MCIG, INC.

FORM 10-K
(Annual Report)

Filed 08/28/17 for the Period Ending 04/30/17

Address	4720 SALISBURY ROAD, STE 100
	JACKSONVILLE, FL, 32256
Telephone	570-778-6459
CIK	0001525852
Symbol	MCIG
SIC Code	2111 - Cigarettes
Industry	Tobacco
Sector	Consumer Non-Cyclicals
Fiscal Year	04/30

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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED APRIL 30, 2017

Commission file number: **333-175941**

MCIG, INC.

(Exact name of registrant as specified in its charter)

NEVADA	**27-4439285**
(*State or other jurisdiction of incorporation or organization*)	(*I.R.S. Employer Identification No.)*
2901 Highland Drive, Unit 13B, Las Vegas, NV	**89109**
(Address of principal executive offices)	(*Zip Code*)
Registrant's telephone number, including area code	**570-778-6459**

2831 St. Rose Parkway, Suite 200, Henderson , NV 89052
(Former name, former address and formal 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 whether 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K

Yes ☐ No ☒

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

Large Accelerated Filer ☐ Accelerated Filer ☐ Non-accelerated Filer ☐ Smaller Reporting Company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates as of the last business day of the registrant's most recently completed second fiscal quarter was approximately $44,925,109. 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.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Common Shares Outstanding 386,094,258

DOCUMENTS INCORPORATED BY REFERENCE

List hereunder the following documents if incorporated by reference and the Part of the Form 10-K (e.g., Part I, Part II, etc.) into which the document is incorporated: (1) Any annual report to security holders; (2) Any proxy or information statement; and (3) Any prospectus filed pursuant to Rule 424(b) or (c) under the Securities Act of 1933. The listed documents should be clearly described for identification purposes (e.g., annual report to security holders for fiscal year ended April 30, 2017).

TABLE OF CONTENTS

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, "2016" refers to the year ended April 30, 2016, and "2017" refers to the year ended April 30, 2017.

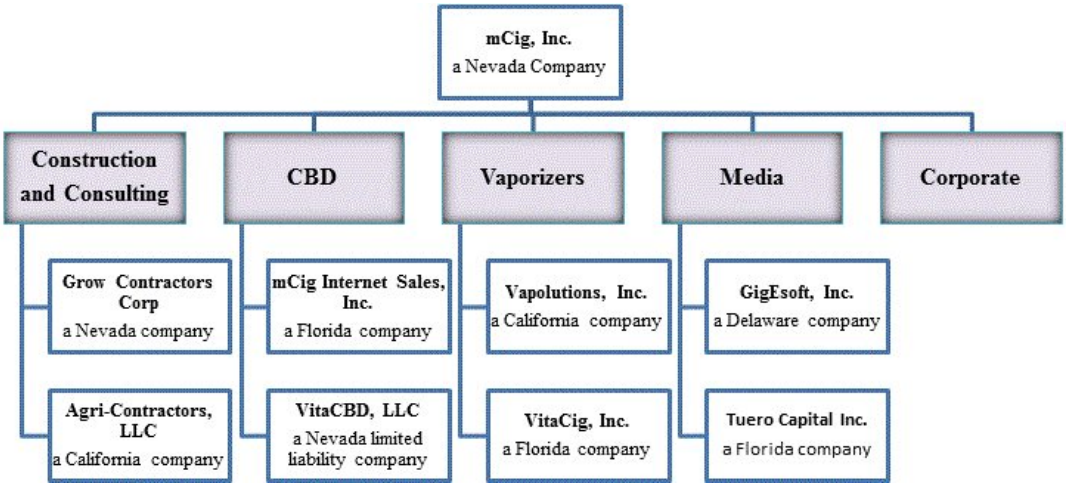
PART I

Item 1. Business

HISTORY AND BACKGROUND

We were incorporated in the State of Nevada on December 30, 2010 originally under the name Lifetech Industries, Inc. All agreements related to the Lifetech business were terminated and closed as of April 30, 2014. Effective August 2, 2013, the name was changed from "Lifetech Industries, Inc." to "mCig, Inc." The Company's common stock is traded under the symbol "MCIG." The Company is based in Las Vegas, Nevada.

mCig acts as a holding company that currently operates the following subsidiaries:



Corporate Organizational Chart: This chart reflects the corporate structure of mCig, Inc., at the end of the fiscal year, April 30, 2017, and is not reflective of the company's ownership of other entities throughout the year. For further information on the company's subsidiaries and segments refer to Item 1, Description of Segments and Item 1, Description of Subsidiaries

In 2017 we began tracking income through segments. The company tracks its services and products through five segments and corporate.

- Construction and Consulting
- CBD
- Vaporizers

- Media
- Supplies
- Corporate

The Company , through its subsidiaries operates under the following business activities for financial reporting purposes:

NAICS CODE	DESCRIPTION
541511	Web (i.e.) page design services, custom
561422	Order taking for clients over the Internet
454111	Internet retail sales sites and Business to Customer retail sales Internet sites
519130	Internet entertainment sites
454112	Internet auctions, retail
519140	Entertainment sites, Internet
541512	Computer hardware consulting services or consultants
518210	Web hosting
517919	VoIP service provider, using client-supplied telecommunications connections
541618	Other Management Consulting Services
236220	Commercial and Institutional Building Construction
541990	Construction – All Other Professional, Scientific, and Technical Services
541611	Administrative Management and General Management Consulting Services

GENERAL OVERVIEW

Originally, we were formed to open and operate a full service day spa in Montrose, California. In October 2013 we repositioned ourselves as a technology company focused on two long-term secular trends sweeping the globe: (1) The decriminalization and legalization of marijuana for medicinal or recreational purposes; and, (2) the adoption of electronic vaporizing cigarettes (commonly known as “eCigs”).

The Company initially earned revenue through wholesale and retail sales of electronic cigarettes, vaporizers, and accessories in the United States. It offered electronic cigarettes and related products through its online store at www.mcig.org, as well as through the company’s wholesale, distributor, and retail programs. We expanded operations to include the VitaCig brand in 2014.

In 2015 we began offering hemp based cannabinoid (“CBD”) products through various websites.

In 2016 the Company expanded its products and services to include construction .

In 2017 we added consulting services in the cannabis industry. In addition, we launched a social media platform, 420Cloud, in the cannabis markets.

The Company continues to look at strategic acquisitions and product and service developments for future growth. We are currently incubating a cannabis supply company.

During this fiscal year, we operated the following websites (which are not incorporated as part of this Form 10K report):

- www.mcig.org
- www.vitacig.org
- www.chillcbdoil.com
- www.vitacbd.com
- www.vapolution.com
- www.420cloud.com
- www.growcontractors.com
- www.420jobsearch.com
- www.cbd.biz
- www.cherryhempoil.com

MARIJUANA INDUSTRY OVERVIEW

As of April 2017, there are a total of 28 states, plus the District of Columbia, with legislation passed as it relates to medicinal cannabis. These state laws are in direct conflict with the United States Federal Controlled Substances Act (21 U.S.C. § 811) (“CSA”), which places controlled substances, including cannabis, in a schedule. Cannabis is classified as a Schedule I drug, which is viewed as having a high potential for abuse, has no currently-accepted use for medical treatment in the U.S., and lacks acceptable safety for use under medical supervision.

These 28 states, and the District of Columbia, have adopted laws that exempt patients who use medicinal cannabis under a physician’s supervision from state criminal penalties. These are collectively referred to as the states that have de-criminalized medicinal cannabis, although there is a subtle difference between de-criminalization and legalization, and each state’s laws are different.

The states that have legalized medicinal cannabis are as follows (in alphabetical order):

1. Alaska	11. Maine	21. New York
2. Arizona	12. Maryland	22. North Dakota
3. Arkansas	13. Massachusetts	23. Ohio
4. California	14. Michigan	24. Oregon
5. Colorado	15. Minnesota	25. Pennsylvania
6. Connecticut	16. Montana	26. Rhode Island
7. Delaware	17. Nevada	27. Vermont
8. Florida	18. New Hampshire	28. Washington

9. Hawaii	19. New Jersey
10. Illinois	20. New Mexico

Medical cannabis decriminalization is generally referred to as the removal of all criminal penalties for the private possession and use of cannabis by adults, including cultivation for personal use and casual, nonprofit transfers of small amounts. Legalization is generally referred to as the development of a legally controlled market for cannabis, where consumers purchase from a safe, legal, and regulated source.

The dichotomy between federal and state laws has also limited the access to banking and other financial services by marijuana businesses. Recently the U.S. Department of Justice and the U.S. Department of Treasury issued guidance for banks considering conducting business with marijuana dispensaries in states where those businesses are legal, pursuant to which banks must now file a Marijuana Limited Suspicious Activity Report that states the marijuana business is following the government's guidelines with regard to revenue that is generated exclusively from legal sales. However, since the same guidance noted that banks could still face prosecution if they provide financial services to marijuana businesses, it has led to the widespread refusal of the banking industry to offer banking services to marijuana businesses operating within state and local laws.

In November 2016, California and Nevada voters both approved marijuana use for adults over the age of 21 without a doctor's prescription or recommendation, so called recreational marijuana, and permitted the cultivation and sale of marijuana, in each case subject to certain limitations. We intend to seek to obtain the necessary permits and licenses to expand our existing business to cultivate and distribute marijuana in compliance with these laws, although there is no guarantee that we will be successful in doing so. Despite the changes in state laws, marijuana remains illegal under federal law.

In November 2016, California voters approved Proposition 64, which is also known as the Adult Use of Marijuana Act ("the AUMA"), in a ballot initiative. Among other things, the AUMA makes it legal for adults over the age of 21 to use marijuana and to possess up to 28.5 grams of marijuana flowers and 8 grams of marijuana concentrates. Individuals are also permitted to grow up to six marijuana plants for personal use. In addition, the AUMA establishes a licensing system for businesses to, among other things, cultivate, process and distribute marijuana products under certain conditions. Many of the provisions of the AUMA do not become effective until January 1, 2018 and the California Bureau of Marijuana Control is expected to enact regulations to implement the AUMA by that date.

Nevada voters approved Question 2 in a ballot initiative in November 2016. Among other things, Question 2 makes it legal for adults over the age of 21 to use marijuana and to possess up to one ounce of marijuana flowers and one-eighth of an ounce of marijuana concentrates. Individuals are also permitted to grow up to six marijuana plants for personal use. In addition, Question 2 authorizes businesses to cultivate, process and distribute marijuana products under certain conditions. The Nevada Department of Taxation has indicated that it will enact regulations to implement Question 2 by the summer of 2017.

In an effort to provide guidance to federal law enforcement, the Department of Justice (the "DOJ") has issued Guidance Regarding Marijuana Enforcement to all United States Attorneys in a memorandum from Deputy Attorney General David Ogden on October 19, 2009, in a memorandum from Deputy Attorney General James Cole on June 29, 2011 and in a memorandum from Deputy Attorney General James Cole on August 29, 2013. Each memorandum provides that the DOJ is committed to the enforcement of the Controlled Substances Act (the "CSA"), but, the DOJ is also committed to using its limited investigative and prosecutorial resources to address the most significant threats in the most effective, consistent, and rational way.

The August 29, 2013 memorandum provides updated guidance to federal prosecutors concerning marijuana enforcement in light of state laws legalizing medical and recreational marijuana possession in small amounts. The memorandum sets forth certain enforcement priorities that are important to the federal government:

- Distribution of marijuana to children;
- Revenue from the sale of marijuana going to criminals;
- Diversion of medical marijuana from states where it is legal to states where it is not;
- Using state authorized marijuana activity as a pretext of other illegal drug activity;
- Preventing violence in the cultivation and distribution of marijuana;
- Preventing drugged driving;
- Growing marijuana on federal property; and
- Preventing possession or use of marijuana on federal property.

The DOJ has not historically devoted resources to prosecuting individuals whose conduct is limited to possession of small amounts of marijuana for use on private property but has relied on state and local law enforcement to address marijuana activity. In the event the DOJ reverses its stated policy and begins strict enforcement of the CSA in states that have laws legalizing medical marijuana and recreational marijuana in small amounts, there may be a direct and adverse impact to our business and our revenue and profits.

Furthermore, H.R. 83, enacted by Congress on December 16, 2014, provides that none of the funds made available to the DOJ pursuant to the 2015 Consolidated and Further Continuing Appropriations Act may be used to prevent certain states, including Nevada and California, from implementing their own laws that authorized the use, distribution, possession, or cultivation of medical marijuana. This prohibition is currently in place until April 28, 2017.

We are monitoring the Trump administration's, the DOJ's and Congress' positions on federal marijuana law and policy. Based on public statements and reports, we understand that certain aspects of those laws and policies are currently under review, but no official changes have been announced. It is possible that certain changes to existing laws or policies could have a negative effect on our business and results of operations.

E-CIG INDUSTRY OVERVIEW

The global e-cigarette market is poised to grow over $47 billion by 2025 at a double digit CAGR from 2015 to 2025.

United States

In the United States, in 2016, the Food and Drug Administration ("FDA") finalized a rule extending the regulatory authority to cover all tobacco products, including vaporizers, vape pens, hookah pens, electronic cigarettes (E-Cigarettes), e-pipes, and all other Electronic Nicotine Delivery Systems ("ENDS"). FDA now regulates the manufacture, import, packaging, labeling, advertising, promotion, sale, and distribution of ENDS. This includes components and parts of ENDS, but excludes accessories.

Under the new guidance, any company that make, modify, mix, manufacture, fabricate, assemble, process, label, repack, relabel, or import any tobacco product is considered a tobacco product manufacturer. Importers of finished tobacco products may be distributors and manufacturers of tobacco

products. Importers who do not own or operate a domestic establishment engaged in the manufacture, preparation, compounding or processing of a tobacco product are not required to register their establishment or provide product listing. However, they must comply with all other applicable tobacco product manufacturer requirements.

Under these guidelines, we currently have an obligation to comply with the requirements for our VitaCig18 brand. Should we elect to continue to sell our nicotine based product, the company must comply with the following timeline requirements:

- Register and submit lists of products, including labeling and advertisements by June 30, 2017
- Submit quantities of harmful and potentially harmful constituents by August 8, 2019
- Include required warning statements on packages and advertisements. "WARNING: This product contains nicotine. Nicotine is an addictive chemical."
- Submit ingredients list by February 8, 2018
- Submit tobacco health documents and premarket application for new products to stay on market by August 8, 2017

Recent statements by FDA have begun to clear up the U.S. federal agency's position on nicotine free e-liquids and synthetic nicotine. According to court statements made by the FDA, some devices that truly contain no nicotine (or only synthetic nicotine) may not be subject to the deeming regulations, depending on the circumstances in which they are likely to be used. Some disposable, closed-system devices with zero-nicotine or synthetic nicotine e-liquids may also escape regulation as tobacco products if they meet certain further criteria. However, even if products currently fall outside the scope of the deeming rule, the FDA could choose to regulate them later .

A majority of our products fall into this category and we believe are exempt from the new FDA guidelines.

International

The international markets have been largely driven by a flurry of activities including Mergers and Acquisitions, Patent Warfare, and increasing customization in products among others. Moreover, the emergence of Vape shops is increasingly engaging more users through their wide variety of products and better assistance while shopping the desired products. However, the government's proposals to levy hefty taxes on e-cigarettes are emerging as a key challenge for the market. Also, compatibility issues and the unregulated manufacturing process in China are yet other restraining factors in the e-cigarette market.

While North America, with U.S. leading the way will dominate the market throughout the forecast period, APAC will be growing at the fastest CAGR, accounting for more than 27% of the global e-cigarette market value by 2025. Significant revenue flow will be observed in China and India.

Tobacco consortiums, recently established vaping associations and regulatory bodies have a significant role to play in the global e-cigarette industry since the future growth of the market largely depends on the regulatory framework. The implementation of the Tobacco Product Directive (TPD) by the European Union (EU) is by far the most controversial directive and has taken effect from May 2016. Following the regulations, the companies are expected to bring about drastic changes in their marketing and distribution strategies, which might affect the market growth through the forecast period.

More than 95% of our e-cig sales are international sales.

CANNABIDIOL (CBD) INDUSTRY OVERVIEW

Cannabidiol (CBD) is the part of the cannabis plant that doesn't get you "high" like the THC side of the plant. It is typically used for health reasons instead of for recreational purposes. The CBD products are either derived from industrial hemp plants or marijuana plants. It is estimated that the CBD market will grow to a $2.1 billion market in consumer sales by 2020 with $450 million of those sales coming from hemp-based sources. That's a 700% increase from 2016. In 2015, the market for consumer sales of hemp-derived CBD products was $90 million, plus another $112 million in marijuana-derived CBD products which were sold through dispensaries – bringing a total CBD market to $202 million last year.

In addition to the 28 states and the District of Columbia which have legalized cannabis products, 15 additional states have legalized CBD products. Many hemp based CBD products are sold in every state believing they are not subject to the law. MCIG concurs and operates under this belief.

The US government approach towards CBD is confusing, at best. The Federal government is unclear as to oversight of these products. CBD is specifically defined under the Controlled Substances Act ("CSA"), however, the Drug Enforcement Agency ("DEA") believes it is a Schedule 1 controlled substance. The Courts have ruled against the DEA in this assumption. The Industrial Hemp Farming Act of 2015 would amend the CSA to exclude hemp, and thus hemp-based CBD.

Historically, the DEA has made persistent efforts to regulate hemp products. In 2001, DEA issued an Interpretive Rule attempting to ban all hemp seed and hempseed oil food products that contained even minuscule, insignificant amounts of residual THC. The Hemp Industries Association immediately filed suit to stop the enforcement of this rule, which resulted in what became known as the "Hemp Food Rules Challenge." Ultimately, the subsequent ruling made by the Ninth Circuit issued serendipitously on February 6, 2004, found that the DEA had not followed necessary scheduling procedures to add non-psychoactive hemp to the list of Schedule I controlled substances; and additionally, that Congress clearly did not intend that hemp be prohibited by the Controlled Substance Act when it adopted language from the 1937 Marijuana Tax Act to define the drug 'marijuana.'

In December of 2016, the DEA in conjunction with the North Dakota Department of Agriculture (NDDA) indicated that shipment of hemp products made from hemp grown under the state's hemp pilot program and Congress' Agricultural Act of 2014 (Farm Bill), would require a permit from the DEA, as the hemp protein powder and hempseed oil food items were subject to DEA regulation.

It is believed that the DEA's actions violate the clear Congressional intent of not only of the Farm Bill, which defines industrial hemp as distinct from 'marijuana' and legalizes its cultivation and processing under licensing programs in place in 31 states; but also further violate the Conso lidated Appropriations Act of 2016, which specifically prohibited federal authorities from using funds to obstruct the "transportation, processing, sale, or use of industrial hemp…within or outside the State in which the industrial hemp is grown or cultivated." Hence, the DEA may not require lawfully licensed hemp farmers or manufacturers in the U.S. to register for a permit to engage in interstate commerce of industrial hemp products.

To further cloud the market, the FDA has placed restrictions on claims made by CBD manufacturers and issued staunch warning for those who claim to provide product with health cures without proper documentation and clinical studies. As such, CBD products are intentionally light on details which make it difficult for consumers to know what to buy.

DESCRIPTION OF SEGMENTS

Our segment net revenue and contributions to consolidated net revenue for each of the last two fiscal years were as follows:

Business Segments

	Total Revenue Year Ended April 30,		Percentage of Total Revenue Year Ended April 30,	
	2017	2016	2017	2016
Consulting and Construction	$2,327,144	$51,870	48.7%	3.0%
CBD	1,260,081	1,671,551	26.4%	97.0%
Vaporizers	775,747	-	16.2%	0.0%
Media	-	-	0.0%	0.0%
Supplies	68,652	-	1.4%	0.0%
Corporate	345,448	-	7.2%	0.0%
Total	$4,777,072	$1,723,421	100.0%	100.0%

Construction and Consulting Segment

We develop, design, engineer, and construct modular buildings and green houses with unique and proprietary elements that assist cannabis and herbal growers in the market. Each modular building is uniquely designed for each customer. The Company began construction on its first contract in April 2016. In fiscal year 2016.

We expanded our services to include consulting upon the acquisition of Agri-Contractors, LLC in Nov 2016. Our consulting services include:

Creation	Development	Operations
Application Assistance	Application Support	Grow Training
Business Structure & Registration	Facility Layout & Design	Cultivation Methods
Business Plan	Equipment Selection	Retail Training
Market Research	Construction Management	Vendor Relations
Financial Modeling & Forecasting	Merchandising	Compliance Audits
Branding	Process Creation	Staffing Services
Investor Relations	Policies & Procedures	
Team Development		

CBD Segment

We provide wholesale and retail CBD products through multiple websites. We sale our own private label – VitaCBD, and we sale other brands through contractual arrangements.

Vaporizer Segment

We manufacture, distribute, and retail the eCigs and the Vapolution vaporizers . Our ecigs are infused with vitamins.

The Company manufactures and retails home-use vaporizers. Through VitaCig, Inc., a Florida Company, a wholly owned subsidiary, 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.

Media Segment

In 2017 we acquired a social platform which launched on April 20, 2017 as 420cloud, designed specifically for the cannabis industry. In addition, we acquired multiple other programs we will be rolling out in the near future. We offer advertisement of cannabis products throughout the 420Cloud environment.

Supplies Segment

In 2017 we began incubating and operating a cannabis supply business in Nevada.

DESCRIPTION OF SUBSIDIARIES

Discontinued Business Subsidiary

Scalable Solutions, LLC

The Company organized Scalable Solutions, LLC (“SS”) on March 7, 2016 under the laws of the state of Nevada. mCig has been issued 40 membership units and Zoha Development, LLC (“ZOHA”) has been issued 20 units. ZOHA has a ten year option to purchase 40 additional units which expires March 6, 2026. We subsequently closed Scalable Solutions, LLC on December 31, 2016. The Company wind down the operations through January 31, 2017.

Subsidiaries Incorporated

Omni Health, Inc., (FKA - VitaCig, Inc.)

On February 24, 2014, the Company entered into a Contribution Agreement with Omni Health, Inc (“OMHE”). In accordance with this agreement, OMHE 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 OMHE.

On November 28, 2014, mCig completed the spin-off of OMHE (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 OMHE, par value $0.0001 per share (“OMHE 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 OMHE 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 OMHE from mCig. MCig retained 230,000,000 shares of common stock and remains a shareholder .

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

On June 2 2 , 2017, the Company and OMHE, entered into a Separation and Share Transfer Agreement whereby OMHE transferred the assets and operations of the e-Cig business to the Company in exchange for the return of 172,500,000 shares of OMHE Common Stock to the treasury of OMHE, and for a reduction of the amount owed to the Company in excess of $95,000.

Omni Health, Inc., a Nevada Corporation, is a public company trading under OMHE.

mCig Internet Sales, Inc.

On June 1, 2016, the Company incorporated mCig Internet Sales, Inc., ("mCig Internet") in the state of Florida in order to operate our CBD business and to consolidate all wholesale and online retail sales from various websites. mCig Internet is a wholly owned subsidiary of the Company.

VitaCig, Inc.

On May 26, 2016 we incorporated VitaCig, Inc., ("VitaCig") in the state of Florida. VitaCig headquarters our global e-cig operations. VitaCig, Inc., is a wholly owned subsidiary of the Company.

Grow Contractors Inc.

The Company incorporated Grow Contractors Inc., on December 5, 2016. Grow Contractors Inc, operates the construction and consulting segment. On November 18, 2016 Grow Contractors Inc., the Company purchased Agri-Contractors, LLC and subsequently merged operations with Grow Contractors Inc. Agri-Contractors, LLC will be absorbed by Grow Contractors Inc., over a period of time yet to be determined. Grow Contractors Inc., is a wholly owned subsidiary of the Company.

mCig Limited

We incorporated in May 2017 to provide corporate oversight to MCIG, and its subsidiaries, operations within the European theatre. mCig Limited., was incorporated in the United Kingdom. mCig Limited , is a wholly owned subsidiary of the Company.

Tuero Capital, Inc.

We incorporated in May 2017 to provide financial services to our clients . Tuero Capital is not incorporated in the fiscal year 2017 performance.

GigETech, Inc.

We incorporated GigETech, Inc., in the state of Delaware on April 3, 2017. We then assigned our newly acquired social media platform software to GigETech. We launched the social media platform on April 20, 2017. GigETech, Inc., is a wholly owned subsidiary of the Company.

Subsidiaries Acquired

Vapolution, Inc.

On January 23, 2014, the Company entered into a Stock Purchase Agreement acquiring 100% ownership in Vapolution, Inc., which manufactures and retails home-use vaporizers. As part of this transaction, .mCig, Inc. issued 5,000,000 common shares to shareholders of Vapolution, Inc. in two separate payments of 2,500,000 common shares. 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. 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 June 30, 2017. On April 30, 2015 the Company impaired the $625,000 initial investment into Vapolution, Inc., but maintains the $67,500 investment on its balance sheet for the second payment.

On January 23, 2014, Paul Rosenberg, CEO of mCig, Inc. 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 were cancelled to offset the 2,500,000 new shares issued from the treasury to complete the purchase of Vapolution, Inc.

On January 17, 2017 the Company entered into a settlement agreement with the previous owners of Vapolution, Inc., whereby they returned to the Company 1,700,000 shares of MCIG common stock, $961 in cash, and $40,541 in inventory. Prior to this, Vapolution was not incorporated in to the consolidated financial statements of the Company. Effective January 17, 2017 we began consolidating Vapolution with the Company's financial reports. Vapolution, Inc., is wholly owned by mCig, Inc.

Agri-Contractors, LLC

On November 18, 2016 we acquired, through a Purchase Agreement, Agri-Contractors, LLC. We combined the operations of Agri-Contractors with Grow Contractors Corp and expanded the services to include consulting. We merged the operations of Agri-Contractors, LLC with Grow Contractors in December 2016. Agri-Contractors, LLC provides consulting services to grow facilities, production companies, and dispensaries servicing the cannabis medical and recreational markets.

VitaCBD, LLC

On January 31, 2017 we entered into an agreement with Stony Hill Corp ("STNY") where we sold 80% of our VitaCBD brand in exchange for $850,000 in stock and cash. As a condition to entering into this Agreement STNY and the Company agreed to assign their interest of the VitaCBD brand to VitaCBD, LLC. VitaCBD, LLC was incorporated in March 2017 in the state of Nevada. VitaCBD, LLC operates and is consolidated under STNY financial statements. We account for the financials of VitaCBD as net revenue(loss) of non-controlling entity on our financial statements.

BUSINESS MODEL

The Company continues to look at increasing revenue internally and through strategic acquisitions. The Company utilizes many methods of identifying new products to produce and potential companies to acquire. Our staff continually reviews current market trends to determine appropriate products to introduce. We have had them presented to us by business brokers, have reviewed competition and looked for compelling stories, or incorporated a subsidiary directly for a specific purpose. In some instances, the companies come looking to us for assistance. We will continue to finance additional acquisitions through private placements of stock, debt, or revenue from operations.

The mCig business model is built around developing and incubating self-sustaining business entities in the cannabis and e-Cig markets. We look for

strong management teams that have expertise in their fields and want to operate within the cannabis and e-Cig industry. Once the entities are self-sustaining the company divest them either through i) a sale of the assets, ii) a spin-off into its own publicly traded entity, or iii) seek additional partners and privatize the business.

Our first successful spin off was in 2014 which now operates as Omni Health, Inc. In 2017 we sold our VitaCBD brand for $850,000 in cash and stock of Stony Hill Corp. We are currently developing and incubating entities specializing in i) construction and green houses, ii) social media, iii) cannabis supplies, iv) retail sales, and v) wholesale distribution.

Expansion through Acquisition

The Company continues to look for additional acquisition opportunities in the cannabis and e-Cig fields that will enhance our overall growth, complement our existing operations and increase shareholder value. MCIG considers acquisitions as a critical element to our strategic growth. We look for synergistic companies that will provide strength and growth opportunities to the developing products and services of MCIG. We will review current competition in many markets and determine if an acquisition or joint venture is in the best interest of MCIG.

Marketing and Sales Strategy

mCig and its subsidiaries evaluate the constant change of the cannabis and e-Cig business. As such, our marketing and sales strategy is subject to change quickly and often. When we evaluate a new product or service, we place considerable analysis on immediate return on investment (during initial 12 month period of launch) as the future long term opportunities are uncertain and highly speculative. In instances where a client has demonstrated an ability to continue to control a market share the Company may consider long term sales as well.

Our products and services are marketed directly through each subsidiary. As we continue to acquire companies or services, we look for synergic growth opportunities that will allow for expansion of the multiple services available under our umbrella of companies. The growth in revenue created by the cross pollination of products and services are desirable.

The Company continues to utilize newsletters, advertisement, and viral knowledge of our services to expand our customer base. The Company utilizes all social media platforms to grow its customer awareness.

Competitive Environment

The cannabis and e-Cig service business is a highly competitive business. The Company attempts to reduce its competition through cross pollination of services. While the Company believes this will generate stability in its growth, there can be no assurances that the Company will succeed or overcome other competitive advantages.

The Company enjoys an exclusive licensing agreement with Sangreen International for the sale of greenhouses in North America, giving us the ability to offer our greenhouses at approximately half the price of our competitors. The Company will continue to enjoy this exclusive relationship through 2020.

Patents and Intellectual Properties

The Company looks to file two provisional patents in its e-Cig operations and two provisional patents in its social media platform operations. We continually review all products and services prior to introduction into the market for potential patent opportunities in order to provide us with a strategic and protected advantage.

We maintain copyright protection on all website designs, mobile applications, and software processes and tools designed by us.

In 2017 the Company embarked on a worldwide endeavor to protect its name and brands. We have recently obtained and/or filed for trademark protection in the USA, Europe, Germany, United Kingdom, Russia, Japan, Vietnam, China, Australia, Mexico, and Canada. We will continue to evaluate our brands and ensure they are globally protected.

EMPLOYEES AND CONSULTANTS

As of April 30, 2017, the Company has a total of 69 full-time/part-time employees and consultants throughout the various subsidiaries. The Company has 7 executive and office managers, 18 technical assistance employees that provide computer software and hardware installation, repairs, and maintenance, 5 sales representatives, 7 administrative/shipping clerks, and 32 general laborers. None of our employees are covered by a collective bargaining agreement.

Company	Employees	Part-Time Employees	Consultants	Contracted Labor
mCig, Inc.	5	-	2	-
Grow Contractors Inc.			4	25***
VitaCig, Inc.	-	-	3	-
mCig Internet Sales, Inc.	-	-	7	-
GigETech, Inc.	4	-	13	**
Vapolutions, Inc.	-	-	4	-
mCig Limited	-	1	-	-
Tuero Capital, Inc.	1	-	-	-

** Our, Internet Server Provider, provides 24-hour customer support services as required.
*** The Company uses a staffing service to provide personnel for high-volume work flow variances.

The Company utilizes a considerable amount of consultants to provide periodic work requirements. When workflow demands a fulltime or justifiable part-time employee the Company hires the appropriate person to fulfill the job requirements.

Available Information

All reports of the Company filed with the SEC are available free of charge through the SEC's Web site at www.sec.gov. In addition, the public may read and copy materials filed by the Company at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. The public may also obtain additional information on the operation of the Public Reference Room by calling the Commission at 1-800-SEC-0330.

MCIG CONSTRUCTION AND CONSULTING DIVISION

Description

The Company Construction and Consulting Division build and operate commercial indoor buildings, greenhouses and modular buildings. The company acts as a design/build firm taking the customer from concept to full turnkey occupancy, typically utilizing modular technology, greenhouses and structural insulated panels. The Company has multiple experienced project managers who can take single buildings or ground-up entire projects from infancy to occupancy for those customers who desire to have a comprehensive building solution.

Competitive Strengths

The Company has competitive strength in that it maintains the ability to take projects from concept to occupancy, to provide architectural and engineering designs for the construction of commercial buildings. This one stop full service line of comprehensive building solutions differentiates the Company within the marketplace.

In October 2016 we entered into an agreement with Beijing Sangreen Agricultural International Technologies Co., LTD, a professional greenhouse manufacturer and exporter to almost 40 countries around the world, providing services of greenhouse design, production, and installation. Greenhouse technology is one of the most "in demand" portions of the sector as they relate to the cannabis and urban farming industries due to their low cost structure and operations. Currently, cultivators are forced to use high priced greenhouse manufactures, where companies are paying a premium based off of name recognition from firms utilizing the same hot dipped galvanized steel from China or aluminum structures. Rather than pay the premium on a US name mark up, we provide our customers the same high quality, but at a lower cost.

Market

We recognized early in the cannabis industry that construction was a critical function that would see a boom in growth. Because cannabis cannot be transferred over state lines, dispensaries and grow operations must be maintained within the state. In regions that are limited to what they can grow outdoors because of the weather means an enormous increase in industrial construction. With millions of square feet needed in each of the 28 states which have approved the use of cannabis in one form or another, states and cities are looking at this industry as a redevelopment opportunity.

The state of Nevada has more than $4.0 billion worth of construction projects either in the planning stages or under development, sparked by the legalization of recreational cannabis in the last election. The state is projecting more than 4 million acres of grow space needed to meet the future demands for the product.

The Company maintains current construction headquarters in Las Vegas, Nevada, where a majority of its projects are, with satellite offices in Oregon and California. We currently have $6.7 million is contracted backlog in the state of Nevada and are considered a prime candidate for multiple other projects and extensions on current projects.

This market continues to see expansive growth in infrastructure building and need for management expertise, even during this current time of economic downturn. The Company has licensed General Contractors, designers, drafters, managers, and growers on staff who builds and manage commercial structures. The Company utilizes architects and engineers who are qualified in all 48 continental states and partnership with suppliers in every aspect of equipment needs.

MCIG E-CIG DIVISION

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

Our Products

VitaCig® is an innovative tobacco-free, nicotine-free vitamin and essential oil inhalation, aromatherapy device. Instead of containing harmful substances, VitaCig® delivers vapor that is rich in taste, vitamins, natural aroma and natural plant constituents. VitaCig® embodies what you enjoy about smoking, but without the bad aftertaste, the tobacco smoke and the cigarette smell, and n o harmful tar. **Just natural ingredients and vapor!** Our product is far ahead of conventional e-cigarettes and provides natural aroma, water vapor, plant constituents and valuable vitamins.

We have 3 editions of the VitaCig product.

- Classic Edition
- S Edition
- VitaCig18 (Nicotine Version)

Classic Edition

The science behind the VitaCig was created by Dr. Khary Bryan, and first launched back in 2014. VitaCig is the first and original electronic vitamin and essential oil diffuser brought to market. In our sleek and stylish designed VitaCig® flavor waters device we united natural essential oils, plant extracts and flavors to create the world's first electronic aromatherapy device to go. The VitaCig® device is designed to deliver the vapor of vitamins A,B,C,E, Coenzyme Q10, terpenes, and phytonutrients via direct inhalation. It uses water vaporization technology to deliver refreshing flavored water vapors created from vitamins and therapeutic essential oils. As the bearing liquid vaporizes at just 60 degrees, it allows for the preservation of a small amount of the vitamin absorbed via the mucus membrane of the oral cavity.

Phytonutrients and terpenes are compounds found in plants. Take for instance the Boisterous Berry flavor. It is a combination of Vitamin A, Vitamin B1, Vitamin C, Vitamin E, CoenzymeQ10, and B-Myrcene. In order to add the Berry flavor to it, we add blueberry and black currant extracts so that the vapor has an enjoyable, all natural flavor. Each flavor has its own unique combination of vitamin supplements and flavored vapor to go along with its appropriate name.

S Edition

The S Edition is similar in the classic edition with the addition of natural ingredients that have been clinically tested to provide the known affect. The Company has completed no studies which demonstrate the effects of its product, but relies on the clinical studies of the ingredients that create energy, reduce stress, suppress appetites, speeds up metabolism, skin health, and improves sleep.

