted securities for a period of six months if the Company is a current reporting company under the Securities Exchange Act of 1934. A sale under Rule 144 or under any other exemption from the Securities Act of 1933, if available, or pursuant to subsequent registration of shares of common stock of present stockholders, may have a depressive effect upon the price of the common stock in any market that may develop.

*Future issuances of shares for various considerations including working capital and operating expenses will increase the number of shares outstanding which will dilute existing investors and may have a depressive effect on the company's stock price.*

There may be substantial dilution to our shareholders purchasing in future offerings as a result of future decisions of the Board to issue shares without shareholder approval for cash, services, payment of debt or acquisitions.

*There may in all likelihood be little demand for shares of our common stock and as a result investors may be unable to sell at or near ask prices or at all if they need to liquidate their investment.*

There may be little demand for shares of our common stock on the OTC Bulletin Board, or OTC Markets.com, meaning that the number of persons interested in purchasing our common shares at or near ask prices at any given time may be relatively small or non-existent. This situation is attributable to a number of factors, including the fact that it is a small company which is relatively unknown to stock analysts, stock brokers, institutional investors and others in the investment community that generate or influence sales volume, and that even if the Company came to the attention of such persons, they tend to be risk-averse and would be reluctant to follow an unproven, early stage company such as ours or purchase or recommend the purchase of any of our Securities until such time as it became more seasoned and viable. As a consequence, there may be periods of several days or more when trading activity in the Company's securities is minimal or non-existent, as compared to a seasoned issuer which has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on the securities price. We cannot give investors any assurance that a broader or more active public trading market for the Company's common securities will develop or be sustained, or that any trading levels will be sustained. Due to these conditions, we can give investors no assurance that they will be able to sell their shares at or near ask prices or at all if they need money or otherwise desire to liquidate their securities of the Company.

20

*Public disclosure requirements and compliance with changing regulation of corporate governance pose challenges for our management team and result in additional expenses and costs which may reduce the focus of management and the profitability of our company.*

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and regulations promulgated thereunder, the Sarbanes-Oxley Act and SEC regulations, have created uncertainty for public companies and significantly increased the costs and risks associated with accessing the U.S. public markets. Our management team will need to devote significant time and financial resources to comply with both existing and evolving standards for public companies, which will lead to increased general and administrative expenses and a diversion of management time and attention from revenue generating activities to compliance activities.

**SHOULD ONE OR MORE OF THE FOREGOING RISKS OR UNCERTAINTIES MATERIALIZE, OR SHOULD THE UNDERLYING ASSUMPTIONS PROVE INCORRECT, ACTUAL RESULTS MAY DIFFER SIGNIFICANTLY FROM THOSE ANTICIPATED, BELIEVED, ESTIMATED, EXPECTED, INTENDED OR PLANNED**

**ITEM 1B. UNRESOLVED STAFF COMMENTS.**

Not applicable.

**ITEM 2. PROPERTIES.**

We currently lease our office facilities at 433 North Camden Drive, 6<sup>th</sup> Floor, Beverly Hills, California 90210 and have a storage facility in Falls Church, Virginia. We lease the office at a cost of \$99 per month and our lease is month to month. We lease the storage facility at a cost of \$1,000 per month through August 2015. Rent expenses totaled approximately \$7,628 for the fiscal year 2015.

We believe the space available at our headquarters will be sufficient to meet the needs of our operations for the foreseeable future.

**ITEM 3. LEGAL PROCEEDINGS.**

From time to time, we may become involved in various lawsuits and legal proceedings that arise in the ordinary course of business. However, litigation is subject to inherent uncertainties and an adverse result in these or other matters may arise from time to time that may harm our business. Except as set forth below we are currently not aware of any such legal proceedings or claims that we believe will have a material adverse effect on our business, financial condition or operating results.

**ITEM 4. MINE SAFETY DISCLOSURES.**

Not applicable.

21

**PART II**

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

**(a) Market Information**

Our common stock is quoted on the OTC Markets under the symbol MCIG. The following table sets forth for the periods indicated the range of high and low bid quotations per share as reported by the OTCQB. The quotations reflect inter-dealer prices, without retail mark-up, markdown or commission, and may not represent actual transactions.

Period	High		Low	
May 1, 2013 through July 31, 2013	\$	0.120	\$	0.120
August 1, 2013 through October 31, 2013	\$	0.255	\$	0.095

November 1, 2013 through January 31, 2014	\$	0.313	\$	0.068
February 1, 2014 through April 30, 2014	\$	0.905	\$	0.292
May 1, 2014 through July 31, 2014	\$	0.555	\$	0.379
August 1, 2014 through October 31, 2014	\$	0.471	\$	0.249
November 1, 2014 through January 31, 2015	\$	0.266	\$	0.136
February 1, 2015 through April 30, 2015	\$	0.140	\$	0.060

The closing price of our common stock as reported on the OTCQB Marketplace was \$0.03 on August 27, 2015.

**(b) Holders**

As of August 24, 2015, there were approximately 109 owners of record for our common stock. This does not include an indeterminate number of stockholders whose shares may be held by brokers in street name. The holders of common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Holders of the common stock have no preemptive rights and no right to convert their common stock into any other securities. There are no redemption or sinking fund provisions applicable to the common stock.

*Transfer Agent and Registrar*

Our independent stock transfer agent is Island Stock Transfer, 15500 Roosevelt Blvd., Suite 301 Clearwater, FL 33760 Telephone: (727) 289-0010.

**(c) Dividends**

We have never paid or declared any cash dividends on our common stock. We currently intend to retain all available funds and any future earnings to fund the expansion of our business, and we do not anticipate paying any cash dividends for the foreseeable future following this offering. Any future determination to pay dividends will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements and other factors that our board of directors deems relevant. In addition, the terms of any future debt or credit facility may preclude us from paying dividends.

**(d) Securities Authorized for Issuance under Equity Compensation Plans**

None

**Recent Sales of Unregistered Securities**

In the year ended April 30, 2015, we issued an aggregate of 8,126,617 shares of common stock valued at approximately \$4,431,122 for professional services. In addition, the CEO of the Company issued common shares for cash in the amount of \$100,000 to the Company.

The issuance of such shares of our common stock was effected in reliance on the exemptions for sales of securities not involving a public offering, as set forth in Rule 506 promulgated under the Securities Act of 1933, as amended (the "Securities Act") and in Section 4(2) of the Securities Act, based on the following: the investors confirmed to us that they were "accredited investors," as defined in Rule 501 of Regulation D promulgated under the Securities Act and had such background, education and experience in financial and business matters as to be able to evaluate the merits and risks of an investment in the securities; (b) there was no public offering or general solicitation with respect to the offering; (c) the investors were provided with certain disclosure materials and all other information requested with respect to our company; (d) the investors acknowledged that all securities being purchased were "restricted securities" for purposes of the Securities Act, and agreed to transfer such securities only in a transaction registered under the Securities Act or exempt from registration under the Securities Act; and (e) a legend was placed on the certificates representing each such security stating that it was restricted and could only be transferred if subsequent registered under the Securities Act or transferred in a transaction exempt from registration under the Securities Act.

**Issuer Purchases of Equity Securities**

None.

**ITEM 6. SELECTED FINANCIAL DATA.**

We are a smaller reporting company and therefore, we are not required to provide information required by this Item of Form 10-K.

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

Management's Discussion and Analysis of Results of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with the financial statements included herein. Further, this MD&A should be read in conjunction with the Company's Financial Statements and Notes to Financial Statements included in this Annual Report on Form 10-K for the years ended April 30, 2015 and 2014, as well as the "Business" and "Risk Factors" sections within this Annual Report on Form 10-K. The Company's financial statements have been prepared in accordance with United States generally accepted accounting principles.

Management's Discussion and Analysis may contain various "forward looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, regarding future events or the future financial performance of the Company that involve risks and uncertainties. Certain statements included in this Form 10-K, including, without limitation, statements related to anticipated cash flow sources and uses, and words including but not limited to "anticipates", "believes", "plans", "expects", "future" and similar statements or expressions, identify forward looking statements. Any forward-looking statements herein are subject to certain risks and uncertainties in the Company's business and any changes in current accounting rules, all of which may be beyond the control of the Company. The Company has adopted the most conservative recognition of revenue based on the most stringent guidelines of the SEC. Management will elect additional changes to revenue recognition to comply with the most conservative SEC recognition on a forward going accrual basis as the model is replicated with other similar markets (i.e. SBDC). The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth therein. Undue reliance should not be placed on these forward-looking statements, which speak only as of the date hereof. We undertake no obligation to update these forward-looking statements.

Any future equity financing will cause existing shareholders to experience dilution of their interest in our Company. In the event we are not successful in raising additional financing, we anticipate that we will not be able to proceed with our business plan. In such a case, we may decide to discontinue our current business plan and seek other business opportunities in the resource sector. Any business opportunity would

require our management to perform diligence on possible acquisitions.

During this period, we will need to maintain our periodic filings with the appropriate regulatory authorities and will incur legal and accounting costs. In the event no other such opportunities are available and we cannot raise additional capital to sustain operations, we may be forced to discontinue business. We do not have any specific alternative business opportunities in mind and have not planned for any such contingency.

The Company's MD&A is comprised of significant accounting estimates made in the normal course of its operations, overview of the Company's business conditions, results of operations, liquidity and capital resources and contractual obligations. The Company did not have any off balance sheet arrangements as of April 30, 2015 or 2014.

The discussion and analysis of the Company's financial condition and results of operations is based upon its financial statements, which have been prepared in accordance with generally accepted accounting principles generally accepted in the United States (or "GAAP"). The preparation of those financial statements requires us to make estimates and judgments that affect the reported amount of assets and liabilities at the date of its financial statements. Actual results may differ from these estimates under different assumptions or conditions.