VitaCig18

In 2017 we launched a nicotine version of the VitaCig. While we continue to offer the product, we are evaluating current legislation to determine if we will continue to offer a nicotine product. Should the current legislation requirements become effective in August 2018 we will not continue to offer nicotine induced products, except internationally.

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. The United States is anticipated to continue to influence the global e-Cig market, which is poised to reach $20.17 billion in revenue by 2025 representing approximately 45% share of the total market. The involvement of the major tobacco companies through multiple acquisitions and brand image and the current legislation in the U.S. is expected to restrict the number of participants in the e-Cig market. As the market moves from a highly fragmented market, to a big brand environment, we have focused on building brand awareness early through viral adoption and word of mouth with our first to market of vitamin infused e-Cigs. 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. 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. However, we cannot provide any assurances that future regulations may not affect where electronic cigarettes may be used.

We have distribution agreements that provide for the distribution of our VitaCig product to the following countries:

1. United States
2. New Zealand
3. Canada
4. Australia
5. Hungary
6. Austria
7. Germany
8. United Kingdom
9. France
10. Spain
11. Japan
12. China
13. Vietnam
14. South Korea
15. Russia
16. Cyprus
17. Greece
18. Italy
19. Netherlands
20. Denmark
21. Belgium
22. Malaysia
23. Guam

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 2017 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.

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.
- 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.
- We are adverse to toxic financing and plan to grow organically and through accretive acquisitions.

MCIG HEMP CBD DIVISION

We are enmeshed in the Industrial Hemp Industry, both domestically and International. The CBD market grossed $202 million in 2015; however, the US CBD market alone is expected to reach $2.1 billion by 2020, of which it is estimated that $450 million of those sales will be in hemp based sources. We are researching innovative and lucrative projects, partnering with like-minded companies in the Industry, and maximizing our presence in the CBD product markets. We are focused primarily on supplying and developing products for retail brick and mortar shops and online sales, along with Bulk Supply of Raw Hemp Extracts. We believe that i) our partnership in VitaCBD, ii) a developing vapable CBD product line under the brand Cherry Hemp Oil (CHO), iii) contracted sales through www.chillcbdoil.com, and iv) a new online CBD Market Place www.cbd.biz, the MCIG Hemp CBD Division is placed in a great position in the current field of CBD competitors.

Competitive Strengths

In April 2017 we settle our disputes with JustChill and maintain an exclusive arrangement for all Internet sales of JustChill products, the number 1 selling CBD product on the Internet.

Through a Joint Venture, we are working together with Stony Hill Corp, to propel the VitaCBD brand and believe it will have an extraordinary advantage over the competition with endless endorsement and promotional opportunities.

We have recently launched a social media marketplace and believe our CBD.BIZ website is slated to become a popular marketplace online, grouping some of the best brands in the industry into one shop-online site.

Market

Medical Cannabis Users and patients around the world are seeking CBD for many reasons. CBD gives them benefits of Cannabis without the aspects of THC that some people do not enjoy. Each day it seems more people learn about the benefits of CBD. There is even a large market of CBD for Pets. We plan to explore ways to continue to get CBD into the proper retail channels.

Sales

VitaCBD has a team of salesmen marketing the product line on a wholesale level. CBD.BIZ arranges agreements with companies in the industry, to land orders through our website, safely process the transactions and have the client ship the order themselves. CHO is in the development phase of a Vapable CBD Product and will provides Bulk CBD to developers of some CBD Infused products.

Competition

The Hemp CBD Industry is thick with competition. Some with large infrastructure, some with great products lines. There are companies with unique marketing and interesting packaging. Standing out in the crowd requires us to continue to assess our price points and constantly think about what we can do to stay on top. We stand next to the top companies in the world in quality and ability to deliver. As the Hemp CBD Industry grows and stabilizes, we have laid the foundation to build a strong and stable stance in this highly competitive, highly lucrative Industry.

In April 2017 we settle our disputes with JustChill and maintain an exclusive arrangement for all Internet sales of JustChill products, the number one selling CBD product on the Internet.

Through a Joint Venture, we are working together with Damian Marley's Stony Hill Corp, to propel the VitaCBD brand and believe it will have an extraordinary advantage over the competition with endless endorsement and promotional opportunities.

We have recently launched a social media marketplace and believe our CBD.BIZ website is slated to become a popular marketplace online, grouping some of the best brands in the industry into one shop-online site.

MCIG SOCIAL MEDIA DIVISION

Social media is becoming an integral part of life online as social websites and applications continue to grow. The same holds true for the cannabis industry and market. mCig entered into the social media foray upon the acquisition of 420Cloud. The 420Cloud global friendly community was soft launched on April 20, 2017 on iOS and Android through the Apple Store and Google Play, respectively. The following software will comprise the 420Cloud solution:

- 420 Cloud Mobile
- 420 Cloud Browser
- 420 Cloud API
- 420 Single Sign-on Mobile Wallet
- 420 Job Search
- 420 Cue
- 420 Wise Buy
- Palm Weed

In addition to the services provided above to the cannabis community, our unique mobile wallet capabilities and single-sign on features has been instrumental in MCIG incorporating Tuero Capital, Inc., where it will feature some form of exchange service and payment processing service for the cannabis community. The Company continues to develop these programs, securing its intellectual property where it deems necessary.

Competitive Strengths

The Company believes its competitive strengths lie in its personnel and in its proprietary processes. We have engaged several key programmers for the development and upkeep of our 420Cloud community. In addition, we have developed two unique processes in how we transfer data and information that we believe will have a revolutionary effect on not just the cannabis community, but social media in general. We will continue to develop these processes and secure our intellectual property rights prior to disclosure.

Market

We consider our market to be the global cannabis community.

Sales

At the time of filing the Company has not generated any sales under its social media division. The Company expects to be generating revenue in the new fiscal year.

Competition

Currently the cannabis social media market consist primarily of MassRoots, Duby, Eaze (the Uber of cannabis), HighThere!, 420Singles, Leafly, Weedmaps, GrowBuddy, and WeGrow. Each of these companies have their own unique purpose and followers. It is not the intention of MCIG to compete against these brands, but to compliment and work with these brands to help develop a secure and distinct social platform in which the Company can market the cannabis industry through our unique and targeted algorithm.

MCIG CANNABIS SUPPLY DIVISION

In 2017 we entered into an agreement to incubate CBJ Distributing, LLC, doing business as Cannabiz Supply ("Cannabiz"). Under the agreement Cannabiz operates under mCig. mCig acquired an option to purchase 80% of Cannabiz which expires on June 30, 2018. We provide, cultivators and production facilities with high quality packaging including, but not limited to, bags, boxes, vape cartridges, syringes, glass and plastic jars etc. Dispensaries count on us to supply high quality child-proof exit bags for their stores as well as state compliant labels and office supplies.

Competitive Strengths

Nevada is going to be one of the largest cannabis markets in the USA, due to its proximity to California and one of the top tourist destinations in the world. We are on the ground floor selling to dispensaries, cultivation and production facilities manned by people that live and work in this community, which we believe gives us a distinct advantage against the out of town, online resellers. We believe Nevada is the gold standard for cannabis regulations, and that developing a supply channel in this market will position us to replicate it on a national level. Most states will follow Nevada's guidelines when it comes to these regulations. We have been designing our packaging to the highest and strictest standards. This will give us an advantage when we expand into other states.

Market

Our market is anyone that sells or uses a cannabis product; to include, dispensaries, cultivators, production facilities, and end-users. We are on the ground selling face to face instead of through a website. We supply our customers the highest in customer service, including same day delivery of in stock products and graphic design where we help our customers create the perfect look for their brand. Our distribution hubs are stocked with all of the day to day products anyone in the cannabis business needs. We provide a quick turnaround service on custom one of a kind value packaging.

Sales

Our sales team has been in the cannabis industry, growing and creating cannabis brands. We know what items each stage of the industry wants and needs to sell their products. We remain ahead of the curve on new cannabis products and the way consumers expect to see them offered. We work with cutting edge creative graphic designers to produce what people want. Our company belongs to local industry associations to create networking advantages as well as staying abreast of the latest in rules and regulations that will affect us and our customers.

Competition

Our competition is out of state websites and cold callers, who have little knowledge of our customers' desires and needs, or our market. Many are reworked packaging companies that are trying to be a one size fits all across a multitude of industries with little knowledge of what our industry expects, wants, and needs. We focus and work in the cannabis industry.

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 affected. In that case, the trading price of our securities could decline, and you may lose some or all of your investment.

RISK RELATED TO OUR BUSINESS AND INDUSTRY

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

As of April 30, 2017, we had an accumulated deficit of $5,131,501. 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. For the year ended April 30, 2017, we had net income of $1,544,892 compared to a net loss of $1,408,955 for the year ended April 30, 2016. However, we cannot assure you that we will continue to generate operating profits now or in the immediate future, or be able to on, a sustainable basis, continue to expand our infrastructure, further develop our marketing efforts and otherwise implement our growth initiatives.

If we are not able to maintain and enhance our brands, or if events occur that damage our reputation and brands, our ability to expand our base of customers may be impaired, and our business and financial results may be harmed.

We believe that our brands have significantly contributed to, and will continue to contribute to the success of our business. We also believe that maintaining and enhancing our brands is critical to expanding our customer base. Many of our customers are referred by existing customers. Maintaining and enhancing our brands will depend largely on our ability to continue to provide useful, reliable, trustworthy, and innovative products, which we may not do successfully. We may introduce new products or terms of service or policies that customers do not like, which may negatively affect our brands. We will also continue to experience media, legislative, or regulatory scrutiny of our decisions regarding cannabis, CBD, e-Cig, user privacy and other issues, which may adversely affect our reputation and brands. We also may fail to provide adequate customer service, which could erode confidence in our brands. Our brands may also be negatively affected by the actions of customers that are deemed to be hostile or inappropriate to other customers, by the actions of customers acting under false or inauthentic identities, by the use of our products or services to disseminate information that is deemed to be misleading (or intended to manipulate opinions), by perceived or actual efforts by governments to obtain access to user information for security-related

and law enforcement purposes, or by the use of our products or services for illicit, objectionable, or illegal ends. Maintaining and enhancing our brands may require us to make substantial investments and these investments may not be successful. Certain of our past actions have eroded confidence in our brands, and if we fail to successfully promote and maintain our brands or if we incur excessive expenses in this effort, our business and financial results may be adversely affected.

We make product and investment decisions that may not prioritize short-term financial results.

We frequently make product and investment decisions that may not prioritize short-term financial results if we believe that the decisions are consistent with our mission and improve our financial performance over the long term. We may introduce changes to existing products, or introduce new stand-alone products, that direct our customers away from our current products. We are also investing in new products and services, and we may not successfully monetize such experiences. We also may take steps that result in limiting distribution of products and services in the short term in order to attempt to ensure the availability of our products and services to users over the long term. These decisions may not produce the long-term benefits that we expect, in which case our customer growth and our business results of operations could be harmed.

Our new products and changes to existing products could fail to attract or retain users or generate revenue and profits.

Our ability to retain, increase, and engage our customer base and to increase our revenue depends heavily on our ability to continue to evolve our existing products and to create successful new products, both independently and in conjunction with developers or other third parties. We may introduce significant changes to our existing products or acquire or introduce new and unproven products, including using technologies with which we have little or no prior development or operating experience. If new or enhanced products fail to engage our customers, or if we are unsuccessful in our monetization efforts, we may fail to attract or retain customers or to generate sufficient revenue, operating margin, or other value to justify our investments, and our business may be adversely affected.

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 CBD and electronic cigarette industry is intense. 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, excise taxes, higher absolute prices and larger gaps between price categories, and product regulation that diminishes the ability to differentiate products.

Our principal competitors in the e-Cig business 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.

In social media, we compete with companies that sell advertising, as well as with companies that provide social and communication products and services that are designed to engage users and capture time spent on mobile devices and online. We face significant competition in every aspect of our business, including from companies that facilitate communication and the sharing of content and information, companies that enable marketers to display advertising, and companies that provide development platforms for applications developers. We compete with companies that offer products across broad platforms that replicate capabilities we provide. We also compete with companies that develop applications, particularly mobile applications, that provide social or other communications functionality, such as messaging, photo- and video-sharing, and micro-blogging, as well as companies that provide regional social networks that have strong positions in particular countries. In addition, we face competition from traditional, online, and mobile businesses that provide media for marketers to reach their audiences and/or develop tools and systems for managing and optimizing advertising campaigns.

Some of our current and potential competitors may have significantly greater resources or better competitive positions in certain product segments, geographic regions or user demographics than we do. These factors may allow our competitors to respond more effectively than us to new or emerging technologies and changes in market conditions. We believe that some of our users are aware of and actively engaging with other products and services similar to, or as a substitute for, our products and services, and we believe that some of our users have reduced their use of and engagement with our product in favor of these other products and services.

In the event that our users increasingly engage with other products and services, we may not experience the anticipated growth, or see a decline, in use and engagement in key user demographics or more broadly, in which case our business would likely be harmed.

Our competitors may develop products, features, or services that are similar to ours or that achieve greater acceptance, may undertake more far-reaching and successful product development efforts or marketing campaigns, or may adopt more aggressive pricing policies.

We believe that our ability to compete effectively depends upon many factors both within and beyond our control, including:

- the popularity, usefulness, ease of use, performance, and reliability of our products compared to our competitors' products;
- the size and composition of our user base;
- the engagement of our users with our products and competing products;
- the timing and market acceptance of products, including developments and enhancements to our or our competitors' products;
- our ability to distribute our products to new and existing users;
- our ability to monetize our products;
- the frequency, size, format, quality, and relative prominence of the ads displayed by us or our competitors;
- customer service and support efforts;
- marketing and selling efforts, including our ability to measure the effectiveness of our ads and to provide marketers with a compelling return on their investments;
- our ability to establish and maintain developers' interest in building mobile and web applications that integrate with Facebook and our other

products;

- our ability to establish and maintain publisher interest in integrating their content with Facebook and our other products;
- changes mandated by legislation, regulatory authorities, or litigation, including settlements and consent decrees, some of which may have a disproportionate effect on us;
- acquisitions or consolidation within our industry, which may result in more formidable competitors;
- our ability to attract, retain, and motivate talented employees, particularly software engineers, designers, and product managers;
- our ability to cost-effectively manage and grow our operations; and
- our reputation and brand strength relative to those of our competitors.

If we are not able to compete effectively, our user base and level of user engagement may decrease, we may become less attractive to developers and marketers, and our revenue and results of operations may be materially and adversely affected.

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.

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, 2017. Based on these actual expenses, the warranty reserve, as estimated by management as of April 30, 2017 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, 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, 2017 was immaterial. As a result, all product exchanges and product returns were recorded as a reduction to revenues.

Our costs are continuing to grow, which could harm our business and profitability.

Operating our business is costly, and we expect our expenses to continue to increase in the future as we broaden our products and services, and as these services and products increase, the amount of customer support and management needed increases. The development of new products and services, expanding our technical infrastructure, and the hiring of additional personnel will add cost to our expanding operations. We expect to continue to invest in our global efforts and other initiatives, which may not have clear paths to monetization. We may also be subject to increased costs in order to obtain and attract third-party content or to facilitate the distribution of our products. Any investments may not be successful, and any such increases in our costs may adversely affect our business and profitability.

If we are unable to protect our intellectual property, the value of our brands and other intangible assets may be diminished, and our business may be adversely affected.

We rely and expect to continue to rely on a combination of confidentiality, assignment, and license agreements with our employees, consultants, and third parties with whom we have relationships, as well as trademark, copyright, patent, trade secret, and domain name protection laws, to protect our proprietary rights. In the United States and internationally, we have filed various applications for protection of certain aspects of our intellectual property. Third parties may knowingly or unknowingly infringe our proprietary rights, third parties may challenge proprietary rights held by us, and pending and future trademark and patent applications may not be approved. In addition, effective intellectual property protection may not be available in every country in which we operate or intend to operate our business. In any or all of these cases, we may be required to expend significant time and expense in order to prevent infringement or to enforce our rights. Although we have generally taken measures to protect our proprietary rights, there can be no assurance that others will not offer products or concepts that are substantially similar to ours and compete with our business. Any of these events could have an adverse effect on our business and financial results.

We plan to continue to make acquisitions, which could harm our financial condition or results of operations and may adversely affect the price of our common stock.

As part of our business strategy, we have made and intend to continue to make acquisitions to add specialized employees and complementary companies, products, or technologies. We may not be able to find suitable acquisition candidates, and we may not be able to complete acquisitions on favorable terms, if at all. In some cases, the costs of such acquisitions may be substantial. There is no assurance that we will receive a favorable return on investment for these or other acquisitions.

We may pay substantial amounts of cash or incur debt to pay for acquisitions, which could adversely affect our liquidity. The incurrence of indebtedness would also result in increased fixed obligations, increased interest expense, and could also include covenants or other restrictions that would impede our ability to manage our operations. We may also issue equity securities to pay for acquisitions, which could increase our expenses, adversely affect our financial results, and result in dilution to our stockholders. In addition, any acquisitions we announce could be viewed negatively by customers, shareholders, or investors, which may adversely affect our business or the price of our common stock.

In the future, we may use shares of preferred stock as consideration in connection with acquisitions. However, we may not be able to issue shares of preferred stock because companies that we are interested in acquiring may not agree to accept shares that carry no voting rights, or for other reasons. Companies that we seek to acquire may also demand more shares in exchange for accepting such stock as consideration. In such instances, we may need to pay cash, issue common stock as consideration, or issue a relatively greater number of shares of preferred stock to consummate the acquisitions.

We may also discover liabilities or deficiencies associated with the companies or assets we acquire that were not identified in advance, which may result in significant unanticipated costs. The effectiveness of our due diligence review and our ability to evaluate the results of such due diligence are dependent upon the accuracy and completeness of statements and disclosures made or actions taken by the companies we acquire or their representatives, as well as the limited amount of time in which acquisitions are executed. In addition, we may fail to accurately forecast the financial impact of an acquisition transaction, including tax and accounting charges. Acquisitions may also result in our recording of significant additional expenses to our results of operations and recording of substantial finite-lived intangible assets on our balance sheet upon closing. Any of these factors may adversely affect our financial condition or results of operations.

We may not be able to successfully integrate our acquisitions, and we may incur significant costs to integrate and support the companies we acquire.

The integration of acquisitions requires significant time and resources, and we may not manage these processes successfully. Our ability to successfully integrate complex acquisitions is unproven, particularly with respect to companies that have significant operations or that develop products where we do not have prior experience. We cannot assure you that these investments will be successful. If we fail to successfully integrate the companies we acquire, we may not realize the benefits expected from the transaction and our business may be harmed.

If our goodwill or finite-lived intangible assets become impaired, we may be required to record a significant charge to earnings.

We review our finite-lived intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable, such as a decline in stock price and market capitalization. We test goodwill for impairment at least annually. If such goodwill or finite-lived intangible assets are deemed to be impaired, an impairment loss equal to the amount by which the carrying amount exceeds the fair value of the assets would be recognized. We may be required to record a significant charge in our financial statements during the period in which any impairment of our goodwill or finite-lived intangible assets is determined, which would negatively affect our results of operations.

We cannot assure you that we will effectively manage our growth.

Our employee headcount and the scope and complexity of our business have increased significantly, with the number of employees and consultants increasing to 69 as of April 30, 2017 from 13 as of April 30, 2016, and we expect headcount growth to continue for the foreseeable future. The growth and expansion of our business and products create significant challenges for our management, operational, and financial resources, including managing multiple relations with customers and other third parties. In the event of continued growth of our operations or in the number of our third-party relationships, our information technology systems or our internal controls and procedures may not be adequate to support our operations. In addition, some members of our management do not have significant experience managing a large global business operation, so our management may not be able to manage such growth effectively. To effectively manage our growth, we must continue to improve our operational, financial, and management processes and systems and to effectively expand, train, and manage our employee base. As our organization continues to grow, and we are required to implement more complex organizational management structures, we may find it increasingly difficult to maintain the benefits of our corporate culture, including our ability to quickly develop and launch new and innovative products. This could negatively affect our business performance.

We have significant international operations and plan to continue expanding our operations abroad where we have limited operating experience, and this may subject us to increased business and economic risks that could affect our financial results.

We have significant international operations and plan to continue the international expansion of our business operations. We have offices or data centers in two different countries and provide services and products on five continents. We may enter new international markets where we have limited or no experience in marketing, selling, and deploying our products. Our products are generally available globally through the web and on mobile, but some or all of our products or functionality may not be available in certain markets due to legal and regulatory complexities. We also outsource certain operational functions to third-party vendors globally. If we fail to deploy, manage, or oversee our international operations successfully, our business may suffer. In addition, we are subject to a variety of risks inherent in doing business internationally, including:

- political, social, or economic instability;
- risks related to legal, regulatory, and other government scrutiny applicable to U.S. companies with sales and operations in foreign jurisdictions, including with respect to privacy, tax, law enforcement, content, trade compliance, intellectual property, and terrestrial infrastructure matters;
- potential damage to our brand and reputation due to compliance with local laws, including potential censorship or requirements to provide user information to local authorities;
- fluctuations in currency exchange rates and compliance with currency controls;
- foreign exchange controls and tax regulations that might prevent us from repatriating cash earned in countries outside the United States or otherwise limit our ability to move cash freely, and impede our ability to invest such cash efficiently;
- higher levels of credit risk and payment fraud;
- enhanced difficulties of integrating any foreign acquisitions;
- burdens of complying with a variety of foreign laws;
- reduced protection for intellectual property rights in some countries;
- difficulties in staffing, managing, and overseeing global operations and the increased travel, infrastructure, and legal compliance costs associated with multiple international locations;
- compliance with the U.S. Foreign Corrupt Practices Act, and similar laws in other jurisdictions; and
- compliance with statutory equity requirements and management of tax consequences.

political, social, or economic instability;

If we are unable to expand internationally and manage the complexity of our global operations successfully, our financial results could be adversely affected.

The Company has entered into indemnification agreements with the officers and directors and we may be required to indemnify our Directors and Officers, and if the claim is greater than $1,000,000, it may create significant losses for the Company.

We have authority under Nevada law to indemnify our directors and officers to the extent provided in that statute. Our Articles of Incorporation require the Company to indemnify each of our directors and officers against liabilities imposed upon them (including reasonable amounts paid in settlement) and expenses incurred by them regarding any claim made against them or any action, suit or proceeding to which they may be a party by reason of their being or having been a director or officer of the company. We currently do not maintain officer's and director's liability insurance coverage. Consequently, any judgment against our Officers and Directors, the Company will be forced to pay. We have entered into indemnification agreements with each of our officers and directors containing provisions that may require us, among other things, to indemnify our officers and directors against certain liabilities that may arise because of their status or service as officers or directors (other than liabilities arising from willful misconduct of a culpable nature) and to advance their expenses incurred because of any proceeding against them as to which they could be indemnified. Management believes that such indemnification provisions and agreements are necessary to attract and retain qualified persons as directors and executive officers. We are subject to claims arising from disputes with employees, vendors and other third parties in the normal course of business. These risks may be difficult to assess or quantify and their existence and magnitude may remain unknown for substantial periods of time. If the plaintiffs in any suits against us were to successfully prosecute their claims, or if we were to settle such suits by making significant payments to the plaintiffs, our operating results and financial condition would be harmed. In addition, our organizational documents require us to indemnify our senior executives to the maximum extent permitted by Nevada law. If our senior executives were named in any lawsuit, our indemnification obligations could magnify the costs of these suits.

Cannabis Industry

The industry faces intense media attention and public pressure .

The cannabis marketplace is controversial. Certain members of the media, politicians, government regulators and advocate groups, including independent doctors have called for an outright ban of all cannabis products, pending regulatory review and clinical studies. A ban of this type would likely have the effect of terminating our United States' sales and marketing efforts of certain products and services which we may currently market or have plans to market in the future. Such a ban would have a material adverse effect on our business, financial condition and performance.

Construction Industry

The nature of our businesses exposes us to the risk of litigation and liability under environmental, health and safety and product liability laws.

Certain aspects of our construction projects involve risks of liability. In general, litigation in our industry, including class actions that seek substantial damages, arises with increasing frequency. Claims may be asserted under environmental, labor, or health and safety laws. Litigation is invariably expensive, regardless of the merit of the plaintiffs' claims. We may be named as a defendant in the future, and there can be no assurance that regardless of the merit of such claims, we will not be required to pay substantial legal fees and/or settlement payments in the future.

If we do not effectively manage our credit risk or collect on our accounts receivable, it could have a material adverse effect on our operating results.

Currently we contract on a 'pay as you go' model; however, we may elect to bid on certain construction projects which require us to bill on a percentage of completion basis. We will perform credit evaluation procedures on our customers on each transaction and require security deposits or other forms of security from our customers when a significant credit risk is identified. The Company expects to begin offering terms on purchases in an effort to increase construction projects. As the Company exposes itself to greater risks we will have to further evaluate accounts receivable and increase our reserves for bad debt, as applicable.

The Company has implemented a policy of filing Notice to Owners ("NTO") on each property in which it provides construction to alleviate the inability to collect. However, if a customer fails to pay, there could be considerable time between the need to pay our vendors and the receipt of our final payment. Failure to manage our credit risk and receive timely payments on our customer accounts receivable may result in the write-off of customer receivables. If we are not able to manage credit risk issues, or if many customers should have financial difficulties at the same time, our credit losses could be substantial. If this should occur, our results of operations may be materially and adversely affected.

A decline in cannabis grow and production licenses; and new facility funding in the state of Nevada could cause the demand for our SIP panels and greenhouses to decline, which could result in a reduction in our revenues and profitability.

For the past year we have experienced exception growth in the SIP and greenhouse market in Nevada. Should the state of Nevada elect to reduce the number of cannabis grow and production licenses, which are subject to financial and political considerations, may vary from district to district, not be tied to demand, and as such may decline. Historically, we have benefited from the issuance of licenses to grow and produce cannabis plants and products driving the need for our construction business. While we believe 2017 was and 2018 will be a substantial year in our construction business, there is no guarantee that this business sector will continue to grow.

As legislation is still in its infancy, many changes continue to be made in cannabis grow and production facility requirements. To the extent this continues, our business could be harmed and our results of operations negatively impacted. We believe that interruptions or delays in the passage and changes in legislative policies at either the state or local level may reduce the need for cannabis grow and production facilities until there is continuity in mandates and result in lower revenues and profitability.

Public policies that create demand for our products and services may change, stall in Congress or State Legislation reducing leverage to enforce change thereby decreasing sales.

Like conventionally constructed buildings, the modular building industry and greenhouses used in cannabis grow and production are subject to evolving regulations by multiple governmental agencies at the state and local level. This oversight includes but is not limited to governing code bodies, environmental, health, safety and transportation. Failure by our customers to comply with these laws or regulations could impact our business. Compliance with building codes and regulations have always entailed a certain amount of risk as municipalities do not necessarily interpret these building codes and regulations in a consistent manner, particularly where applicable regulations may be unclear and subject to interpretation. Many aspects of the construction and modular building industry have developed "best practices" which are constantly evolving.

Supply shortages and other risks related to the demand for skilled labor and building materials could increase costs and delay deliveries.

The construction industry is highly competitive for skilled labor and materials. Labor shortages may become more acute as the supply chain adjusts to uneven industry growth. Additionally, the cost of certain building materials, especially lumber, steel, concrete, copper, and petroleum-based materials, is influenced by changes in local and global commodity prices. Increased costs or shortages of skilled labor and/or materials could cause increases in construction costs and / or construction delays. We may not be able to pass on increases in construction costs to customers. Sustained increases in construction costs may, over time, erode our margins, and pricing competition may restrict our ability to pass on any such additional costs, thereby decreasing our margins.

Social Media Industry

If we fail to retain existing users or add new users, or if our users decrease their level of engagement with our products, our revenue, financial

results, and business may be significantly harmed.

The size of our user base and our users' level of engagement are critical to our success. Our financial performance will be significantly determined by our success in adding, retaining, and engaging active users of our products. We anticipate that our active user growth rate will continue to grow over time as the size of our active user base increases, and as we achieve higher market penetration rates. If people do not perceive our products to be useful, reliable, and trustworthy, we may not be able to attract or retain users or otherwise maintain or increase the frequency and duration of their engagement. A number of other social networking companies that achieved early popularity have since seen their active user bases or levels of engagement decline, in some cases precipitously. There is no guarantee that we will not experience a similar erosion of our active user base or engagement levels. Our user engagement can be difficult to measure, particularly as we introduce new and different products and services. Any number of factors could potentially negatively affect user retention, growth, and engagement, including if:

- users increasingly engage with other competitive products or services;
- we fail to introduce new products or services that users find engaging or if we introduce new products or services that are not favorably received;
- users feel that their experience is diminished as a result of the decisions we make with respect to the frequency, prominence, format, size, and quality of ads that we display;
- users have difficulty installing, updating, or otherwise accessing our products on mobile devices as a result of actions by us or third parties that we rely on to distribute our products and deliver our services;
- user behavior on any of our products changes, including decreases in the quality and frequency of content shared on our products and services;
- we are unable to continue to develop products for mobile devices that users find engaging, that work with a variety of mobile operating systems and networks, and that achieve a high level of market acceptance;
- there are decreases in user sentiment about the quality or usefulness of our products or concerns related to privacy and sharing, safety, security, or other factors;
- we are unable to manage and prioritize information to ensure users are presented with content that is appropriate, interesting, useful, and relevant to them;
- we are unable to obtain or attract engaging third-party content;
- users adopt new technologies where our products may be displaced in favor of other products or services, or may not be featured or otherwise available;
- there are adverse changes in our products that are mandated by legislation, regulatory authorities, or litigation, including settlements or consent decrees;
- technical or other problems prevent us from delivering our products in a rapid and reliable manner or otherwise affect the user experience, such as security breaches or failure to prevent or limit spam or similar content;
- we adopt terms, policies, or procedures related to areas such as sharing or user data that are perceived negatively by our users or the general public;
- we elect to focus our user growth and engagement efforts more on longer-term initiatives, or if initiatives designed to attract and retain users and engagement are unsuccessful or discontinued, whether as a result of actions by us, third parties, or otherwise;
- we fail to provide adequate customer service to users, marketers, developers, or other partners;
- we, developers whose products are integrated with our products, or other partners and companies in our industry are the subject of adverse media reports or other negative publicity; or
- our current or future products, such as our development tools and application programming interfaces that enable developers to build, grow, and monetize mobile and web applications, reduce user activity on our products by making it easier for our users to interact and share on third-party mobile and web applications.

If we are unable to increase our user base and user engagement, our revenue and financial results may be adversely affected. Any decrease in user retention, growth, or engagement could render our products less attractive to users, marketers, and developers, which is likely to have a material and adverse impact on our revenue, business, financial condition, and results of operations. If our active user growth rate slows, we will become increasingly dependent on our ability to maintain or increase levels of user engagement and monetization in order to drive revenue growth.

We project to generate substantially all of our revenue from advertising. The loss of marketers, or reduction in spending by marketers, could seriously harm our business.

Substantially all of our revenue is currently projected to be generated from third parties advertising. As is common in the industry, our marketers do not have long-term advertising commitments with us. Many of our marketers spend only a relatively small portion of their overall advertising budget with us. In addition, marketers may view some of our products as experimental and unproven. Marketers will not continue to do business with us, or they will reduce the prices they are willing to pay to advertise with us or the budgets they are willing to commit to us, if we do not deliver ads in an effective manner, or if they do not believe that their investment in advertising with us will generate a competitive return relative to other alternatives.

Our advertising revenue could also be adversely affected by a number of other factors, including:

- decreases in user engagement, including time spent on our products;
- our inability to continue to increase user access to and engagement with our mobile products;
- product changes or inventory management decisions we may make that change the size, format, frequency, or relative prominence of ads displayed on our products or of other unpaid content shared by marketers on our products;
- our inability to maintain or increase marketer demand, the pricing of our ads, or both;
- our inability to maintain or increase the quantity or quality of ads shown to users;
- changes to third-party policies that limit our ability to deliver or target advertising on mobile devices;
- the availability, accuracy, and utility of analytics and measurement solutions offered by us or third parties that demonstrate the value of our ads to marketers, or our ability to further improve such tools;
- loss of advertising market share to our competitors, including if prices for purchasing ads increase or if competitors offer lower priced or more integrated products;
- adverse legal developments relating to advertising, including legislative and regulatory developments and developments in litigation;
- decisions by marketers to reduce their advertising as a result of adverse media reports or other negative publicity involving us, our advertising metrics, content on our products, developers with mobile and web applications that are integrated with our products, or other companies in our industry;
- the effectiveness of our ad targeting or degree to which users opt out of certain types of ad targeting;
- the degree to which users cease or reduce the number of times they click on our ads;
- changes in the way advertising on mobile devices or on personal computers is measured or priced; and
- the impact of macroeconomic conditions, whether in the advertising industry in general, or among specific types of marketers or within particular geographies.

The occurrence of any of these or other factors could result in a reduction in demand for our ads, which may reduce the prices we receive for our ads, or cause marketers to stop advertising with us altogether, either of which would negatively affect our revenue and financial results.

Our user growth, engagement, and monetization on mobile devices depend upon effective operation with mobile operating systems, networks, and standards that we do not control.

The substantial majority of our revenue will be generated from advertising on mobile devices. There is no guarantee that popular mobile devices will continue to feature our products, or that mobile device users will continue to use our products rather than competing products. We are dependent on the interoperability of our products with popular mobile operating systems, networks, and standards that we do not control, such as the Android and iOS operating systems. Any changes, bugs, or technical issues in such systems, or changes in our relationships with mobile operating system partners, or in their terms of service or policies that degrade our products' functionality, reduce or eliminate our ability to distribute our products, give preferential treatment to competitive products, limit our ability to deliver, target, or measure the effectiveness of ads, or charge fees related to the distribution of our

products or our delivery of ads could adversely affect the usage of our products and monetization on mobile devices. Additionally, to deliver high quality mobile products, it is important that our products work well with a range of mobile technologies, systems, networks, and standards that we do not control. We may not be successful in maintaining or developing relationships with key participants in the mobile ecosystem or in developing products that operate effectively with these technologies, systems, networks, or standards. If it is more difficult for our users to access and use our products on their mobile devices, or if our users choose not to access or use our products on their mobile devices or use mobile products that do not offer access to our products, our user growth and user engagement could be harmed. From time to time, we may also take actions regarding the distribution of our products or the operation of our business based on what we believe to be in our long-term best interests. Such actions may adversely affect our users and our relationships with the operators of mobile operating systems, or other business partners, and there is no assurance that these actions will result in the anticipated long-term benefits. If our users are adversely affected by these actions or if our relationships with such third parties deteriorate, our user growth, engagement, and monetization could be adversely affected and our business could be harmed.

Action by governments to restrict access to our products in their countries could substantially harm our business and financial results.

It is possible that governments of one or more countries may seek to censor content available on our other products in their country, restrict access to our products from their country entirely, or impose other restrictions that may affect the accessibility of our products in their country for an extended period or indefinitely. In addition, government authorities in other countries may seek to restrict access to our products if they consider us to be in violation of their laws. In the event that content shown on our products is subject to censorship, access to our products is restricted, in whole or in part, in one or more countries, or other restrictions are imposed on our products, or our competitors are able to successfully penetrate new geographic markets or capture a greater share of existing geographic markets that we cannot access or where we face other restrictions, our ability to retain or increase our user base and user engagement may be adversely affected, we may not be able to maintain or grow our revenue as anticipated, and our financial results could be adversely affected.

Security breaches and improper access to or disclosure of our data or user data, or other hacking and phishing attacks on our systems, could harm our reputation and adversely affect our business.

Our industry is prone to cyber-attacks by third parties seeking unauthorized access to our data or users' data. Any failure to prevent or mitigate security breaches and improper access to or disclosure of our data or user data could result in the loss or misuse of such data, which could harm our business and reputation and diminish our competitive position. In addition, computer malware, viruses, social engineering (predominantly spear phishing attacks), and general hacking have become more prevalent in our industry, and may occur on our systems in the future. As a result of industry, we believe that we are a particularly attractive target for such breaches and attacks. Such attacks may cause interruptions to the services we provide, degrade the user experience, cause users to lose confidence and trust in our products, or result in financial harm to us. Our efforts to protect our company data or the information we receive may also be unsuccessful due to software bugs or other technical malfunctions; employee, contractor, or vendor error or malfeasance; government surveillance; or other threats that evolve. In addition, third parties may attempt to fraudulently induce employees or users to disclose information in order to gain access to our data or our users' data. Although we have developed systems and processes that are designed to protect our data and user data, to prevent data loss, and to prevent or detect security breaches, we cannot assure you that such measures will provide absolute security.

In addition, some of our developers or other partners, such as those that help us measure the effectiveness of ads, may receive or store information provided by us or by our users through mobile or web applications. We provide limited information to such third parties based on the scope of services provided to us. However, if these third parties or developers fail to adopt or adhere to adequate data security practices, or in the event of a breach of their networks, our data or our users' data may be improperly accessed, used, or disclosed.

Affected users or government authorities could initiate legal or regulatory actions against us in connection with any security breaches or improper disclosure of data, which could cause us to incur significant expense and liability or result in orders or consent decrees forcing us to modify our business practices. Any of these events could have a material and adverse effect on our business, reputation, or financial results.

Our business is subject to complex and evolving U.S. and foreign laws and regulations regarding privacy, data protection, competition, consumer protection, and other matters. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or declines in user growth or engagement, or otherwise harm our business.

We are subject to a variety of laws and regulations in the United States and abroad that involve matters central to our business, including privacy, data protection, and personal information, rights of publicity, content, intellectual property, advertising, marketing, distribution, data security, data retention and deletion, personal information, electronic contracts and other communications, competition, protection of minors, consumer protection, telecommunications, product liability, taxation, economic or other trade prohibitions or sanctions, securities law compliance, and online payment services. The introduction of new products, expansion of our activities in certain jurisdictions, or other actions that we may take may subject us to additional laws, regulations, or other government scrutiny. In addition, foreign data protection, privacy, competition, and other laws and regulations can impose different obligations or be more restrictive than those in the United States.

These U.S. federal and state and foreign laws and regulations, which in some cases can be enforced by private parties in addition to government entities, are constantly evolving and can be subject to significant change. As a result, the application, interpretation, and enforcement of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which we operate, and may be interpreted and applied inconsistently from country to country and inconsistently with our current policies and practices. For example, regulatory or legislative actions affecting the manner in which we display content to our users or obtain consent to various practices could adversely affect user growth and engagement. Such actions could affect the manner in which we provide our services or adversely affect our financial results.

We are also subject to laws and regulations that dictate whether, how, and under what circumstances we can transfer, process and/or receive transnational data that is critical to our operations, including data relating to users, customers, or partners outside the United States, and those laws and regulations are uncertain and subject to change. For example, in October 2015, the European Court of Justice invalidated the European Commission's 2000 Safe Harbour Decision as a legitimate basis on to rely for the transfer of data from the European Union to the United States. The European Union and United States recently agreed to an alternative transfer framework for data transferred from the European Union to the United States, called the Privacy Shield, but this new framework is subject to an annual review that could result in changes to our obligations and also may be challenged by national regulators or private parties. In addition, the other bases on which we rely to legitimize the transfer of data, such as standard Model Contractual Clauses (MCCs), have been subjected to regulatory or judicial scrutiny. If one or more of the legal bases for transferring data from Europe to the United States is invalidated, or if we are unable to transfer personal data between and among countries and regions in which we operate, we could affect the manner in which we provide our services or adversely affect our financial results.

Proposed or new legislation and regulations could also significantly affect our business. There currently are a number of proposals pending before federal, state, and foreign legislative and regulatory bodies. In addition, the European Commission has approved a data protection regulation, known as the General Data Protection Regulation (GDPR), which has been finalized and is due to come into force in or around May 2018. The GDPR will include operational requirements for companies that receive or process personal data of residents of the European Union that are different than those currently in place in the European Union, and that will include significant penalties for non-compliance. Similarly, there are several legislative proposals in the United States, at both the federal and state level, that could impose new obligations in areas affecting our business, such as liability for copyright infringement by third parties. In addition, some countries are considering or have passed legislation implementing data protection requirements or requiring local storage and processing of data or similar requirements that could increase the cost and complexity of delivering our services.

These laws and regulations, as well as any associated inquiries or investigations or any other government actions, may be costly to comply with and may delay or impede the development of new products, result in negative publicity, increase our operating costs, require significant management time and attention, and subject us to remedies that may harm our business, including fines or demands or orders that we modify or cease existing business practices.

We may incur liability as a result of information retrieved from or transmitted over the Internet or published using our products or as a result of claims related to our products.

We may face claims relating to information that is published or made available on our products. In particular, the nature of our business exposes us to claims related to defamation, dissemination of misinformation or news hoaxes, intellectual property rights, rights of publicity and privacy, personal injury torts, or local laws regulating hate speech or other types of content. This risk is enhanced in certain jurisdictions outside the United States where

our protection from liability for third-party actions may be unclear and where we may be less protected under local laws than we are in the United States. We could incur significant costs investigating and defending such claims and, if we are found liable, significant damages. We could also face orders restricting or blocking our services in particular geographies as a result of content hosted on our services. If any of these events occur, our business and financial results could be adversely affected.

Our products and internal systems rely on software that is highly technical, and if it contains undetected errors or vulnerabilities, our business could be adversely affected.

Our products and internal systems rely on software, including software developed or maintained internally and/or by third parties, that is highly technical and complex. In addition, our products and internal systems depend on the ability of such software to store, retrieve, process, and manage immense amounts of data. The software on which we rely has contained, and will in the future contain, undetected errors, bugs, or vulnerabilities. Some errors may only be discovered after the code has been released for external or internal use. Errors, vulnerabilities, or other design defects within the software on which we rely may result in a negative experience for users and marketers who use our products, delay product introductions or enhancements, result in targeting, measurement, or billing errors, compromise our ability to protect the data of our users and/or our intellectual property or lead to reductions in our ability to provide some or all of our services. In addition, any errors, bugs, vulnerabilities, or defects discovered in the software on which we rely, and any associated degradations or interruptions of service, could result in damage to our reputation, loss of users, loss of revenue, or liability for damages, any of which could adversely affect our business and financial results.

Technologies have been developed that can block the display of our ads, which could adversely affect our financial results.

Technologies have been developed, and will likely continue to be developed, that can block the display of our ads, particularly advertising displayed on personal computers. We project to generate substantially all of our revenue from advertising, including revenue resulting from the display of ads on personal computers. Revenue generated from the display of ads on personal computers has been impacted by these technologies from time to time. As a result, these technologies may have an adverse effect on our financial results and, if such technologies continue to proliferate, in particular with respect to mobile platforms, our future financial results may be harmed.

E-Cig Industry

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

Electronic cigarettes, were first introduced into the market in 2006, and 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 in this segment 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 have become subject to regulation by the FDA.

In the United States, in 2016, the FDA finalized a rule extending the regulatory authority to cover all tobacco products, including vaporizers, vape pens, hookah pens, electronic cigarettes (E-Cigarettes), e-pipes, and all other Electronic Nicotine Delivery Systems ("ENDS"). FDA now regulates the manufacture, import, packaging, labeling, advertising, promotion, sale, and distribution of ENDS. This includes components and parts of ENDS, but excludes accessories. Under the new guidance, any company that make, modify, mix, manufacture, fabricate, assemble, process, label, repack, relabel, or import any tobacco product is considered a tobacco product manufacturer. Importers of finished tobacco products may be distributors and manufacturers of tobacco products. Importers who do not own or operate a domestic establishment engaged in the manufacture, preparation, compounding or processing of a tobacco product are not required to register their establishment or provide product listing. However, they must comply with all other applicable tobacco product manufacturer requirements.

However, recent statements by FDA have begun to clear up the U.S. federal agency's position on nicotine free e-liquids and synthetic nicotine. According to court statements made by the FDA, some devices that truly contain no nicotine (or only synthetic nicotine) may not be subject to the deeming regulations, depending on the circumstances in which they are likely to be used. Some disposable, closed-system devices with zero-nicotine or synthetic nicotine e-liquids may also escape regulation as tobacco products if they meet certain further criteria. We believe our products fall under this guidance and not regulated by the FDA. However, even if products currently fall outside the scope of the deeming rule, the FDA could choose to regulate them later .

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.

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

We rely almost exclusively on a Chinese factory for the manufacturing of eCigs. Therefore, our ability to maintain operations is dependent on this third-party manufacturer. Our manufacturer has the capacity to produce 20,000 eCigs per week. Currently, it takes our manufacturer approximately 8 hours to produce 1,000 eCigs.

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.

Further, the following represent the processes in this production by the manufacturer. Our average eCig 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.

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 $0.02 per share to almost $0.90 per share. The price of the stock as of fiscal year ending April 30, 2017 was trading at $0.24 per share. We attribute this large fluctuation especially on the industry that we operate in. Management believes 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.

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 2016.

On September 23, 2013, the Company entered into a Share Cancellation / Exchange / Return to Treasury Agreement with Paul Rsenberg, 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. As of April 30, 2017 Mr. Rosenberg owned 12,775,000 Series A Preferred. 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. There are no plans or intentions for Mr. Rosenberg to convert his Series A Preferred Stock at present or after April 30, 2017.

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.

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 or 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 your ability to buy and sell our stock and have an adverse effect on the market for our shares.

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.

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 corporate office facilities at 2901 Highland Dr., Unit 13B, Las Vegas, Nevada 89109. In addition to this facility, the Company operates out of the following locations:

Philadelphia, Pennsylvania: The Company's current distribution center for shipment of its Hemp based CBD products and electronic cigarettes.

Orange Park and Melbourne, Florida: The Company's current Hemp CBD product infrastructure under MCIG Internet Sales, Inc., and Tuero Capital, Inc. The facilities are co-located in the operations of our paid Consultants and all rent cost are incorporated in our payments to the Consultants.

Watford, United Kingdom: The Company's address for processing international orders and payment processing. The facilities are co-located in the operations of our paid Consultants and all rent cost are incorporated in our payments to the Consultants.

Glyfada, Athens, Greece: The Company's address for international intellectual property rights for Europe, Middle East, and Africa, where applicable. The facilities are co-located in the operations of our paid Consultants and all rent cost are incorporated in our payments to the Consultants.

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.

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, 2015 through July 31, 2015	$ 0.105	$ 0.033
August 1, 2015 through October 31, 2015	$ 0.049	$ 0.021
November 1, 2015 through January 31, 2016	$ 0.048	$ 0.019
February 1, 2016 through April 30, 2016	$ 0.056	$ 0.029
May 1, 2016 through July 31, 2016	$ 0.043	$ 0.026
August 1, 2016 through October 31, 2016	$ 0.138	$ 0.028
November 1, 2016 through January 31, 2017	$ 0.423	$ 0.082
February 1, 2017 through April 30, 2017	$ 0.498	$ 0.202

The closing price of our common stock as reported on the OTCQB Marketplace was $0.24 on August 15, 2017.

(b) Holders

As of August 15, 2017, there were approximately 70 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 301Clearwater, 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

Under its Year 2016 Stock Option Plan (the "Plan"), the Company grants stock options for a fixed number of shares to employees and directors with an exercise price equal to the fair market value of the shares at the date of grant.

Options granted under the Plan are exercisable at the exercise price of grant and, subject to termination of employment, expire three years from the date of issue, are not transferable other than on death, and vest in monthly installments commencing at various times from the date of grant. A summary of the Company's stock option plan as of April 30, 2017 is presented below:

	Shares
Options outstanding at May 1, 2016	
Granted	32,800,000
Forfeited	10,800,000
Exercised	9,923,170
Options outstanding at April 30, 2017	14,276,830
Options exercisable at April 30, 2017	13,276,830

There are currently 28,000,000 unissued options under the 2016 Stock Option Plan.

(e) Recent Sales of Unregistered Securities

In the year ended April 30, 2017, we issued an aggregate of 9,823,325 shares of common stock valued at approximately $312,322 for professional services. In addition, the Company issued 23,104,575 common shares for investments in the amount of $3,844,444.

In the year ended April 30, 2016, we issued an aggregate of 25,552,599 shares of common stock valued at approximately $927,493 for professional services. In addition, the Company issued 2,500,000 common shares for investments in the amount of $67,500 as final payment for Vapolution, Inc.

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 mended (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.

(f) 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, 2017 and 2016, 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 astringent 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 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

Originally, we were formed to open and operate a full-service day spa in Montrose, California. In October 2013, we repositioned ourselves as a technology company focused on two long-term secular trends sweeping the globe: (1) The decriminalization and legalization of marijuana for medicinal or recreational purposes; and, (2) the adoption of electronic vaporizing cigarettes (commonly known as "eCigs").

The Company initially earned revenue through wholesale and retail sales of electronic cigarettes, vaporizers, and accessories in the United States. It offered electronic cigarettes and related products through its online store at www.mcig.org, as well as through the company's wholesale, distributor, and retail programs. We expanded operations to include the VitaCig brand in 2014.

In 2015 we began offering hemp based cannabinoid ("CBD") products through various websites.

In 2016 the Company expanded its products and services to include construction .

In 2017, we added consulting services in the cannabis industry. In addition, we launched a social media platform, 420Cloud, in the cannabis markets. The Company continues to look at strategic acquisitions and product and service developments for future growth. We are currently incubating a cannabis supply company.

During this fiscal year, we operated the following websites (which are not incorporated as part of this Form 10K report):

- www.mcig.org
- www.vitacig.org
- www.chillcbdoil.com
- www.vitacbd.com
- www.vapolution.com

- www.420cloud.com
- www.growcontractors.com
- www.420jobsearch.com
- www.cbd.biz
- www.cherryhempoil.com

Since October 2013, we have positioned ourselves as a 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; and,

(2) The adoption of electronic vaporizing cigarettes (commonly known as "eCigs"), as smokers move away from traditional cigarettes onto e-cigarettes.

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.

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 Policies

The Company recognizes revenue on our products and services in accordance with the Securities Exchange Commission (SEC) Staff Accounting Bulletin No. 104, Revenue Recognition, corrected copy (which superseded Staff Accounting Bulletin No. 101) "Revenue Recognition in Financial Statements".

Revenue Recognition for Retail Sales

Revenues for retail sales 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, CBD products, 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.

Product revenue is recognized when the Company has an executed agreement, the product has been delivered and costs can be measured reliably, the amount of the fee to be paid by the customer is fixed and determinable, and the collection of the related receivable is deemed probable from the outset of the arrangement. If for any of the product or service offerings, the Company determines at the outset of an arrangement that the amount of revenue cannot be measured reliably, and the Company concludes that the inflow of economic benefits associated with the transaction is not probable, then the revenue is deferred until the arrangement fee becomes due and payable by the customer. If, at the outset of an arrangement, the Company determines that collectability is not probable, and the Company concludes that the inflow of economic benefits associated with the transaction is not probable, then revenue recognition is deferred until the earlier of when collectability becomes probable or payment is received. If collectability becomes unlikely before all revenue from an arrangement is recognized, the Company recognizes revenue only to the extent of the fees that are successfully collected unless collectability becomes reasonably assured again. If a customer is specifically identified as a collection risk, the Company does not recognize revenue except to the extent of the fees that have already been collected.

Freight revenue is recognized as the cost of shipping the product to the customer plus a nominal markup.

The Company recognizes product returns as a reduction to revenue. Other forms of customer adjustments are accounted for in the same manner.

The Company will on occasion place finished goods on consignment with a customer. Finished goods are recorded on the Balance Sheet as part of Inventory until the product is purchased.

Revenue Recognition for Construction

The Company measures construction revenue as a Cost-type contract in accordance with *ASC 605, Revenue Recognition (Topic 605), Revenue from Contracts with Customers* , which discusses accounting for performance of construction contracts. The Company recognizes revenue on a cost-plus basis, provisions for reimbursable costs (which are generally spelled out in the contract), overhead recovery percentages, and fees. A fee may be a fixed amount or a percentage of reimbursable costs or an amount based on performance criteria. Generally, percentage fees may be accrued as the related costs are incurred, since they are a percentage of costs incurred, and profits therefore are recognized as costs are incurred.

Revenue Recognition for Software

Typically, the Company's software license agreements are multiple-element arrangements as they may also include maintenance, professional services, and hardware. Multiple-element arrangements are recognized as the revenue for each unit of accounting is earned based on the relative fair value of each unit of accounting as determined by an internal analysis of prices or by using the residual method. A delivered element is considered a separate unit of accounting if it has value to the customer on a standalone basis, and delivery or performance of the undelivered elements is considered probable and substantially under the Company's control. If these criteria are not met, revenue for the arrangement as a whole is accounted for as a single unit of accounting. Where company-specific objective evidence of fair value cannot be determined for undelivered elements, the Company determines fair value of the respective element by estimating its stand-alone selling price, which is also applied for the presentation as part of the revenue categories noted

above when certain of those elements are deemed to be a single unit of accounting.

The Company typically sells or licenses software on a perpetual basis, but also licenses software for a specified period. Revenue from short-term time-based licenses, which usually include support services during the license period, is recognized ratably over the license term. Revenue from multi-year time based licenses that include support services, whether separately priced or not, is recognized ratably over the license term unless a substantive support service renewal rate exists; if this is the case, the amount allocated to the delivered software is recognized as software revenue based on the residual approach once the revenue criteria have been met. In those instances where the customer is required to renew mandatory support and maintenance in order to maintain use of the licensed software over the license term, the Company recognizes the consideration attributable to the license and support for the initial term of the arrangement attributable to the license and support over the initial one-year term and recognizes revenue for the support renewal fees in subsequent years over the respective renewal periods.

Revenue from the license of software involving significant implementation or customization essential to the functionality of the Company's product, is recognized under the percentage-of-completion method of contract accounting based either on the achievement of contractually defined milestones or based on labor hours. Any probable losses are recognized immediately in profit or loss. In certain situations where the outcome of an arrangement cannot be estimated reliably, costs associated with the arrangement are recognized as incurred. In this situation, revenues are recognized only to the extent of the costs incurred that are probable of recovery.

Maintenance and other recurring revenue primarily consists of fees charged for customer support on software products post-delivery and also includes, to a lesser extent, recurring fees derived from combined software/support contracts, transaction revenues, managed services, and hosted products. The company specific fair value of maintenance is typically derived from rates charged to renew these services after an initial period. Maintenance revenue remaining to be recognized in profit or loss is recognized as deferred revenue in the consolidated statements of financial position when amounts have been billed in advance and the term of the service period has commenced.

Professional Services revenue including implementation, training and customization of software is recognized by the stage of completion of the arrangement determined using the percentage of completion method noted above or as such services are performed as appropriate in the circumstances. The revenue and profit of fixed price contracts is recognized on a percentage of completion basis when the outcome of a contract can be estimated reliably. When the outcome of the contract cannot be estimated reliably, the amount of revenue recognized is limited to the cost incurred in the period. Losses on contracts are recognized as soon as a loss is foreseen by reference to the estimated costs of completion.

Management exercises judgement in determining whether a contract's outcome can be estimated reliably. Management also applies estimates in the calculation of future contract costs and related profitability as it relates to labor hours and other considerations, which are used in determining the value of amounts recoverable on contracts and timing of revenue recognition. Estimates are continually and routinely revised based on changes in the facts relating to each contract. Judgement is also needed in assessing the ability to collect the corresponding receivables.

The timing of revenue recognition often differs from contract payment schedules, resulting in revenue that has been earned but not billed. These amounts are included in work in progress. Amounts billed in accordance with customer contracts, but not yet earned, are recorded and presented as part of deferred revenue.

Our operating results for the years ended April 30, 2017 and 2016 are summarized as follows:

	For the year ended April 30,	
	2017	**2016**
Revenue	$ 4,777,072	$ 1,723,421
Cost of Goods Sold	2,881,043	1,432,648
Gross Profit	1,896,029	290,773
Expenses	967,040	1,699,728
Net Income (Loss) from operations	$ 928,989	$ (1,408,955)

Revenue

Our revenue from continuing operations for the year ended April 30, 2017 was $4,777,072 compared to $1,723,421, an increase of $3,053,651 or approximately 277%, from the year ended April 30, 2016. Revenues consists of $2,327,144 in construction, $1,260,081 in CBD sales, $775,747 in e-Cig sales, $68,652 in cannabis supplies sales, and $345,448 in corporate sales.

Cost of Goods Sold

Our cost of goods sold for the year ended April 30, 2017 was $2,881,043 compared to $1,432,648 for the year ended April 30, 2016. The cost of goods consisted of $2,042,726 in construction cost, $606,892 in resale products, $147,182 in commissions, $84,243 in other fees that include merchant fees and shipping. The increase in cost of goods is primarily due to construction costs and commissions for sales.

Gross Profit

Our gross profit for the year ended April 30, 2017 was $1,896,029 compared to $290,773 for the year ended April 30, 2016. The gross profit of $1,896,029 for the year ended April 30, 2017 represents approximately 39.6% as a percentage of total revenue. The gross profit of $290,773 for the year ended April 30, 2016 represents approximately 16.8% as a percentage of total revenue. This increase in the gross profit is primarily attributed to the CBD sales.

Operating Expenses

Our operating expenses decreased by $732,688 to $967,040 for the year ended April 30, 2017, from $1,699,728 for the year ended April 30, 2016. The decrease was primarily due to the decrease in stock based compensation of $1,187,383, an increase in research and development of $10,014, an increase in professional fees of $35,417, a decrease in selling, general and administrative expenses of $40,925, an increase in marketing and advertising of $136,227, an increase in amortization and depreciation of $3,829, and an increase in consulting fees of $310,133.

Our total operating expenses for the year ended April 30, 2017 of $967,040 consisted of $151,675 of stock based compensation, $122,324 of selling, general and administrative expenses, $63,862 in professional fees, $465,541 in consulting fees, $136,227 in marketing and advertising, $15,530 in research and development, and $11,881 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, travel, rent, office supplies and other expenses.

Net Income

Our net income increased by $2,337,944 to $929,989 for the year ended April 30, 2017 from a net loss of $1,408,955 for the year ending April 30, 2016. The increase in net income compared to the prior year is a result of the increase in gross profit of $1,605,256 and the decrease in operating expenses of 732,688.

Liquidity and Capital Resources

Introduction

During the year ended April 30, 2017, our operating cash flow was 1,554,120 increasing our cash on hand as of April 30, 2017 to $1,634,662.

Cash Requirements

We had cash available of $1,634,662 as of April 30, 2017. Based on our revenues, cash on hand and current monthly burn rate, the company is positioned to remain a going concern for the upcoming fiscal year. Without stock based compensation and/or the raising of capital, the company projects it has enough capital to sustain operations for a period of approximately the next 12 months.

Sources and Uses of Cash

Operations

We had cash provided in continuing operating activities of $2,442,264 for the year ended April 30, 2017, as compared to net cash used in continuing operation of $46,322 for the year ended April 30, 2016.

Investments

Cash used by investing activities of was $1,133,453 for the year ended April 30, 2017, as compared to $0 for the year ended April 30, 2016.

In the year ended April 30, 2017, the company issued stock in non-cash investing activities of $816,624 in the acquisition of various internet domains, websites, and trademarks, $3,063,635 in the acquisition of 420 Cloud, and $160,008 in the purchase of Agri-Contractors, LLC.

In the year ended April 30, 2017, the company was returned stock in non-cash activities of $653,371 for Vapolution settlement and $166,647 for stock based compensation in which services were not provided.

Financing

We had net cash provided by continuing financing activities of $245,309 for the year ended April 30, 2017, as compared to $24,173 for the year ended April 30, 2016. Our financing activities consisted of borrowings from a related party, notes receivable and notes payable and net proceeds from the issuance and acquisition of stock.

Off-Balance Sheet Arrangements

As of April 30, 2016, the Company owned 230,000,000 of VitaCig, Inc., with a value of $2,300,000. Subsequently to the end of the fiscal year, the Company has reduced its ownership in VitaCig, Inc., by 172,500,000 common shares to 57,500,000 as part of its acquisition of the VitaCig business.

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 years ended April 30, 2017 and 2016 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.

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.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

INDEX TO FINANCIAL STATEMENTS

REPORT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of

mCig Inc.

We have audited the accompanying consolidated balance sheets of mCig Inc. (hereinafter," the Company"), and its subsidiaries at April 30, 2017 , and the related consolidated statements of operation, cash flows, and stockholders' equity 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 audits.

The financial statements of the Company as April 30, 2016, and for the year then ended were audited by other auditors. Those auditors expressed an unqualified opinion on those financial statements in their report dated August 31, 2016.

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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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, such consolidated financial statements referred to above present fairly, in all material respects, the financial position of mCig Inc. and its subsidiaries as of April 30, 2017 , and the results of their operations and their cash flows for the periods described above, in conformity with accounting principles generally accepted in the United States of America.

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, as of April 30, 2017, while the Company has positive cash flow and has recognized a substantial gain in 2017, there are no assurances the Company can continue to generate a profit or maintain positive cash flow. These and other factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plan regarding these matters is also described in Note 3 to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Dov Weinstein & Co. C.P.A. (Isr)

Jerusalem, Israel

August 25, 2017

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
mCig, Inc.
Henderson, Nevada

We have audited the accompanying consolidated balance sheet of mCig, Inc. and its subsidiaries (collectively, the "Company") as of April 30, 2016, and the related consolidated statements of operations, stockholders' equity and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our 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 an 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 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 subsidiaries as of April 30, 2016 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.

/s/ MaloneBailey, LLP

Houston, Texas
August 31, 2016

mCig, Inc.
and SUBSIDIARIES
Consolidated Balance Sheets

ASSETS

	April 30, 2017	April 30, 2016
Current Assets		
Cash and cash equivalents	$ 1,634,662	$ 80,542
Accounts receivable, net	149,968	6,120
Inventory	54,278	7,268

Notes receivable	1,529	-
Prepaid expenses	147,015	-
Total current assets	1,987,452	93,930
Property, plant and equipment, net	3,070,497	1,334
Due from related party	-	186,276
Cost basis investment	902,023	67,500
Intangible assets, net	1,018,302	488
Total assets	$ 6,978,274	$ 349,528

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

mCig, Inc.
and SUBSIDIARIES
Consolidated Balance Sheets
LIABILITIES AND STOCKHOLDERS' EQUITY

	April 30, 2017	April 30, 2016
Current liabilities		
Accounts payable and accrued expenses	$ 779,995	$ 45,385
Due to shareholder	173,312	24,173
Other current liabilities	150,000	-
Reserve for uncollected accounts	11,030	-
Deferred revenue	517,033	6,502
Total current liabilities	1,631,370	76,060
Total Liabilities	1,631,370	76,060
Stockholders' equity		
Preferred stock, $0.0001 par value; 50,000,000 shares authorized; 12,850,000 and 23,000,000 shares issued and outstanding, as of April 30, 2017 and April 30, 2016, respectively.	1,285	2,300
Common stock, $0.0001 par value, voting; 560,000,000 shares authorized; 386,092,219 and 306,314,216 shares issued, and outstanding, as of April 30, 2017 and April 30, 2016, respectively.	38,609	30,631
Treasury stock	(680,330)	-
Additional paid in capital	11,118,841	6,916,635
Accumulated deficit	(5,131,501)	(6,658,558)
Total stockholders' equity	5,346,904	291,008
Non-controlling interest	-	(17,540)
Total equity	5,346,904	273,468
Total liabilities and stockholders' equity	$ 6,978,274	$ 349,528

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

mCig, Inc.
and SUBSIDIARIES
Consolidated Statements of Operations

	For the period ended April 30, 2017	2016
Sales	$ 4,777,072	$ 1,723,421
Construction costs	2,042,726	-
Merchandise	606,892	-
Commissions	147,182	-
Merchant fees, shipping, and other costs	84,243	1,432,648
Total Cost of Sales	2,881,043	1,432,648
Gross Profit	1,896,029	290,773
Selling, general, and administrative	122,324	163,249
Professional fees	63,862	28,445
Stock based compensation	151,675	1,339,058
Marketing & advertising	136,227	-
Research and development	15,530	5,516
Consultant fees	465,541	155,408

Amortization and depreciation	11,881	8,052
Total operating expenses	966,040	1,699,728
Income (Loss) from operations	928,989	(1,408,955)
Other income (expense)	615,608	-
Net income (loss) before non-controlling interest	1,544,597	(1,408,955)
Gain attributable to non-controlling interest	(17,540)	17,540
Net income (loss) attributable to controlling interest	1,527,057	$ (1,391,415)
Basic and diluted (Loss) per share:		
Income(Loss) per share from continuing operations	0.0040	(0.00)
Income(Loss) per share	0.0040	(0.00)
Weighted average shares outstanding - basic and diluted	386,092,219	293,680,673

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

MCIG, INC.

and SUBSIDIARIES

Consolidated Statements of Changes in Stockholders' Equity

	Preferred Stock		Common Stock		Treasury Stock		Additional Paid-in	Non-controlling	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Interest	Deficit	Equity (Deficit)
Balance – April 30, 2015	23,000,000	$ 2,300	278,261,617	$27,826	-	$ -	$5,924,447	$ -	$(5,267,143)	$ 687,430
Stock issued for services	-	-	25,552,599	2,555	-	-	924,938	-	-	927,493
Stock issued for investing acquisition	-	-	2,500,000	250	-	-	67,250	-	-	67,500
Net loss	-	-	-	-	-	-	-	(17,540)	(1,391,415)	(1,408,955)
Balance – April 30, 2016	23,000,000	$ 2,300	306,314,216	$30,631	-	$ -	$6,916,635	$(17,540)	$(6,658,558)	$ 273,468
Stock issued for services	-	-	9,873,325	987	-	-	317,335	-	-	318,322
Stock issued for investing acquisitions	-	-	22,104,575	2,210	-	-	3,345,667	-	-	3,347,877
Stock returned by CEO	(7,000,000)	(700)	-	-	-	-	-	-	-	(700)
Stock converted from preferred to common	(3,200,000)	(320)	32,000,000	3,200	-	-	(1,980)	-	-	900
Stock returned in settlement of Vapolution			(1,700,000)	(170)	1,700,000	(680,330)	-	-	-	(680,500)
Stock returned by shareholders	-	-	(3,524,923)	(352)	-	-	(166,295)	-	-	(166,647)
Stock issued from ESOP	-	-	9,499,519	950	-	-	230,350	-	-	231,300
Stock issued from warrant exercise	-	-	10,833,102	1,083	-	-	269,744	-	-	270,828
Stock issued through note conversion	-	-	694,444	69	-	-	24,931	-	-	25,000
Stock issued for investing	50,000	5		-		-	199,995	-	-	200,000
Adjustment for Scalable Solutions Business Closure							(17,540)		17,540	
Net income (loss)	-	-	-	-	-	-			1,527,057	1,527,057
Balance – April 30, 2017	12,850,000	$ 1,285	386,094,258	$38,609	1,700,000	$(680,330)	$11,118,841	-	(5,131,561)	5,346,904

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

mCig, Inc.

and SUBSIDIARIES

Statements of Cash Flows

For the Year Ended April 30,

	2017	**2016**
Cash flows from operating activities:		
Net (Loss)	$ 1,527,057	$ (1,408,955)
Adjustments to reconcile net loss to net		
Cash provided by (used in) operating activities:		
Depreciation and amortization	11,881	8,052
Common stock issued for services	(14,972)	927,493
Bad debt expense	-	5,000
Decrease (Increase) in:		
Accounts receivable, net	(143,848)	26,021
Receivable related party	-	(86,012)
Inventories	(47,010)	33,279
Prepaid expenses and other current assets	(147,015)	411,566

Accounts payable, accrued expenses and taxes payable	734,611	30,732
Deferred revenue	510,530	6,502
Reserve for uncollectable accounts	11,030	-
Total adjustment to reconcile net income to net cash	915,207	1,362,633
Net cash provided In operating activities	2,442,264	(46,322)
Cash flows from investing activities:		
Increase (Decrease) in:		
Cost basis investments	(1,034,523)	-
Acquisition of property, plant and equipment	(19,453)	-
Acquisition of intangible assets	(79,478)	-
Net cash received in investing activities	(1,133,453)	-

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

mCig, Inc.
and SUBSIDIARIES
Statements of Cash Flows
For the Year Ended April 30,
continued

	2017	2016
Cash flows from financing activities:		
Borrowing from related party	168,406	-
Advances to related parties	186,276	-
Notes receivable	(1,529)	-
Notes payable	150,000	-
Advances from related party	-	24,173
Treasury stock	(680,330)	-
Proceeds from issuance of stock, net	422,487	-
Net cash provided by (used in) financing activities	245,309	24,173
Net change in cash	1,554,120	(22,149)
Cash at beginning of year	80,542	102,691
Cash at end of year	$ 1,634,662	$ 80,542
Supplemental disclosure of cash flows information:		
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ -	$ -
Non-cash investing and financing activities:		
Stock issued for purchase of internet domains, websites, and trademarks	$ 816,624	$ -
Stock issued for purchase of 420 Cloud software platform	$3,063,635	$ -
Stock returned and inventory received as settlement of Vapolution, net	$ 653,371	$ -
Stock issued for purchase of Agri-Contractors	$ 160,008	$ -
Stock received by Stony Hill Corp for VitaCBD brand	$ 700,000	$ -
Stock received by VitaCBD, LLC in exchange for 20% rights to VitaCBD brand	$ 200,000	$ -
Stock returned for services not rendered under stock based compensation	$ 166,647	$ -
Conversion of preferred stock to common stock	$ 1,020	$ -
Shares Issued for Acquisition of Vapolution	$ -	$ 67,500

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

mCig, INC.
And SUBSIDIARIES

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").

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries and have been prepared in accordance

with U.S. generally accepted accounting principles (“GAAP”). All significant intercompany accounts and transactions have been eliminated.

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Agri-Contractors, LLC (“AGRI”), GigETech, Inc., (“GIGE”), Grow Contractors Inc., (“GROW”), mCig Internet Sales, Inc., (“MINT”), Scalable Solutions, LLC (“SS”), Vapolutions, Inc., (“VAPO”), VitaCig, Inc., (“VITA”).

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. All agreements related to the Lifetech business were 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.

The Company initially earned revenue through wholesale and retail sales of electronic cigarettes, vaporizers, and accessories in the United States. It offered electronic cigarettes and related products through its online store at www.mcig.org, as well as through the company’s wholesale, distributor, and retail programs. We expanded operations to include the VitaCig brand in 2014.

The Company has been involved in the marijuana and cannabinoid (CBD), and electronic cigarette industries. It currently markets, sales, services, and distributes cannabis wholesale supplies, CBD products, software, and electronic cigarettes, vaporizers, and accessories internationally and in the United States.

In 2015 we began offering hemp based cannabinoid (“CBD”) products through various websites and wholesale distribution. In 2016 the Company expanded its products and services to include construction . In 2017 we added consulting services in the cannabis industry. In addition, we launched a social media platform, 420Cloud, in the cannabis markets. The Company continues to look at strategic acquisitions and product and service developments for future growth. We are currently incubating a cannabis supply company. During this fiscal year, we operated the following websites (which are not incorporated as part of this Form 10K report):

- www.mcig.org
- www.vitacig.org
- www.chillcbdoil.com
- www.vitacbd.com
- www.vapolution.com
- www.420cloud.com
- www.growcontractors.com
- www.420jobsearch.com
- www.cbd.biz
- www.cherryhempoil.com

Subsidiaries of the Company

The Company currently operates, in addition to mCig, Inc., nine wholly owned subsidiaries which are consolidated:

Agri-Contractors, LLC

On November 18, 2016 we acquired, through a Purchase Agreement, Agri-Contractors, LLC. We combined the operations of Agri-Contractors with Grow Contractors Corp and expanded the services to include consulting. We merged the operations of Agri-Contractors, LLC with Grow Contractors in December 2016. Agri-Contractors, LLC provides consulting services to grow facilities, production companies, and dispensaries servicing the cannabis medical and recreational markets.