## Overview

mCig, Inc. (mCig) was incorporated in the State of Nevada on December 30, 2010 originally under the name Lifetech Industries, Inc. Effective August 2, 2013, the name was changed from "Lifetech Industries, Inc." to "mCig, Inc." reflecting the new business model. Since October 2013, we have positioned ourselves as a technology company focused on two long-term secular trends:

(1) The decriminalization and legalization of marijuana for medicinal or recreational purposes - legalizing medicinal and recreational marijuana usage is steadily on the rise not only domestically but also internationally.

24

Marijuana has been decriminalized in over twenty countries, in over five continents. Twenty three states and the District of Columbia currently have laws legalizing marijuana in some form. Management believes that by 2016 it is very likely that many more states, including Alaska, California, Arizona, Maine, and Oregon, will legalize the use and sale of recreational marijuana the way Washington and Colorado have; and

(2) The adoption of electronic vaporizing cigarettes (commonly known as "eCigs"), as smokers move away from traditional cigarettes onto e-cigarettes. Smoking tobacco causes numerous health problems, including disease and death. Smoking becomes very addicting quickly, and the most difficult part is cessation. We contend that e-cigarettes offer a safer and healthier alternative to traditional tobacco cigarettes. E-cigarettes operate by heating a mixture of liquid nicotine and flavoring, which is then inhaled and exhaled in the same manner as a cigarette. However, e-cigarettes do not contain any tobacco or other dangerous additives. Scientific research has shown that the leading cause of cancer in smokers comes from the carcinogens in tobacco. As the movement towards personal health grows, smokers are trying to quit their harmful habits. Management believes that e-cigarettes provide a safe transition from harmful traditional cigarettes.

On January 23, 2014, we signed a Stock Purchase Agreement with Vapolution, Inc. which manufactures and retails home-use vaporizers. In accordance with this agreement mCig, Inc. acquired 100% of Vapolution, Inc.; as part of this transaction mCig, Inc. agreed to issue 5,000,000 shares to shareholders of Vapolution, Inc. The shareholders of Vapolution, Inc. retain the right to rescind the transaction, which expires on January 23, 2015 but was extended to May 23, 2015 based on an Amended Stock Purchase Agreement executed on May 23, 2014. Subsequently, on August 25, 2015, the final payment to the shareholders of Vapolution as extended to September 30, 2015 and the right to rescind the transaction was extended to March 26, 2016.

On January 23, 2014, Paul Rosenberg, CEO of mCig, Inc. has cancelled an equal amount (2,500,000 shares) of common shares owned by him resulting in a net non-dilutive transaction to existing mCig, Inc. shareholders. The remaining 2,500,000 of common shares owned by Paul Rosenberg will be cancelled to offset the 2,500,000 new shares issued from the treasury to complete the purchase of Vapolution, Inc.

## Results of Operations

### Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. On an ongoing basis, we evaluate our estimates, including those related to uncollectible receivables, inventory valuation, deferred compensation and contingencies.

We base our estimates on historical performance and on various other assumptions that we believe to be reasonable under the circumstances. These estimates allow us to make judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

25

We believe the following accounting policies are our critical accounting policies because they are important to the portrayal of our financial condition and results of operations and they require critical management judgments and estimates about matters that may be uncertain. If actual results or events differ materially from those contemplated by us in making these estimates, our reported financial condition and results of operations for future periods could be materially affected.

### Revenue Recognition

Revenues are presented net of discounts. In general, we recognize revenue when (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered to the customer, (iii) the fee is fixed or determinable, and (iv) collectability is reasonably assured. Where arrangements have multiple elements, revenue is allocated to the elements based on the relative selling price method and revenue is recognized based on our policy for each respective element. We generate revenue primarily from sales of the electronic cigarettes, components for electronic cigarettes and related accessories. We recognize revenue when the product is shipped.

Amounts billed or collected in excess of revenue recognized are recorded as deferred revenue.

Our operating results for the years ended April 30, 2015 and 2014 are summarized as follows:

	For the year ended April 30,			
	2015		2014	
Revenue	\$	509,957	\$	358,947
Cost of Goods Sold		401,906		149,311
Gross Profit		108,051		209,636

Expenses		4,374,385		324,857
Net Loss from operations	\$	(4,266,334)	\$	(115,221)

### Revenue

Our revenue from continuing operations for the year ended April 30, 2015 was \$509,957 compared to \$358,947, an increase of \$151,010 or approximately 42%, for the year ended April 30, 2014. Revenues consist primarily of results from the sales of the electronic vaporisers, the components for vaporisers and related accessories.

### Cost of Goods Sold

Our cost of goods sold for the year ended April 30, 2015 was \$401,906 compared to \$149,311 for the year ended April 30, 2014. The increase is primarily due increase and sale and the purchase of better quality products.

### Gross Profit

Our gross profit for the year ended April 30, 2015 was \$108,051 compared to \$209,636 for the year ended April 30, 2014. The gross profit of \$108,051 for the year ended April 30, 2015 represents approximately 21% as a percentage of total revenue. The gross profit of \$209,636 for the year ended April 30, 2014 represents approximately 58% as a percentage of total revenue. This decrease in the gross profit is primarily attributed to the higher costs of the better quality products.

26

### Operating Expenses

Our operating expenses increased by \$4,040,551 to \$4,374,385 for the year ended April 30, 2015, from \$324,857 for the year ended April 30, 2014.

The increase was primarily due to the increase in stock based compensation of \$3,833,497, an increase in selling, general and administrative expenses of \$167,901, and increase in professional fees of \$9,792 and an increase in amortization and depreciation of \$1,339.

Our total operating expenses for the year ended April 30, 2015 of \$4,374,385 consisted of \$4,022,967 of stock based compensation, \$265,330 of selling, general and administrative expenses, \$42,244 in professional fees, and \$6,845 of amortization and depreciation expenses. Our general and administrative expenses consist of bank charges, telephone expenses, meals and entertainments, computer and internet expenses, postage and delivery, office supplies and other expenses.

### Net loss

Our net loss increased by \$4,747,882 to \$4,869,448 for the year ended April 30, 2015 from \$121,566 for the year ending April 30, 2014. The increase in net loss compared to the prior year is primarily a result of the increase in operating expenses of 4,049,528, the loss on investment for Vapolution of \$625,000, the loss on investment for VitaCig of \$13,658, offset by the income from discontinued operations of \$35,544.

## **Liquidity and Capital Resources**

### *Introduction*

During the year ended April 30, 2015 because of our operating losses, we did not generate positive operating cash flows. Our cash on hand as of April 30, 2015 was \$102,691. At April 30, 2015, the Company had a working capital surplus of \$687,430.

### *Cash Requirements*

We had cash available of \$102,691 as of April 30, 2015. Based on our revenues, cash on hand and current monthly burn rate, around \$25,000, we believe that our operations are sufficient to fund operations through September 2015.

## **Sources and Uses of Cash**

### *Operations*

We had net cash used in continuing operating activities of \$212,005 for the year ended April 30, 2015, as compared to \$5,859 for the year ended April 30, 2014. Cash used in discontinued operating activities was \$35,545 for the year ended April 30, 2015, compared to \$10,392 for the year ended April 30, 2014.

Net cash used in continuing operations consisted primarily of the net loss of \$4,869,448 offset by non-cash expenses of \$4,668,151 consisting of amortization of intangible assets of \$6,846, \$4,022,647 in common stock issued for services, and \$638,658 loss on investments. Additionally, changes in assets and liabilities consisted of decreases in accounts receivable of \$17,843, inventory of \$21,649, prepaid expenses of \$3,162, and accounts payable of \$38,362, these decreases were partially offset by increases in other receivables of \$15,000.

27

### *Investments*

We had net cash used in investing activities of \$4,872 for the year ended April 30, 2015, as compared to \$11,560 for the year ended April 30, 2014. In the year ended April 30, 2015 the net cash used by investing activities related to the acquisition of property of \$1,792 and website development costs of \$3,080.

### *Financing*

We had net cash used in continuing financing activities of \$264 for the year ended April 30, 2015, as compared to \$369,196 for the year ended April 30, 2014. Our financing activities consisted primary of \$100,000 in proceeds from the issuance of common stock for cash of \$100,000 and proceeds from related party of \$5,000 offset by advances to related party of \$105,264.

## **Off-Balance Sheet Arrangements**

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we consider material.

## **Going Concern**

Our financial statements are prepared using generally accepted accounting principles, which contemplate the realization of assets and liquidation of liabilities in the normal course of business. Because the business is relatively new and has a short history and relatively few sales, no certainty of continuation can be stated. The accompanying consolidated financial statements for the year ended April 30, 2015 and 2014 have been prepared assuming that we will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

The Company has suffered losses from operations and has a working capital deficit, which raises substantial doubt about its ability to continue as a going concern

#### **ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

We are a smaller reporting company and therefore, we are not required to provide information required by this Item of Form 10-K.

28

### **ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA. INDEX TO FINANCIAL STATEMENTS**

Report of Independent Registered Public Accounting Firm	F-1
Report of Independent Registered Public Accounting Firm	F-2
Balance Sheets	F-3
Statements of Operations	F-4
Statement of Stockholders' Equity	F-5
Statements of Cash Flows	F-6
Notes to Consolidated Financial Statements	F-7

29

#### **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

##### **SADLER GIBB**

To the Board of Directors  
mCig, Inc.

We have audited the accompanying balance sheet of mCig, Inc. ("the Company") as of April 30, 2015 and the related statements of operations, stockholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of mCig, Inc. as of April 30, 2015, and the results of their operations and cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has incurred losses from operations and has an accumulated deficit as of April 30, 2015 which raises substantial doubt about its ability to continue as a going concern. Management's plans concerning these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

*/s/ Sadler, Gibb & Associates, LLC*

Salt Lake City, UT  
August 28, 2015

F-1

#### **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

##### **DE JOYA GRIFFITH**

To the Board of Directors and Stockholders  
Mcig Inc & Subsidiary.