GigETech, Inc.

We incorporated GigETech, Inc., in the state of Delaware on April 3, 2017. We then assigned our newly acquired social media platform software to GigETech. We launched the social media platform on April 20, 2017. GigETech, Inc., is a wholly owned subsidiary of the Company.

Grow Contractors Inc

The Company incorporated Grow Contractors Inc., on December 5, 2016. Grow Contractors Inc, operates the construction and consulting segment. On November 18, 2016 Grow Contractors Inc., the Company purchased Agri-Contractors, LLC and subsequently merged operations with Grow Contractors Inc. Agri-Contractors, LLC will be absorbed by Grow Contractors Inc., over a period of time yet to be determined. Grow Contractors Inc., is a wholly owned subsidiary of the Company.

mCig Internet Sales, Inc.

On June 1, 2016, the Company incorporated mCig Internet Sales, Inc., (“mCig Internet”) in the state of Florida in order to operate our CBD business and to consolidate all wholesale and online retail sales from various websites. mCig Internet is a wholly owned subsidiary of the Company.

Scalable Solutions, LLC

The Company organized Scalable Solutions, LLC (“SS”) on March 7, 2016 under the laws of the state of Nevada. mCig has been issued 40 membership units and Zoha Development, LLC (“ZOHA”) has been issued 20 units. ZOHA has a ten year option to purchase 40 additional units which expires March 6, 2026. We subsequently closed Scalable Solutions, LLC on December 31, 2016.

Vapolution, Inc.

On January 23, 2014, the Company entered into a Stock Purchase Agreement acquiring 100% ownership in Vapolution, Inc., which manufactures and retails home-use vaporizers. As part of this transaction, .mCig, Inc. issued 5,000,000 common shares to shareholders of Vapolution, Inc. in two separate payments of 2,500,000 common shares. 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. 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 June 30, 2017. On April 30, 2015 the Company impaired the $625,000 initial investment into Vapolution, Inc., but maintains the $67,500 investment on its balance sheet for the second payment.

On January 23, 2014, Paul Rosenberg, CEO of mCig, Inc. 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 were cancelled to offset the 2,500,000 new shares issued from the treasury to complete the purchase of Vapolution, Inc.

On January 17, 2017 the Company entered into a settlement agreement with the previous owners of Vapolution, Inc., whereby they returned to the Company 1,700,000 shares of MCIG common stock, $961 in cash, and $40,541 in inventory. Prior to this, Vapolution was not incorporated in to the consolidated financial statements of the Company. Effective January 17, 2017 we began consolidating Vapolution with the Company's financial reports. Vapolution, Inc., is wholly owned by mCig, Inc.

VitaCig, Inc.

On May 26, 2016 we incorporated VitaCig, Inc., ("VitaCig") in the state of Florida. VitaCig headquarters our global e-cig operations. VitaCig, Inc., is a wholly owned subsidiary of the Company.

Note 2. Summary of Significant Accounting Policies

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 Policies

The Company recognizes revenue on our products and services in accordance with the Securities Exchange Commission (SEC) Staff Accounting Bulletin No. 104, Revenue Recognition, corrected copy (which superseded Staff Accounting Bulletin No. 101) "Revenue Recognition in Financial Statements".

Revenue Recognition for Retail Sales

Revenues for retail sales 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, CBD products, 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.

Product revenue is recognized when the Company has an executed agreement, the product has been delivered and costs can be measured reliably, the amount of the fee to be paid by the customer is fixed and determinable, and the collection of the related receivable is deemed probable from the outset of the arrangement. If for any of the product or service offerings, the Company determines at the outset of an arrangement that the amount of revenue cannot be measured reliably, and the Company concludes that the inflow of economic benefits associated with the transaction is not probable, then the revenue is deferred until the arrangement fee becomes due and payable by the customer. If, at the outset of an arrangement, the Company determines that collectability is not probable, and the Company concludes that the inflow of economic benefits associated with the transaction is not probable, then revenue recognition is deferred until the earlier of when collectability becomes probable or payment is received. If collectability becomes unlikely before all revenue from an arrangement is recognized, the Company recognizes revenue only to the extent of the fees that are successfully collected unless collectability becomes reasonably assured again. If a customer is specifically identified as a collection risk, the Company does not recognize revenue except to the extent of the fees that have already been collected.

Freight revenue is recognized as the cost of shipping the product to the customer plus a nominal markup.

The Company recognizes product returns as a reduction to revenue. Other forms of customer adjustments are accounted for in the same manner.

The Company will on occasion place finished goods on consignment with a customer. Finished goods are recorded on the Balance Sheet as part of Inventory until the product is purchased.

Revenue Recognition for Construction

The Company measures construction revenue as a Cost-type contract in accordance with *ASC 605, Revenue Recognition (Topic 605), Revenue from Contracts with Customers* , which discusses accounting for performance of construction contracts. The Company recognizes revenue on a cost-plus basis, provisions for reimbursable costs (which are generally spelled out in the contract), overhead recovery percentages, and fees. A fee may be a fixed amount or a percentage of reimbursable costs or an amount based on performance criteria. Generally, percentage fees may be accrued as the related costs are incurred, since they are a percentage of costs incurred, and profits therefore are recognized as costs are incurred.

Revenue Recognition for Software

Typically, the Company's software license agreements are multiple-element arrangements as they may also include maintenance, professional services, and hardware. Multiple-element arrangements are recognized as the revenue for each unit of accounting is earned based on the relative fair value of each unit of accounting as determined by an internal analysis of prices or by using the residual method. A delivered element is considered a separate unit of accounting if it has value to the customer on a standalone basis, and delivery or performance of the undelivered elements is considered probable and substantially under the Company's control. If these criteria are not met, revenue for the arrangement as a whole is accounted for as a single unit of accounting. Where company-specific objective evidence of fair value cannot be determined for undelivered elements, the Company determines fair value of the respective element by estimating its stand-alone selling price, which is also applied for the presentation as part of the revenue categories noted above when certain of those elements are deemed to be a single unit of accounting.

The Company typically sells or licenses software on a perpetual basis, but also licenses software for a specified period. Revenue from short-term time-based licenses, which usually include support services during the license period, is recognized ratably over the license term. Revenue from multi-year time based licenses that include support services, whether separately priced or not, is recognized ratably over the license term unless a substantive support service renewal rate exists; if this is the case, the amount allocated to the delivered software is recognized as software revenue based on the residual approach once the revenue criteria have been met. In those instances where the customer is required to renew mandatory support and

maintenance in order to maintain use of the licensed software over the license term, the Company recognizes the consideration attributable to the license and support for the initial term of the arrangement attributable to the license and support over the initial one-year term and recognizes revenue for the support renewal fees in subsequent years over the respective renewal periods.

Revenue from the license of software involving significant implementation or customization essential to the functionality of the Company's product, is recognized under the percentage-of-completion method of contract accounting based either on the achievement of contractually defined milestones or based on labor hours. Any probable losses are recognized immediately in profit or loss. In certain situations where the outcome of an arrangement cannot be estimated reliably, costs associated with the arrangement are recognized as incurred. In this situation, revenues are recognized only to the extent of the costs incurred that are probable of recovery.

Maintenance and other recurring revenue primarily consists of fees charged for customer support on software products post-delivery and also includes, to a lesser extent, recurring fees derived from combined software/support contracts, transaction revenues, managed services, and hosted products. The company specific fair value of maintenance is typically derived from rates charged to renew these services after an initial period. Maintenance revenue remaining to be recognized in profit or loss is recognized as deferred revenue in the consolidated statements of financial position when amounts have been billed in advance and the term of the service period has commenced.

Professional Services revenue including implementation, training and customization of software is recognized by the stage of completion of the arrangement determined using the percentage of completion method noted above or as such services are performed as appropriate in the circumstances. The revenue and profit of fixed price contracts is recognized on a percentage of completion basis when the outcome of a contract can be estimated reliably. When the outcome of the contract cannot be estimated reliably, the amount of revenue recognized is limited to the cost incurred in the period. Losses on contracts are recognized as soon as a loss is foreseen by reference to the estimated costs of completion.

Management exercises judgement in determining whether a contract's outcome can be estimated reliably. Management also applies estimates in the calculation of future contract costs and related profitability as it relates to labor hours and other considerations, which are used in determining the value of amounts recoverable on contracts and timing of revenue recognition. Estimates are continually and routinely revised based on changes in the facts relating to each contract. Judgement is also needed in assessing the ability to collect the corresponding receivables.

The timing of revenue recognition often differs from contract payment schedules, resulting in revenue that has been earned but not billed. These amounts are included in work in progress. Amounts billed in accordance with customer contracts, but not yet earned, are recorded and presented as part of deferred revenue.

Research and Development

Research and Development Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized only if the product or process is technically and commercially feasible, if development costs can be measured reliably, if future economic benefits are probable, if the Company intends to use or sell the asset and the Company intends and has sufficient resources to complete development. For the year ended April 30, 2017 the Company has recognized zero, and for the year ended April 30, 2016 the Company has recognized zero as a capital asset.

For the years ended April 30, 2017 and April 30, 2016, all research and development costs have been expensed in profit or loss.

Concentration of Credit Risk and Significant Customers

Financial instruments which potentially subject the Company to a concentration of credit risk consist principally of temporary cash investments and accounts receivable. The Company places its temporary cash investments with financial institutions insured by the FDIC.

Concentrations of credit risk with respect to trade receivables are limited due to the diverse group of customers to whom the Company sells. The Company establishes an allowance for doubtful accounts when events and circumstances regarding the collectability of its receivables warrant based upon factors such as the credit risk of specific customers, historical trends, other information and past bad debt history. The outstanding balances are stated net of an allowance for doubtful accounts.

For the year ended April 30, 2017, sales to the Company’s primary four customers accounted for approximately 48.7% of revenues and 90.3% of accounts receivable. For the year ended April 30, 2016 the Company’s recognized no significant customers.

Segment Information

In accordance with the provisions of *SFAS No. 131* , *Disclosures about Segments of an Enterprise and Related Information,* the Company is required to report financial and descriptive information about its reportable operating segments. The Company identifies its operating segments as divisions based on how management internally evaluates separate financial information, business activities and management responsibility. In addition to the corporate segment, the Company segments and the subsidiaries associated with each segment are as follows:

Segment	Subsidiary
Construction and Consulting	Scalable Solutions, Inc. Grow Contractors, Inc. Agri-Contractors, LLC
CBD	mCig Internet Sales, Inc.
Vaporizer	VitaCig, Inc. Vapolution, Inc.
Media	GigETech, Inc.
Cannabis Supplies	mCig, Inc.

We began recording segments in 2017. Originally, we tracked our segments as i) construction, ii) retail, and iii) wholesale. During the third quarter of 2017, our chief operating decision maker, who is also our Chief Executive Officer, requested changes in the information that he regularly reviews for purposes of allocating resources and assessing performance. As a result, we report our financial performance based on our new segments described in Note 8 – Segment Information. We have recast certain prior period amounts to conform to the way we internally manage and monitor segment performance during 2017. This change had no impact on consolidated net income or cash flows.

Business Segments

	Total Revenue Year Ended April 30,		Percentage of Total Revenue Year Ended April 30,	
	2017	2016	2017	2016
Consulting and Construction	$ 2,327,144	$ 51,870	48.7%	3.0%
CBD	1,260,081	1,671,551	26.4%	97.0%
Vaporizers	775,747	-	16.2%	0.0%
Media	-	-	0.0%	0.0%
Supplies	68,652	-	1.4%	0.0%
Corporate	345,448	-	7.2%	0.0%
Total	$ 4,777,072	$ 1,723,421	100.0%	100.0%

Stock-Based Compensation

The Company accounts for share-based awards issued to employees in accordance with *FASB ASC 718, Compensation – Stock Compensation* . 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.

Cost of Revenue

Cost of revenue includes: manufacturing and distribution costs for products sold and programs licensed; operating costs related to product support service centers and product distribution centers; costs incurred to include software on PCs sold by OEMs, to drive traffic to our websites and products, and to acquire online advertising space; costs incurred to support and maintain Internet-based products and services, including datacenter costs and royalties; warranty costs; inventory valuation adjustments; costs associated with the delivery of consulting services; and the amortization of capitalized software development costs. Capitalized software development costs are amortized over the estimated lives of the products.

Cash and Cash Equivalents

The Company includes in cash and cash equivalents all short-term, highly liquid investments that mature within three months of the date of purchase. 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, 2017 or 2016.

Inventory

In accordance with *ASU 2015-11 – Inventory (Topic 330) – Simplifying the Measurement of Inventory* , the Company's 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.

As of April 30, 2017, the Company had no allowance for obsolescence. The level of inventory maintained by the Company is insignificant and is typically ordered on an as needed basis, or just-in-time.

Property, Plant, and Equipment

Property, plant and equipment ("PPE") 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.

The Company classifies its software under the *Financial Accounting Standards Advisory Board (FASAB) Statement of Federal Financial Accounting Standards (SFFAS) No. 10, Accounting for Internal Use Software, and the Governmental Accounting Standards Board (GASB) Statement No. 42, Accounting of Costs of Computer Software Developed or Obtained for Internal Use. When software is used in providing goods and services it is classified as PPE. The Company considers its 420 Cloud software as a major part of the Company's operations that is intended to provide profits.*

Accounts Receivable

The Company's accounts receivable in its construction and retail segments. As the retail division is either paid through credit card processing and prepaid wholesale purchases, the Company projects insignificant amounts of outstanding accounts receivable for its retail division. The Company recognizes receipt of payment at the time the funds are deposited with the merchant services account of the Company. When the merchant services vendor determines to maintain a reserve for potential refunds and chargebacks, the Company reviews the reserve, to i) determine if the reserve is probably uncollectible, and ii) if a loss is probable, a reasonable estimate of the amount of the loss. We then allocate a portion of the reserve for bad debt, in accordance with *FASB ASC 450-20-25-2* . Once the vendor releases the funds, the bad debt reserve is appropriately reversed. The Company recognized $11.030 and $0 as an uncollectable reserve for the periods ending April 30, 2017 and April 30, 2016, respectively.

Advertising Costs and Expense

The advertising costs are expensed as incurred. During the years ended April 30, 2017 and 2016, the advertising costs were $136,227 and $53,981, 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 of certain website development costs that is amortized over their useful life in accordance with the guidelines of *ASC 350-30 General Intangible Other than Goodwill* and *ASC 350-50 Website Development Costs* . In addition to these finite intangible assets, the Company accounts for its infinite intangible assets without depreciation and/or amortization. These assets are reviewed annually by an independent review to determine if an impairment should be recognized. No impairment was warranted for the Company's infinite intangible assets.

Research and Development

The costs of research and development are expensed as incurred. During the years ended April 30, 2017 and 2016, the research and development costs were $15,530 and $5,516, 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 – Earnings Per Share* , and *FASB 2015-06, Earnings Per Share* 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.

Basic net earnings (loss) per common share are computed by dividing the net earnings (loss) for the period by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share are computed using the weighted average number of common and dilutive common stock equivalent shares outstanding during the period. Dilutive common stock equivalent shares consist of Series A convertible preferred stock, convertible debentures, stock options and warrant common stock equivalent shares.

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 our e-cig products. 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 $904,914 and $0 in excess of federally insured limits at April 30, 2017 and 2016.

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.

In accordance with Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets, ASU 2011-08, Intangible-Goodwill and Other (Topic 350)" Testing Goodwill for Impairment, and ASU 2012-02 Intangibles-Goodwill and Other (Topic 350) Testing Indefinite-Lived Intangible Assets for Impairment our intangible assets are* evaluated for potential impairment annually, generally during the fourth quarter, by comparing the fair value of a reporting unit to its carrying value. If the carrying value exceeds the fair value, impairment is measured by comparing the derived fair value of to its carrying value, and any impairment determined would be recorded in the current period. The Company recognized no impairment on its intangible assets for the periods ending April 30, 2017 and April 30, 2016.

Cost-Basis Investments

The Company's non-marketable equity investment in Vapolution and Stony Hill Corp 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 2017 and 2016 there were no impairment losses.

Equity-Basis Investments

The Company accounted for its approximately 46% ownership of VitaCig, Inc., (Nevada) as an equity-basis investment. As of April 30, 2017, and April 30, 2016, there is no net book value of the ownership of VitaCig, as the pro-rata value after the Spin-off and the impairment of the investment in VitaCig.

On June 22, 2017, the Company reduced its ownership of VitaCig, Inc., to 57,500,000 through a Separation and Transfer Agreement where the Company acquired the business operations of VitaCig in exchange for selling back to the treasury of VitaCig, Inc., (Nevada) 172,500,000. As a condition to the action, the Company's shares are non-dilutive for a period of 12 months.

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.. 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, 2017. Based on these actual expenses, the warranty reserve, as estimated by management as of April 30, 2017 and April 30, 2016 were 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.

Commitments and Contingencies

The Company reports and accounts for its commitments and contingencies in accordance with *ASC 440 – Commitments* and *ASC 450 – Contingencies* . We recognize a loss on a contingency when it is probable a loss will incur and that the amount of the loss can be reasonably estimated. As of April 30, 2017, the Company recognized a loss on contingencies of $50,000.

Stock Options

In September 2016, we adopted a stock option plan. We account for stock options in accordance with *ASC 718 – Compensation – Stock Compensation* for employees. The company incorporates *ASC Subtopic 505-50, Equity – Equity Based Payments to Non-Employees* for issuance of stock options to non-employees.

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.

On December 15, 2016, the following two ASU's became effective, *ASU 2015-11, Simplifying the Measurement of Inventory* issued July 2015 and *ASU 2014-09, Revenue From Contracts With Customers* , issued May 2014, and must be utilized in fiscal years beginning after the effective date. The company has adopted and implemented the standards as part of its 2017 fiscal year. The early implementation had no effect on the financial performance of the Company. The Company reports its inventory by segments.

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.

In June 2014, the FASB issued ASU 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.

On May 28, 2014, the FASB issued ASU No. 2015-08 a standard on recognition of revenue from contracts with customers (Topic 606). An issue discussed relates to when another party, along with the entity, is involved in providing a good or a service to a customer. In those circumstances, Topic 606 requires the entity to determine whether the nature of its promise is to provide that good or service to the customer (that is, the entity is a principal)

or to arrange for the good or service to be provided to the customer by the other party (that is, the entity is an agent). This determination is based upon whether the entity controls the good or the service before it is transferred to the customer. Topic 606 includes indicators to assist in this evaluation. The Company evaluated all its contracts to determine if the Company was a principal or agent. The Company has determined it was the principal in all its contracts.

In March 2016, the FASB issued ASU No. 2015-03 implementing the effective dates of Intangible – Goodwill and Other (Topic 350), Business Combinations (Topic 805), Consolidation (Topic 810) and Derivatives and Hedging (Topic 815) immediately. The Company has reviewed the topics and in compliance. The effects of the immediate implementation of these topics have had no effect on the financial statements of the Company.

In March 2016, the FASB issued ASU No. 2015-09, Compensation-Stock Compensation (Topic 718): "Improvements to Employee Share-Based Payment Accounting." This ASU makes targeted amendments to the accounting for employee share-based payments. This guidance is to be applied using various transition methods such as full retrospective, modified retrospective, and prospective based on the criteria for the specific amendments as outlined in the guidance. The guidance is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015. Early adoption is permitted, as long as all of the amendments are adopted in the same period. The Company is currently evaluating the provisions of this guidance and assessing its impact on the Company's financial statements and disclosures.

In August 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-15, "Presentation of Financial Statements—Going Concern: Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern." ASU 2014-15, which is effective for annual reporting periods ending after December 15, 2015, extends the responsibility for performing the going-concern assessment to management and contains guidance on how to perform a going-concern assessment and when going-concern disclosures would be required under GAAP. We do not anticipate that the adoption of ASU 2014-15 will have a material impact on our consolidated financial condition or results from operations. Management's evaluations regarding the events and conditions that raise substantial doubt regarding our ability to continue as a going concern as discussed in the notes to our consolidated financial statements included elsewhere.

Note 3. Going Concern

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

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, no certainty of continuation can be stated. The accompanying financial statements for the years ended April 30, 2017 and 2016 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.

While the Company has positive cash flow and has recognized a substantial gain in 2017, the gain is due in large part to the selling of certain assets for profit and the settlement of several claims. There are no assurances the Company can continue to generate a profit or maintain positive cash flow. The Company suffered losses from operations in all years prior to 2017, and has a nominal working capital surplus, which raise 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. Inventory

The early implementation of *ASU 2015-11, Simplifying the Measurement of Inventory* had no effect on the financial performance of the Company. The Company reports its inventory by segments. The inventory levels for the segments for previous years are based upon best estimates of management and are provided for quality review measures only.

Inventory

	For the year ending April 30,					
	2017	2016	2017	2016	2017	2016
	Vaporizer Segment		CBD Segment		Total	
Inventory	$ 39,094	$ -	$ 15,184	$ 7,268	$ 54,278	$ 7,268
Allowance for obsolete inventory	-	-	-	-	-	-
Total Inventory	$ 39,094	$ -	$ 65,184	$ 7,268	$ 54,278	$ 7,268

Note 5: Accounts Receivable

The Company's accounts receivable is primarily from its vendor tasked with accepting all credit card payments for purchases from its customers, and are held in escrow for potential chargebacks, and are reported at the amount due from the vendor. While the Company expects these receivables to be fully collectible it has created an allowance for doubtful accounts for the period. The Company recorded $11,030 in accounts receivable from its retail customers.

The Company maintains subscription receivables of $366,614 for the exercise of warrants and options. The funds were not received prior to the filing of this report and as such are not incorporated in the balance sheet statement. A complete breakdown of the accounts receivable and subscriptions receivable is as follows:

Accounts Receivable

	For the year ending April 30,	
	2017	2016
A/R from credit card reserve	$ 11,030	$ 6,120
A/R from direct customers	149,968	-
Subscription receivables	366,614	-
Allowance for bad debt	(11,030)	-
Subscription receivable not received by time of filing	(366,614)	-

Total Accounts Receivable	$	149,968	$	6,120

Note 6. Property, Plant and Equipment

During 2017 the Company acquired equipment for its Rollies operation, a service whereby the company provides onsite packing services at dispensaries where marijuana cigarettes are sold. The cost of the machine includes actual cost, transportation, travel for inspection and testing. The Company acquired computer equipment for its Grow Contractors division, which it will depreciate over its useful life of 3 years.

Ina major transaction, the Company acquired the 420 Cloud software environment which includes, 420 Cloud mobile, 420 Cloud browser, 420 Cloud API, 420 single sign-on mobile wallet, 420 job search, Weedistry, Ehesive, 420 cue, 420 wise guy, and Palm weed. At the end of the fiscal year the software was still in development. The Company launched 420 cloud mobile on April 20, 2017.

The following is a detail of equipment at April 30, 2017 and April 30, 2016:

Property, Plant, and Equipment

	For the year ending April 30,			
		2017		2016
Office furniture	$	1,792	$	1,792
Rollies machine		5,066		-
Computer equipment		1,544		-
420 Cloud		3,063,635		
Total acquisition cost	$	3,072,037	$	1,792
Accumulated depreciation		1,540		458
Total property, plant, and equipment	$	3,070,497	$	1,334

Depreciation expense on property, plant and equipment was $1,540 and $436 for the years ended April 30, 2017 and 2016, respectively.

Note 7. Intangible Assets:

Intangible assets, net consisted of the following:

Intangible Assets

		As of April 30, 2017		
	Weighted Average Useful Life (in Years)	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Carrying Amount**
		$	**$**	**$**
Finite lived intangible assets				
Website designs	5	32,208	22,891	9,317
VitaCBD, LLC	5	200,000	10,000	190,000
Total finite lived intangible assets		232,208	32,891	199,317
Infinite lived intangible assets				
Internet domain names		363,348	-	363,348
Trademarks and intellectual properties		455,637	-	455,637
Total infinite lived intangible assets		818,985	-	818,985
Total Intangible Assets		1,051,193	32,891	1,018,302

Intangible Assets

		As of April 30, 2016		
	Weighted Average Useful Life (in Years)	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Carrying Amount**
		$	**$**	**$**
Finite lived intangible assets				
Website designs	5	22,591	22,103	488
Total finite lived intangible assets		22,591	22,103	488

Amortization expense on intangible assets was $788 and $7,616 for the years ended April 30, 2017 and 2016, respectively. The weighted average remaining useful life on intangible assets at April 30, 2017 is approximately 36 months.

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

Year	Amortization
2018	$ 3,198
2019	3,198
2020	2,921
2022	0
2022	0
Total	$ 9,317

Note 8. Business Segments

The Company operates primarily in five segments; i) construction and consulting, ii) vaporizers, iii) CBD, iv) media, v) cannabis supplies, and vi) corporate. This summary reflects the Company's current segments, as described below.

Information concerning the revenues and operating income (loss) for the year ending April 30, 2017 and 2016, and the identifiable assets for the segments in which the Company operates are shown in the following table:

Business Segments

For the Year Ended April 30, 2017	Construction	Vaporizers	CBD	Media	Supply	Corporate	Total
Revenue	$ 2,327,144	$ 775,747	$ 1,260,081	$ -	$ 68,652	$ 345,448	$ 4,777,072
Segment Income (Loss) from Operations	280,749	172,707	893,592	(12,890)	5,196	187,703	1,527,057
Total Assets	1,299,943	215,509	523,713	3,085,577	-	1,853,532	6,978,274
Capital Expenditures	9,778	60,702	247,500	3,063,635	-	1,575,856	4,957,471
Depreciation and Amortization	130	603	300	-	-	10,848	11,881

For the Year Ended April 30, 2016	Construction	Vaporizers	CBD	Media	Supply	Corporate	Total
Revenue	$ 51,870	$ -	$ 1,671,551	$ -	$ -	$ -	$ 1,723,421
Segment Income from Operations	(70,159)	-	284,441	-	-	(1,605,697)	(1,391,415)
Total Assets	16,538	-	-	-	-	332,990	349,528
Capital Expenditures	-	-	-	-	-	4,872	4,872
Depreciation and Amortization	-	-	-	-	-	8,052	8,052

Note 9. Non-GAAP Accounting and GAAP Reconciliation – Net Income and EBITDA

The Company reports all financial information required in accordance with generally accepted accounting principles (GAAP). The Company believes, however, that evaluating its ongoing operating results will be enhanced if it also discloses certain non-GAAP information because it is useful to understand MCIG's performance that many investors believe may obscure MCIG's ongoing operational results.

For example, MCIG uses non-GAAP net income (Adjusted Net Income), which excludes stock-based compensation, amortization of acquired intangible assets, impairment of intangible assets, costs from acquisitions, restructurings and other infrequently occurring items, non-cash deferred tax provision and litigation and related settlement costs. MCIG uses EBITDA and Adjusted Net Income, which adjusts net income (loss) for amortization of intangible assets, impairment of intangible assets, stock-based compensation, costs related to acquisitions, restructuring and other infrequently occurring items, settlement of litigation, gains or losses on dispositions, pro forma adjustments to exclude lines of business that have been acquired during the periods presented, current cash tax provision, depreciation, and interest expense (income), net.

The company believes that excluding certain costs from Adjusted Net Income and EBITDA provides a meaningful indication to investors of the expected on-going operating performance of the company. Whenever MCIG uses such historical non-GAAP financial measures, it provides a reconciliation of historical non-GAAP financial measures to the most closely applicable GAAP financial measure. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these historical non-GAAP financial measures to their most directly comparable GAAP financial measure.

The following tables reflect the non-GAAP Consolidated Statements of Operations for the years ending April 30, 2017 and April 30, 2016, respectively.

mCig, Inc.
and SUBSIDIARIES
Adjusted Consolidated Statements of Operations

	For the Year Ending April 30, 2017	2016
Sales	$ 3,717,188	$ 1,723,421
Total Cost of Sales	2,881,043	1,432,648
Gross Profit	836,145	290,773
Selling, general, and administrative	122,029	163,249
Professional Fees	63,862	28,445
Marketing & Advertising	136,227	-
Research & Development	15,530	5,516
Consultant Fees	465,541	155,408
Depreciation	271	-
Total Operating Expenses	803,460	352,618
Income (Loss) From Operations	32,685	(61,845)
Other Income (Expense)	-	-
Net Loss Before Non-Controlling Interest	$ 32,685	$ (61,845)

The following tables is a reconciliation of the EBITDA and Adjusted Net Income (non-GAAP measures) to the Net Income with the GAAP Consolidated Statements of Operations for the years ending April 30, 2017 and April 30, 2016, respectively.

CONSOLIDATED STATEMENT of OPERATIONS:	For year ending April 30, 2017	2016

Net Income (Loss)	$ 1,527,352	$ (1,408,955)
Interest	-	
Depreciation and Amortization	11,881	8,052
EBITDA	$ 1,539,233	$ (1,400,903)
Adjustment for Non-Intangible Asset Depreciation	(271)	-
Stock Based Compensation	151,675	1,339,058
Gains not in ordinary course of business	(1,607,952)	-
Settlement	(50,000)	-
Adjusted net income	$ 32,685	$ (61,845)

Note 10. Sale of Assets

On February 23, 2017, the Company entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") with Stony Hill Corp, a Nevada corporation ("Stony"). Pursuant to the terms and conditions of the Asset Purchase Agreement, the Company sold 80% of certain assets that comprise the VitaCBD business, which principally consisted of a brand name (the "Assets"), and an option (the "Option") to sell the remaining 20% for an additional purchase price of $200,000. At the Closing, Stony formed a special purpose entity, VitaCBD LLC (the "Entity"), a Washington State LLC, into which Stony assigned the Assets as consideration for 80% ownership of the entity, and into which the Company assigned the remaining 20% of assets related to the Assets held by mCig as consideration for 20% ownership of the Entity. Stony shall have a majority control of the board of directors and officers and a majority control of the managers, directors and officers of the Entity. Profits and losses will be allocated based on ownership percentages.

The VitaCBD business is primarily a line of cannabidiol ("CBD") retail brand products that include CBD tinctures, ejuices, edibles, isolates, salves, waxes, oils and capsules, as well as related trade names, social media, accounts and other related assets. The purchase price comprised of the following:

Purchase Price

Cash	$ 150,000
Fair value of 200,000 shares of Stony Hill Corp at $2.84 per share issued upon close of Asset Purchase Agreement	568,000
Fair value of 150,000 shares of Stony Hill Corp at $2.84 per share issued on May 24, 2017 (recorded as contractual consideration as of March 31, 2017)	426,000
Total sell price	$1,144,000
Difference in Fair Market Value and contract stated price	294,000
Total value	$ 850,000

The Company applied the provisions of *ASC 805, Business Combinations and ASU 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business* , in accounting for the sell. Under this guidance, the Company accounted for the transaction as asset sale with the revenue generated attributed to the CBD Division of MCIG.

The Company recorded a cost basis investment of $700,000 in Stony Hill Corp. The Company received $994,000 in Stony stock based upon the date of delivery; however, under the terms of the agreement the acquisition price was set at $2.00, the price of the stock on the date the agreement was entered into. The Company has elected to value the asset at the lesser price.

In addition, the Company added an intangible asset of $200,000 representing its 20% ownership into VitaCBD, LLC which shall be amortized over a period of five years. The fair value of the 20% was $212,200 on the date of assignment; however, the Company has granted Stony an option to acquire this 20% at the purchase price of $200,000. The Company elected to value the asset at the lesser number. Amortization totaled $10,000 for the fiscal year ended April 30, 2017 and will total $40,000 per year until depleted.

In accordance with the Asset Purchase Agreement, if the average common stock market price of the Stony's common stock held by mCig falls below $1.57 per share, or $550,000 total value ("Market Value"), during any 7-day period during the first year following the Second Stock Issuance (May 24, 2017), then Stony is obligated to issue to mCig additional shares of the Stony's common stock to increase the then Market Value held by mCig to $550,000. As of purchase price of $2.00 per share for a total of $400,000, with the remainder of $300,000 in stock issued on May 13, 2017.

Note 11. Related Parties and Related Party Transactions

Related Parties

In addition to the subsidiaries of the Company, the following individuals/entities have been identified as related parties in accordance with the guidelines of *ASC 850 – Related Party Disclosures* :

Related Parties

Name/Entity	Position	Became	Ended
Paul Rosenberg	CEO/Director	Inception	Current
Michael Hawkins	CFO	April 8, 2016	Current
Alex Mardikian	CMO	April 1, 2017	Current
Omni Health, Inc.	Greater than 10% stockholder	Inception	June 22, 2016
VitaCBD, LLC	Greater than 10% stockholder	March 15, 2017	Current
Zoha Development, LLC	Scalable Solutions	March 3, 2016	December 31, 2016
Robert Kressa	CEO, Grow Contractors	November 1, 2016	Current
Ronald Sassano	Construction Manager	March 3, 2016	Current

Intercompany Transfer Balances

We are a holding company that operates 9 subsidiaries. The Company will provide intercompany transfers between itself and the subsidiaries as needed for operations. In addition, a subsidiary may provide an intercompany transfer to one of MCIG's other subsidiary. The company documents these transfers as Intercompany Transfers which are eliminated under consolidation and eliminations. The following balances are recorded as Intercompany Transfers as of April 30, 2017:

Details of intercompany transfers balances between the Company and its subsidiaries consist of:

Intercompany Transfers

Lender	Borrower	As of April 30, 2017 Amount
mCig, Inc.	Grow Contractors Inc.	$ 465,575
VitaCig, Inc.	mCig, Inc.	8,982
mCig, Inc.	mCig Internet Sales, Inc.	451,022
mCig, Inc.	GigESoft, Inc.	3,076,467
mCig, Inc.	Vapolutions, Inc.	41,533

Lender	Borrower	As of April 30, 2016 Amount
mCig, Inc.	Scalable Solutions, LLC	$ 75,449

Related Party Transactions

During 2016, the Company advanced to Omni Health, Inc., ("OMHE") $86,012 for internet product sales, and inventory purchases bringing the total outstanding balance due to the Company to $186,276 on April 30, 2016, which was recorded as due from related party. During FY 2017 OMHE paid to the Company $23,153 towards the outstanding liability. On June 22, 2016, the Company entered into a Separation and Share Transfer Agreement with OMHE (See Note 13) bringing the outstanding balance to $95,000 at the time of closing. On October 31, 2016, we converted the note plus the interest earned (outstanding balance of $98,105) into 17,677,058, as per the conversion formula. The fair market value of the stock received was $152,023 at the time of conversion. The Company recognized a gain of $53,918.

The Company entered a Line of Credit with Paul Rosenberg (see Subsequent Events) for up to $100,000 in funding on May 1, 2016. During 2016, the Company had various transactions in which Paul Rosenberg, the Company's CEO and Chairman of the Board personally paid expenses on behalf of the Company. As of April 30, 2016, the Company borrowed $24,173 from Paul Rosenberg. On May 1, 2017, the Company increased the amount of the Line of Credit and Convertible Promissory Note for up to $200,000 in funding by Paul Rosenberg to accurately record the day-to-day transactions of the Company and Paul Rosenberg. As of April 30, 2017, the Company owed Mr. Rosenberg $173,312, which includes the amount of $120,000 earned, covered under his employment agreement which was not paid to Mr. Rosenberg.

On September 1, 2016, the Company entered into an employment agreement with Michael Hawkins, the Chief Financial Officer and an employment agreement with Paul Rosenberg, the Chief Executive Officer of the Company ("employees"). Mr. Hawkins was the Interim Chief Financial Officer which agreement was scheduled to expire on September 6, 2016. Mr. Rosenberg has been the CEO since inception and served without an agreement. The terms of the Agreement are the same. The agreements call for $156,000 per year base salary with a three-year term. Only $3,000 per month guaranteed to be paid in cash, while the remainder ($10,000 per month) is booked as a note due, which may be converted into shares of the company at then current price per share. The initial year's conversion option was accrued upon entering into the agreement. The employees earn annual bonuses based upon gross sales, net profits, and annual increases in sales and profits. The Company and employees may elect to convert a portion of this salary into equity of the company. In addition, each employee was issued a seven-year warrant to acquire four percent (4%) of the Company Stock at the market price as of September 1, 2016 with 25% vested immediately and 25% on each subsequent year anniversary of employment.

On September 1, 2016 the company's Chief Financial Officer, Michael Hawkins, exercised a Warrant purchasing 4,800,000 shares of common stock at the price of $0.025, totaling $120,000. The purchase price was offset by the $120,000 owed to Mr. Hawkins under his employment agreement. Mr. Hawkins gifted 1,000,000 shares of his stock to Carl G. Hawkins, his son.

On December 31, 2016, the Company shutdown Scalable Solutions. The total losses of Scalable Solutions during its existence was $70,159. The Company elected not to pursue payment from Scalable for the 20% in losses it owed as a matter f the shutdown. The Company believed that the benefits of continuing to work with Ronald Sassano, and the potential revenue he would bring to the Company, outweighed the $14,031 loss recorded by MCIG.

On January 17, 2017, we entered into a settlement agreement with the previous owners of Vapolution, Inc. The owners returned 1,700,000 shares of mCig common stock to the Company. See Note 10, Acquisitions for further details of the transaction.

On January 23, 2017 the company's Chief Financial Officer, Michael Hawkins, exercised a Warrant purchasing 616,551 shares of common stock at the price of $0.025, totaling $15,414. The amount was originally listed as a subscription receivable which was paid in full prior to April 30, 2017.

On January 31, 2017, the company sold 25,000 shares of Series A Preferred Stock to Paul Rosenberg, the company's Chief Executive Officer, at $4.00 per share for a total purchase price of $100,000. In addition, the company granted Mr. Rosenberg a five-year warrant to purchase 250,000 shares of common stock at $0.75 per share.

On January 31, 2017, the company sold 25,000 shares of Series A Preferred Stock to Epic Industry Corp., a wholly owned company by Michael Hawkins, the company's Chief Financial Officer, at $4.00 per share for a total purchase price of $100,000. In addition, the company granted Epic Industry Corp. a five-year warrant to purchase 250,000 shares of common stock at $0.75 per share.

On February 23, 2017, we entered into a purchase agreement with VitaCBD, LLC where we sold our 20% ownership of the VitaCBD brand to Stony Hill Corp in exchange for 20% of VitaCBD, LLC. See Note 10, Acquisitions.

On April 1, 2017, the Company entered into an employment agreement with Alex Mardikian, the Chief Marketing Officer. The term of the agreement was for a period of one year. The agreement calls for $84,000 per year base salary with various performance based incentives and bonuses. Either party may terminate the agreement upon 30 days written notice to the other party.

Since the Separation and Share Transfer Agreement, we have provided certain consulting services to OMHE throughout the remainder of 2017. As of April 30, 2017, we were owed $9,382 for services provided. All consulting services were billed through our wholly owned subsidiary Grow Contractors Inc.

Note 12. Commitments and Contingencies

On February 13, 2017, the Company entered into a binding Letter of Intent with CBJ Distributing, LLC ("CBJ"). In exchange for $50,000 in inventory financing, we were issued an option to acquire 80% of CBJ based upon the following formula: The purchase price ("Purchase Price") equals the sum of money identified by the formula [((assets-liabilities) + (net income) times three)], which may be paid through some combination of cash, secured convertible note, and/or Common Stock of mCig, which price may be adjusted upon terms mutually satisfactory to the parties based upon an audit of the financial statements and condition of CBJ. The option to acquire expires on June 30, 2018. Under terms of the LOI, CBJ will conduct its business under the joint operational control and authority of mCig, in which CBJ shall report to mCig's Board of Directors; all sales and expenses of CBJ, shall flow through mCig, with financial oversight provided by mCig's Chief Financial Officer. Through June 30, 2018, the net profit of CBJ shall be distributed 80% to the owners of CBJ with the remaining amount to mCig. We allocated a reserve account to recognize the potential loss of the option value should we elect no to acquire the business.

Rent expense for the year ended April 30, 2017 and 2016 was $8,400 and $501, respectively. Our commitment for rent expense terminated on April 30, 2017. The company currently rents on a month-by-month basis.

Note 13. Acquisitions

The Company considers *FASB 805-10-55, Implementation Guidance and Illustrations for Business Combinations* when accounting for acquisitions. The Company has elected to implement *ASU 2017-01, Clarifying the Definition of a Business* although its required implementation date is for financial statements for periods beginning after December 15, 2017. The Company believes the early implementation of ASU 2017-01 has no material effect on its financial reporting.

Domain Acquisitions

On May 15, 2016 the Company acquired three domain names. The Company considers the acquisition of these domain names as a purchase of an asset, not a business. In this particular acquisition, we acquired the domain names, which at the time of acquisition had not been utilized in the market. At the time of acquisition, the assets had no operational income and could not generate revenue without the Company developing a business operation for the domain names.

The Company considers the acquisition of these domain names as a purchase of an asset, not a business. ASU 2017-01 added two major changes to the current guidance to narrow the application of its definition of a business. Under ASU 2017-01, the first analysis, referred to as the Screen states that if substantially all the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets, the set does not qualify as a business. As such, it gets caught in the Screen and will not fall under the rules of ASC 805. In this particular acquisition, we acquired a group of similar identifiable assets, CBD domain names. 100% of the purchase price was allocated for the domain names. In accordance to rule, the following table reflects the determination of the purchase price of the domain names:

CBD Domain Name Asset Purchase Price		
7,500,000 shares of MCIG stock at fair market value	$	247,500
Total Purchase Price	$	247,500

The following table summarizes the estimated fair values of the assets acquired and the liabilities assumed, and their accounting classifications, at the date of acquisition:

CBD Domain Name Accounting Classifications		
Intangible assets - Domains	$	247,500
Total assets acquired	$	247,500
Additional paid in capital, net stock issuance	$	247,500
Total equity	$	247,500

Omni Health, Inc., formerly known as VitaCig, Inc.

On June 2 2 , 2016, the Company and Omni Health, Inc., FKA VitaCig, Inc., ("OMHE") entered into a Separation and Share Transfer Agreement whereby OMHE transferred the assets and operations of its electronic cigarette ("E-Cig") business to the Company in exchange for the return of 172,500,000 shares of OMHE Common Stock to the treasury of OMHE, and for a reduction of the amount owed to the Company by OMHE in excess of $95,000.

The Company recognized a purchase price of the E-Cig business of $68,123. In consideration of *FASB 805-55-20 thru 23,* Effective Settlement of a Preexisting Relationship Between the Acquirer and Acquiree in a Business Combination, the Company determined the purchase price to be $68,123, which is the amount owed by OMHE to the Company above the $95,000 convertible promissory note. In addition, the company returned 172,500,000 shares of OMHE Common Stock, which had a current market value of $1,052,250, but had no recorded net present value on the Company's balance sheet. In accordance to rule, the following table reflects the determination of the purchase price of the E-Cig business:

E-Cig Business Acquisition Price	
Balance owed to MCIG as of April 30, 2016 (audited)	186,276
Book value of 172,500,000 shares of OMHE common stock	-
Payments received between May 1 - June 21, 2016	(23,153)
Conversion into Convertible Note on June 3, 2016	(95,000)
Balance due on June 22, 2016 (purchase price)	68,123

The following table summarizes the estimated fair values of the assets acquired and the liabilities assumed, and their accounting classifications, at the date of acquisition:

E-Cig Accounting Classifications		
Cash	$	44,281
Accounts Receivable		10,518
Prepaid Expenses		3,300

Inventory		26,608
Intangible assets - website		1,393
Intangible assets - VitaCig Brand		28,820
Related Party Receivable		(68,123)
Total assets acquired	$	46,797
Current Liabilities	$	12,923
Deferred Revenue		31,874
Due to Related Party		2,000
Total liabilities assumed	$	46,797

The E-Cig business, along with the associated assets and liabilities were subsequently assigned to VitaCig, Inc., a wholly owned subsidiary of MCIG, Inc.

Gray Matter, LLC - Cherry Hemp Oil (CHO)

On August 15, 2016, the Company entered into an Asset Purchase Agreement with Gray Matter, LLC. The Agreement was consummated on September 1, 2016. The Company acquired all inventory and intellectual property in exchange for $30,000 in common stock. As a condition to this acquisition, the Company entered into a Consulting Agreement with John James Southard who became the President, mCig CBD Division.

The purchase price of the assets of Gray Matter, LLC – Cherry Hemp Oil ("CHO") was $30,000. The Company recognized the purchase of the Cherry Hemp Oil business. The Company issued $30,000 in common stock of MCIG based upon the closing price of stock on the date of the entering into a definitive agreement for the acquisition of CHO (August 15, 2016). In accordance to rule, the following table reflects the determination of the purchase price of the CHO business:

CHO Business Acquisition Price

882,353 Shares of MCIG Stock	$	30,000
Total Purchase Price	$	30,000

The following table summarizes the estimated fair values of the assets acquired and the liabilities assumed, and their accounting classifications, at the date of acquisition:

CHO Accounting Classifications

Cash	$	4,456
Inventory		3,545
Accounts Receivable		87
Intangible assets (Website)		24,457
Total assets acquired	$	32,545
Deferred Revenue	$	545
Due to Related Party		2,000
Total liabilities assumed	$	2,545
Additional paid in capital, net stock issuance	$	30,000
Total equity	$	30,000
Total liabilities assumed and equity increase	$	32,545

The CHO business, along with the associated assets and liabilities were subsequently assigned to MCIG Internet Sales, Inc., a wholly owned subsidiary of MCIG, Inc.

Agri-Contractors, LLC

On November 1, 2016, the Company entered into an Asset Purchase Agreement with Agri-Contractors, LLC. The Agreement was consummated on November 18, 2016. The Company acquired all intellectual property in exchange for $160,000 in common stock. As a condition to this acquisition, the Company entered into a Consulting Agreement with Robert Kressa II, who became the President and CEO of Grow Contractors Inc., a wholly owned subsidiary of MCIG, Inc.

The Company considers the acquisition of Agri-Contractors, LLC as a purchase of an asset, not a business. In this particular acquisition, we acquired a group of similar identifiable assets, the Grow Contractors brand and website. 100% of the purchase price was allocated for to the intangible assets of the brand and website. In accordance to rule, the following table reflects the determination of the purchase price of the Grow Contractors brand and website:

Grow Contractors Brand and Website Asset Purchase Price

1,000,000 Shares of MCIG Stock	$	160,000
Total Purchase Price	$	160,000

The following table summarizes the estimated fair values of the assets acquired and the liabilities assumed, and their accounting classifications, at the date of acquisition:

Grow Contractors Accounting Classifications

Intangible assets - website	$	15,000
Intangible assets - Grow Contractors brand		145,008
Total assets acquired	$	160,008
Other Current Liabilities	$	8
Total liabilities assumed	$	8

Additional paid in capital, net stock issuance	$	160,000
Total equity	$	160,000
Total liabilities assumed and equity increase	$	160,008

Vapolution, Inc.

On January 17, 2017, the Company acquired operational control of Vapolution, Inc., through a settlement agreement. Under the terms of the settlement agreement the Company gained operational control of Vapolution, Inc., and the previous owners relinquished back to the Company 1,700,000 shares of MCIG common stock.

On January 23, 2014, the Company acquired Vapolution, Inc. for 5,000,000 shares of common stock. The Company issued 2,500,000 on October 30, 2015 with the final installment of 2,500,000 issued on October 1, 2015. In accordance with the agreement mCig, Inc. acquired 100% of Vapolution, Inc., but operational control for the following 10 years remained with the previous owners. Furthermore, the previous owners retained the right to rescind the transaction until June 30, 2017. As such, the Company continues to treat the investment into Vapolution, Inc., as an investment, not a consolidation. The Company's non-marketable equity investment in Vapolution was recorded using the cost-basis method of accounting, and was previously classified within other long-term assets on the accompanying balance sheet as permitted by FASB ASC 325, "Cost Method Investments". During 2016 there were no impairment losses. During 2015 the Company recorded an impairment loss of $625,000 related to the investment in Vapolution.

The settlement agreement with the previous owners of Vapolution, Inc., returned to the Company 1,700,000 shares of MCIG common stock, $961 in cash, and $40,541 in inventory. In accordance to rule, the following table reflects the determination of the purchase price of the E-Cig business:

Vapolution Business Acquisition Price

1,700,000 Shares of MCIG Stock at fair market value	$	680,000
Cash		961
Inventory		40,541
Total Purchase Price	$	721,502

In consideration of *FASB 805-55-20 thru 23* , Effective Settlement of a Preexisting Relationship Between the Acquirer and Acquiree in a Business Combination, the Company determined a preexisting contractual relationship existed, and that the purchase price would be the amount of the fair market value of the terms within the settlement agreement and subsequently reported as a gain in its financial statements.
An accounting of the transaction is as follows:

Vapolution Gain on Acquisition

Total purchase price	$	721,502
Original purchase price	$	692,500
FY 2015 Impairment recorded		625,000
Preexisting contractual relationship value at time of acquisition	$	67,500
Gain on acquisition	$	654,002

Vapomins V ertiebsgesellschaft mbH

On February 1, 2017, the Company acquired all the intellectual property, to include all federal and international domains, trade secrets, and trademarks, associated with the VitaStik brand. The purchase price was 1,500,000 shares of MCIG, Inc., common stock.

The Company considers the acquisition of the VitaStik brand as a purchase of an asset, not a business. In this particular acquisition, we acquired a group of similar identifiable assets, the VitaStik brand, trade secrets, and domain names. The assets have no operational income and cannot generate revenue without major consideration and effort by the Company. In accordance to rule, the following table reflects the determination of the purchase price of the VitaStik brand, trade secrets, and domain names.

VitaStik Brand, Trademarks and Domains Asset Purchase Price

1,500,000 Shares of MCIG Stock	$	412,500
Total Purchase Price	$	412,500

The following table summarizes the estimated fair values of the assets acquired and the liabilities assumed, and their accounting classifications, at the date of acquisition:

VitaStik Accounting Classifications

Intangible assets - domains	$	12,500
Intangible assets - VitaStik trademarks		400,000
Total assets acquired	$	412,500

Additional paid in capital, net stock issuance	$	412,500
Total equity	$	412,500

APO Holdings, LLC

On March 31, 2017 the Company acquired software code for a cloud based social media platform to be known as 420Cloud. The Company considers the acquisition of 420Cloud as a purchase of an asset, not a business. In this particular acquisition, we acquired software code and supporting functions for five different software packages that had not been finalized, marketed, and launched at the time of acquisition. The Company expects to continue to expend a significant amount of time and capital to further develop the software. At the time of acquisition, the assets have no operational income and could not generate revenue without major consideration and effort by the Company. In accordance to rule, the following table reflects the determination of the purchase price of 420Cloud.

420 Cloud Asset Purchase Price

12,222,222 shares of MCIG stock at fair market value	$	2,994,444
90-day convertible promissory note		150,000
Total Purchase Price	$	3,144,444

The following table summarizes the estimated fair values of the assets acquired and the liabilities assumed, and their accounting classifications, at the date of acquisition:

420Cloud Accounting Classifications

Software - 420 Cloud	$	1,100,556
Software - 420 Cloud API System		314,444
Software - WhoDab		314,444
Software - 420 Job Search		786,111
Software - Ehesive		628,889
Total assets acquired	$	3,144,444
Short term note	$	150,000
Total liabilities assumed	$	150,000
Additional paid in capital, net stock issuance	$	2,994,444
Total equity	$	2,994,444
Total liabilities assumed and equity increase	$	3,144,444

Stony Hill Corp

In conjunction with the sale of the VitaCBD brand to Stony Hill Corp the Company was issued $700,000 in equity ownership of Stony Hill Corp. On February 13, 2017, we acquired 200,000 shares of Stony Hill Corp at the purchase price of $2.00 per share. On May 13, 2017, the Company was issued an additional 150,000 shares in Stony Hill Corp. We account for this acquisition as a cost basis investment.

Pro-forma Financial

In accordance with ASC 805-10-50, the Company is providing the following unaudited pro-forma to present a summary of the combined results of the Company's consolidated operations with the acquisitions as if the acquisitions had been completed as of the beginning of the reporting period. For purposes of this pro-forma, we combined only those acquisitions in which we considered a business acquisition; i.e., E-Cig business, CHO business, and Vapolution business.

Pro-forma Financial Statement Incorporating all Acquisitions

	For period ending April 30,	
CONSOLIDATED STATEMENT of OPERATIONS:	2017	2016
Sales	$ 4,822,911	$ 1,882,808
Cost of Sales	2,907,240	1,509,701
Gross Profit	1,915,671	373,107
Operating Expenses	978,120	1,769,115
Income (Loss) from Operations	937,551	(1,396,008)
Other Income / (Expense)	1,696,781	-
Net Income (Loss) Before Non-Controlling Interest	$ 2,634,332	$ (1,396,008)
Gain Attributable to Non-Controlling Interest	17,540	-
Net Income (Loss) Attributable to Controlling Interest	$ 2,651,872	$ (1,396,008)

Note 14. Stockholders' Equity

Common Stock

As of April 30, 2017, the Company was authorized to issue 560,000,000 common shares at a par value of $0.0001. As of April 30, 2017, the Company had issued and outstanding, 386,092,219 common shares. During 2017 we issued 85,002,926 shares of common stock and cancelled 5,224,923.

During the year ended April 30, 2017 the Company issued 15,984,320 shares of common stock for services rendered valued at $350,837 and issued 21,404,575 shares of common stock valued at $3,231,944 for investment purposes. In addition, the Company issued 32,000,000 shares in four separate conversions of Series A Preferred stock into common stock.

During the year ended April 30, 2016 the Company issued 25,552,599 shares of common stock for services rendered valued at $927,493 and issued 2,500,000 shares of common stock valued at $67,500 for investment purposes. As of April 30, 2016, the total issued and outstanding of common stock was 306,314,216.

Preferred Stock

The Company has authorized 50,000,000 shares of preferred stock, of which it has designated 23,000,000 as Series A Preferred, at $0.0001 par value. The Company has 12,850,000 issued and outstanding as of April 30, 2017. There were a total of 23,000,000 issued and outstanding as of April 30, 2016. 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.

During 2017 Mr. Rosenberg, the Company's CEO, retired 7,000,000 shares of Series A Preferred stock. Four shareholders elected to convert 3,200,000 Series A Preferred shares into 32,000,000 common shares.

On January 31, 2017, the company issues 50,000 Series A Preferred shares in exchange for $200,000.

Note 15. 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:

	2017	2016
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.

At April 30, 2017 and 2016, the Company had net operating loss carry forwards available to offset future taxable income of approximately $1,766,636 and $2,575,824, 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 2010 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, 2017, 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 to offset 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, 2017 and 2016, 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 and Nevada. The Company is subject to U.S. federal and state income tax examinations by tax authorities for tax years 2014 through 2017 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, 2017 or 2016.

The Company's policy is to recognize interest and penalties related to income taxes as components of interest expense and other expense, respectively.

Note 16. Basic Loss per Share before Non-Controlling Interest

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,	
	2017	2016
Net income (loss) from continuing operations before non-controlling Interest	1,527,352	(1,391,415)
Net income from discontinued operations	-	-
Net income (loss)	1,527,352	(1,391,415)
Basic loss per common share from continuing operations	$ 0.0040	$ (0.00)
Basic income per common share from discontinued operations	N/A	$ 0.00
Basic income (loss) per share	$ 0.0040	$ (0.00)
Basic weighted average number of shares outstanding	386,092,219	293,680,673

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

Note 17. Stock Option Plan

Under its Year 2016 Stock Option Plan (the "Plan"), the Company grants stock options for a fixed number of shares to employees and directors with an exercise price equal to the fair market value of the shares at the date of grant.

Options granted under the Plan are exercisable at the exercise price of grant and, subject to termination of employment, expire three years from the date of issue, are not transferable other than on death, and vest in monthly installments commencing at various times from the date of grant. As of April 30, 2017, the Company recorded compensation cost of $0 within operating expenses related to stock options granted in 2017.

The weighted average fair value at date of grant for options granted during fiscal 2016 is $0.043 per option. The fair value of each option at date of grant utilized the closing price of the stock on the date of issue.

A summary of the Company's stock option plan as of April 30, 2017 is presented below:

	Shares	Weighted Average Exercise Price
Options outstanding at May 1, 2016		
Granted	32,800,000	$ 0.1362
Forfeited	10,800,000	0.0213
Exercised	9,923,170	0.0421
Options outstanding at April 30, 2017	14,276,830	0.0485
Options exercisable at April 30, 2017	13,276,830	0.0485

There are currently 28,800,000 unissued options under the 2016 Stock Option Plan.

The following table summarizes information for stock options outstanding at April 30, 2017:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding @ 4/30/17	Weighted-Average Remaining in years	Weighted-Average Exercise Price	Number Exercisable @ 4/30/17	Weighted-Average Exercise Price
$0.034 - $0.244	14,276,830	2.92	$ 0.0485	13,276,830	$ 0.0485

Note 18. Warrants

A total of 43,332,412 warrants were issued on September 1, 2016 to various individuals/entities. These warrants were issued as a condition of employment agreements with the CEO and CFO. A total of 10,833,103 shares vest immediately with 10,833,103 vesting on the anniversary date for three years. The conversion price of the warrants is at $0.025.

A summary of warrant activity for period ended April 30, 2017 is as follows:

	Shares	Weighted Average Conversion Price
Warrants outstanding at April 30, 2016	-	$ -
Exercised	10,833,102	$ 0.036
Granted	43,532,412	$ 0.036
Warrants outstanding at April 30, 2017	32,999,310	$ 0.036

Note 19. Subsequent Events

On May 5, 2017, the Company incorporated MCIG Limited, Ltd., a United Kingdom company.

On May 25, 2017, the Company incorporated Tuero Capital, Inc., a Florida company.

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

E ffective November 15, 2016, the Registrant dismissed MaloneBailey, LLP ("MaloneBailey"), which did audit Registrant's year-end financial statements for the year ended April 30, 2016. The change in the Registrant's auditors was recommended and approved by the Board of Directors of the Registrant.

During the year ended April 30, 2016 there were no disagreements with MaloneBailey (as defined in Item 304(a)(1)(iv) of Regulation S-K) on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of MaloneBailey, would have caused them to make reference thereto in their report on financial statements for such years.

During the year ended April 30, 2016 and through November 15, 2016, there were no "reportable events" (as defined in Item 304(a)(1)(v) of Regulation S-K).

The report of the independent registered public accounting firm of MaloneBailey for the year ended April 30, 2016 did not contain any adverse opinion or disclaimer of opinion, nor was it qualified or modified as to audit scope or accounting principle. However, the report contained a "going concern" paragraph.

On November 15, 2016, and effective the same date, on the recommendation of the Registrant's Board of Directors, the Registrant engaged Weinstein & Company, as its independent registered audit firm to audit the Registrant's financial statements for the fiscal year ended April 30, 2017 and to perform procedures related to the financial statements included in the Registrant's quarterly reports on Form 10-Q, beginning with the quarter ending October 31,

2016.

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, 2017. 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.

Scope of Management's Report on Internal Control Over Financial Reporting

Management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of CBJ Distributing, LLC, which we are incubating and maintain an option to acquire until June 30, 2018. Under an agreement, the Company operates in consolidation with MCIG for financial reporting.

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.

Our Chief Executive Officer and Chief Financial Officer have performed an evaluation of our internal control over financial reporting under the framework in *Internal Control-Integrated Framework (2013)* , issued by the Committee of Sponsoring Organizations of the Treadway Commission. The objective of this assessment was to determine whether our internal control over financial reporting was effective at April 30, 2017.

Based on the results of its assessment, our management concluded that our internal control over financial reporting was not effective as of April 30, 2017 based on such criteria. The matters involving internal controls and procedures that our management considered to be material weaknesses under the standards of the Public Company Accounting Oversight Board were:

Risk Assessment – We did not have an effective risk assessment process. From a governance perspective, we historically did not have a formal process to identify, update and assess risks, including changes in our business practices that could significantly impact our consolidated financial statements as well as the system of internal control over financial reporting.

Control Environment – We did not maintain an effective control environment as evidenced by:

- Lack of majority independent board members.
- An insufficient number of personnel to adequately exercise appropriate oversight of accounting judgements and estimates.

Control Activities – We did not have control activities that were designed and operating effectively to identify and address all likely sources of material misstatements, including non-standard transactions. In addition, management review controls were not sufficient or in place to identify all potential accounting errors.

Information and Communications – We did not implement appropriate information technology controls related to access rights for certain financial spreadsheets that are relevant to the preparation of the consolidated financial statements and our system of internal control over financial reporting. In addition, we did not implement the appropriate information technology disaster recovery controls in place to ensure the completeness of financial information surrounding Terra Tech revenues and inventory.

Monitoring – We did not maintain effective monitoring of controls related to the financial close and reporting process. In addition, we did not maintain the appropriate level of review and remediation of internal control over financial reporting deficiencies throughout interim and annual financial periods.

We have not had sufficient time to fully remediate the aforementioned deficiencies and/or there was insufficient passage of time to evidence that the controls that were implemented during 2017 were effective. Therefore, the aforementioned control deficiencies continued to exist as of April 30, 2017. We believe the control deficiencies described herein, individually and when aggregated, represent material weaknesses in our internal control over financial reporting at April 30, 2017 since such deficiencies result in a reasonable possibility that a material misstatement in our annual or interim consolidated financial statements may not be prevented or detected on a timely basis by our internal controls. As a result of our assessment, we have therefore concluded that our internal control over financial reporting was not effective at April 30, 2017.

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

Material Weakness Discussion and Remediation

We believe that the consolidated financial statements included in this Annual Report on Form 10-K for the year ended April 30, 2017 fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with GAAP.

We were not able to fully implement and/or test the design and the operating effectiveness of our control procedures as of April 30, 2017. This required us to design new processes and controls concurrently, and thus did not allow us sufficient time to fully implement and/or test the design and operating effectiveness of the new controls.

We intend to continue to take appropriate and reasonable steps to make necessary improvements to our internal control over financial reporting, including:

- Continuing to improve the control environment through (i) being staffed with sufficient number of personnel to address segregation of duties issues, ineffective controls and to perform control monitoring activities, (ii) increasing the level of GAAP knowledge through retaining of a technical accountant, (iii) implementing formal process to account for non-standard transactions, and (iv) implementing and formalizing management oversight of financial reporting at regular intervals;
- Continuing to update the documentation of our internal control processes, including implementing formal risk assessment processes;
- Implementing control activities that address relevant risks and assure that all transactions are subject to such control activities;
- Ensure systems that impact financial information and disclosures have effective information technology controls;
- Executing plan to increase number of independent directors to enhance corporate governance and Board composition;
- Implementing plan to increase oversight and review of ad hoc spreadsheets while also working to reduce their use.

We believe that the remediation measures described above will strengthen our internal control over financial reporting and remediate the material weaknesses we have identified. We expect that our remediation efforts, including design, implementation and testing will continue throughout fiscal year 2018.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the year ended April 30, 2017 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitation on the Effectiveness of Internal Controls

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.

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:

Name	Director or Officer Since	Age	Positions
Paul Rosenberg	2013	47	President and Chief Executive Officer, and Chairman of the Board
Michael Hawkins	2016	55	Chief Financial Officer
Alex Mardikian	2017	46	Chief Marketing Officer
Ronald Sassano*	2015	45	Manager, Grow Contractors

* Affiliate status is based upon a combination of indicia's that create an affiliate status. Mr. Sassano controlled more than 50% of the revenue generated by mCig during the year, had an option to acquire up to 60% of Scalable Solutions prior to its closing, and had 6.4% ownership of the common stock of mCig.

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.

Michael Hawkins has been our Chief Financial Officer since April 8, 2016. Prior to fulfilling this role, Mr. Hawkins was the Managing Member of Epic Industry, LLC and the Chief Financial Officer for ICA Solutions, Inc. Mr. Hawkins has worked in the hospitality and entertainment industry and construction industry, providing executive level services as CEO, CFO, and COO to multiple nanotech public and privately held companies.. Mr. Hawkins earned his B.S. in Computer Science and Business Administration from University of Maryland, University College.

Alex Mardikian has been our Chief Marketing Officer since April 1, 2017. Alex Mardikian has an extensive background in manufacturing, marketing and sales, with 30-years of experience, which encompasses owning and operating his own successful companies, both in the private and public sectors, from Fortune 50 companies scaled down to start-ups, all of which he held a title. This included his role as Western Regional Manager, Product Design and Certification, for Schlumberger Industries and as a founding principal of publicly traded company Sonic Jet Performance and Force Protection, publicly traded on the OTC and successfully listed and traded on the Nasdaq. His success is warranted by communicating and achieving the value proposition of a company and / or product line, through gorilla marketing for global and exclusive licensing of Von Dutch, Ed Hardy, Quadrophenia with The WHO and the Grammy Label by appointment by the Recording Academy. In the last decade, Alex has focused his direction more so on digital marketing and the cannabis industry. Over that span to date, he has been appointed key roles in MegaUpload, in relation to leveraging consumer and media data of a user base of 50M unique IP's daily and public relations, Otherside Farms, an Education and Cultivation co-op in Southern California, Northsight Capital in Arizona and mCig Group, headquartered in Nevada. He attended the University of Souther California, UC Riverside and Mt. San Antonio College specializing in Mechanical Engineering, with emphasizes in Hydraulics and Fluid Power Technologies.

Ronald Sassano has been served with the Company since May 2015 where he has served as CEO of Scalable Solutions until its closure and subsequently took on the role of Manager through the MACMAS Real Estate and Agriculture Private Equity Opportunity Fund, LLC. With more than 25 years in the construction industry, Mr. Sassano was instrumental in bringing the Company's first construction contracts. On March 6, 2016 the Company founded Scalable Solutions, LLC, and Mr. Sassano, through his corporation, Zoha Development, LLC was granted 20% ownership.

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

Except as noted below, none of the following events have occurred during the past five 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:
   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.

Code of Ethics

We adopted a code of ethics that applies to our officers and directors. 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.

The Company has no 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. In September 2016, the Company adopted a stock option plan. See Notes to Financial Statement in Item 8.

In September 2016, we entered into employment agreements with our CEO and CFO. We entered into employment agreements with our CMO and CTO in April 2017.

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 mCig, Inc., during the year ended April 30, 2017, regardless of the compensation level, and (ii) each of our other executive officers, serving as an executive officer at any time during 2017. 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, 2017 and April 30, 2016:

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Comp ($)	Non-Qualified Deferred Comp Earnings ($)	All Other Comp ($)	Totals ($)
Paul Rosenberg,	2017	108,000	93,488	0	0	0	0	0	201,488
CEO	2016	0	0	0	0	0	0	0	0
Michael Hawkins	2017	119,500	63,735	0	0	0	0	0	183,235
CFO	2016	3,000	0	33,480	0	0	0	0	36,480
Alex Mardikian	2017	7,000	0	0	0	0	0	0	7,000
CMO	2016	0	0	0	0	0	0	0	0

Agreements

On September 1, 2016, the Company entered into an employment agreement with Michael Hawkins, the Chief Financial Officer and an employment agreement with Paul Rosenberg, the Chief Executive Officer of the Company. Mr. Hawkins was the Interim Chief Financial Officer which agreement was scheduled to expire on September 6, 2016. Mr. Rosenberg has been the CEO since inception and served without an agreement. The terms of the

Agreement are the same. The agreements call for $156,000 per year base salary with a three year term.

Only $3,000 per month guaranteed to be paid in cash, while the remainder ($10,000 per month) is booked as a note due, which may be converted into shares of the company at then current price per share. The initial year's conversion option was accrued upon entering into the agreement. The employees earn annual bonuses based upon gross sales, net profits, and annual increases in sales and profits. The Company and employees may elect to convert a portion of this salary into equity of the company. In addition, each employee was issued a seven-year warrant to acquire four percent (4%) of the Company Stock at the market price as of September 1, 2016 with 25% vested immediately and 25% on each subsequent year anniversary of employment.

On April 1, 2017, the Company entered into an employment agreement with Alex Mardikian, the Chief Marketing Officer. The agreement calls for $84,000 base salary. The agreement is for a period of one year, but may be cancelled at any time, and as such constitute at-will employment. Under the agreement, he earns an annual bonus based upon gross sales, net profits, and annual increases in sales and profits in GigeTech, Inc., a wholly owned subsidiary of MCIG.

Outstanding Equity Awards as of April 30, 2017

None

Options Exercises and Stocks Vested

During 2017 a total of 9,923,170 shares were issued under the election of the option holder. 6,000,000 currently maintain a subscription receivable against the shares.

The options granted under the planned based awards have varying vesting schedules and conditions.

Grants of Plan-Based Awards

The Company implemented a 2017 Stock Base Incentive Program authorizing the distribution of up to 50,000,000 shares. In 2017 the company granted 32,800,000 under the plan and cancelled 10,800,000 leaving a total grant of up to 22,000,000 common shares of stock at an average price of $0.1362 per share.

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, 2017 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 386,094,258 shares of common stock outstanding as of April 30, 2017.

Unless other indicated, the address of each beneficial owner listed below is c/o mCig, Inc., 2901 Highland Dr., Unit 13B, Las Vegas, Nevada 89109.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class (1)
Paul Rosenberg	12,834,445 common shares	3.34 %
	12,825,000 preferred shares	99.99 %
Michael Hawkins	4,416,551 common shares	1.14 %
	25,000 preferred shares	0.01 %
Total as a group (1)	17,250,996 common shares	4.48 %
	12,850,000 preferred shares	100.00 %
TOTAL STOCK VOTING POWER		
Paul Rosenberg	141,084,445 stock voting power	27.42 %
Total as a group (1)	145,750,996 stock voting power	28.32 %

(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 outstanding on April 30, 2017. As of April 30, 2017, there were 386,094,258 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

In June 2016, we entered into an agreement with Omni Health, Inc., ("OMHE") where we acquired the VitaCig brand in exchange for 172,500,000 shares of OMHE stock owned by us and the reduction of any outstanding balance owed by OMHE to us above $95,000. Subsequently, on October 31, 2016 we converted the outstanding balanced owed by OMHE into equity of OMHE. See Notes to Financial Statement in Item 8.

On May 1, 2016, the Company entered into a Line of Credit Agreement for up to $100,000 with Paul Rosenberg, the Chairman and CEO. The Company utilized the Line of Credit as needed for day-to-day operations. On April 30, 2017, we amended the agreement to increase the authorized limit to $200,000 and simultaneously converted the outstanding payable to Mr. Rosenberg under his employment agreement to the Line of Credit leaving a balance owed, as of April 30, 2017, of $173,312.

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 November 15, 2016, we engaged, Weinstein & Company to serve as our independent registered public accounting firm for the year ending April 30, 2017. MaloneBailey, LLP served as our independent registered public accounting firm for the year ending April 30, 2016. The following table shows the fees that were billed for the audit and other services provided for 2017 and 2016.