We have audited the accompanying consolidated balance sheet of Mcig Inc. and subsidiary as of April 30, 2014, and the related consolidated statements of operations, stockholders' equity and consolidated cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Mcig Inc. and its subsidiary as of April 30, 2014 and the results of their operations and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ De Joya Griffith, LLC  
Henderson, Nevada  
August 12, 2014

F-2

**MCIG, INC.**  
**Balance Sheets**

	<u>April 30, 2015</u>	<u>April 30, 2014</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 102,691	\$ 355,377
Cash and cash equivalents - related to discontinued operations	-	3,462
Accounts receivable	22,141	41,098
Accounts receivable - related to discontinued operations	-	1,113
Other receivable	15,000	-
Inventory, net of allowance of \$5,000 and \$0, respectively	40,547	62,196
Inventory - related to discontinued operations	-	76,461
Prepaid expenses	<u>411,566</u>	<u>6,253</u>
Total current assets	591,945	544,847
Property, plant, and equipment, net of accumulated depreciation of \$22 and \$0	1,770	-
Due from related party	100,264	-
Intangible assets, net of accumulated amortization of \$14,487 and \$7,663	8,104	11,848
Investment in Vapolution at cost	-	625,000
Total assets	<u>\$ 702,083</u>	<u>\$ 1,181,695</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 14,653	\$ 63,370
Accounts payable - related to discontinued operations	-	69,386
Current liabilities	<u>14,653</u>	<u>132,756</u>
Deferred revenue - related to discontinued operations	-	4,141
Due to related party - related to discontinued operations	-	3,000
Total liabilities	<u>14,653</u>	<u>139,897</u>
COMMITMENTS AND CONTINGENCIES	-	-
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock, \$0.0001 par value; 50,000,000 shares authorized; 23,000,000 shares outstanding.	2,300	2,300
Common stock, \$0.0001 par value; 560,000,000 shares authorized; 278,261,617 and 270,135,000 issued and outstanding at April 30, 2015 and 2014, respectively.	27,826	27,014
Additional paid in capital	5,924,447	1,394,137
Accumulated deficit	<u>(5,267,143)</u>	<u>(381,653)</u>
Total Stockholders' Equity	<u>687,430</u>	<u>1,041,798</u>
Total Liabilities and Stockholders' Equity	<u>\$ 702,083</u>	<u>\$ 1,181,695</u>

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

F-3

**MCIG, INC.**  
**Statements of Operations**

	For the Years Ended April 30,	
	2015	2014
REVENUES	\$ 509,957	\$ 358,947
COST OF GOODS SOLD	401,906	149,311
GROSS PROFIT	<u>108,051</u>	<u>209,636</u>
EXPENSES		
Selling, general and administrative	265,328	97,429
Professional fees	42,244	32,452
Research and development	37,000	-
Stock based compensation	4,022,967	189,470
Amortization and depreciation	6,846	5,506
Total operating expenses	<u>4,374,385</u>	<u>324,857</u>
NET LOSS FROM OPERATIONS	<u>(4,266,334)</u>	<u>(115,221)</u>
OTHER INCOME (EXPENSE)		
Impairment on investment in VitaCig	(13,658)	-
Impairment on investment in Vapolution	(625,000)	-
NET LOSS FROM CONTINUING OPERATIONS	(4,904,992)	(115,221)
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS	<u>35,544</u>	<u>(6,345)</u>
NET LOSS	<u>(4,869,448)</u>	<u>(121,566)</u>
Income (loss) per share, from continuing operations	\$ (0.02)	\$ (0.00)
Income (loss) per share, from discontinued operations	<u>\$ 0.00</u>	<u>\$ (0.00)</u>
Income (loss) per share	<u><u>\$ (0.02)</u></u>	<u><u>\$ (0.00)</u></u>
Weighted average shares outstanding - basic and diluted	<u>271,793,396</u>	<u>270,135,000</u>

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

F-4

**MCIG, INC.**  
**Consolidated Statements of Changes in Stockholders' Equity**

	Preferred Stock		Common Stock		Additional	Accumulated	Total
	Shares	Amount	Shares	Amount	Paid-in Capital	Deficit	Stockholders' Equity (Deficit)
Balance – April 30, 2013	-	\$ -	500,000,000	\$ 50,000	\$ -	\$ (260,087)	\$ (210,087)
Preferred Stock issued to CEO, \$0.0001 par value per share as on September 12, 2013	23,000,000	2,300	(230,000,000)	(23,000)	20,700	-	-
Common stock issued for services (\$0.21/share) on September 17, 2013	-	-	60,000	\$ 6	12,594	-	12,600
Common stock issued for services (\$0.11/share) on October 18, 2013	-	-	30,000	\$ 3	3,297	-	3,300
Common stock issued for services (\$0.07/share) on November 15, 2013	-	-	45,000	\$ 5	3,146	-	3,151
Debt forgiveness by shareholder as on July 31, 2013	-	-	-	-	172,678	-	172,678
Debt forgiveness by shareholder as on January 31, 2014	-	-	-	-	65,050	-	65,050
Common stock issued for services (\$0.083/share) on November 26, 2013	-	-	-	-	41,500	-	41,500
Investment in Vapolution	-	-	-	-	625,000	-	625,000
Contribution to capital March 2014	-	-	-	-	15,000	-	15,000
Common stock issued for cash	-	-	-	-	300,000	-	300,000
Common stock issued for services	-	-	-	-	135,172	-	135,172
Net loss	-	-	-	-	-	(121,566)	(121,566)
Balance – April 30, 2014	<u>23,000,000</u>	<u>\$ 2,300</u>	<u>270,135,000</u>	<u>\$ 27,014</u>	<u>\$ 1,394,137</u>	<u>\$ (381,653)</u>	<u>\$ 1,041,798</u>
Common stock issued for cash	-	-	-	-	\$ 100,000	-	100,000
Common stock issued for services	-	-	8,126,617	\$ 812	\$ 4,430,310	-	4,431,122
Dividend related to VitaCig spin-off	-	-	-	-	-	\$ (16,042)	(16,042)
Net loss	-	-	-	-	-	(4,869,448)	(4,869,448)
Balance – April 30, 2015	<u>23,000,000</u>	<u>\$ 2,300</u>	<u>278,261,617</u>	<u>\$ 27,826</u>	<u>\$ 5,924,447</u>	<u>\$ (5,267,143)</u>	<u>\$ 687,430</u>

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

**MICG, INC.**  
**Statements of Cash Flows**

	For the Years Ended	
	April 30,	
	2015	2014
<b>Operating activities:</b>		
Net loss	\$ (4,869,448)	\$ (115,221)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	6,846	5,506
Common stock issued for services	4,022,647	189,470
Loss on impairment of investments	638,658	-
Changes in operating assets and liabilities:		
Accounts receivable	17,843	(39,985)
Receivable - other	(15,000)	-
Inventory	21,649	(54,623)
Prepaid expenses	3,162	-
Accounts payable	(38,362)	54,853
Deferred revenue	-	(45,859)
Net cash used in continuing operating activities	(212,005)	(5,859)
Net cash used in discontinued operating activities	(35,545)	(10,392)
Net cash used in operating activities	(247,550)	(16,251)
<b>Investing activities:</b>		
Website development cost	(3,080)	(3,988)
Acquisition of property	(1,792)	-
Investment in VitaCig	-	(7,572)
Net cash used in investing activities	(4,872)	(11,560)
<b>Financing activities:</b>		
Issuance of common stock for cash	100,000	299,500
Advances to related party	(105,264)	-
Proceeds from related party	5,000	69,696
Net cash provided by (used in) financing activities	(264)	369,196
Net cash provided by discontinued financing activities	-	13,854
Net cash provided by (used in) financing activities	(264)	383,050
<b>Net increase (decrease) in cash</b>	(252,686)	351,777
<b>Cash, beginning of period</b>	355,377	3,600
<b>Cash, end of period</b>	\$ 102,691	\$ 355,377
<b>Supplemental Disclosure of Cash Flows Information:</b>		
Cash paid for interest	\$ -	\$ -
Dividend related to VitaCig spin-off	\$ 16,042	-
Cash paid for income taxes	\$ -	\$ -
<b>Non-cash Investing and Financing Activities:</b>		
Debt forgiveness	\$ -	\$ 252,728
Shares issued for acquisition of Vapolution	\$ -	\$ 625,000

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

**MCIG, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1. Organization and Basis of Presentation**

The accompanying consolidated audited financial statements of mCig, Inc., (the "Company", "we", "our"), have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC").

*Description of Business*

The Company was incorporated in the State of Nevada on December 30, 2010 originally under the name Lifetech Industries, Inc. Effective August 2, 2013, the name was changed from "Lifetech Industries, Inc." to "mCig, Inc." reflecting the new business model. Since October 2013, mCig, Inc. has positioned itself as a technology company focused on two long-term secular trends: (1) the decriminalization and legalization of marijuana for medicinal or recreational purposes - legalizing medicinal and recreational marijuana usage is steadily on the rise not only domestically but also internationally. Marijuana has been decriminalized in over twenty countries, in over five continents. Twenty three states and the District of Columbia currently have laws legalizing marijuana in some form.

Management believes that by 2016 it is very likely that many more states, including Alaska, California, Arizona, Maine, and Oregon, will legalize the use and sale of recreational marijuana the way Washington and Colorado have. (2) The adoption of electronic vaporizing cigarettes (commonly known as "eCigs"), as smokers move away from traditional cigarettes onto e-cigarettes. Smoking tobacco causes numerous health problems, including disease and death. Smoking becomes very addicting quickly, and the most difficult part is cessation. The Company contends that e-cigarettes offer a safer and healthier alternative to traditional tobacco cigarettes. E-cigarettes operate by heating a mixture of liquid nicotine and flavoring, which is then inhaled and exhaled in the same manner as a cigarette. However, e-cigarettes do not contain any tobacco or other dangerous additives. Scientific research has shown that the leading cause of cancer in smokers comes from the carcinogens in tobacco. As the movement towards personal health grows, smokers are trying to quit their harmful habits. Management believes that e-cigarettes provide a safe transition from harmful traditional cigarettes.

All agreements related to the Lifetech business are terminated and closed as of April 30, 2014. It will not have any impact on the current and future operations because all of these agreements are related to the previous business directions of the Company.

We manufacture and retail the mCig – an affordable loose-leaf eCig . Designed in the USA – the mCig provides a smoking experience by heating plant material, waxes, and oils delivering a smoother inhalation experience. The Company also maintains an investment in Vapolution, Inc. which manufactures and retails home-use vaporizers such as the Vapolution 2.0. Through its related party, VitaCig, Inc., the Company is engaged in the manufacturing and retailing of a nicotine-free eCig that delivers a water-vapor mixed with vitamins and natural flavors.

On January 23, 2014, the Company signed a Stock Purchase Agreement with Vapolution, Inc. which manufactures and retails home-use vaporizers. In accordance with this agreement mCig, Inc. acquired 100% of Vapolution, Inc.; as part of this transaction mCig, Inc. has agreed to issue 5,000,000 shares to shareholders of Vapolution, Inc. The shareholders of Vapolution, Inc. retain the right to rescind the transaction, which expired on January 23, 2015 but was extended to May 23, 2015 based on an Amended Stock Purchase Agreement executed on May 23, 2014. Subsequently, on August 25, 2015, the final payment to the shareholders of Vapolution as extended to September 30, 2015 and the right to rescind the transaction was extended to March 31, 2016.

F-7

On January 23, 2014, Paul Rosenberg, CEO of mCig, Inc. has cancelled an equal amount (2,500,000 shares) of common shares owned by him resulting in a net non-dilutive transaction to existing mCig, Inc. shareholders. The remaining 2,500,000 of common shares owned by Paul Rosenberg will be cancelled to offset the 2,500,000 new shares issued from the treasury to complete the purchase of Vapolution, Inc.

On February 24, 2014 the company entered into a Contribution Agreement with VitaCig, Inc. In accordance with this agreement VitaCig, Inc. accepted the contribution by mCig, Inc. of specific assets consisting solely of pending trademarks for the term “VitaCig” filed with the USPTO and \$500 in cash as contribution in exchange for 500,135,000 shares of common capital stock representing 100% of the shares outstanding of VitaCig, Inc.

On November 28, 2014, the Company distributed to its shareholders 270,135,000 shares of Common Stock of VitaCig, Inc. owned by the Company, a shareholder of VitaCig. The shareholders of the Company received one share of VitaCig common stock for every one share of mCig common stock that they held as of the record date.

## **Note 2. Summary of Significant Accounting Policies**

### **Principles of Consolidation**

The consolidated financial statements include the accounts of the Company and its former wholly-owned subsidiary for the year ended April 30, 2014. Significant intercompany balances and transactions have been eliminated. The Company had consolidated VitaCig, Inc. through November 28, 2014 at which time VitaCig was spun-off and is no longer consolidated into the Company’s financial statements. See Note 9.

### **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, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The most significant estimates include: revenue recognition; sales returns and other allowances; allowance for doubtful accounts; valuation of inventory; valuation and recoverability of long-lived assets; property and equipment; contingencies; and income taxes.

On a regular basis, management reviews its estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates.

### **Revenue Recognition**

Our revenue recognition policy is in accordance with generally accepted accounting principles, which requires the recognition of sales when there is evidence of a sales agreement, the delivery of goods has occurred, the sales price is fixed or determined and the collectability of revenue is reasonably assured.

The Company recognizes revenue for sales online either direct to consumer or through our Wholesaler, Distributor, Reseller (WDR) program. For online sales, revenue is recognized by the Company at the time of order fulfillment. Since mCig collects payment for each online order at the time of sale, the point of shipping revenue recognition method ensures that the Company recognizes the revenue collected within 24-48 hours after the order is received and the funds are collected.

F-8

### Stock-Based Compensation

The Company accounts for share-based awards issued to employees in accordance with FASB ASC 718. Accordingly, employee share-based payment compensation is measured at the grant date, based on the fair value of the award, and is recognized as an expense over the requisite service period. Additionally, share-based awards to non-employees are expensed over the period in which the related services are rendered at their fair value. The Company applies ASC 505-50, "Equity Based Payments to Non-Employees", with respect to options and warrants issued to non-employees.

### Deferred Revenue

Payments received by the Company in advance are recorded as deferred revenue until the merchandise has shipped to the customer.

### Cost of Goods Sold

The Company recognizes the direct cost of purchasing product for sale, including freight-in and packaging, as cost of goods sold in the accompanying statement of operations.

### Cash and Cash Equivalents

The Company includes in cash and cash equivalents all short-term, highly liquid investments that mature within three months of their acquisition date. Cash equivalents consist principally of investments in interest-bearing demand deposit accounts and liquidity funds with financial institutions and are stated at cost, which approximates fair value. For cash management purposes the company concentrates its cash holdings in an account at Bank of America. The Company had no cash equivalents at April 30, 2015 or 2014.

### Inventory

Inventory consists of finished product, mCig products valued at the lower of cost or market valuation under the first-in, first-out method of costing.

	April 30, 2015	April 30, 2014
Finished goods	\$ 45,547	\$ 62,196
Allowance for obsolescence	(5,000)	-
Total inventory	\$ 40,547	\$ 62,196

As of April 30, 2015, the Company has recorded an allowance for finished goods obsolescence of \$5,000.

### Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Expenditures for maintenance and repairs are charged to expense as incurred. Additions, improvements and major replacements that extend the life of the asset are capitalized.

Depreciation and amortization is recorded using the straight-line method over the estimated useful lives of depreciable assets, which are generally three to five years.

F-9

### Accounts Receivable

The Company's accounts receivable is primarily from its vendor tasked with accepting all credit card payments for purchases from its customers, are reported at the amount due from the vendor. Due to the nature of these funds, the Company expects these receivables to be fully collectible and therefore has not estimated an allowance for doubtful accounts for the period. The Company did not report any accounts receivable from any of its retail customers. The Company doesn't anticipate an accounts receivable balance going forward, since they switched to a new vendor during the next fiscal quarter that no longer requires a withholding on any of the credit card purchases.

### Advertising Costs and Expense

The advertising costs are expensed as incurred. During the years ended April 30, 2015 and 2014, the advertising costs were \$14,865 and \$1,437, respectively.

### Foreign Currency Translation

The Company's functional currency and its reporting currency is the United States Dollar.

### Intangible Assets

The Company's intangible assets consist primarily of certain website development costs and are amortized over its useful life.

### Research and Development

The costs of research and development are expensed as incurred. During the years ended April 30, 2015 and 2014, the advertising costs were \$37,000 and \$0, respectively.

### Financial Instruments

The carrying amounts reflected in the balance sheets for cash, accounts receivable, accounts payable and accrued expenses approximate the respective fair values due to the short maturities of these items. The Company does not hold any investments that are available-for-sale.

As required by the Fair Value Measurements and Disclosures Topic of the FASB ASC, fair value is measured based on 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 in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The three levels of the fair value hierarchy are described below:

**Level 1** —Valuations based on quoted prices for identical assets and liabilities in active markets.

**Level 2** —Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

**Level 3** —Valuations based on unobservable inputs reflecting our own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

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

#### **Income Taxes**

Income taxes are accounted for under the assets and liability method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled.

#### **Basic and Diluted Net Loss Per Share**

The Company follows ASC Topic 260 to account for earnings per share. Basic earnings per share ("EPS") calculations are determined by dividing net loss by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per share calculations are determined by dividing net income by the weighted average number of common shares and dilutive common share equivalents outstanding. During periods when common stock equivalents, if any, are anti-dilutive they are not considered in the computation.

There is no potential dilutive security as of April 30, 2015 or 2014.

#### **Concentration of Credit Risk**

Financial instruments, which potentially subject us to concentrations of credit risk, consist principally of cash and trade receivables. Concentrations of credit risk with respect to trade receivables are limited due to the clients that comprise our customer base and their dispersion across different business and geographic areas. We estimate and maintain an allowance for potentially uncollectible accounts and such estimates have historically been within management's expectations.

We rely almost exclusively on one Chinese factory as our principle supplier, for the manufacturing of mCig's. Therefore, our ability to maintain operations is dependent on this third-party manufacturer.

Our cash balances are maintained in accounts held by major banks and financial institutions located in the United States. The Company may occasionally maintain amounts on deposit with a financial institution that are in excess of the federally insured limit of \$250,000. The risk is managed by maintaining all deposits in high quality financial institutions. The Company had no deposits in excess of federally insured limits at April 30, 2015 and 2014.

#### **Impairment of Long-lived Assets**

The Company accounts for long-lived assets in accordance with the provisions of FASB Topic 360, "*Accounting for the Impairment of Long-Lived Assets*". This statement requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset.

F-11

#### **Cost-Basis Investments**

The Company's non-marketable equity investment in Vapolution is recorded using the cost-basis method of accounting, and is classified within other long-term assets on the accompanying balance sheet as permitted by FASB ASC 325, "Cost Method Investments". During 2015 the Company recorded an impairment loss of \$625,000 related to the investment in Vapolution. During 2014 there were no impairment losses.

As of August 25, 2015 and the year ended April 30, 2015, the fair value of Vapolution is undeterminable and the Company elected to record an impairment in the amount of \$625,000 as another than temporary impairment.

#### **Equity-Basis Investments**

The Company accounts for its approximately 46% ownership of VitaCig on the equity method of accounting. As of April 30, 2015, the market value of this investment is approximately \$2,116,000.