	2017	2016
Audit Fees	$ 24,500	$ 25,500
Audit-Related Fees	-	-
Tax Fees	-	-
All Other Fees	-	-
Total	$ 24,500	$ 25,500

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 audit paid to the auditors with respect to 2017 and 2016 were pre-approved by the Board of Directors.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

	Exhibits	Description
10.1	mCig 2017 Stock Option Plan	
10.2	Form of Notice of Grant of Stock Option	
10.3	Warrant for Paul Rosenberg	
10.4	Warrant for Michael Hawkins	
10.5	Arcadier & Associates, LLC Convertible Promissory Note	
10.6	Form of Series A Preferred Stok Purchase Agreement	
10.7	Option Agreement with CBJ Distributing	
10.8	420Cloud Asset Purchase Agreement	
10.9	Vapomins Asset Purchase Agreement	
10.10	Agri-Contractors Asset Purchase Agreement	
21.1	Articles of Incorporation of Grow Contractors, Inc.	
21.2	Articles of Incorporation of Tuero Capital, Inc.	
21.3	Articles of Incorporation of MCIG Internet Salesl, Inc.	
21.4	Articles of Incorporation of VitaCig, Inc.	
21.5	Articles of Incorporation of GigeTech, Inc.	
23.1	Consent of MaloneBailey, LLP	
23.2	Consent of Weinstein & Company	
31	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act*	
32	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act*	
	XBRL Instance Document	
	XBRL Taxonomy Extension Schema Document	
	XBRL Taxonomy Calculation Linkbase Document	
	XBRL Taxonomy Labels Linkbase Document	
	XBRL Taxonomy Presentation Linkbase Document	
	XBRL Definition Linkbase Document	

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 2 8 , 2017 By: /s/ Paul Rosenberg
Paul Rosenberg

Chief Executive Officer (Principal Executive Officer)

August 2 8 , 2017 By: /s/ Michael W. Hawkins
Michael W. Hawkins

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.

Name	Position	Date
/s/ Paul Rosenberg Paul Rosenberg	Chief Executive Officer *(Principal Executive Officer)*	August 2 8 , 2017
/s/ Michael W. Hawkins Michael W. Hawkins	Chief Operating Officer and Director	August 2 8 , 2017

MCIG, INC.
Year 2016 Stock Option Plan

SECTION 1 GENERAL PURPOSE OF THE PLAN; DEFINITIONS

The name of the plan is the MCIG, Inc., Year 2016 Stock Option Plan (the "Plan"). The purpose of the Plan is to encourage and enable the officers, employees, directors, consultants and other key persons of mCig, Inc., a Nevada corporation (the "Company") and its Parents, Subsidiaries and Affiliates, upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its business to acquire a proprietary interest in the Company. It is anticipated that providing such persons with a direct stake in the Company's welfare will assure a closer identification of their interests with those of the Company, thereby stimulating their efforts on the Company's behalf and strengthening their desire to remain with and or further the interests of the Company.

The following terms shall be defined as set forth below:

" *Affiliate* " means with respect to a specified Person, any Person that directly, or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, the specified Person.

" *Award* " or " *Awards,* " except where referring to a particular category of grant under the Plan, shall include Incentive Stock Options, Non-Qualified Stock Options, Restricted Stock Awards, Unrestricted Stock Awards, or any combination of the foregoing.

" *Board* " means the Board of Directors of the Company.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

" *Control* " means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, contract, or otherwise.

" *Committee* " has the meaning specified in Section 2.

"Effective Date" means the date on which the Plan is approved by stockholders as set forth at the end of this Plan.

" *Exchange Act* " means the Securities Exchange Act of 1934, as amended.

"Fair Market Value" of the Stock on any given date means the fair market value of the Stock determined in good faith by the Committee; provided , however , that the Fair Market Value on any given date shall not be less than the average of the highest bid and lowest asked prices of the Stock reported for such date or, if no bid and asked prices were reported for such date, for the last day preceding such date for which such prices were reported .

"Incentive Stock Option" means any Stock Option designated and qualified as an "incentive stock option" as defined in Section 422 of the Code.

"Non-Qualified Stock Option" means any Stock Option that is not an Incentive Stock Option.

"Option" or *"Stock Option"* means any option to purchase shares of Stock granted pursuant to Section 5.

"Outside Director" means a member of the Board who is not also an employee or officer of the Company or any Subsidiary.

" *Parent* " means any corporation or other entity (other than the Company) in any unbroken chain of corporations or other entities ending with the Company if each of the corporations or entities (other than the Company) owns stock or other interests possessing 50 percent or more of the economic interest or the total combined voting power of all classes of stock or other interests in one of the other corporations or entities in the chain.

" *Person* " means any individual, corporation, partnership (limited or general), limited liability company, limited liability partnership, association, trust, joint venture, unincorporated organization or any similar entity.

"Restricted Stock Award" means Awards granted pursuant to Section 6.

"Stock" means the Common Stock, par value $0.0001 per share, of the Company, subject to adjustments pursuant to Section 3.

"Subsidiary" means any corporation or other entity (other than the Company) in any unbroken chain of corporations or other entities beginning with the Company if each of the corporations or entities (other than the last corporation or entity in the unbroken chain) owns stock or other interests possessing 50 percent or more of the economic interest or the total combined voting power of all classes of stock or other interests in one of the other corporations or entities in the chain.

" *Unrestricted Stock Award* " means any Award granted pursuant to Section 7.

SECTION 2 ADMINISTRATION OF PLAN; COMMITTEE AUTHORITY TO SELECT PARTICIPANTS AND DETERMINE AWARDS

(a) Administration of Plan . The Plan shall be administered by the Board, or at the discretion of the Board, by a committee or committees of the Board, comprised, except as contemplated by Section 2(c), of not less than two Directors.

All references herein to the Committee shall be deemed to refer to the group then responsible for administration of the Plan at the relevant time (i.e., either the Board of Directors or a committee or committees of the Board, as applicable).

(b) Powers of Committee. The Committee shall have the power and authority to grant Awards consistent with the terms of the Plan, including the power and authority:

(i) to select the officers, employees, directors, consultants and key persons of the Company and/or its Subsidiaries and Affiliates to whom Awards may from time to time be granted;

(ii) to determine the time or times of grant, and the extent, if any, of Incentive Stock Options, Non-Qualified Stock Options, Restricted Stock Awards, Unrestricted Stock Awards, or any combination of the foregoing, granted to any one or more participants;

(iii) to determine the number of shares of Stock to be covered by any Award;

(iv) to determine and modify from time to time the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of any Award, which terms and conditions may differ among individual Awards and participants, and to approve the form of written instruments evidencing the Awards;

(v) to impose any limitations on Awards granted under the Plan, including limitations on transfers, repurchase provisions and the like and to exercise repurchase rights or obligations;

(vi) subject to the provisions of Section 5(a)(ii), to extend at any time the period in which Stock Options may be exercised;

(vii) to determine at any time whether, to what extent, and under what circumstances distribution or the receipt of Stock and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the participant and whether and to what extent the Company shall pay or credit amounts constituting interest (at rates determined by the Committee) or dividends or deemed dividends on such deferrals; and

(viii) at any time to adopt, alter and repeal such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of the Plan and any Award (including related written instruments); to make all determinations it deems advisable for the administration of the Plan; to decide all disputes arising in connection with the Plan; and to otherwise supervise the administration of the Plan.

(ix) All decisions and interpretations of the Committee shall be binding on all persons, including the Company and Plan participants.

(c) Delegation of Authority to Grant Awards. The Committee, in its discretion, may delegate to the Chief Executive Officer of the Company all or part of the Committee's authority and duties with respect to the granting of Awards at Fair Market Value to individuals who are not subject to the reporting and other provisions of Section 16 of the Exchange Act or "covered employees" within the meaning of Section 162(m) of the Code. Any such delegation by the Committee shall include a limitation as to the amount of Awards that may be granted during the period of the delegation and shall contain guidelines as to the determination of the exercise price of any Option, the conversion ratio or price of other Awards and the vesting criteria. The Committee may revoke or amend the terms of a delegation at any time but such action shall not invalidate any prior actions of the Committee's delegate or delegates that were consistent with the terms of the Plan.

SECTION 3 STOCK ISSUABLE UNDER THE PLAN; MERGERS; SUBSTITUTION

(a) Stock Issuable. The maximum number of shares of Stock reserved and available for issuance under the Plan shall be 50,000,000 shares of Common Stock, subject to adjustment as provided in Section 3(b). For purposes of this limitation, the shares of Stock underlying any Awards which are forfeited, canceled, reacquired by the Company, satisfied without the issuance of Stock or otherwise terminated (other than by exercise) shall be added back to the shares of Stock available for issuance under the Plan. Subject to such overall limitation, shares of Stock may be issued up to such maximum number pursuant to any type or types of Award. The shares available for issuance under the Plan may be authorized but unissued shares of Stock or shares of Stock reacquired by the Company and held in its treasury.

(b) Changes in Stock. Subject to Section 3(c) hereof, if, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Company's capital stock, the outstanding shares of Stock are increased or decreased or are exchanged for a different number or kind of shares or other securities of the Company, or additional shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such shares of Stock or other securities, or, if, as a result of any merger, consolidation or sale of all or substantially all of the assets of the Company, the outstanding shares of Stock are converted into or exchanged for different number or kind of securities of the Company or any successor entity (or a Subsidiary or Affiliate thereof), the Committee shall make an appropriate or proportionate adjustment in (i) the maximum number of shares reserved for issuance under the Plan, (ii) the number and kind of shares or other securities subject to any then outstanding Awards under the Plan, (iii) the repurchase price per share subject to each outstanding Restricted Stock Award, and (iv) the exercise price and/or exchange price for each share subject to any then outstanding Stock Options under the Plan, without changing the aggregate exercise price (i.e., the exercise price multiplied by the number of Stock Options) as to which such Stock Options remain exercisable. The adjustment by the Committee shall be final, binding and conclusive. No fractional shares of Stock shall be issued under the Plan resulting from any such adjustment, but the Committee in its discretion may make a cash payment in lieu of fractional shares.

(c) The Committee may also adjust the number of shares subject to outstanding Awards and the exercise price and the terms of outstanding Awards to take into consideration material changes in accounting practices or principles, extraordinary dividends, acquisitions or dispositions of stock or property or any other event if it is determined by the Committee that such adjustment is appropriate to avoid distortion in the operation of the Plan, provided that no such adjustment shall be made in the case of an Incentive Stock Option, without the consent of the participant, if it would constitute a modification, extension or renewal of the Option within the meaning of Section 424(h) of the Code.

(d) Mergers and Other Sale Events. In the case of and subject to the consummation of (i) the dissolution or liquidation of the Company, (ii) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (iii) a merger, reorganization or consolidation in which the outstanding shares of Stock are converted into or exchanged for a different kind of securities of the successor entity and the holders of the Company's outstanding voting power immediately prior to such transaction do not own a majority of the outstanding voting power of the successor entity immediately upon completion of such transaction, or (iv) the sale of all of the Stock of the Company to an unrelated person or entity (in each case, regardless of the form thereof, a "Sale Event"), then (A) the Plan shall terminate upon the effective date and time of such Sale Event and (B) unless otherwise provided in the applicable Award agreements, (x) all unexercised Options, whether vested or unvested, issued and outstanding immediately prior to the consummation of such Sale Event shall expire and terminate upon the effective date and time that such Sale Event is consummated, and (y) all unvested portions of any Restricted Stock Award outstanding immediately prior to the consummation of the Sale Event shall expire and terminate upon the effective date and time that such Sale Event is consummated. In the event of such termination of the Plan pursuant to this Section 3(b), each Plan participant shall be permitted within a specified period of time prior to the consummation of the Sale Event as determined by the Committee to exercise all outstanding Options held by such participant which are then exercisable or will become exercisable immediately prior to the consummation of the Sale Event.

(e) Notwithstanding the foregoing, the parties to any Sale Event transaction may, in their sole discretion, provide for the assumption or continuation of Plan Awards theretofore granted (after taking into account any acceleration hereunder) by the successor entity, or the substitution for such Plan Awards of new Awards of the successor entity or a Subsidiary or Affiliate thereof, with an appropriate adjustment as to the number and kind of shares and the per share exercise prices (after taking into account any acceleration provided for hereunder).

(f) Substitute Awards. The Committee may grant Awards under the Plan in substitution for stock and stock based awards held by employees, directors or other option holders of another corporation in connection with a merger or consolidation of the employing corporation with the Company or a Subsidiary or Affiliate, or the acquisition by the Company or a Subsidiary or Affiliate of property or stock of the employing corporation. The Committee may direct that the substitute awards be granted on such terms and conditions as the Committee considers appropriate in the circumstances. Any substitute Awards granted under the Plan shall not count against the share limitation set forth in Section 3(a).

SECTION 4 ELIGIBILITY

Participants in the Plan will be such full or part-time officers, employees, directors, consultants and other key persons of the Company and/or its Subsidiaries and Affiliates who are responsible for, or contribute to, the management, growth or profitability of the Company and/or its Subsidiaries and Affiliates as are selected from time to time by the Committee in its sole discretion.

SECTION 5 STOCK OPTIONS

Any Stock Option granted under the Plan shall be pursuant to a Stock Option Agreement that shall be in such form as the Committee may from time to time approve. Option agreements need not be identical.

Stock Options granted under the Plan may be either Incentive Stock Options or Non-Qualified Stock Options. Incentive Stock Options may be granted only to employees of (i) the Company or (ii) any Subsidiary that is a "subsidiary corporation" within the meaning of Section 424(f) of the Code or (iii) any Parent that is a "parent corporation" within the meaning of Section 424(e) of the Code. To the extent that any Option does not qualify as an Incentive Stock Option, it shall be deemed a Non-Qualified Stock Option.

No Incentive Stock Option shall be granted under the Plan after the Board approves the date, which is 10 years from the date of the Plan.

(a) Terms of Stock Options. Stock Options granted under the Plan shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem desirable. If the Committee so determines, Stock Options may be granted in lieu of cash compensation at the participant's election, subject to such terms and conditions as the Committee may establish, as well as in addition to other compensation.

(b) Exercise Price. The exercise price per share for the Stock covered by a Stock Option shall be determined by the Committee at the time of grant but shall not be less than 100 percent of the Fair Market Value on the date of grant in the case of Incentive Stock Options. If an employee owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10 percent of the combined voting power of all classes of stock of the Company or any parent or subsidiary corporation and an Incentive Stock Option is granted to such employee, the option price of such Incentive Stock Option shall be not less than 110 percent of the Fair Market Value on the grant date.

(c) Option Term. The term of each Stock Option shall be fixed by the Committee, but no Stock Option shall be exercisable more than ten years after the date the option is granted. If an employee owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10 percent of the combined voting power of all classes of stock of the Company or any parent or subsidiary corporation and an Incentive Stock Option is granted to such employee, the term of such option shall be no more than five years from the date of grant.

(d) Exercisability; Rights of a Stockholder. Stock Options shall become exercisable at such time or times, whether or not in installments, as shall be determined by the Committee at or after the grant date. The Committee may at any time accelerate the exercisability of all or any portion of any Stock Option. An optionee shall have the rights of a stockholder only as to shares acquired upon the exercise of a Stock Option and not as to unexercised Stock Options.

(i) Method of Exercise . Stock Options may be exercised in whole or in part, by giving written notice of exercise to the Company, specifying the number of shares to be purchased. Payment of the purchase price may be made by one or more of the following methods to the extent provided in the Award agreement:

(ii) In cash, by certified or bank check, or other instrument acceptable to the Committee in U.S. funds payable to the order of the Company in an amount equal to the purchase price of such Option Shares;

(iii) By the optionee delivering to the Company a promissory note if the Board has expressly authorized the loan of funds to the optionee for the purpose of enabling or assisting the optionee to effect the exercise of his or her Stock Option; provided that at least so much of the exercise price as represents the par value of the Stock shall be paid other than with a promissory note;

(iv) If permitted by the Committee, through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the optionee on the open market or have been beneficially owned by the optionee for at least six months and are not then subject to restrictions under any Company plan. Such surrendered shares shall be valued at Fair Market Value on the exercise date;

(v) If permitted by the Committee, by the optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the purchase price; provided that in the event the optionee chooses to pay the purchase price as so provided, the optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Committee shall prescribe as a condition of such payment procedure.

(vi) Payment instruments will be received subject to collection. No certificates for Option Shares so purchased will be issued to optionee until the Company has completed all steps required by law to be taken in connection with the issuance and sale of the shares, including without limitation (i) receipt of a representation from the optionee at the time of exercise of the Option that the optionee is purchasing the Option Shares for the optionee's own account and not with a view to any sale or distribution thereof, (ii) the legending of any certificate representing the shares to evidence the foregoing representations and restrictions, and (iii) obtaining from optionee payment or provision for all withholding taxes due as a result of the exercise of the Option. The delivery of certificates representing the shares of Stock to be purchased pursuant to the exercise of a Stock Option will be contingent upon receipt from the optionee (or a purchaser acting in his or her stead in accordance with the provisions of the Stock Option) by the Company of the full purchase price for such shares and the fulfillment of any other requirements contained in the Stock Option or applicable provisions of laws. In the event an optionee chooses to pay the purchase price by previously owned shares of Stock through the attestation method, the shares of Stock transferred to the optionee upon the exercise of the Stock Option shall be net of the number of shares attested to.

(e) Annual Limit on Incentive Stock Options . To the extent required for "incentive stock option" treatment under Section 422 of the Code, the aggregate Fair Market Value (determined as of the time of grant) of the shares of Stock with respect to which Incentive Stock Options granted under this Plan and any other plan of the Company or its parent and subsidiary corporations become exercisable for the first time by an optionee during any calendar year shall not exceed $100,000. To the extent that any Stock Option exceeds this limit, it shall constitute a Non-Qualified Stock Option.

(f) Non-transferability of Options . No Stock Option shall be transferable by the optionee otherwise than by will or by the laws of descent and distribution and all Stock Options shall be exercisable, during the optionee's lifetime, only by the optionee, or by the optionee's legal representative or guardian in the event of the optionee's incapacity. Notwithstanding the foregoing, the Committee, in its sole discretion, may provide in the Award agreement regarding a given Option that the optionee may transfer, without consideration for the transfer, his or her Non-Qualified Stock Options to members of his or her immediate family, to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners, provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of this Plan and the applicable Option.

(g) Termination . Unless otherwise provided in the option agreement or determined by the Committee, upon the optionee's termination of employment (or other business relationship) with the Company and its Subsidiaries, the optionee's rights in his or her Stock Options shall automatically terminate.

SECTION 6 RESTRICTED STOCK AWARDS

(a) Nature of Restricted Stock Awards . A Restricted Stock Award is an Award pursuant to which the Company may, in its sole discretion, grant or sell, at par value or such other higher purchase price determined by the Committee, in its sole discretion, shares of Stock subject to such restrictions and conditions as the Committee may determine at the time of grant ("Restricted Stock"), which purchase price shall be payable in cash or by promissory note (recourse, partial recourse, or nonrecourse) acceptable to the Committee. Conditions may be based on continuing employment (or other business relationship) and/or achievement of pre-established performance goals and objectives. The grant of a Restricted Stock Award is contingent on the participant executing the Restricted Stock Award agreement. The terms and conditions of each such agreement shall be determined by the Committee, and such terms and conditions may differ among individual Awards and participants.

(b) Rights as a Stockholder . Upon execution of a written instrument setting forth the Restricted Stock Award and payment of any applicable purchase price, a participant shall have the rights of a stockholder with respect to the voting of the Restricted Stock, subject to such conditions contained in the written instrument evidencing the Restricted Stock Award. Unless the Committee shall otherwise determine, certificates evidencing the Restricted Stock shall remain in the possession of the Company until such Restricted Stock is vested as provided in subsection (d) below of this Section, and the participant shall be required, as a condition of the grant, to deliver to the Company a stock power endorsed in blank.

(c) Restrictions . Restricted Stock may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein or in the Restricted Stock Award agreement. If a participant's employment (or other business relationship) with the Company and its Subsidiaries terminates under the conditions specified in the relevant instrument relating to the Award, or upon such other event or events as may be stated in the instrument evidencing the Award, the Company or its assigns shall have the right or shall agree, as may be specified in the relevant instrument, to repurchase some or all of the shares of Stock subject to the Award at such purchase price as is set forth in such instrument.

(d) Vesting of Restricted Stock . The Committee at the time of grant shall specify the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which Restricted Stock shall become vested, subject to such further rights of the Company or its assigns as may be specified in the instrument evidencing the Restricted Stock Award.

(e) Waiver, Deferral and Reinvestment of Dividends . The Restricted Stock Award agreement may require or permit the immediate payment, waiver, deferral or investment of dividends paid on the Restricted Stock.

SECTION 7 UNRESTRICTED STOCK AWARDS

The Company is ineligible to issue unrestricted stock awards.

SECTION 8 TAX WITHHOLDING

(a) Payment by Participant . Each participant shall, no later than the date as of which the value of an Award or of any Stock or other amounts received thereunder first becomes includable in the gross income of the participant for Federal income tax purposes, pay to the Company, or make arrangements satisfactory to the Committee regarding payment of, any federal, state, or local taxes of any kind required by law to be withheld with respect to such income. The Company and its Subsidiaries shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the participant.

(b) Payment in Stock . Subject to approval by the Committee, a participant may elect to have the minimum required tax withholding obligation satisfied, in whole or in part, by (i) authorizing the Company to withhold from shares of Stock to be issued pursuant to any Award a number of shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due, or (ii) transferring to the Company shares of Stock owned by the participant with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due.

SECTION 9 TRANSFER, LEAVE OF ABSENCE, ETC .

For purposes of the Plan, the following events shall not be deemed a termination of the employment of a Plan participant by the Company or its Subsidiaries and Affiliates:

(a) a transfer of employment to the Company from a Subsidiary or Affiliate, or a transfer of employment to a Subsidiary or Affiliate from the Company, or a transfer of employment from one Subsidiary or Affiliate to another; or

(b) an approved leave of absence for military service or sickness, or for any other purpose approved by (as applicable) the Company or its Subsidiary or Affiliate, if the employee's right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Committee otherwise so provides in writing.

SECTION 9 AMENDMENTS AND TERMINATION

The Board may, at any time, amend or discontinue the Plan and the Committee may, at any time, amend or cancel any outstanding Award (or provide substitute Awards at the same or reduced exercise or purchase price or with no exercise or purchase price in a manner not inconsistent with the terms of the Plan), but such price, if any, must satisfy the requirements which would apply to the substitute or amended Award if it were then initially granted under this Plan for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall adversely affect rights under any

outstanding Award without the holder's consent. If and to the extent determined by the Committee to be required by the Code to ensure that Incentive Stock Options granted under the Plan are qualified under Section 422 of the Code, Plan amendments shall be subject to approval by the Company's stockholders who are eligible to vote at a meeting of stockholders. Nothing in this Section 10 shall limit the Board's or Committee's authority to take any action permitted pursuant to Section 3(c).

SECTION 10 STATUS OF PLAN

With respect to the portion of any Award that has not been exercised and any payments in cash, Stock or other consideration not received by a participant, a participant shall have no rights greater than those of a general creditor of the Company unless the Committee shall otherwise expressly determine in connection with any Award or Awards. In its sole discretion, the Committee may authorize the creation of trusts or other arrangements to meet the Company's obligations to deliver Stock or make payments with respect to Awards hereunder, provided that the existence of such trusts or other arrangements is consistent with the foregoing sentence.

SECTION 11 GENERAL PROVISIONS

(a) No Distribution; Compliance with Legal Requirements. The Committee may require each person acquiring Stock pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the shares without a view to distribution thereof. No shares of Stock shall be issued pursuant to an Award until all applicable securities law and other legal and stock exchange or similar requirements have been satisfied. The Committee may require the placing of such stop-orders and restrictive legends on certificates for Stock and Awards as it deems appropriate.

(b) Delivery of Stock Certificates. Stock certificates to participants under this Plan shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have mailed such certificates in the United States mail, addressed to the participant, at the participant's last known address on file with the Company.

(c) Other Compensation Arrangements; No Employment Rights. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, including trusts, and such arrangements may be either generally applicable or applicable only in specific cases. The adoption of this Plan and the grant of Awards do not confer upon any employee any right to continued employment with the Company or any Subsidiary or Affiliate.

(d) Trading Policy Restrictions. Option exercises and other Awards under the Plan shall be subject to such Company's insider-trading-policy-related restrictions, terms and conditions as may be established by the Committee, or in accordance with policies set by the Committee, from time to time.

(e) Loans to Award Recipients. The Company shall have the authority to make loans to recipients of Awards hereunder (including to facilitate the purchase of shares) and shall further have the authority to issue shares for promissory notes hereunder.

SECTION 12 EFFECTIVE DATE OF PLAN

This Plan shall become effective upon approval by the holders of a majority of the votes cast at a meeting of stockholders at which a quorum is present or by written consent in accordance with applicable law. Subject to such approval by the stockholders and to the requirement that no Stock may be issued hereunder prior to such approval, Stock Options and other Awards may be granted hereunder on and after adoption of this Plan by the Board.

SECTION 13 GOVERNING LAW

This Plan and all Awards and actions taken thereunder shall be governed by Nevada law, applied without regard to conflict of law principles.

MCIG, INC.

NOTICE OF GRANT OF STOCK OPTION

Notice is hereby given of the following option grant (the "Option") to purchase shares of the Common Stock of mCig, Inc., (the "Corporation"):

Grant #:

Optionee :

Grant Date :

Vesting Commencement Date :

Exercise Price :

Number of Option Shares :

Expiration Date :

Type of Option:

Date Exercisable :

Vesting Schedule:

Termination Period: This option may be exercised for three months after the optionee's Termination Date, except that if the Optionee's Termination of Service is for Cause, this option shall terminate on the Termination Date. Upon the death or Disability of the optionee, this option may be exercised for 12 months after the optionee's Termination Date. Special termination periods are set forth in Section 1 of the Purchase Agreement. In no event may this option be exercised later than the Term of Award/Expiration Date provided above.

Optionee understands and agrees that the Option is granted subject to and in accordance with the terms of the 2017 mCIG, Inc. Stock Option Plan (the "Plan"). Optionee further agrees to be bound by the terms of the Plan and the terms of the Option as set forth in the Stock Option Agreement attached hereto as Exhibit A.

Optionee hereby acknowledges receipt of a copy of the Purchase Agreement in the form attached hereto as Exhibit B and is bound to the terms and conditions of the Purchase Agreement.

REPURCHASE RIGHTS . OPTIONEE HEREBY AGREES THAT ALL OPTION SHARES ACQUIRED UPON THE EXERCISE OF THE OPTION SHALL BE SUBJECT TO CERTAIN REPURCHASE RIGHTS AND RIGHTS OF FIRST REFUSAL EXERCISABLE BY THE CORPORATION AND ITS ASSIGNS.

At Will Employment . Nothing in this Notice or in the attached Stock Option Agreement or Plan shall confer upon Optionee any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Corporation (or any Parent or Subsidiary employing or retaining Optionee) or of Optionee, which rights are hereby expressly reserved by each, to terminate Optionee's Service at any time for any reason, with or without cause.

Definitions . All capitalized terms in this Notice shall have the meaning assigned to them in this Notice or in the attached Stock Option Agreement.

DATED: December 2, 2016

MCIG, INC.

By:
Name: PAUL ROSENBERG
Title: PRESIDENT

Acknowledgement . I hereby acknowledge that I have received a copy of the Option, the mCig, Inc., 2017 Stock Option Plan, and the Purchase Agreement.

OPTIONEE

Name:

Address:

Tax ID

Attachments :
Exhibit A - Stock Option Plan
Exhibit B – Purchase Agreement

EXHIBIT A

STOCK OPTION PLAN

EXHIBIT B

PURCHASE AGREEMENT

PURCHASE AGREEMENT

Grant of Option . The Administrator has granted to the optionee named in the Notice of Stock Option Grant attached hereto as an exhibit to this Option Agreement (the "Optionee") an option (the "Option") to purchase the number of Shares, as set forth in the Notice of Stock Option Grant, at the exercise price per Share set forth in the Notice of Stock Option Grant (the "Exercise Price"), subject to the terms and conditions of this Option Agreement and the Plan. This Option is intended to be a Nonstatutory Stock Option ("NSO") or an Incentive Stock Option ("ISO"), as provided in the Notice of Stock Option Grant.

1. Vesting/Right to Exercise .
   a. This Option is exercisable during its term in accordance with the Vesting Schedule set forth in the Notice of Stock Option Grant and the applicable provisions of this Option Agreement and the Plan. In no event will this Option become exercisable for additional Shares after a Termination of Service for any reason. Notwithstanding the foregoing, this Option becomes exercisable in full if the Company is subject to a Change in Control before the Optionee's Termination of Service, and within 12 months after the Change in Control the Optionee is subject to a Termination of Service resulting from: (i) the Optionee's involuntary discharge by the Company (or the Affiliate employing him or her) for reasons other than Cause (defined below), death or Disability; or (ii) the Optionee's resignation for Good Reason (defined below). This Option may also become exercisable in accordance with para. __ below.
   b. The term "Cause" shall mean (1) the Optionee's theft, dishonesty, or falsification of any documents or records of the Company or any Affiliate; (2) the Optionee's improper use or disclosure of confidential or proprietary information of the Company or any Affiliate that results or will result in material harm to the Company or any Affiliate; (3) any action by the Optionee which has a detrimental effect on the reputation or business of the Company or any Affiliate; (4) the Optionee's failure or inability to perform any reasonable assigned duties after written notice from the Company or an Affiliate, and a reasonable opportunity to cure, such failure or inability; (5) any material breach by the Optionee of any employment or service agreement between the Optionee and the Company or an Affiliate, which breach is not cured pursuant to the terms of such agreement; (6) the Optionee's conviction after the issuance of the stock option (including any plea of guilty or nolo contendere) of any criminal act which impairs the Optionee's ty to perform his or her duties with the Company or an Affiliate; or (7) violation of a material Company policy.
   c. The term "Good Reason" shall mean, as determined by the Administrator, (A) a material adverse change in the Optionee's title, stature, authority, or responsibilities with the Company (or the Affiliate employing him or her); (B) a material reduction in the Optionee's base salary or annual bonus opportunity; or

(C) receipt of notice that the Optionee's principal workplace will be relocated by more than 50 miles.

2. Method of Exercise . This Option is exercisable by delivering to the Administrator a fully executed "Exercise Notice" or by any other method approved by the Administrator. The Exercise Notice shall provide that the Optionee is electing to exercise the Option, the number of Shares in respect of which the Option is being exercised (the "Exercised Shares"), and such other representations and agreements as may be required by the Administrator. Payment of the full aggregate Exercise Price as to all Exercised Shares must accompany the Exercise Notice. This Option shall be deemed exercised upon receipt by the Administrator of such fully executed Exercise Notice accompanied by such aggregate Exercise Price. The Optionee is responsible for filing any reports of remittance or other foreign exchange filings required in order to pay the Exercise Price.

3. Limitation on Exercise .

   a. The grant of the Option and the issuance of Shares upon exercise of the Option are subject to compliance with all Applicable Laws. This Option may not be exercised if the issuance of Shares upon exercise would constitute a violation of any Applicable Laws. In addition, this Option may not be exercised unless (i) a registration statement under the Securities Act of 1933, as amended (the " Securities Act") is in effect at the time of exercise of this Option with respect to Shares; or (ii) in the opinion of legal counsel to the Company, the Shares issuable upon exercise of this Option may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. *The Optionee is cautioned that unless the foregoing conditions are satisfied, the Optionee may not be able to exercise the Option when desired even though the Option is vested.* As a further condition to the exercise of this Option, the Company may require the Optionee to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company. Any Shares that are issued will be "restricted securities" as that term is defined in Rule 144 under the Securities Act, and will bear an appropriate restrictive legend, unless they are registered under the Securities Act. The Company is under no obligation to register the Shares issuable u pon exercise of this Option.

   b. Special Termination Period . If exercise of the Option on the last day of the termination period set forth in Section 1 is prevented by operation of paragraph (A) of this Section 2.3, then this Option shall remain exercisable until 14 days after the first date that paragraph (A) no longer operates to prevent exercise of the Option.

4. Method of Payment . Payment of the aggregate Exercise Price shall be by any of the following methods; provided, however, the payment shall be in strict compliance with all procedures established by the Administrator:

- Cash
- check or wire transfer
- subject to any conditions or limitations established by the Administrator, other Shares that have a Fair Market Value on the date of surrender or attestation equal to the aggregate Exercise Price
- consideration received by the Company under a broker-assisted sale and remittance program acceptable to the Administrator (Officers and Directors shall not be permitted to use this procedure if this procedure would violate Section 402 of the Sarbanes-Oxley Act of 2002, as amended)
- subject to any conditions or limitations established by the Administrator, retention by the Company of so many of the Shares that would otherwise have been delivered upon exercise of the Option as have a Fair Market Value on the exercise date equal to the aggregate exercise price of all Shares as to which the Option is being exercised, provided that the Option is surrendered and cancelled as to such Shares
- any combination of the foregoing methods of payment.

5. Leave of Absence .
   a. The Optionee shall not incur a Termination of Service when the Optionee goes on a bona fide leave of absence, if the leave was approved by the Company (or Affiliate employing him or her) in writing and if continued crediting of service is required by the terms of the leave or by applicable law. The Optionee shall incur a Termination of Service when the approved leave ends, however, unless the Optionee immediately returns to active work.
   b. For purposes of ISOs, no leave of absence may exceed three months, unless the right to reemployment upon expiration of such leave is provided by statute or contract. If the right to reemployment is not so provided by statute or contract, the Optionee will be deemed to have incurred a Termination of Service on the first day immediately following such three-month period of leave for ISO purposes and this Option shall cease to be treated as an ISO and shall terminate upon the expiration of the three-month period that begins the date the employment relationship is deemed terminated.
6. Non-Transferability of Option . This Option may not be transferred in any manner other than by will or by the laws of descent and distribution, and may be exercised during the lifetime of the Optionee only by the Optionee. The terms of this Option Agreement and the Plan shall be binding upon the executors, administrators, heirs, successors, and assigns of the Optionee. This Option may not be assigned, pledged, or hypothecated by the Optionee whether by operation of law or otherwise, and is not subject to execution, attachment, or similar process. Notwithstanding the foregoing, if this Option is designated as a Nonstatutory Stock Option, the Administrator may, in its sole discretion, allow the Optionee to transfer this Option as a gift to one or more family members. For purposes of this Option Agreement, "family member" means a child, stepchild,

grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (including adoptive relationships), any individual sharing the Optionee's household (other than a tenant or employee), a trust in which one or more of these individuals have more than 50% of the beneficial interest, a foundation in which the Optionee or one or more of these persons control the management of assets, and any entity in which the Optionee or one or more of these persons own more than 50% of the voting interest. Notwithstanding the foregoing, during any Qualification Period, this Option may not be transferred in any manner other than by will, by the laws of descent and distribution, or, if it is designated as a Nonstatutory Stock Option, as permitted by Rule 701 of the Securities Act of 1933, as amended, as the Administrator may determine in its sole discretion.

7. Term of Option . This Option may be exercised only within the term set out in the Notice of Stock Option Grant, and may be exercised during such term only in accordance with this Option Agreement and the Plan.

8. Tax Obligations .

   a. Withholding Taxes . The Optionee shall make appropriate arrangements with the Administrator for the satisfaction of all applicable Federal, state, local, and foreign income taxes, employment tax, and any other taxes that are due as a result of the Option exercise. With the Administrator's consent, these arrangements may include withholding Shares that otherwise would be issued to the Optionee pursuant to the exercise of this Option. The Company may refuse to honor the exercise and refuse to deliver Shares if such withholding amounts are not delivered at the time of exercise.

   b. Notice of Disqualifying Disposition of ISO Shares . If the Option is an ISO, and if the Optionee sells or otherwise disposes of any of the Shares acquired pursuant to the exercise of the ISO on or before the later of (i) the date two years after the Grant Date, or (ii) the date one year after the date of exercise, the Optionee shall immediately notify the Administrator in writing of such disposition. The Optionee may be subject to income tax withholding by the Company on the compensation income recognized by the Optionee.