#### **Warranties**

Warranty reserves include management's best estimate of the projected costs to repair or to replace any items under warranty, based on actual warranty experience as it becomes available and other known factors that may impact the Company's evaluation of historical data. Management reviews mCig's reserves at least quarterly to ensure that its accruals are adequate in meeting expected future warranty obligations, and the Company will adjust its estimates as needed. Initial warranty data can be limited early in the launch of a product and accordingly, the adjustments that are recorded may be material. Because of the nature of its products, customers are made aware that as soon as a mCig is packed with marijuana, they automatically void their warranty, primarily because it is against federal laws to mail a product that has been in proximity of marijuana. As a result, the products that can be returned as a warranty replacement are extremely limited. As a result, due to the Company's warranty policy, the Company did not have any significant warranty expenses to report for the year ended April 30, 2015. Based on these actual expenses, the warranty reserve, as estimated by management as of April 30, 2015 was at \$0. Any adjustments to warranty reserves are to be recorded in cost of sales.

It is likely that as we start selling higher priced products, that are not affected by federal shipping laws and/or are not single use items (such as eLiquid Juice Vaporizer), we will acquire additional information on the projected costs to service work under warranty and may need to make additional adjustments. Further, a small change in the Company's warranty estimates may result in a material charge to the Company's reported financial results.

#### **Recent Accounting Pronouncements**

The Company evaluated all recent accounting pronouncements issued and determined that the adoption of these pronouncements would not have a material effect on the financial position, results of operations, or cash flows of the Company.

In April 2014, the FASB issued ASU 2014-08, *Reporting Discontinued Operations and Disclosures of Components of an Entity*, which updates the definition of discontinued operations. Going forward, only those disposals of components of an entity that represent a strategic shift that has (or will have) a major effect on an entity's operations and financial results will be reported as discontinued operations in the financial statements. Previously, a component of an entity that is a reportable segment, an operating segment, a reporting unit, a subsidiary, or an asset group was eligible for discontinued operations presentation. Additionally, the condition that the entity not have any significant continuing involvement in the operations of the component after the disposal transaction has been removed. The effective date for the revised standard is for applicable transactions that occur within annual periods beginning on or after December 15, 2014. We do not expect the guidance to have a material impact on the Company.

F-12

In June 2014, the Financial Accounting Standards Board issued Accounting Standards Update No. 2014-10, which eliminated certain financial reporting requirements of companies previously identified as "Development Stage Entities" (Topic 915). The amendments in this ASU simplify accounting guidance by removing all incremental financial reporting requirements for development stage entities. The amendments also reduce data maintenance and, for those entities subject to audit, audit costs by eliminating the requirement for development stage entities to present inception-to-date information in the statements of income, cash flows, and shareholder equity. Early application of each of the amendments is permitted for any annual reporting period or interim period for which the entity's financial statements have not yet been issued (public business entities) or made available for issuance (other entities). Upon adoption, entities will no longer present or disclose any information required by Topic 915. The Company has adopted this standard and will not report inception-to-date information.

#### Reclassifications

Certain comparative amounts from prior periods have been reclassified to conform to the current year's presentation. These changes did not affect previously reported net loss.

#### Note 3. Going Concern

The Company's financial statements are prepared using generally accepted accounting principles, which contemplate the realization of assets and liquidation of liabilities in the normal course of business. Because the business is new and has a limited history and relatively few sales, no certainty of continuation can be stated. The accompanying financial statements for the years ended April 30, 2015 and 2014 have been prepared assuming that we will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

The Company has suffered losses from operations resulting in an accumulated deficit, which raises substantial doubt about its ability to continue as a going concern.

Management is taking steps to raise additional funds to address its operating and financial cash requirements to continue operations in the next twelve months. Management has devoted a significant amount of time in the raising of capital from additional debt and equity financing. However, the Company's ability to continue as a going concern is dependent upon raising additional funds through debt and equity financing and generating revenue. There are no assurances the Company will receive the necessary funding or generate revenue necessary to fund operations. The financial statements contain no adjustments for the outcome of this uncertainty.

#### Note 4. Property, Plant and Equipment

The following is a detail of equipment at April 30, 2015 and 2014:

	2015	2014
Furniture and fixtures	\$ 1,792	\$ -
Total property	1,792	-
Less: accumulated depreciation	(22)	-
Total property, net	\$ 1,770	\$ -

Depreciation expense on property, plant and equipment was \$22 and \$0 for the years ended April 30, 2015 and 2014, respectively.

F-13

#### Note 5. Intangible Assets:

Intangible assets, net consisted of the following:

	2015	2014
Intangible assets	\$ 19,511	\$ 19,511
Additional website development	3,080	-
Less amortization	(14,487)	(7,663)
Net intangible assets	\$ 8,104	\$ 11,848

Amortization expense on intangible assets was \$6,824 and \$7,663 for the years ended April 30, 2015 and 2014, respectively. The weighted average remaining useful life on intangible assets at April 30, 2015 is approximately 14 months.

The table below represents the estimated amortization of intangible assets for each of the next five years.

Year	Amortization
2016	\$ 7,615
2017	489
2018	-
2019	-
2020	-
Total	\$ 8,104

#### Note 6. Related Parties and Related Party Transactions

During the year ended April 30, 2015, the Company advanced to VitaCig \$105,264 for professional fees and inventory purchases and VitaCig repaid \$5,000 of that advance during the year ended April 30, 2015.

As of April 30, 2015, the balance of the advances to VitaCig was \$100,264 and is recorded as due from related party.

#### Note 7. Commitments and Contingencies

The Company has a one year lease for a storage facility located in Falls Church, Virginia that expires in August 2015. As of April 30, 2015, we have \$3,167 remaining on this one year lease. As of August 27, 2015, the Company has not renewed this lease.

Rent expense for the year ended April 30, 2015 and 2014 was \$7,628 and \$2,988, respectively.

F-14

## **Note 8. Stockholders' Equity**

### **Common Stock**

As of January 31, 2015, the Company was authorized to issue 560,000,000 common shares at a par value of \$0.0001.

On July 30, 2013, Mr. Paul Rosenberg, President and CEO, agreed to forgive all the debts (the sum of \$172,678) owed to him by the Company and recorded as Additional paid in capital.

On September 17, 2013, the company issued 60,000 restricted shares of common stock at \$0.21 per share for professional services rendered in order to promote the company via social media. These shares were valued at \$12,600 based on the price on the date of grant.

On October 18, 2013, the company issued 30,000 restricted shares of common stock at \$0.11 per share for professional services rendered in order to promote the company via social media. These shares were valued at \$3,300 based on the price on the date of grant.

On November 15, 2013, the company issued 45,000 restricted shares of common stock at \$0.07 per share for professional services rendered in order to promote the company via social media. These shares were valued at \$3,150 based on the price on the date of grant.

On November 26, 2013, the Company issued 500,000 shares of common stock at \$0.083 per share for services of Chief Operating Officer by transferring these shares of common stock held by Paul Rosenberg. These shares were valued at \$41,500 based on the price on the date of grant. It was considered as capital contribution.

On January 31, 2014, Mr. Paul Rosenberg, President and CEO, agreed to forgive all debts (the sum of \$65,050) owed to him by the Company and recorded as Additional paid in capital.

On January 23, 2014, the Company completed the investment acquisition of Vapolution, Inc. by acquiring all of its' issued and outstanding shares in exchange for 5,000,000 shares of mCig's common stock at a market value of \$0.25 per share on the date of the acquisition, where Vapolution became a controlled subsidiary.

On January 23, 2014, Paul Rosenberg, CEO of mCig, Inc. has cancelled an equal amount (2,500,000 shares) of common shares owned by him resulting in a net non-dilutive transaction to existing mCig, Inc. shareholders. The remaining 2,500,000 of common shares owned by Paul Rosenberg will be cancelled to offset the 2,500,000 new shares issued from the treasury to complete the purchase of Vapolution, Inc.

Since only half of the agreed upon shares had been paid out by mCig, Inc. to the previous owners of Vapolution, Inc. as of April 30, 2014 as part of the agreed upon purchase price, only half of the purchase price (\$625,000) was reported on the Company's balance sheet as Investment in Vapolution, Inc. at the year-end date. The remaining purchase price of 2,500,000 shares will be recognized in the amount of \$625,000 on the Company's balance sheet on the commencement date of January 23, 2015. At that time, mCig intends to satisfy all requirements necessary to consolidate Vapolution's audited year-end results as part of its financials.

F-15

On April 14, 2014, the Company issued 750,000 shares of common stock at \$0.4 per share in accordance with a Security Purchase Agreement between mCig, Inc. and an institutional investor as part of the company's deployment of a national market strategy dated as of April 14, 2014, by transferring these shares of common stock held by Paul Rosenberg. These shares were valued at \$300,000 based on the price at \$0.4 per share. It was considered as capital contribution.

As of April 30, 2014, Mr. Paul Rosenberg cancelled 665,882 number of shares for services rendered by employees and consultants and 135,000 shares of common stock were issued by the Company for services rendered. The total amount of these shares, included as part of the Company's equity roll-forward equaled \$189,470.

On April 30, 2014, Mr. Paul Rosenberg, President and CEO, agreed to forgive debts (the sum of \$15,000) owed to him by the Company and recorded as Additional paid in capital.

During the year ended April 30, 2015, the Company issued 8,126,617 shares of common stock as compensation. The shares were issued from the Company. The fair values of the shares were a total of \$4,431,122 and were recorded at the market price on the date of grant.

### **Stock Split**

On December 12, 2013, the company made an amendment of Certificate of Incorporation to decrease the number of authorized shares of Common stock, \$0.0001 par value per share, from 1,000,000,000 shares to 560,000,000 shares.

### **Preferred Stock**

The Company has authorized 50,000,000 shares of preferred stock, at \$0.0001 par value and 23,000,000 are issued and outstanding as of April 30, 2015. Each share of the Preferred Stock has 10 votes on all matters presented to be voted by the holders of the Company's common stock. All 23,000,000 shares of preferred stock were granted to the Company's Chief Executive Officer on September 23, 2013, which was valued at \$2,300, the price of the common stock of \$0.0001 exchanged in the transaction.

On September 23, 2013, the Company entered into a Share Cancellation / Exchange / Return to Treasury Agreement with Paul Rosenberg, the chief executive officer of mCig, Inc., for the cancellation of 230,000,000 shares of our common stock held by Mr. Rosenberg in exchange for 23,000,000 shares of our company's Series A Preferred Stock.