9. Special Termination Period if the Optionee Subject to Section 16(b) . If a sale within the applicable termination period set forth in Section 1 of Shares acquired upon the exercise of this Option would subject the Optionee to suit under Section 16(b) of the Exchange Act, this Option shall remain exercisable until the earliest to occur of (i) the tenth day following the date on which a sale of such shares by the Optionee would no longer be subject to such suit, (ii) the 190th day after the Optionee's Termination of Service, or (iii) the Expiration Date.

10. Special Termination Period if the Optionee Subject to Blackout Period . The Company has established an Insider Trading Policy (as such policy may be amended from time to time, the "Policy") relative to trading while in possession of material, undisclosed information. The Policy prohibits officers, directors, employees, and consultants of the Company and its subsidiaries from trading in securities of the Company during certain "Blackout Periods" as described in the Policy. If the last day of the termination period set forth in Section 1 is during such a Blackout Period, then this Option shall remain exercisable until 14 days after the first date that there is no longer in effect a Blackout Period applicable to the Optionee.

11. Change in Control . Upon a Change in Control before the Optionee's Termination of Service, the Option will be assumed or an equivalent option or right substituted by the successor corporation or a parent or subsidiary of the successor corporation. If the successor corporation refuses to assume or substitute for the Option, then immediately before and contingent on the consummation of the Change in Control, the Optionee will fully vest in and have the right to exercise the Option. In addition, if the Option becomes fully vested and exercisable in lieu of assumption or substitution in the event of a Change in Control, the Administrator will notify the Optionee in writing or electronically that the Option will be fully vested and exercisable for a period determined by the Administrator in its sole discretion, and the Option will terminate upon the expiration of such period.

12. Restrictions on Resale . The Optionee shall not sell any Shares at a time when Applicable Law, Company policies or an agreement between the Company and its underwriters prohibit a sale. This restriction shall apply as long as the Optionee is a Service Provider and for such period after the Optionee's Termination of Service as the Administrator may specify.

13. Lock-Up Agreement . In connection with any underwritten public offering of Shares made by the Company pursuant to a registration statement filed under the Securities Act, the Optionee shall not offer, sell, contract to sell, pledge, hypothecate, grant any option to purchase or make any short sale of, or otherwise dispose of any Shares (including but not limited to Shares subject to this Option) or any rights to acquire Shares of the Company for such period beginning on the date of filing of such registration statement with the Securities and Exchange Commission and ending at the time as may be established by the underwriters for such public offering; provided, however, that such period shall end not later than 180 days from the effective date of such registration statement. The foregoing limitation shall not apply to shares registered for sale in such public offering.

14. Entire Agreement; Governing Law . This Option Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof, and may not be modified adversely to the Optionee's interest except by means of a writing signed by the Company and Optionee. This Option Agreement is governed by the internal substantive laws, but not the choice of law rules, of Nevada.

15. No Guarantee of Continued Service . The vesting of the Option pursuant to the Vesting Schedule hereof is earned only by continuing as a Service Provider at the will of the Company (and not through the act of being hired, being granted an Option, or purchasing Shares hereunder). This Option Agreement, the transactions contemplated hereunder, and the Vesting Schedule set forth herein constitute neither an express nor an implied promise of continued engagement as a Service Provider for the vesting period, for any period, or at all, and shall not interfere with Optionee's right or the Company's right to terminate Optionee's relationship as a Service Provider at any time, with or without Cause.

By the Optionee's signature and the signature of the Company's representative on the Notice of Stock Option Grant, the Optionee and the Company agree that this Option is granted under and governed by the terms and conditions of this Option Agreement and the Plan. The Optionee has reviewed this Option Agreement and the Plan in their entirety, has had an opportunity to obtain the advice of counsel before executing this Option Agreement and fully understands all provisions of this Option Agreement and the Plan. The Optionee hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Administrator upon any questions relating to this Option Agreement and the Plan.

The Optionee further agrees that the Company may deliver all documents relating to the Plan or this Option (including prospectuses required by the Securities and Exchange Commission), and all other documents that the Company is required to deliver to its security holders or the Optionee (including annual reports, proxy statements and financial statements), either by e-mail or by e-mail notice of a Web site location where those documents have been posted. The Optionee may at any time (i) revoke this consent to e-mail delivery of those documents; (ii) update the e-mail address for delivery of those documents; (iii) obtain at no charge a paper copy of those documents, in each case by writing the Company. The Optionee may request an electronic copy of any of those documents by requesting a copy in writing from the Company. The Optionee understands that an e-mail account and appropriate hardware and software, including a computer or compatible cell phone and an Internet connection, will be required to access documents delivered by e-mail.

THIS WARRANT AND THE COMMON SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THIS WARRANT AND THE COMMON SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER SAID ACT OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO MCIG, INC. THAT SUCH REGISTRATION IS NOT REQUIRED .

Right to Purchase 21,666,206 shares of Common Stock of mCig, Inc. (subject to adjustment as provided herein)

COMMON STOCK PURCHASE WARRANT

No. A-1 Issue Date: September 1, 2016

MCIG, INC., a corporation organized under the laws of the State of Nevada (the "Company"), hereby certifies that, for value received, **PAUL ROSENBERG** , a Virginia Resident or its assigns (the "Holder"), is entitled, subject to the terms set forth below, to purchase from the Company at any time after the Issue Date until 5:00 p.m., E.S.T on the fifth anniversary of the Issue Date (the "Expiration Date"), up to **21,666,206** fully paid and nonassessable shares of the common stock of the Company (the "Common Stock"), $.0001 par value per share at a per share purchase price of **$0.025.** The fore described purchase price per share, as adjusted from time to time as herein provided, is referred to herein as the "Purchase Price." The number and character of such shares of Common Stock and the Purchase Price are subject to adjustment as provided herein. The Company may reduce the Purchase Price without the consent of the Holder.

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

(a) The term "Company" shall include mCig, Inc. and any corporation which shall succeed to or assume the obligations of mCig, Inc. hereunder.

(b) The term "Common Stock" includes (a) the Company's Common Stock, $.0001 par value per share, as authorized on the date of the Stock Purchase Agreement, and (b) any other securities into which or for which any of the securities described in (a) may be converted or exchanged pursuant to a plan of recapitalization, reorganization, merger, sale of assets or otherwise.

(c) The term "Other Securities" refers to any stock (other than Common Stock) and other securities of the Company or any other person (corporate or otherwise) which the holder of the Warrant at any time shall be entitled to receive, or shall have received, on the exercise of the Warrant, in lieu of or in addition to Common Stock, or which at any time shall be issuable or shall have been issued in exchange for or in replacement of Common Stock or Other Securities pursuant to Section 3 or otherwise.

1. Exercise of Warrant .

1.1. Number of Shares Issuable upon Exercise . From and after the Issue Date through and including the Expiration Date, the Holder hereof shall be entitled to receive, upon exercise of this Warrant in whole in accordance with the terms of subsection 1.2 or upon exercise of this Warrant in part in accordance with subsection 1.3, shares of Common Stock of the Company, subject to adjustment pursuant to Section 3.

1.2. Full Exercise . This Warrant may be exercised in full by the Holder hereof by delivery of an original or facsimile copy of the form of stock purchase attached as Exhibit A hereto (the "Stock Purchase Form") duly executed by such Holder and surrender of the original Warrant within five (5) days of exercise, to the Company at its principal office or at the office of its Warrant Agent (as provided hereinafter), accompanied by payment, in cash, wire transfer or by certified or official bank check payable to the order of the Company, in the amount obtained by multiplying the number of shares of Common Stock for which this Warrant is then exercisable by the Purchase Price then in effect.

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

1.4. Fair Market Value . Fair Market Value of a share of Common Stock as of a particular date (the "Determination Date") shall mean the closing or last sale price, respectively, reported for the last business day immediately preceding the Determination Date. If the Determination Date is the date of a liquidation, dissolution or winding up, or any event deemed to be a liquidation, dissolution or winding up pursuant to the Company's charter, then all amounts to be payable per share to holders of the Common Stock pursuant to the charter in the event of such liquidation, dissolution or winding up, plus all other amounts to be payable per share in respect of the Common Stock in liquidation under the charter, assuming for the purposes of this clause (1.4) that all of the shares of Common Stock then issuable upon exercise of all of the Warrants are outstanding at the Determination Date.

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

1.6. Trustee for Warrant Holders . In the event that a bank or trust company shall have been appointed as trustee for the Holder of the Warrants pursuant to Subsection 2.2, such bank or trust company shall have all the powers and duties of a warrant agent (as hereinafter described) and shall accept, in its own name for the account of the Company or such successor person as may be entitled thereto, all amounts otherwise payable to the Company or such successor, as the case may be, on exercise of this Warrant pursuant to this Section 1.

1.7 Delivery of Stock Certificates, etc. on Exercise . The Company agrees that the shares of Common Stock purchased upon exercise of this Warrant shall be deemed to be issued to the Holder hereof as the record owner of such shares as of the close of business on the date on which this Warrant shall have been surrendered and payment made for such shares as aforesaid. As soon as practicable after the exercise of this Warrant in full or in part, and in any event within five (5) days thereafter, the Company at its expense (including the payment by it of any applicable issue taxes) will cause to be issued in the name of and delivered to the Holder hereof at the address stated above, or as such Holder (upon payment by such Holder of any applicable transfer taxes) may direct in compliance with applicable securities laws, a certificate or certificates for the number of duly and validly issued, fully paid and nonassessable shares of Common Stock (or Other Securities) to which such Holder shall be entitled on such exercise, plus, in lieu of any fractional share to which such Holder would otherwise be entitled, cash equal to such fraction multiplied by the then Fair Market Value of one full share of Common Stock, together with any other stock or other securities and property (including cash, where applicable) to which such Holder is entitled upon such exercise pursuant to Section 1 or otherwise.

2. Adjustment for Reorganization, Consolidation, Merger, etc.

2.1. Reorganization, Consolidation, Merger, etc. In case at any time or from time to time, the Company shall (a) effect a reorganization, (b) consolidate with or merge into any other person or (c) transfer all or substantially all of its properties or assets to any other person under any plan or arrangement contemplating the dissolution of the Company, then, in each such case, as a condition to the consummation of such a transaction, proper and adequate provision shall be made by the Company whereby the Holder of this Warrant, on the exercise hereof as provided in Section 1, at any time after the consummation of such reorganization, consolidation or merger or the effective date of such dissolution, as the case may be, shall receive, in lieu of the Common Stock (or Other Securities) issuable on such exercise prior to such consummation or such effective date, the stock and other securities and property (including cash) to which such Holder would have been entitled upon such consummation or in connection with such dissolution, as the case may be, if such Holder had so exercised this Warrant, immediately prior thereto, all subject to further adjustment thereafter as provided in Section 3.

2.2. Dissolution. In the event of any dissolution of the Company following the transfer of all or substantially all of its properties or assets, the Company, prior to such dissolution, shall at its expense deliver or cause to be delivered the stock and other securities and property (including cash, where applicable) receivable by the Holder of the Warrants after the effective date of such dissolution pursuant to this Section 2 to a bank or trust company (a "Trustee") having its principal office in New York, NY, as trustee for the Holder of the Warrants.

2.3. Continuation of Terms. Upon any reorganization, consolidation, merger or transfer (and any dissolution following any transfer) referred to in this Section 2, this Warrant shall continue in full force and effect and the terms hereof shall be applicable to the Other Securities and property receivable on the exercise of this Warrant after the consummation of such reorganization, consolidation or merger or the effective date of dissolution following any such transfer, as the case may be, and shall be binding upon the issuer of any Other Securities, including, in the case of any such transfer, the person acquiring all or substantially all of the properties or assets of the Company, whether or not such person shall have expressly assumed the terms of this Warrant as provided in Section 3. In the event this Warrant does not continue in full force and effect after the consummation of the transaction described in this Section 2, then only in such event will the Company's securities and property (including cash, where applicable) receivable by the Holder of the Warrants be delivered to the Trustee as contemplated by Section 2.2.

2.4 Share Issuance. Until the Expiration Date, if the Company shall issue any Common Stock except for the Excepted Issuances (as defined in Section 10(a) of the Stock Purchase Agreement), prior to the complete exercise of this Warrant for a consideration less than the Purchase Price that would be in effect at the time of such issue, then, and thereafter successively upon each such issue, the Purchase Price shall be reduced to such other lower issue price. For purposes of this adjustment, the issuance of any security or debt instrument of the Company carrying the right to convert such security or debt instrument into Common Stock or of any warrant, right or option to purchase Common Stock shall result in an adjustment to the Purchase Price upon the issuance of the above-described security, debt instrument, warrant, right, or option and again at any time upon any subsequent issuances of shares of Common Stock upon exercise of such conversion or purchase rights if such issuance is at a price lower than the Purchase Price in effect upon such issuance. The reduction of the Purchase Price described in this Section 2.4 is in addition to the other rights of the Holder described in the Stock Purchase Agreement.

3. Extraordinary Events Regarding Common Stock. In the event that the Company shall (a) issue additional shares of the Common Stock as a dividend or other distribution on outstanding Common Stock, (b) subdivide its outstanding shares of Common Stock, or (c) combine its outstanding shares of the Common Stock into a smaller number of shares of the Common Stock, then, in each such event, the Purchase Price shall, simultaneously with the happening of such event, be adjusted by multiplying the then Purchase Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such event and the denominator of which shall be the number of shares of Common Stock outstanding immediately after such event, and the product so obtained shall thereafter be the Purchase Price then in effect. The Purchase Price, as so adjusted, shall be readjusted in the same manner upon the happening of any successive event or events described herein in this Section 3. The number of shares of Common Stock that the Holder of this Warrant shall thereafter, on the exercise hereof as provided in Section 1, be entitled to receive shall be adjusted to a number determined by multiplying the number of shares of Common Stock that would otherwise (but for the provisions of this Section 3) be issuable on such exercise by a fraction of which (a) the numerator is the Purchase Price that would otherwise (but for the provisions of this Section 3) be in effect, and (b) the denominator is the Purchase Price in effect on the date of such exercise.

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

5. Reservation of Stock, etc. Issuable on Exercise of Warrant; Financial Statements. The Company will at all times reserve and keep available, solely for issuance and delivery on the exercise of the Warrants, all shares of Common Stock (or Other Securities) from time to time issuable on the exercise of the Warrant. This Warrant entitles the Holder hereof to receive copies of all financial and other information distributed or required to be distributed to the holders of the Company's Common Stock.

6. Assignment; Exchange of Warrant. Subject to compliance with applicable securities laws, this Warrant, and the rights evidenced hereby, may be transferred by any registered holder hereof (a "Transferor"). On the surrender for exchange of this Warrant, with the Transferor's endorsement in the form of Exhibit B attached hereto (the "Transferor Endorsement Form") and together with an opinion of counsel reasonably satisfactory to the Company that the transfer of this Warrant will be in compliance with applicable securities laws, the Company at its expense, twice, only, but with payment by the Transferor of any applicable transfer taxes, will issue and deliver to or on the order of the Transferor thereof a new Warrant or Warrants of like tenor, in the name of the Transferor and/or the transferee(s) specified in such Transferor Endorsement Form (each a "Transferee"), calling in the aggregate on the face or faces thereof for the number of shares of Common Stock called for on the face or faces of the Warrant so surrendered by the Transferor. No such transfers shall result in a public distribution of the Warrant.

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

8. Registration Rights. The Holder of this Warrant has been granted certain registration rights by the Company. These registration rights are set forth in the Stock Purchase Agreement. The terms of the Stock Purchase Agreement are incorporated herein by this reference.

9. Maximum Exercise . The Holder shall not be entitled to exercise this Warrant on an exercise date, in connection with that number of shares of Common Stock which would be in excess of the sum of (i) the number of shares of Common Stock beneficially owned by the Holder and its affiliates on an exercise date, and (ii) the number of shares of Common Stock issuable upon the exercise of this Warrant with respect to which the determination of this limitation is being made on an exercise date, which would result in beneficial ownership by the Holder and its affiliates of more than 4.99% of the outstanding shares of Common Stock on such date. For the purposes of the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended, and Regulation 13d-3 thereunder. Subject to the foregoing, the Holder shall not be limited to aggregate exercises which would result in the issuance of more than 4.99%. The restriction described in this paragraph may be revoked upon sixty-one (61) days prior notice from the Holder to the Company. The Holder may allocate which of the equity of the Company deemed beneficially owned by the Subscriber shall be included in the 4.99% amount described above and which shall be allocated to the excess above 4.99%.

10. Warrant Agent . The Company may, by written notice to the Holder of the Warrant, appoint an agent (a "Warrant Agent") for the purpose of issuing Common Stock (or Other Securities) on the exercise of this Warrant pursuant to Section 1, exchanging this Warrant pursuant to Section 6, and replacing this Warrant pursuant to Section 7, or any of the foregoing, and thereafter any such issuance, exchange or replacement, as the case may be, shall be made at such office by such Warrant Agent.

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

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

13. Miscellaneous . This Warrant and any term hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought. This Warrant shall be construed and enforced in accordance with and governed by the laws of Nevada. Any dispute relating to this Warrant shall be adjudicated in the State of Nevada. The headings in this Warrant are for purposes of reference only, and shall not limit or otherwise affect any of the terms hereof. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

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

MCIG, INC.

By: _____

Name: Michael W. Hawkins
Title: Chief Financial Officer

THIS WARRANT AND THE COMMON SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THIS WARRANT AND THE COMMON SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER SAID ACT OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO MCIG, INC. THAT SUCH REGISTRATION IS NOT REQUIRED .

Right to Purchase 21,666,206 shares of Common Stock of mCig, Inc. (subject to adjustment as provided herein)

COMMON STOCK PURCHASE WARRANT

No. A-2 Issue Date: September 1, 2016

MCIG, INC., a corporation organized under the laws of the State of Nevada (the "Company"), hereby certifies that, for value received, **MICHAEL W. HAWKINS** , a Virginia Resident or its assigns (the "Holder"), is entitled, subject to the terms set forth below, to purchase from the Company at any time after the Issue Date until 5:00 p.m., E.S.T on the fifth anniversary of the Issue Date (the "Expiration Date"), up to **21,666,206** fully paid and nonassessable shares of the common stock of the Company (the "Common Stock"), $.0001 par value per share at a per share purchase price of **$0.025.** The fore described purchase price per share, as adjusted from time to time as herein provided, is referred to herein as the "Purchase Price." The number and character of such shares of Common Stock and the Purchase Price are subject to adjustment as provided herein. The Company may reduce the Purchase Price without the consent of the Holder.

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

(a) The term "Company" shall include mCig, Inc. and any corporation which shall succeed to or assume the obligations of mCig, Inc. hereunder.

(b) The term "Common Stock" includes (a) the Company's Common Stock, $.0001 par value per share, as authorized on the date of the Stock Purchase Agreement, and (b) any other securities into which or for which any of the securities described in (a) may be converted or exchanged pursuant to a plan of recapitalization, reorganization, merger, sale of assets or otherwise.

(c) The term "Other Securities" refers to any stock (other than Common Stock) and other securities of the Company or any other person (corporate or otherwise) which the holder of the Warrant at any time shall be entitled to receive, or shall have received, on the exercise of the Warrant, in lieu of or in addition to Common Stock, or which at any time shall be issuable or shall have been issued in exchange for or in replacement of Common Stock or Other Securities pursuant to Section 3 or otherwise.

1. Exercise of Warrant .

1.1. Number of Shares Issuable upon Exercise . From and after the Issue Date through and including the Expiration Date, the Holder hereof shall be entitled to receive, upon exercise of this Warrant in whole in accordance with the terms of subsection 1.2 or upon exercise of this Warrant in part in accordance with subsection 1.3, shares of Common Stock of the Company, subject to adjustment pursuant to Section 3.

1.2. Full Exercise . This Warrant may be exercised in full by the Holder hereof by delivery of an original or facsimile copy of the form of stock purchase attached as Exhibit A hereto (the "Stock Purchase Form") duly executed by such Holder and surrender of the original Warrant within five (5) days of exercise, to the Company at its principal office or at the office of its Warrant Agent (as provided hereinafter), accompanied by payment, in cash, wire transfer or by certified or official bank check payable to the order of the Company, in the amount obtained by multiplying the number of shares of Common Stock for which this Warrant is then exercisable by the Purchase Price then in effect.

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

1.4. Fair Market Value . Fair Market Value of a share of Common Stock as of a particular date (the "Determination Date") shall mean the closing or last sale price, respectively, reported for the last business day immediately preceding the Determination Date. If the Determination Date is the date of a liquidation, dissolution or winding up, or any event deemed to be a liquidation, dissolution or winding up pursuant to the Company's charter, then all amounts to be payable per share to holders of the Common Stock pursuant to the charter in the event of such liquidation, dissolution or winding up, plus all other amounts to be payable per share in respect of the Common Stock in liquidation under the charter, assuming for the purposes of this clause (1.4) that all of the shares of Common Stock then issuable upon exercise of all of the Warrants are outstanding at the Determination Date.

1.5. Company Acknowledgment . The Company will, at the time of the exercise of the Warrant, upon

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

1.6. Trustee for Warrant Holders. In the event that a bank or trust company shall have been appointed as trustee for the Holder of the Warrants pursuant to Subsection 2.2, such bank or trust company shall have all the powers and duties of a warrant agent (as hereinafter described) and shall accept, in its own name for the account of the Company or such successor person as may be entitled thereto, all amounts otherwise payable to the Company or such successor, as the case may be, on exercise of this Warrant pursuant to this Section 1.

1.7 Delivery of Stock Certificates, etc. on Exercise. The Company agrees that the shares of Common Stock purchased upon exercise of this Warrant shall be deemed to be issued to the Holder hereof as the record owner of such shares as of the close of business on the date on which this Warrant shall have been surrendered and payment made for such shares as aforesaid. As soon as practicable after the exercise of this Warrant in full or in part, and in any event within five (5) days thereafter, the Company at its expense (including the payment by it of any applicable issue taxes) will cause to be issued in the name of and delivered to the Holder hereof at the address stated above, or as such Holder (upon payment by such Holder of any applicable transfer taxes) may direct in compliance with applicable securities laws, a certificate or certificates for the number of duly and validly issued, fully paid and nonassessable shares of Common Stock (or Other Securities) to which such Holder shall be entitled on such exercise, plus, in lieu of any fractional share to which such Holder would otherwise be entitled, cash equal to such fraction multiplied by the then Fair Market Value of one full share of Common Stock, together with any other stock or other securities and property (including cash, where applicable) to which such Holder is entitled upon such exercise pursuant to Section 1 or otherwise.

---

2. Adjustment for Reorganization, Consolidation, Merger, etc.

2.1. Reorganization, Consolidation, Merger, etc. In case at any time or from time to time, the Company shall (a) effect a reorganization, (b) consolidate with or merge into any other person or (c) transfer all or substantially all of its properties or assets to any other person under any plan or arrangement contemplating the dissolution of the Company, then, in each such case, as a condition to the consummation of such a transaction, proper and adequate provision shall be made by the Company whereby the Holder of this Warrant, on the exercise hereof as provided in Section 1, at any time after the consummation of such reorganization, consolidation or merger or the effective date of such dissolution, as the case may be, shall receive, in lieu of the Common Stock (or Other Securities) issuable on such exercise prior to such consummation or such effective date, the stock and other securities and property (including cash) to which such Holder would have been entitled upon such consummation or in connection with such dissolution, as the case may be, if such Holder had so exercised this Warrant, immediately prior thereto, all subject to further adjustment thereafter as provided in Section 3.

2.2. Dissolution. In the event of any dissolution of the Company following the transfer of all or substantially all of its properties or assets, the Company, prior to such dissolution, shall at its expense deliver or cause to be delivered the stock and other securities and property (including cash, where applicable) receivable by the Holder of the Warrants after the effective date of such dissolution pursuant to this Section 2 to a bank or trust company (a "Trustee") having its principal office in New York, NY, as trustee for the Holder of the Warrants.

2.3. Continuation of Terms. Upon any reorganization, consolidation, merger or transfer (and any dissolution following any transfer) referred to in this Section 2, this Warrant shall continue in full force and effect and the terms hereof shall be applicable to the Other Securities and property receivable on the exercise of this Warrant after the consummation of such reorganization, consolidation or merger or the effective date of dissolution following any such transfer, as the case may be, and shall be binding upon the issuer of any Other Securities, including, in the case of any such transfer, the person acquiring all or substantially all of the properties or assets of the Company, whether or not such person shall have expressly assumed the terms of this Warrant as provided in Section 3. In the event this Warrant does not continue in full force and effect after the consummation of the transaction described in this Section 2, then only in such event will the Company's securities and property (including cash, where applicable) receivable by the Holder of the Warrants be delivered to the Trustee as contemplated by Section 2.2.

2.4 Share Issuance. Until the Expiration Date, if the Company shall issue any Common Stock except for the Excepted Issuances (as defined in Section 10(a) of the Stock Purchase Agreement), prior to the complete exercise of this Warrant for a consideration less than the Purchase Price that would be in effect at the time of such issue, then, and thereafter successively upon each such issue, the Purchase Price shall be reduced to such other lower issue price. For purposes of this adjustment, the issuance of any security or debt instrument of the Company carrying the right to convert such security or debt instrument into Common Stock or of any warrant, right or option to purchase Common Stock shall result in an adjustment to the Purchase Price upon the issuance of the above-described security, debt instrument, warrant, right, or option and again at any time upon any subsequent issuances of shares of Common Stock upon exercise of such conversion or purchase rights if such issuance is at a price lower than the Purchase Price in effect upon such issuance. The reduction of the Purchase Price described in this Section 2.4 is in addition to the other rights of the Holder described in the Stock Purchase Agreement.

3. Extraordinary Events Regarding Common Stock. In the event that the Company shall (a) issue additional shares of the Common Stock as a dividend or other distribution on outstanding Common Stock, (b) subdivide its outstanding shares of Common Stock, or (c) combine its outstanding shares of the Common Stock into a smaller number of shares of the Common Stock, then, in each such event, the Purchase Price shall, simultaneously with the happening of such event, be adjusted by multiplying the then Purchase Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such event and the denominator of which shall be the number of shares of Common Stock outstanding immediately after such event, and the product so obtained shall thereafter be the Purchase Price then in effect. The Purchase Price, as so adjusted, shall be readjusted in the same manner upon the happening of any successive event or events described herein in this Section 3. The number of shares of Common Stock that the Holder of this Warrant shall thereafter, on the exercise hereof as provided in Section 1, be entitled to receive shall be adjusted to a number determined by multiplying the number of shares of Common Stock that

would otherwise (but for the provisions of this Section 3) be issuable on such exercise by a fraction of which (a) the numerator is the Purchase Price that would otherwise (but for the provisions of this Section 3) be in effect, and (b) the denominator is the Purchase Price in effect on the date of such exercise.

---

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

5. Reservation of Stock, etc. Issuable on Exercise of Warrant; Financial Statements. The Company will at all times reserve and keep available, solely for issuance and delivery on the exercise of the Warrants, all shares of Common Stock (or Other Securities) from time to time issuable on the exercise of the Warrant. This Warrant entitles the Holder hereof to receive copies of all financial and other information distributed or required to be distributed to the holders of the Company's Common Stock.

6. Assignment; Exchange of Warrant. Subject to compliance with applicable securities laws, this Warrant, and the rights evidenced hereby, may be transferred by any registered holder hereof (a "Transferor"). On the surrender for exchange of this Warrant, with the Transferor's endorsement in the form of Exhibit B attached hereto (the "Transferor Endorsement Form") and together with an opinion of counsel reasonably satisfactory to the Company that the transfer of this Warrant will be in compliance with applicable securities laws, the Company at its expense, twice, only, but with payment by the Transferor of any applicable transfer taxes, will issue and deliver to or on the order of the Transferor thereof a new Warrant or Warrants of like tenor, in the name of the Transferor and/or the transferee(s) specified in such Transferor Endorsement Form (each a "Transferee"), calling in the aggregate on the face or faces thereof for the number of shares of Common Stock called for on the face or faces of the Warrant so surrendered by the Transferor. No such transfers shall result in a public distribution of the Warrant.

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

8. Registration Rights. The Holder of this Warrant has been granted certain registration rights by the Company. These registration rights are set forth in the Stock Purchase Agreement. The terms of the Stock Purchase Agreement are incorporated herein by this reference.

---

9. Maximum Exercise. The Holder shall not be entitled to exercise this Warrant on an exercise date, in connection with that number of shares of Common Stock which would be in excess of the sum of (i) the number of shares of Common Stock beneficially owned by the Holder and its affiliates on an exercise date, and (ii) the number of shares of Common Stock issuable upon the exercise of this Warrant with respect to which the determination of this limitation is being made on an exercise date, which would result in beneficial ownership by the Holder and its affiliates of more than 4.99% of the outstanding shares of Common Stock on such date. For the purposes of the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended, and Regulation 13d-3 thereunder. Subject to the foregoing, the Holder shall not be limited to aggregate exercises which would result in the issuance of more than 4.99%. The restriction described in this paragraph may be revoked upon sixty-one (61) days prior notice from the Holder to the Company. The Holder may allocate which of the equity of the Company deemed beneficially owned by the Subscriber shall be included in the 4.99% amount described above and which shall be allocated to the excess above 4.99%.

10. Warrant Agent. The Company may, by written notice to the Holder of the Warrant, appoint an agent (a "Warrant Agent") for the purpose of issuing Common Stock (or Other Securities) on the exercise of this Warrant pursuant to Section 1, exchanging this Warrant pursuant to Section 6, and replacing this Warrant pursuant to Section 7, or any of the foregoing, and thereafter any such issuance, exchange or replacement, as the case may be, shall be made at such office by such Warrant Agent.

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

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

service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be: (i) if to the Company to the address last noted in its public filings, and (ii) if to the Holder, to the address and telecopier number as provided by the Holder of this Warrant.

13. Miscellaneous. This Warrant and any term hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought. This Warrant shall be construed and enforced in accordance with and governed by the laws of Nevada. Any dispute relating to this Warrant shall be adjudicated in the State of Nevada. The headings in this Warrant are for purposes of reference only, and shall not limit or otherwise affect any of the terms hereof. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

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

MCIG, INC.

By: _____

Name: Paul Rosenberg
Title: Chief Executive Officer

NEITHER THIS CONVERTIBLE PROMISSORY NOTE NOR THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

MCIG, INC.

CONVERTIBLE PROMISSORY NOTE

$ 25,000.00 Melbourne, Florida
June 15, 2016

FOR VALUE RECEIVED, MCIG, INC., a Nevada corporation (the " **Payor** " or the " **Company** "), hereby absolutely and unconditionally promises to pay to Arcadier & Associates, PLLC a Florida professional limited liability company (the " **Holder** "), or order, the principal amount **Twenty Five Thousand Dollars ($25,000.00)** , together with simple interest on such principal amount at the rate of 10% per annum.

1. Payments and Maturity .

At any time upon or after the earlier of (i) the one-year anniversary of this Note, or (ii) an Event of Default (the " **Maturity Date** "), if this Note has not been converted in accordance with the terms of Section 2 below, Holder may demand payment of the entire outstanding principal balance of this Note and all unpaid accrued interest thereon. All payments of interest and principal shall be in lawful money of the United States of America. All payments shall be applied first to accrued interest, and thereafter to principal. An "Event of Default" means (a) the commencement by the Company of a proceeding in bankruptcy, (b) the consent of the Company to a proceeding in bankruptcy filed against it by another party, or (c) the appointment of a receiver, liquidator, assignee or trustee of the Company's assets for the benefit of the creditors.

2. Conversion

The Holder may convert this Note into shares of the company's common stock (MCIG) at at 20% discount to the previous five-day closing average. If on or after six-months from the date of the Note, the Holder elects to convert, all or a portion of the outstanding debt, the Company shall DWAC the shares into the broker account of the Holder free of legend. Upon conversion of this Note, the Company shall be forever released from all of its obligations and liabilities with respect to the principal amount and accrued interest.

Upon Conversion of this Note, Holder shall surrender this Note, duly endorsed, at the principal offices of the Company. This Note will be deemed converted on the date of the first closing of the Next Financing. At its expense, the Company will, as soon as possible thereafter, issue and deliver to Holder, at such address as requested by the Holder, a certificate or certificates for the number of membership units to which the Holder is entitled upon such conversion.

No fractional shares of the Company's membership units will be issued upon conversion of this Note. All fractions shall be rounded up to the next whole number.

3. **Representations and Warrants of Holder.**

This Note is issued to Holder in reliance upon the Holder's representation to the Company, which by Holder's execution of this Note Holder here confirms, that this Note and the securities issuable upon the conversion thereof (together the "Securities") will be acquired for investment for Holder's own account, not as a nominee or agent, and not with the view to the resale or distribution of any part thereof, and that Holder has no present intention to selling, granting any participation in, or otherwise distributing the same. By executing this Note, Holder further represents that Holder does not presently have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to any of the Securities. Holder has not been formed for the specific purpose of acquiring the Securities.

Holder understands that the Securities have not been, and will not be, registered under the Act, by reason of a specific exemption from the registration provisions of the Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of Holder's representations as expressed herein. Holder understands that the Securities are "restricted securities" under U.S. federal and state securities laws and that, pursuant to these laws, Holder must hold the Securities indefinitely unless they are registered with the Securities and Exchange Commission and qualified by state authorities, or an exemption from such registration and qualification requirements is available.

6. Notices.

a. All notices, reports and other communications required or permitted hereunder shall be in writing and may be delivered in person, by telecopy with written confirmation, overnight delivery service or U.S. mail, in which event it may be mailed by first-class, certified or registered, postage prepaid, addressed (i) if to an Investor, at such Investor's address set forth in the Purchase Agreement (or such other address as such Investor shall have furnished the Company in writing) and (ii) if to the Company at the address set forth at the beginning of the Purchase Agreement (or such other address as the Company shall have furnished the Investors in writing).

b. Each such notice, report or other communication shall for all purposes under this Note be treated as effective or having been given when delivered if delivered personally or, if sent by mail, at the earlier of its receipt or 72 hours after the same has been deposited in a regularly maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid, or, if sent by telecopier with written confirmation, at the earlier of (i) 24 hours after confirmation of transmission by the sending telecopier machine or (ii) delivery of written confirmation.

7. Miscellaneous .

No failure or delay by the Lender to exercise any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other right, power or privilege. The provisions of this Note are severable and if any one provision hereof shall be held invalid or unenforceable in whole or in part in any jurisdiction, such invalidity or unenforceability shall affect only such provision in such jurisdiction. This Note expresses the entire understanding of the parties with respect to the transactions contemplated hereby. The Company and every endorser and guarantor of this Note regardless of the time, order or place of signing hereby waives presentment, demand, protest and notice of every kind, and assents to any extension or postponement of the time for payment or any other indulgence, to any substitution, exchange or release of collateral, and to the addition or release of any other party or person primarily or secondarily liable.

If Lender retains an attorney for collection of this Note, or if any suit or proceeding is brought for the recovery of all, or any part of, or for protection of the indebtedness respected by this Note, then the Company agrees to pay all costs and expenses of the suit or proceeding, or any appeal thereof, incurred by the Lender, including without limitation, reasonable attorneys' fees.

This Note shall for all purposes be governed by, and construed in accordance with the laws of the State of Florida (without reference to conflict of laws).

This Note shall be binding upon the Company's successors and assigns, and shall inure to the benefit of the Lender's successors and assigns.

8. In no event shall the interest rate and other charges under this Note exceed the highest rate permissible under any law that a court of competent jurisdiction shall, in a final determination, deem applicable hereto. In the event that a court determines that Lender has received interest and other charges under this Note in excess of the highest permissible rate applicable hereto, such excess shall be deemed received on account of, and shall automatically be applied to reduce, the outstanding principal amount hereunder and the provisions thereof shall be deemed amended to provide for the highest permissible rate. If there is no outstanding principal amount under this Note, Lender shall refund such excess to the Company.