Under the terms of the Agreement the Preferred Shares only have voting rights and no right to convert to common stock in accordance with the Certificate of Certification filed with the State of Nevada on September 10, 2013. The Series A Preferred shares of mCig, Inc. carry ten (10) votes per each share of Preferred stock while mCig, Inc.'s common shares carry one (1) vote per each share outstanding.

On April 10, 2014, the Share Cancellation / Exchange / Return to Treasury Agreement was amended. Under terms of the amended agreement, all or any part of the Preferred Shares held by Shareholder can be converted at any time or from time to time, and can be exchanged for a stated number of the company's Common Stock Shares. The amendment was rejected by the State of Nevada as the conversion did not have a stated number of shares that converts and thus was invalid.

On July 16, 2014, the Board of Directors approved the conversion rate of ten for one (ten shares of common stock for each share of Series A Preferred Stock). In addition, the Board of Directors reduced the number of shares of Series A Preferred Stock to the amount issued and outstanding (23,000,000) and executed a lock up agreement such that Mr. Rosenberg cannot convert the Series A Convertible Preferred Stock until after the year ended April 30, 2015. The Certificate of Certification was filed on July 17, 2014 with the State of Nevada.

#### Note 9. Income Taxes

The Company's income tax expense for the periods presented in the statements of operations represents minimum California franchise taxes. The items accounting for the difference between income taxes computed at the federal statutory rate and the provision for income taxes were as follows:

	2015	2014
Statutory federal income tax rate	34.0%	34.0%
State income taxes, net of federal taxes	6.0%	6.0%
Non-deductible items	(1.0)%	(1.0)%
Valuation allowance	(39.0)%	(39.0)%
Effective income tax rate	0.0%	0.0%

The Company may not be able to utilize the net operating loss carry forwards for its U.S. income taxes in future periods should it experience a change in ownership as defined in Section 382 of the Internal Revenue Code ("IRC"). Under section 382, should the Company experience a more than 50% change in its ownership over a 3-year period, the Company would be limited based on a formula as defined in the IRC to the amount per year it could utilize in that year of the net operating loss carry forwards. Section 382 of the Internal Revenue Code ("IRC") imposes limitations on the use of NOL's and credits following changes in ownership as defined in the IRC. The limitation could reduce the amount of benefits that would be available to offset future taxable income each year, starting with the year of an ownership change. The Company has not completed the complex analysis required by the IRC to determine if an ownership change has occurred.

The tax effects of the temporary differences and carry forwards that give rise to deferred tax assets consist of the following:

	2015	2014
Deferred tax asset	\$ 399,725	\$ 66,935
Valuation allowance	(399,725)	(66,935)
Net deferred taxes	\$ -	\$ -

At April 30, 2015 and 2014, the Company had net operating loss carry forwards available to offset future taxable income of approximately \$2,100,440 and \$66,935, respectively. These carry forwards will begin to expire in the year ending December 31, 2026. Utilization of the net operating loss carry forwards may be subject to a substantial annual limitation due to the ownership change limitations provided by the Internal Revenue Code of 1986, as amended and similar state provisions.

The Company has not performed a change in ownership analysis since its inception in 2007 and, accordingly, some or all of its net operating loss carry forwards may not be available to offset future taxable income. Even if the loss carry forwards are available, they may be subject to substantial annual limitations resulting from past ownership changes, and ownership changes occurring after April 30, 2015, that could result in the expiration of the loss carry forwards before they are utilized.

The nature of the components of the deferred tax asset is entirely attributable to the Net operating loss carry-forwards incurred by the Company less any permanent differences that maybe used in future years to offset future tax liabilities. We believe that it is more likely than not that the benefit from certain NOL carryforwards will not be realized. In recognition of this risk, we have provided a valuation allowance of \$298,998 on the deferred tax assets relating to these NOL carryforwards.

The Company periodically evaluates the likelihood of the realization of deferred tax assets, and adjusts the carrying amount of the deferred tax assets by the valuation allowance to the extent the future realization of the deferred tax assets is not judged to be more likely than not. The Company considers many factors when assessing the likelihood of future realization of its deferred tax assets, including its recent cumulative earnings experience by taxing jurisdiction, expectations of future taxable income or loss, the carry-forward periods available to the Company for tax reporting purposes, and other relevant factors. At April 30, 2015 and 2014, deferred tax assets have been fully offset by a valuation allowance.

The Company files income tax returns in the U.S. federal jurisdiction, and with the State of California. The Company is subject to U.S. federal and state income tax examinations by tax authorities for tax years 2014 through 2015 due to net operating losses that are being carried forward for tax purposes. The Company does not have any uncertain tax positions or unrecognized tax benefits at April 30, 2015 or 2014. The Company's policy is to recognize interest and penalties related to income taxes as components of interest expense and other expense, respectively.

#### Note 10. Basic Loss per Share

Basic Loss Per Share - The computation of basic and diluted loss per common share is based on the weighted average number of shares outstanding during each period.

	April 30,	
	2015	2014
Net loss from continuing operations	(4,904,992)	(115,221)
Net income from discontinued operations	35,544	(6,345)
Net loss	(4,869,448)	(121,566)
Basic loss per common share from continuing operations	\$ (0.02)	\$ (0.00)
Basic income per common share from discontinued operations	\$ 0.00	\$ (0.00)

Basic income (loss) per share	\$ (0.02)	\$ (0.00)
Basic weighted average number of shares outstanding	<u>271,793,396</u>	<u>270,135,000</u>

The computation of basic loss per common share is based on the weighted average number of shares outstanding during the year.

### Note 11. Spin-Off of VitaCig, Inc.

On November 28, 2014, mCig completed the spin-off of VitaCig, Inc. (the "Spin-off"). Effective as of 11:59 p.m., New York City time, on November 28, 2014 (the "Distribution Date"), the Company distributed 270,135,000 shares of common stock of VitaCig, Inc., par value \$0.0001 per share ("VitaCig Common Stock"), to holders of mCig's stockholders of record as a pro rata dividend. The record date for the dividend was November 28, 2014. The Ex-Dividend Date was set for November 25, 2014. mCig stockholders received one share of VitaCig Common Stock for every one share of common stock, par value \$0.0001 per share, of mCig. The Spin-off was completed for the purpose of legally and structurally separating VitaCig, Inc. from mCig. mCig retained 230,000,000 shares of common stock and remains as a controlling shareholder. During the year ended April 30, 2015, the Company reclassified the investment in VitaCig as discontinued operations.

The shares of common stock to be received by mCig shareholders were registered on a Form S-1 filed by VitaCig and declared effective by the Securities and Exchange Commission on November 5, 2014.

The Spin-off of VitaCig has been presented as discontinued operations in our financial statements. The following tables represent the current assets and liabilities associated with the discontinued operations as of April 30, 2014:

<b>Current assets</b>		
Cash and cash equivalents	\$	3,462
Accounts receivable		1,113
Inventory		76,641
Current asset related to discontinued operations	\$	81,036

<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$	69,386
Deferred revenue		4,141
Due to related party		3,000
Liabilities related to discontinued operations	\$	76,527

As of April 30, 2015, the Company has recorded a loss on impairment of investment related to VitaCig of \$13,658. The following table presents the net book value of VitaCig as of the Spin-off date, the pro-rata value after the Spin-off and the impairment of the investment in VitaCig

Net book value of VitaCig at spin-off	\$	29,700
Dividend related to spin-off		16,042
Pro-rata net book value after spin-off		13,658
Loss on impairment of investment		(13,658)
Balance	\$	-

### Note 12. Subsequent Events

On May 29, 2015, the Company issued 2,175,867 shares of common stock for services valued at \$138,168.

On June 30, 2015, the Company issued 1,526,322 shares of common stock for services valued at \$90,664.

On July 31, 2015, the Company issued 2,738,782 shares of common stock for services valued at \$109,551.

F-19

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

Not applicable

### ITEM 9A. CONTROLS AND PROCEDURES.

#### *Evaluation of Disclosure Controls and Procedures .*

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. Disclosure controls and procedures are also designed to ensure that such information is accumulated and communicated to management, including the principal executive officer and principal financial officer, to allow timely decisions regarding required disclosures.

We carried out an evaluation, under the supervision and with the participation of management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of April 30, 2015. In designing and evaluating the disclosure controls and procedures, management recognizes that there are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their desired control objectives. Additionally, in evaluating and implementing possible controls and procedures, management is required to apply its reasonable judgment. Based on the evaluation described above, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this report because we did not document our Sarbanes-Oxley Act Section 404 internal controls and procedures.

As funds become available to us, we expect to implement additional measures to improve disclosure controls and procedures such as implementing and documenting our internal controls procedures.

#### *Management's Report on Internal Control over Financial Reporting*

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, our principal executive officer and principal financial officer and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and that our receipts and expenditures are being made only in accordance with authorizations of our management and board of directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

As of April 30, 2015 management assessed the effectiveness of our internal control over financial reporting based on the criteria for effective internal control over financial reporting established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and SEC guidance on conducting such assessments. Based on that evaluation, they concluded that, during the period covered by this report, such internal controls and procedures were not effective due to our limited accounting staff. We intend to strengthen these internal controls over the next few months by augmenting our accounting staff.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to rules of the SEC that permit us to provide only the management's report in this annual report

#### *Changes in Internal Control over Financial Reporting.*

There have been no changes in our internal control over financial reporting during the quarter ended April 30, 2015 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

#### **ITEM 9B. OTHER INFORMATION.**

None.

### **PART III**

#### **ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.**

All of our directors hold office until the next annual meeting of stockholders and until their successors have been elected and qualified or until their earlier resignation or removal unless his or her office is earlier vacated in accordance with our bylaws or he or she becomes disqualified to act as a director. Our officers shall hold office until the meeting of the Board of Directors following the next annual meeting of stockholders and until his successor has been elected and qualified or until his earlier resignation or removal. The Board of Directors may remove any officer for cause or without cause.

Our executive officers and directors and their respective ages as of the date of this Annual Report are as follows:

<u>Name</u>	<u>Age</u>	<u>Position(s)</u>
Paul Rosenberg	46	President, Chief Executive Officer and Director
Charles Mathews	51	Chief Financial Officer

**Paul Rosenberg** was appointed as our Chief Executive Officer, Treasurer, Secretary, and Director of mCig, Inc. on May 23, 2013. For the past 5 years Mr. Rosenberg has been a private investor focusing on the technology space where he has over two decades of experience as a software engineer specializing in complex distributed systems in C++, Delphi, VB, Java, and Oracle DB projects via his consulting company: PR Data Consulting. Since 1997, Mr. Rosenberg has worked as an independent consultant with both private and public enterprises including: The Federal Deposit Insurance Company (FDIC), The Zennstrom/Friis Group (Kazaa/Skype/Atomico Ventures), and Trust Digital (later sold to McAfee in 2010), Dell, Inc., Boeing, and Microsoft Inc. as well as several other notable companies.

**Charles Mathews** has been our Chief Financial Officer since April 7, 2015. Since 2000, Mr. Mathews has been the Managing Partner of Mathews & Mann, LLC, an accounting and business consulting firm in Phoenix, Arizona. On April 7, 2015, Mr. Mathews was appointed as Chief Financial Officer of VitaCig, Inc., a related party of the Company. Mr. Mathews is currently the Chief Financial Officer of Caffè Serendipity Holdings, Inc., a publically traded company providing upscale turnkey retail store solutions. Mr. Mathews has recently held executive financial management positions for a number of public companies in the oil and gas sector. From October 2010 to April 2011, Mr. Mathews was Chief Financial Officer for Global Entertainment Corporation, a publicly traded integrated event and entertainment company that is engaged, through its wholly owned subsidiaries, in sports management, multipurpose events center development, facility and venue management and marketing, and venue ticketing. From December 2007 to March 2009, Mr. Mathews was Chief Financial Officer of Education 2020, a virtual education company focused on students in grades 6-12. From March 2004 to November 2007, Mr. Mathews was Executive Vice President and Chief Financial Officer of Quepasa Corporation, a publicly traded leading Hispanic internet portal. Mr. Mathews, a Certified Public Accountant, earned his B.A. in Business Administration from Alaska Pacific University and an M.B.A. from Arizona State University.

#### **Family Relationships**

There are no family relationships between or among the above directors, executive officers or persons nominated or charged by us to become directors or executive officers.

## Board Leadership Structure

Mr. Rosenberg currently serves as our chairman of our Board of Directors.

## Conflicts of Interest

Members of our management are associated with other firms involved in a range of business activities. Consequently, there are potential inherent conflicts of interest in their acting as officers and directors of our company. Although the officers and directors are engaged in other business activities, we anticipate they will devote an important amount of time to our affairs.

Our officers and directors are now and may in the future become shareholders, officers or directors of other companies, which may be formed for the purpose of engaging in business activities similar to ours. Accordingly, additional direct conflicts of interest may arise in the future with respect to such individuals acting on behalf of us or other entities. Moreover, additional conflicts of interest may arise with respect to opportunities which come to the attention of such individuals in the performance of their duties or otherwise. Currently, we do not have a right of first refusal pertaining to opportunities that come to their attention and may relate to our business operations.

Our officers and directors are, so long as they are our officers or directors, subject to the restriction that all opportunities contemplated by our plan of operation which come to their attention, either in the performance of their duties or in any other manner, will be considered opportunities of, and be made available to us and the companies that they are affiliated with on an equal basis. A breach of this requirement will be a breach of the fiduciary duties of the officer or director. If we or the companies with which the officers and directors are affiliated both desire to take advantage of an opportunity, then said officers and directors would abstain from negotiating and voting upon the opportunity. However, all directors may still individually take advantage of opportunities if we should decline to do so. Except as set forth above, we have not adopted any other conflict of interest policy with respect to such transactions.

## Involvement in Certain Legal Proceedings

None of the following events have occurred during the past ten years and are material to an evaluation of the ability or integrity of any director or officer of the Company:

1. A petition under the Federal bankruptcy laws or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;
2. Such person was convicted in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);
3. Such person was the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from, or otherwise limiting, the following activities:

33

- a. Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;
  - b. Engaging in any type of business practice; or
  - c. Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of Federal or State securities laws or Federal commodities laws;
4. Such person was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any Federal or State authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described in paragraph (f)(3)(i) of this section, or to be associated with persons engaged in any such activity;
  5. Such person was found by a court of competent jurisdiction in a civil action or by the Commission to have violated any Federal or State securities law, and the judgment in such civil action or finding by the Commission has not been subsequently reversed, suspended, or vacated;
  6. Such person was found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any Federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated;
  7. Such person was the subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of:
    - a. Any Federal or State securities or commodities law or regulation; or
    - b. Any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order; or
    - c. Any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
  8. Such person was the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26))), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29))), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

## Committees

Our Board of Directors as a whole acts as the audit and compensation committees.

34

## Code of Ethics

We adopted a code of ethics that applies to our officers, directors and employees. Our code of ethics was filed with our Annual Report for the year ended April 30, 2014, as filed on August 14, 2014.

## Indemnification of Directors and Officers.

Under the Nevada General Corporation Law, we can indemnify our directors and officers against liabilities they may incur in such

capacities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). Our amended and restated articles of incorporation provide that, pursuant to Nevada law, our directors shall not be liable for monetary damages for breach of the directors' fiduciary duty of care to us and our stockholders. This provision in the articles of incorporation does not eliminate the duty of care, and in appropriate circumstances equitable remedies such as injunctive or other forms of non-monetary relief will remain available under Nevada law. In addition, each director will continue to be subject to liability for breach of the director's duty of loyalty to us or our stockholders, for acts or omissions not in good faith or involving intentional misconduct or knowing violations of law, for any transaction from which the director directly or indirectly derived an improper personal benefit, and for payment of dividends or approval of stock repurchases or redemptions that are unlawful under Nevada law. The provision also does not affect a director's responsibilities under any other law, such as the federal securities laws or state or federal environmental laws.

Our bylaws, as amended, provide for the indemnification of our directors and officers to the fullest extent permitted by the Nevada General Corporation Law. We are not, however, required to indemnify any director or officer in connection with any (a) willful misconduct, (b) willful neglect, or (c) gross negligence toward or on behalf of us in the performance of his or her duties as a director or officer. We are required to advance, prior to the final disposition of any proceeding, promptly on request, all expenses incurred by any director or officer in connection with that proceeding on receipt of any undertaking by or on behalf of that director or officer to repay those amounts if it should be determined ultimately that he or she is not entitled to be indemnified under our bylaws or otherwise.

We have been advised that, in the opinion of the SEC, any indemnification for liabilities arising under the Securities Act of 1933 is against public policy, as expressed in the Securities Act, and is, therefore, unenforceable.

#### **ITEM 11. EXECUTIVE COMPENSATION.**

The Company was formed on December 30, 2010. No officer or director has received any compensation from the Company since the inception of the Company. Until the Company acquires additional capital, it is not anticipated that any officer or director will receive compensation from the Company other than reimbursement for out-of-pocket expenses incurred on behalf of the Company.

The Company has no stock option, retirement, pension, or profit sharing programs for the benefit of directors, officers or other employees, but our officers and directors may recommend adoption of one or more such programs in the future.

We have an employment agreement with our Chief Financial Officer and no other officers, although we may enter into such agreements following our receipt of additional capital.

The Company does not have a standing compensation committee, audit committee, nomination committee, or committees performing similar functions. We anticipate that we will form such committees of the Board of Directors once we have a full Board of Directors.

The following table sets forth certain compensation information for: (i) the person who served as the Chief Executive Officer of Yappn Corp during the year ended April 30, 2015, regardless of the compensation level, and (ii) each of our other executive officers, serving as an executive officer at any time during 2015. The foregoing persons are collectively referred to in this prospectus as the "Named Executive Officers." Compensation information is shown for the year ended April 30, 2015:

<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary (\$)</b>	<b>Bonus (\$)</b>	<b>Stock Awards (\$)</b>	<b>Option Awards (\$)</b>	<b>Non-Equity Incentive Plan Comp (\$)</b>	<b>Non-Qualified Deferred Comp Earnings (\$)</b>	<b>All Other Comp (\$)</b>	<b>Totals (\$)</b>
Paul Rosenberg, CEO	2015	0	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0	0
Charles Mathews CFO	2015	0	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0	0

#### **Employment Agreements**

We have an employment agreement with the Chief Financial Officer whereby he will be compensated \$1,000 per month and receive restricted stock valued at \$3,500 per month. Other than the Chief Financial Officer, there are no other employment agreements with our officers, although we may enter into such agreements following our receipt of additional capital. The employment agreement was executed on April 7, 2015 but no compensation was provided prior to the year ended April 30, 2015.

#### **Outstanding Equity Awards as of April 30, 2015**

None.

#### **Options Exercises and Stocks Vested**

None

#### **Grants of Plan-Based Awards**

None.

#### **Non-Qualified Deferred Compensation**

None.

#### **Golden Parachute Compensation**

None.

#### **Director Compensation**

We currently do not compensate our directors. No director has received any compensation from the Company since the inception of the Company.

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

Under Rule 13d-3 under the Exchange Act, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights.

The following table indicates beneficial ownership of mCig’s common stock, as of April 30, 2015 by:

- Each person or entity known by mCig to beneficially own more than 5% of the outstanding shares of mCig’s common stock;
- Each executive officer and director of mCig; and
- All executive officers and directors of mCig as a group.
- Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Percentage of beneficial ownership is based on 278,261,617 shares of common stock outstanding as of April 30, 2015.

Unless other indicated, the address of each beneficial owner listed below is c/o mCig, Inc., 433 North Camden Drive, 6<sup>th</sup> Floor, Beverly Hills, California 90210.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class <sup>(1)</sup>
Paul Rosenberg	7,777,494 common shares	2.80%
	23,000,000 preferred shares	100%
Total as a group(1)	7,777,494 common shares	2.80%
	23,000,000 preferred shares	100%
<b>TOTAL STOCK VOTING POWER</b>		
Paul Rosenberg	237,777,494 stock voting power	46.78%
Total as a group(1)	237,777,494 stock voting power	46.78%

(1)Under Rule 13d-3, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights. As a result, the percentage of outstanding shares of any person as shown in this table does not necessarily reflect the person’s actual ownership or voting power with respect to the number of shares of common stock actually outstanding on April 30, 2015. As of April 30, 2015 there were 278,261,617 shares of our company’s common stock issued and outstanding.

**Review, Approval or Ratification of Transactions with Related Persons.**

All future related party transactions will be approved, if possible, by a majority of our directors who do not have an interest in the transaction and who will have access, at our expense, to our independent legal counsel.

**Description of Capital Structure**

**General**

Our authorized capital stock consists of 560,000,000 shares of common stock, par value \$ 0.0001.

**Common Stock**

The shares of our common stock presently outstanding, and any shares of our common stock issues upon exercise of common stock purchase options and/or warrants, will be fully paid and non-assessable. Each holder of common stock is entitled to one vote for each share owned on all matters voted upon by shareholders, and a majority vote is required for all actions to be taken by shareholders. In the event we liquidate, dissolve or wind-up our operations, the holders of the common stock are entitled to share equally and ratably in our assets, if any, remaining after the payment of all our debts and liabilities and the liquidation preference of any shares of preferred stock that may then be outstanding. The common stock has no preemptive rights, no cumulative voting rights, and no redemption, sinking fund, or conversion provisions. Holders of common stock are entitled to receive dividends, if and when declared by the Board of Directors, out of funds legally available for such purpose, subject to the dividend and liquidation rights of any preferred stock that may then be outstanding.

**Preferred Stock**

The Series A Preferred shares of mCig, Inc. carry ten (10) votes per each share of Preferred stock while mCig, Inc’s common shares carry one (1) vote per each share outstanding.

**Voting Rights**

Each holder of Common Stock is entitled to one vote for each share of Common Stock held on all matters submitted to a vote of stockholders.

**Dividends**

Subject to preferences that may be applicable to any then-outstanding securities with greater rights, if any, and any other restrictions, holders of Common Stock are entitled to receive ratably those dividends, if any, as may be declared from time to time by the Company’s board of directors out of legally available funds. The Company and its predecessors have not declared any dividends in the past and does not presently contemplate that there will be any future payment of any dividends on Common Stock.

**Indemnification of Officers and Directors**

As permitted by Nevada Revised Statutes, our Articles of Incorporation provide that we will indemnify our directors and officers against expenses and liabilities they incur to defend, settle, or satisfy any civil or criminal action brought against them on account of their being or having been Company directors or officers unless, in any such action, they are adjudged to have acted with gross negligence or willful misconduct.

Pursuant to the foregoing provisions, we have been informed that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in that Act and is, therefore, unenforceable.

### ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

#### Certain Relationships and Related Transactions

mCig is controlled by Mr. Paul Rosenberg as the holder of more than 50% of the voting.

During the year ended April 30, 2015, the Company advanced to VitaCig \$105,264 for professional fees and inventory purchases and VitaCig repaid \$5,000 of that advance during the year ended April 30, 2015.

As of April 30, 2015, the balance of the advances to VitaCig was \$100,264 and is recorded as due from related party.

#### Director Independence

Our Board of Directors is comprised of 1 member, who is not “independent” within the meaning of Marketplace Rule 5605 of the NASDAQ Stock Market.

### ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

On April 1, 2015, we engaged, Sadler, Gibb & Associates, LLP (“Sadler Gibb”) to serve as our independent registered public accounting firm for the year ending April 30, 2015. Since inception and for the year ended April 30, 2014, De Joya Griffith served as our independent registered public accounting firm. The following table shows the fees that were billed for the audit and other services provided for 2015 and 2014.

	2015	2014
Audit Fees	\$ 21,300	\$ 15,500
Audit-Related Fees	-	-
Tax Fees	-	-
All Other Fees	-	-
<b>Total</b>	<b>\$ 21,300</b>	<b>\$ 15,500</b>

*Audit Fees* — This category includes the audit of our annual financial statements, review of financial statements included in our Quarterly Reports on Form 10-Q and services that are normally provided by the independent registered public accounting firm in connection with engagements for those fiscal years. This category also includes advice on audit and accounting matters that arose during, or as a result of, the audit or the review of interim financial statements.

*Audit-Related Fees* — this category consists of assurance and related services by the independent registered public accounting firm that are reasonably related to the performance of the audit or review of our financial statements and are not reported above under Audit Fees. The services for the fees disclosed under this category include consultation regarding our correspondence with the Securities and Exchange Commission and other accounting consulting services.

*Tax Fees* — this category consists of professional services rendered by our independent registered public accounting firm for tax compliance and tax advice. The services for the fees disclosed under this category include tax return preparation and technical tax advice.

*All Other Fees* — this category consists of fees for other miscellaneous items.

Our Board of Directors has adopted a procedure for pre-approval of all fees charged by our independent registered public accounting firm. Under the procedure, the Board approves the engagement letter with respect to audit, tax and review services. Other fees are subject to pre-approval by the Board, or, in the period between meetings, by a designated member of Board. The fee paid to the auditors with respect to 2015 and 2014 were pre-approved by the Board of Directors.

### ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

Exhibit No.	Description
3.1	Articles of Incorporation(1)
3.2	Amendment to the Articles of incorporation (2)
3.3	Amendment to the Articles of incorporation (3)
3.4	Certificate of Correction (8)
3.5	Certificate of Designation (12)
3.6	Bylaws (1)
3.3	Certificate of Designation filed with the Secretary of State of Nevada on July 23, 2014*
10.1	Joint Venture Agreement with Leadwill Corporation (1)
10.2	Exclusive International Distributorship Agreement with Leadwill Corporation (1)
10.3	Exclusive Technology License Agreement (1)
10.4	Exclusive Distributorship Agreement with Epik Investments Limited (1)
10.5	Joint Venture Agreement with LifeTech Japan Corporation (1)
10.6	Exclusive Technology License Agreement with LifeTech Japan Corporation (1)
10.7	Distributorship Partnership Agreement with SunPlex Limited (1)
10.8	Debt Assignment, Consent and Release Agreement (1)
10.9	Exclusive International Distributorship Agreement (1)
10.10	Amendment to Stock Purchase Agreement*

10.11	Share Cancellation/Exchange/Return To Treasury Agreement(3)
10.12	Employment Agreement with Mark James Linkhorst (5)
10.13	Stock Purchase Agreement with the shareholders of Vapolution, Inc.(6)
10.14	Section 351 Contribution Agreement With Vitacig, Inc.(4)
10.15	Consulting Agreements (7)
10.16	Share Cancellation/Exchange/Return To Treasury Agreement(8)
10.17	Amendment to Stock Purchase Agreement with Vapolution shareholders (9)
10.18	Employment Agreement with Patrick J. Lucey (10)
10.19	Lock Up Agreement with Paul Rosenberg (11)
10.20	Amendment to Stock Purchase Agreement with Vapolution shareholders (12)
10.21	Amendment to Stock Purchase Agreement with Vapolution shareholders, dated August 25, 2015*
10.22	Employment Agreement with Charles Mathews, dated April 7, 2015*
14	Code of Ethics (12)
21	Subsidiaries*
23.1	Consent of De Joya Griffith, LLC*
31	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act*
32	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act*
I01.INS	XBRL Instance Document
I01.SCH	XBRL Taxonomy Extension Schema Document
I01.CAL	XBRL Taxonomy Calculation Linkbase Document
I01.LAB	XBRL Taxonomy Labels Linkbase Document
I01.PRE	XBRL Taxonomy Presentation Linkbase Document
I01.DEF	XBRL Definition Linkbase Document
(1)	Incorporated by references to our Amended Annual Report on Form 10-K/A, filed on April 14, 2014.
(2)	Incorporated by reference to our Current Report on Form 8-K, filed on August 6, 2013.
(3)	Incorporated by references to our Quarterly Report on Form 10-Q, filed on September 23, 2013.
(4)	Incorporated by reference to our Current Report on Form 8-K, filed on March 21, 2014.
(5)	Incorporated by reference to our Current Report on Form 8-K, filed on March 21, 2014.
(6)	Incorporated by reference to our Current Report on Form 8-K/A, filed on April 23, 2014.
(7)	Incorporated by reference to our Quarterly Report on Form 10-Q/A, filed on May 29, 2014
(8)	Incorporated by reference to our Current Report on Form 8-K/A, filed on May 29, 2014.
(9)	Incorporated by reference to our Current Report on Form 8-K/A, filed on May 30, 2014.
(10)	Incorporated by reference to our Current Report on Form 8-K, filed on July 10, 2014.
(11)	Incorporated by reference to our Current Report on Form 8-K, filed on July 18, 2014
(12)	Incorporated by references to our Annual Report on Form 10-K, filed on August 13, 2014.
	<b>*Filed here</b>

### SIGNATURES

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

#### mCig Inc

August 31, 2015 By: */s/ Paul Rosenberg*

**Paul Rosenberg**

Chief Executive Officer (Principal  
Executive Officer)

August 31, 2015 By: */s/ Charles Mathews*

**Charles Mathews**

Chief Financial Officer and Chief  
Accounting Officer (Principal Financial  
Officer)

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

<b>Name</b>	<b>Position</b>	<b>Date</b>
<u>/s/ Paul Rosenberg</u> Paul Rosenberg	Chief Executive Officer (Principal Executive Officer)	August 31, 2015
<u>/s/ Charles Mathews</u> Charles Mathews	Chief Operating Officer and Director	August 31, 2015