9. This Note has been issued for legal services provided by the Holder. The funding shall be held in Escrow by the Holder, which may be withdrawn into the Holder’s operating account on a monthly basis in accordance with billings. In the event the Holder does not utilize the total amount of this Note, the remaining balance shall be deducted from the Note total.

IN WITNESS WHEREOF, the Company has caused this **Secured Promissory Note** to be executed by its duly authorized officer to take effect as of the date first hereinabove written.

mCig, Inc. a Nevada Company

By:
Title: Chief Executive Officer
By: Paul Rosenberg

AGREED TO AND ACCEPTED:

Title: Name: Managing Partner Maurice Arcadier

APPENDIX C

SUBSCRIPTION AGREEMENT

MCIG, INC

Subscription Documentation Package

To subscribe for Units in the private offering of MCIG, INC

1. **Date and Fill** in the number of Units being subscribed for and **Complete and Sign** the Signature Page included in the Subscription Agreement.
2. **Initial** the Accredited Investor Certification page attached to this letter.
3. **Complete and Return** the Investor Profile and, if applicable, Wire Transfer Authorization attached to this letter.
4. **Fax** all forms to Mr. Michael Hawkins at **(321) 421-6616** and then send all signed original documents with a check to:

   mCig, Inc.
5. Please make your subscription payment payable to the order of "MCig, Inc. Escrow Fund"

For wiring funds directly to the escrow account, please contact the Company.

Investors will purchase the number of units (the " **Units** ") set forth on the signature page to the Subscription Agreement at a purchase price of $1 **0,000** per Unit. Each Unit consists of 25,000 shares of Series A Preferred stock, (the "Series A Preferred" or " **Shares** "), of MCig, Inc., a Nevada corporation (the " **Company** ") and a five-year warrant, with an exercise price of $0 **.15** per share, (the " **Warrants** ") to purchase 50 **,000** shares of Common Stock. The subscription for the Units will be made in accordance with and subject to the terms and conditions of the Subscription Agreement and the Memorandum (as defined in the Subscription Agreement).

All subscription funds will be held in a non-interest bearing escrow account in the Company's name at the Law Offices of Thomas G. Amon, or with such other escrow agent as may be appointed by the Company. In the event that the Company does not succeed in receiving and accepting subscriptions for at least 25 Units ($ **500,000**) (the " **Minimum Amount** ") on or before November **31, 2016** , subject to an extension to March 31, 2017 at the discretion of the Company, the Company will refund all subscription funds, without interest accrued thereon, and will return the subscription documents to each subscriber. If the Company rejects a subscription, either in whole or in part (which decision is in the sole discretion of the Company), the rejected subscription funds or the rejected portion thereof will be returned promptly to such subscriber without interest accrued thereon. The minimum subscription per investor in the Offering is $50,000; *provided* , *however* , that the Company, in their sole discretion, may waive such minimum subscription requirement from time to time.

Questions regarding completion of the subscription documents should be directed to Michael Hawkins at (321) 508-6516. **ALL SUBSCRIPTION DOCUMENTS MUST BE FILLED IN AND SIGNED EXACTLY AS SET FORTH WITHIN.**

MCIG INC

Subscription Agreement

To: MCig, Inc.,
2831 St. Rose Parkway, Suite 200
Henderson, NV 89053

Attention: Paul Rosenberg, Chief Executive Officer

1. Subscription . I hereby offer to purchase _____ units ("Units") of MCig, Inc.,, a Nevada corporation (the "Company"), each Unit consisting of 25,000 shares of Series A Convertible Preferred Stock of the Company at $50,000 per Unit, in the amount set forth below, pursuant to a private offering ("Offering") of securities through the Company. The Units and their underlying Series A Convertible Preferred Stock are, depending upon the circumstances, referred to herein as the "Securities.

By execution of this Subscription Agreement, I hereby acknowledge that I understand that the Company is relying upon the accuracy and completeness of all information I have entered herein and all representations and warranties I have made hereunder in complying with the Company's obligations under applicable federal and state securities laws. I further acknowledge and certify that I have received, read, and am familiar with the Company's Private Placement Memorandum and financial projections for the Company relating to the Offering (together, the "Offering Materials").

2. General Representations . I represent, acknowledge and agree that:

(a) The Securities have not been registered under the Securities Act of 1933, as amended (the "Act"), and are being offered pursuant to the exemption provided by Section 4(2) of the Act (for a transaction by an issuer not involving any public offering), and Rule 506 of Regulation D thereunder.

(b) The Securities have not been registered or qualified under the securities law of my state of residence and are being offered under an exemption from registration or qualification under the securities laws of my state; and that the offer, sale and issuance of the Securities have not been registered or qualified under any other state securities laws and if offered in other states, may only be issued and sold pursuant to applicable exemptions in such states;

(c) The Securities are being purchased by me for my own account, for investment only and not with a view toward resale or distribution thereof to any other person, and I am not participating, directly or indirectly, in any underwriting or distribution;

(d) None of the Securities purchased by me shall be sold or otherwise transferred contrary to the provisions of this Subscription Agreement or any federal or state securities law, and I understand that unless the Securities are subsequently registered under the Act, they may not in any event be sold or transferred except by a valid exemption from registration under the Act;

(e) Any and all certificates representing the Securities purchased and any and all securities issued in replacement thereof or in exchange thereof shall bear the following legend or one substantially similar thereto, which I have read and understand:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER FEDERAL OR STATE SECURITIES LAWS AND MAY NOT BE OFFERED OR SOLD, OR TRANSFERRED FOR VALUE WITHOUT EITHER REGISTRATION UNDER THOSE LAWS OR THE FURNISHING OF AN OPINION OF COUNSEL SATISFACTORY TO COUNSEL FOR THE COMPANY THAT TO DO SO WOULD NOT VIOLATE THE REGISTRATION PROVISIONS OF SUCH LAWS."

(f) The Company shall have the right to issue stop transfer instructions on its official stock records, and I acknowledge that the Company has informed me of its intention to issue such instructions:

(g) There is currently no trading market in the Securities of the Company, and the Company presently has no plans to register the Securities, so that there may never be a public trading market for the Securities, with consequent possible indefinite illiquidity of the Securities;

(h) At no time has it been explicitly or implicitly represented, guaranteed or warranted to me by the Company, its management, the agents or employees of the Company, the selling agent or any other person: (i) that I will be able to transfer the Securities on any particular date; (ii) that if and when I may wish to transfer the Securities, such securities will be validly transferable under federal and applicable state securities laws; (iii) that I will realize any percentage or amount of profit, gain or other consideration as a result of any investment I have made or will make in the Company; or (iv) that I or other shareholders will receive any dividends or other distributions from the Company at any time;

(i) Investment in the Securities is a long-term speculative investment which involves a substantial risk of loss to me of my entire investment; that I take full cognizance of and responsibility for the risks related to the purchase of the Securities; I have no need for liquidity with respect to my investment either now or within the foreseeable future; and I can bear a complete loss of my investment without undue hardship to me or my family;

(j) I and my purchaser representative, if any, have been afforded an opportunity to examine such documents and obtain such information, including the Company's financial statements, concerning the Company as I may have requested, and I have had the opportunity to request such other information and ask questions of the officers and directors of the Company (and all information so requested has been provided) for the purpose of verifying the information furnished to me and for answering any question I may have had concerning the business, prospects and affairs of the Company;

(k) I understand and acknowledge that any projections, financial forecasts which may likely prove to be incorrect in view of the early stage of the Company's development; and no assurance has been given to me that actual results will correspond in any meaningful way with the results contemplated by the various projections, financial forecasts or predictions; and

(l) I have been advised to consult with my own investment adviser, attorney, and accountant regarding the Company's prospects and legal and tax matters, concerning an investment in the Company, and have done so, to the extent I consider that to be necessary.

3. Suitability Standards, Representations, and Warranties . I represent and warrant that all of the information which I have furnished in this Subscription Agreement and in the accompanying Offeree Questionnaire is correct and complete as of the date of this Subscription Agreement, and will be correct and complete on the closing of the sale of the Units subscribed for, and the representations and warranties and agreements herein shall survive the closing date and may be relied upon by the Company and the selling agent in their reliance upon an exemption from registration under the Act and state securities laws.

4. Indemnification . I understand the meaning and legal consequences of the representations and warranties contained in this Subscription Agreement and the accompanying Offeree Questionnaire, and I agree to indemnify and hold harmless the Company, its officers and directors, and each agent and employee thereof, from and against any and all loss, damage, liability or expense (including judgments, fines, amounts paid in settlement, attorney's fees and other legal costs actually incurred as a result of any such person or entity being made a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, by reason of or arising from any breach of representation or warranty of mine or any misrepresentation or misstatement of fact or omission to state or represent facts made by me to the Company, including without limitation, the information which I have furnished in this Subscription Agreement or in the Offeree Questionnaire.

5. Miscellaneous

(a) All notices or other communications given or made hereunder shall be in writing and shall be delivered or mailed by registered or certified mail, return receipt requested, postage prepaid, to the Company at the address set forth above and to the undersigned at the address set forth on the signature page hereof.

(b) This Subscription Agreement and accompanying Offeree Questionnaire constitute the entire agreement among the parties hereto with respect to the subject matter hereof and supersede any prior or contemporaneous representations, warranties, or agreements (whether oral or written), and may be amended or waived only by a writing executed by the party to be bound.

(c) If more than one person is signing this Subscription agreement, each representation, warranty and agreement made herein shall be a joint and several representation, warranty or agreement of each person and entity on behalf of which this Subscription Agreement is signed.

ANTI-MONEY LAUNDERING REQUIREMENTS

The USA PATRIOT Act

The USA PATRIOT Act is designed to detect, deter, and punish terrorists in the United States and abroad. The Act imposes new anti-money laundering requirements on brokerage firms and financial institutions. Since April 24, 2002 all brokerage firms have been required to have new, comprehensive anti-money laundering programs.

To help you understand theses efforts, we want to provide you with some information about money laundering and our steps to implement the USA PATRIOT Act.

What is money laundering?

Money laundering is the process of disguising illegally obtained money so that the funds appear to come from legitimate sources or activities. Money laundering occurs in connection with a wide variety of crimes, including illegal arms sales, drug trafficking, robbery, fraud, racketeering, and terrorism.

How big is the problem and why is it important?

The use of the U.S. financial system by criminals to facilitate terrorism or other crimes could well taint our financial markets. According to the U.S. State Department, one recent estimate puts the amount of worldwide money laundering activity at $1 trillion a year.

What are we required to do to eliminate money laundering?

Under new rules required by the USA PATRIOT Act, our anti-money laundering program must designate a special compliance officer, set up employee training, conduct independent audits, and establish policies and procedures to detect and report suspicious transaction and ensure compliance with the new laws.

As part of our required program, we may ask you to provide various identification documents or other information. Until you provide the information or documents we need, we may not be able to effect any transactions for you.

MCIG INC

SIGNATURE PAGE TO
SUBSCRIPTION AGREEMENT

Purchaser hereby elects to purchase a total of _____ Units at a price of $50,000 per Unit (NOTE: to be completed by the Purchaser).

Date (NOTE: To be completed by the Purchaser): _____, 2016

If the Purchaser is an INDIVIDUAL, and if purchased as JOINT TENANTS, as TENANTS IN COMMON, or as COMMUNITY PROPERTY:

_____	_____
Print Name(s)	Social Security Number(s)
_____	_____
Signature(s) of Purchaser(s)	Signature
_____	_____
Date	Address

If the Purchaser is a PARTNERSHIP, CORPORATION, LIMITED LIABILITY COMPANY or TRUST:

_____	_____
Name of Partnership, Corporation, Limited Liability Company or Trust	Federal Taxpayer Identification Number
By:_____	_____
Name: Title:	State of Organization
_____	_____
Date	Address

MCIG INC

By: _____
Authorized Officer

MCIG INC

ACCREDITED INVESTOR CERTIFICATION

For Individual Investors Only
(all Individual Investors must *INITIAL* where appropriate):

Initial _____ I certify that I have a net worth (including home, furnishings and automobiles) in excess of $1 million either individually or through aggregating my individual holdings and those in which I have a joint, community property or other similar shared ownership interest with my spouse.

Initial _____ I certify that I have had an annual gross income for the past two years of at least $200,000 (or $300,000 jointly with my spouse) and expect my income (or joint income, as appropriate) to reach the same level in the current year.

Initial _____ I certify that I am a director or executive officer of MCig Satellites Corporation (the " **Company** ").

For Non-Individual Investors
(all Non-Individual Investors must *INITIAL* where appropriate):

Initial _____ The undersigned certifies that it is a partnership, corporation, limited liability company or business trust that is 100% owned by persons who meet either of the criteria for Individual Investors, above.

Initial _____ The undersigned certifies that it is a partnership, corporation, limited liability company or business trust that has total assets of at least $5 million and was not formed for the purpose of investing in the Company.

Initial _____ The undersigned certifies that it is an employee benefit plan whose investment decision is made by a plan fiduciary (as defined in ERISA §3(21)) that is a bank, savings and loan association, insurance company or registered investment adviser.

Initial _____ The undersigned certifies that it is an employee benefit plan whose total assets exceed $5,000,000 as of the date of the Subscription Agreement.

Initial _____ The undersigned certifies that it is a self-directed employee benefit plan whose investment decisions are made solely by persons who meet either of the criteria for Individual Investors, above.

Initial _____ The undersigned certifies that it is a U.S. bank, U.S. savings and loan association or other similar U.S. institution acting in its individual or fiduciary capacity.

Initial _____ The undersigned certifies that it is a broker-dealer registered pursuant to §15 of the Securities Exchange Act of 1934.

Initial _____ The undersigned certifies that it is an organization described in §501(c)(3) of the Internal Revenue Code with total assets exceeding $5,000,000 and not formed for the specific purpose of investing in the Company.

Initial _____ The undersigned certifies that it is a trust with total assets of at least $5,000,000, not formed for the specific purpose of investing in the Company, and whose purchase is directed by a person with such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment.

Initial _____ The undersigned certifies that it is a plan established and maintained by a state or its political subdivisions, or any agency or instrumentality thereof, for the benefit of its employees, and which has total assets in excess of $5,000,000.

Initial _____ The undersigned certifies that it is an insurance company as defined in §2(13) of the Securities Act of 1933, as amended, or a registered investment company.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR ANY STATE SECURITIES LAWS AND NEITHER SUCH SHARES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE 1933 ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT.

CBJ Distributing, LLC

COMMON MEMBERSHIP UNIT PURCHASE OPTION

Number of Shares:	80%	Holder:
Original Issue Date:	February 16, 2017	mCig, Inc. Title:
Expiration Date:	June 30, 2018	2831 St. Rose Parkway, Suite 200 Henderson, NV 89052
Exercise Price:	[((assets-liabilities) + (net income) times three)]	

CBJ Distributing, LLC, a company organized and existing under the laws of the State of Nevada (the " **Company** "), hereby certifies that, for value received, **mCig, Inc.,** or its registered assigns (the " **Option Holder** "), is entitled, subject to the terms set forth below, to purchase from the Company up to eighty percent (80%) (as adjusted from time to time as provided in Section 8, the " **Option Shares** ") of common membership units (the " **Common Membership Units** "), of the Company at a price equal to the (sum of all assets, minus all liabilities, plus net income) multiplied by three paid in common stock of mCig, Inc., at the then current market price (as adjusted from time to time as provided in Section 8, the " **Exercise Price** "), at any time and from time to time from and after the date thereof and through and including 5:00 p.m. New York City time on June 30, 2018, and subject to the following terms and conditions:

1. **Registration of Option .** The Company shall register this Option upon records to be maintained by the Company for that purpose (the " **Option Register** "), in the name of the record Option Holder hereof from time to time. The Company may deem and treat the registered Option Holder of this Option as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Option Holder, and for all other purposes, and the Company shall not be affected by notice to the contrary.

2. **Right To Include ("Piggy-Back") Option Shares** . Provided that the Option Shares have not been registered, if at any time after the date hereof, the Company proposes to register any of its securities under the 1933 Act, then the Company will use its reasonable efforts to provide piggy-back rights to the Option Holder with the registration of any of the Company's securities under the 1933 Act (other than by a registration in connection with an acquisition in a manner which would not permit registration of such Option Shares for sale to the public, on Form S-8, or any successor form thereto, on Form S-4, or any successor form thereto), on an underwritten basis (either best-efforts or firm-commitment).

3. **Investment Representation .** The Option Holder by accepting this Option represents that the Option Holder is acquiring this Option for its own account or the account of an affiliate for investment purposes and not with the view to any offering or distribution and that the Option Holder will not sell or otherwise dispose of this Option or the underlying Option Shares in violation of applicable securities laws. The Option Holder acknowledges that the certificates representing any Option Shares will bear a legend indicating that they have not been registered under the United States Securities Act of 1933, as amended (the " **1933 Act** ") and may not be sold by the Option Holder except pursuant to an effective registration statement or pursuant to an exemption from registration requirements of the 1933 Act and in accordance with federal and state securities laws. If this Option was acquired by the Option Holder pursuant to the exemption from the registration requirements of the 1933 Act afforded by Regulation S thereunder, the Option Holder acknowledges and covenants that this Option may not be exercised by or on behalf of a Person during the one year distribution compliance period (as defined in Regulation S) following the date hereof. **" Person "** means an individual, partnership, firm, limited liability company, trust, joint venture, association, corporation, or any other legal entity.

4. **Validity of Option and Issue of Shares .** The Company represents and warrants that this Option has been duly authorized and validly issued and warrants and agrees that all of the Common Membership Units that may be issued upon the exercise of the rights represented by this Option will, when issued upon such exercise, be duly authorized, validly issued, fully paid and non-assessable and free from all taxes, liens and charges with respect to the issue thereof. The Company further warrants and agrees that during the period within which the rights represented by this Option may be exercised, the Company will at all times have authorized and reserved a sufficient number of Common Membership Units to provide for the exercise of the rights represented by this Option.

5. **Registration of Transfers and Exchange of Options .**

a. Subject to compliance with the legend set forth on the face of this Option, the Company shall register the transfer of any portion of this Option in the Option Register, upon surrender of this Option with the Form of Assignment attached hereto duly completed and signed, to the Company at the office specified in or pursuant to Section 13. Upon any such registration or transfer, a new Option to purchase Common Membership Units, in substantially the form of this Option (any such new Option, a " **New Option** "), evidencing the portion of this Option so transferred shall be issued to the transferee and a New Option evidencing the remaining portion of this Option not so transferred, if any, shall be issued to the transferring Option Holder. The acceptance of the New Option by the transferee thereof shall be deemed the acceptance of such transferee of all of the rights and obligations of an Option Holder of an Option.

b. This Option is exchangeable, upon the surrender hereof by the Option Holder to the office of the Company specified in or pursuant to Section 13 for one or more New Options, evidencing in the aggregate the right to purchase the number of Option Shares which may then be purchased hereunder. Any such New Option will be dated the date of such exchange.

6. **Exercise of Options .**

a. Upon surrender of this Option with the Form of Election to Purchase attached hereto duly completed and signed to the Company, at its address set forth in Section 13, and upon payment and delivery of the Exercise Price per Option Share multiplied by the number of Option Shares that the Option Holder intends to purchase hereunder, in lawful money of the United States of America, in cash or by certified or official bank check or checks, to the Company, all as specified by the Option Holder in the Form of Election to Purchase, the Company shall promptly (but in no event later than 7 business days after the Date of Exercise (as defined herein)) issue or cause to be issued and cause to be delivered to or upon the written order of the Option Holder and in such name or names as the Option Holder may designate (subject to the restrictions on transfer described in the legend set forth on the face of this Option), a certificate for the Option Shares issuable upon such exercise, with such restrictive legend as required by the 1933 Act. Any person so designated by the Option Holder to receive Option Shares shall be deemed to have become holder of record of such Option Shares as of the Date of Exercise of this Option.

b. A "Date of Exercise" means the date on which the Company shall have received (i) this Option (or any New Option, as applicable), with the Form of Election to Purchase attached hereto (or attached to such New Option) appropriately completed and duly signed, and (ii) payment of the Exercise Price for the number of Option Shares so indicated by the Option Holder to be purchased.

c. This Option shall be exercisable at any time and from time to time for such number of Option Shares as is indicated in the attached Form of Election To Purchase. If less than all of the Option Shares which may be purchased under this Option are exercised at any time, the Company shall issue or cause to be issued, at its expense, a New Option evidencing the

right to purchase the remaining number of Option Shares for which no exercise has been evidenced by this Option.

7. **Maximum Exercise .** The Option Holder shall not be entitled to exercise this Option on a Date of Exercise in connection with that number of shares of Common Membership Units which would be in excess of the sum of (i) the number of shares of Common Membership Units beneficially owned by the Option Holder and its affiliates on an exercise date, and (ii) the number of shares of Common Membership Units issuable upon the exercise of this Option with respect to which the determination of this limitation is being made on an exercise date, which would result in beneficial ownership by the Option Holder and its affiliates of more than 50% of the outstanding shares of Common Membership Units on such date. This Section 7 may be waived or amended only with the consent of the Holder and the Board of Managing Members of the Company. For the purposes of the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended, and Regulation 13d-3 there under.

8. **Adjustment of Exercise Price and Number of Shares** . The character of the shares of membership units or other securities at the time issuable upon exercise of this Option and the Exercise Price therefore, are subject to adjustment upon the occurrence of the following events, and all such adjustments shall be cumulative:

a. **Adjustment for Stock Splits, Stock Dividends, Recapitalizations, Etc.**

The Exercise Price of this Option and the number of shares of Common Membership Units or other securities at the time issuable upon exercise of this Option shall be appropriately adjusted to reflect any stock dividend, stock split, combination of shares, reclassification, recapitalization or other similar event affecting the number of outstanding shares of stock or securities.

b. **Adjustment for Reorganization, Consolidation, Merger, Etc.** In case of any consolidation or merger of the Company with or into any other corporation, entity or person, or any other corporate reorganization, in which the Company shall not be the continuing or surviving entity of such consolidation, merger or reorganization (any such transaction being hereinafter referred to as a **" Reorganization"**), then, in each case, the holder of this Option, on exercise hereof at any time after the consummation or effective date of such Reorganization (the " **Effective Date** "), shall receive, in lieu of the shares of membership units or other securities at any time issuable upon the exercise of the Option issuable on such exercise prior to the Effective Date, the stock and other securities and property (including cash) to which such holder would have been entitled upon the Effective Date if such holder had exercised this Option immediately prior thereto (all subject to further adjustment as provided in this Option).

c. **Certificate as to Adjustments.** In case of any adjustment or readjustment in the price or kind of securities issuable on the exercise of this Option, the Company will promptly give written notice thereof to the holder of this Option in the form of a certificate, certified and confirmed by the Board of Managing Members of the Company, setting forth such adjustment or readjustment and showing in reasonable detail the facts upon which such adjustment or readjustment is based.

d. **Reduction of Shares.** In the event the Option Holder doesn't enter into employment/consultant agreements with the owners of the Company prior to exercise of this option, this option shall be reduced to 51% and the purchase price shall be reduced to (sum of all assets, minus all liabilities, plus net income) multiplied by two.

9. **Fractional Shares .** The Company shall not be required to issue or cause to be issued fractional Option Shares on the exercise of this Option. The number of full Option Shares that shall be issuable upon the exercise of this Option shall be computed on the basis of the aggregate number of Options Shares purchasable on exercise of this Option so presented. If any fraction of a Option Share would, except for the provisions of this Section 9, be issuable on the exercise of this Option, the Company shall, at its option, (i) pay an amount in cash equal to the Exercise Price multiplied by such fraction or (ii) round the number of Option Shares issuable, up to the next whole number.

10. **Sale or Merger of the Company .** Upon a Change in Control, the restriction contained in Section 7 shall immediately be released and the Option Holder will have the right to exercise this Option concurrently with such Change in Control event. For purposes of this Option, the term "Change in Control" shall mean a consolidation or merger of the Company with or into another company or entity in which the Company is not the surviving entity or the sale of all or substantially all of the assets of the Company to another company or entity not controlled by the then existing stockholders of the Company in a transaction or series of transactions.

11. **Notice of Intent to Sell or Merge the Company** . The Company will give Option Holder ten (10) business days' notice before the event of a sale of all or substantially all of the assets of the Company or the merger or consolidation of the Company in a transaction in which the Company is not the surviving entity.

12. **Issuance of Substitute Option .** In the event of a merger, consolidation, recapitalization or reorganization of the Company or a reclassification of Company shares of stock, which results in an adjustment to the number of shares subject to this Option and/or the Exercise Price hereunder, the Company agrees to issue to the Option Holder a substitute Option reflecting the adjusted number of shares and/or Exercise Price upon the surrender of this Option to the Company.

13. **Notice .** All notices and other communications hereunder shall be in writing and shall be deemed to have been given (i) on the date they are delivered if delivered in person; (ii) on the date initially received if delivered by facsimile transmission followed by registered or

certified mail confirmation; (iii) on the date delivered by an overnight courier service; or (iv) on the third business day after it is mailed by registered or certified mail, return receipt requested with postage and other fees prepaid as follows:

If to the Option Holder : mCig, Inc.

2831 St Rose Parkway, Suite 200 Henderson, NV 89052

Attention: Paul Rosenberg, Chief Executive Officer

If to the Company :

_____

_____

Henderson, Nevada 89015

14. **Miscellaneous .**

a. This Option shall be binding on and inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Option may be amended only by a writing signed by the Company and the Option Holder.

b. Nothing in this Option shall be construed to give to any person or corporation other than the Company and the Option Holder any legal or equitable right, remedy or cause of action under this Option; this Option shall be for the sole and exclusive benefit of the Company and the Option Holder.

c. This Option shall be governed by, construed and enforced in accordance with the internal laws of the State of Nevada without regard to the principles of conflicts of law thereof.

d. The headings herein are for convenience only, do not constitute a part of this Option and shall not be deemed to limit or affect any of the provisions hereof.

e. In case any one or more of the provisions of this Option shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Option shall not in any way be affected or impaired thereby and the parties will attempt in good faith to agree upon a valid and enforceable provision which shall be a commercially reasonably substitute therefore, and upon so agreeing, shall incorporate such substitute provision in this Option.

f. The Option Holder shall not, by virtue hereof, be entitled to any voting or

other rights of a shareholder of the Company, either at law or equity, and the rights of the Option Holder are limited to those expressed in this Option.

IN WITNESS WHEREOF, the Company has caused this Option to be duly executed by the authorized officer as of the date first above stated.

CBJ Distributing, LLC, a Nevada limited liability company

By: _____

Name: _____

Its: _____

FORM OF ELECTION TO PURCHASE

(To be executed by the Option Holder to exercise the right to purchase shares of Common Membership Units under the foregoing Option)

To: CBJ Distributing, L.L.C. **:**

In accordance with the Option enclosed with this Form of Election to Purchase, the undersigned hereby irrevocably elects to purchase _____ shares of Common Membership Units ("Common Membership Units"), $.001 par value, of CBJ Distributing, LLC and encloses the Option and $____ for each Option Share being purchased or an aggregate of $_____ in cash or certified or official bank check or checks, which sum represents the aggregate Exercise Price (as defined in the Option) together with any applicable taxes payable by the undersigned pursuant to the Option.

The undersigned requests that certificates for the shares of Common Membership Units issuable upon this exercise be issued in the name of:

_____

_____

_____

(Please print name and address)

_____

(Please insert Social Security or Tax Identification Number)

If the number of shares of Common Membership Units issuable upon this exercise shall not be all of the shares of Common Membership Units which the undersigned is entitled to purchase in accordance with the enclosed Option, the undersigned requests that a New Option (as defined in the Option) evidencing the right to purchase the shares of Common Membership Units not issuable pursuant to the exercise evidenced hereby be issued in the name of and delivered to:

_____

_____

_____

(Please print name and address)

Dated: _____

Name of Option Holder:

(Print) _____

(By:) _____

(Name:) _____

(Title:) _____

Signature must conform in all respects to name of Option Holder as specified on the face of the Option S.

MCIG, INC.

ASSET PURCHASE AGREEMENT

Between

MCIG, INC.

and

APO HOLDING, LLC

March 15, 2017

(continued)

Definition Index

Definition Index

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT, made and entered into this 15th day of March, 2017, by and among MCIG, INC., a Virginia resident (" **Purchaser** "), and APO HOLDING, LLC, a Nevada limited liability company (" **Seller** ").

W I T N E S S E T H:

WHEREAS , Purchaser desires to purchase from Seller, and Seller desires to sell to Purchaser, certain assets on the terms and subject to the conditions set forth in this Agreement, more specifically 100% of the software known as "Pretty Green Bud" ("Pretty Green Bud"), in the conduct of its business;

NOW, THEREFORE , for and in consideration of the premises, and the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE 1. DEFINITIONS .

For purposes of this Agreement, the following terms have the meanings specified or referred to in this Article 1:

"Applicable Contract" shall mean any Contract (a) under which Seller has or may acquire any rights, (b) under which Seller has or may become subject to any obligation or liability, or (c) by which Seller or any of the assets owned or used by it are or may become bound.

"Assets" shall mean 100% (i) of those assets that comprise Pretty Green Bud, and other related technology and business assets so acquired (the " **Pretty Green Bud Assets** ") and 100% of (ii) other assets of Seller that came into existence subsequent to the acquisition described in (i) above and that are related to the Pretty Green Bud Assets or were used or created by Pretty Green Bud in its conduct of business, including all assets, rights, interests, and properties of Seller of whatever nature, tangible or intangible, real or personal, fixed or contingent, that fall within the descriptions in (i) and (ii) above, except for the Excluded Assets. Assets shall include, but shall not be limited to, the following types of assets:

(a) equipment (including transportation equipment), tools, vehicles, machinery, furniture, furnishings, other tangible personal property, signage, leasehold improvements, and fixtures (including, but not limited to, those assets listed on **Exhibit 1-A**);

(b) inventory of any kind, character, nature or description, wherever located and in transit, including all supplies, goods in process, finished goods, packaging materials and merchandise;

(c) accounts receivable (except for those set forth on **Schedule 4.8** of the Disclosure Memorandum), retainage receivables, rights to collect for unbilled services, employee receivables, notes, instruments, other accounts, and similar items;

(d) Intellectual Property Assets;

(e) rights and interests of Seller in, to, and under any Applicable Contract;

(f) rights to and under leases, subleases and assignments relating to equipment;

(g) cash, cash deposits, bank accounts, certificates of deposit, savings and other similar cash or cash equivalents of every kind, character, nature and description;

(h) prepaid items and deposits and rights to rebates;

(i) rights under any Governmental Authorization;

(j) customer lists and advertising and promotional materials;

(k) rights, claims, causes of action, choses in action, rights of recovery, rights of set- off, counterclaims and rights of recoupment, including all rights under express or implied warranties relating to the Assets;

(l) files, records, data, and plans including customer and supplier lists, and employee and financial records

(m) books, records and other documents, including fixed asset records, sales and advertising materials (including price lists), sales and purchase correspondence, technical and research data, books of account and records, ledgers, files, correspondence, creative materials, studies, reports and other items;

(n) property subject to capital leases; and

(o) to the extent not otherwise specifically included in this definition of Assets or excluded from being assets in the definition of Excluded Assets, assets, rights, claims, contracts, agreements, causes of action and properties, as of the Closing Date, of every kind, character, nature and description, whether tangible or intangible, choate or inchoate, corporeal or incorporeal, matured or not matured, known or unknown, contingent or fixed wherever located.

"Assumed Liabilities" shall mean all liabilities and obligations arising after the Closing Date relating to Purchaser's ownership of, or conc of business with, the Assets except to the extent that any of the foregoing constitute Excluded Liabilities.

"Best Efforts" shall mean the efforts that a prudent Person desirous of achieving a result would use in similar circumstances to ensure that such result is achieved as expeditiously as possible.

"Bill of Sale" shall mean an instrument in substantially the form of **Exhibit 1-B** hereto pursuant to which the Assets shall be transferred and assigned to Purchaser at the Closing.

"Breach" A "Breach" of a representation, warranty, covenant, obligation, or other provision of this Agreement or any instrument delivered pursuant to this Agreement shall be deemed to have occurred if there is or has been (a) any inaccuracy in or breach of, or any failure to perform or comply with, such representation, warranty, covenant, obligation, or other provision, or (b) any claim (by any Person) or other occurrence or circumstance that is or was inconsistent with such representation, warranty, covenant, obligation, or other provision, and the term "Breach" means any such inaccuracy, breach, failure, claim, occurrence, or circumstance.

"CERCLA" shall mean the United States Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq., as amended.

"Consent" shall mean any approval, consent, ratification, waiver, or other authorization (including any Governmental Authorization).

"Contemplated Transactions" shall mean all of the transactions contemplated by this Agreement, including:

(a) the sale of the Assets to Purchaser and assumption of the Assumed Liabilities by Purchaser;

(b) the execution, delivery, and performance of the Bill of Sale, the Security and Pledge Agreement and the Escrow Agreement;

(c) the performance by the parties of their respective covenants and obligations under this Agreement; and

(d) Purchaser's ownership of, and exercise of control over, the Assets.

"Contract" shall mean any agreement, contract, lease, obligation, promise, undertaking, or license (whether written or oral and whether express or implied) that is legally binding.

"Disclosure Memorandum" shall mean the compilation of various disclosure schedules and supplements to be delivered by Seller to Purchaser concurrently with the execution and delivery of this Agreement.

"Encumbrance" shall mean any charge, claim, community property interest, condition, equitable interest, lien, option, pledge, security interest, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income, or exercise of any other attribute of ownership.

"Environment" shall mean soil , land surface or subsurface strata, surface waters (including navigable waters, ocean waters, streams, ponds, drainage basins, and wetlands), groundwater, drinking water supply, stream sediments, ambient air (including indoor air), plant and animal life, and any other environmental medium or natural resource.

"Environmental, Health, and Safety Liabilities" shall mean any cost, damages, expense, liability, obligation, or other responsibility arising from or under Environmental Law or Occupational Safety and Health Law and consisting of or relating to (a) any environmental, health, or safety matters or conditions, (b) any fines, penalties, settlements, legal or administrative proceedings, damages, claims, demands and investigative, remedial, or inspection costs and expenses, or (c) financial responsibility under Environmental Law or Occupational Safety and Health Law for cleanup costs or corrective action, whether or not such cleanup has been required or requested by any Governmental Body or any other Person.

"Environmental Law" shall mean any Legal Requirement that requires or relates to (a) providing notification to any person of releases or the presence of Hazardous Materials and of the commencements of activities that could have significant impact on the environment; (b) regulating the generation, treatment, storage, handling, transportation, disposal or release of Hazardous Materials or hazardous wastes; (c) cleaning up Hazardous Materials that have been released, preventing the threat of release, or paying the costs of such clean up or prevention; or (d) recovering costs related to damage done to human health or the environment.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"Excluded Assets" shall mean all right, title or interest of Seller of whatever nature, tangible or intangible, real or personal, fixed or contingent, to:

(a) this Agreement and the agreements contemplated to be executed in connection herewith, including, without limitation, the consideration delivered to the Seller pursuant to this Agreement and any other agreements executed in connection herewith;

(b) the corporate seals, minutes books, stock books, blank share certificates, tax returns and other records relating to the corporate organization or tax reporting of the Seller;

(c) any licenses, permits, orders or approvals from any federal, state or local government or any agency or bureau thereof that are not transferable under applicable laws;

(d) any other asset or contract specifically listed on **Exhibit 1-C** .

"Excluded Liabilities" shall mean, in addition to any liability or obligation of Seller not expressly assumed hereunder, (a) loans or other advances from and, related obligations to, banks, other financial institutions, and investors, and similar loans or other advances of any nature; (b) loans, advances, and other obligations secured by, or incurred to finance the purchase of, equipment, software, or other property; (c) loans and other advances or any other liabilities from, by or to shareholders of Seller and their Related Persons or affiliates; (d) any lien, claim or encumbrance on any Asset; (e) capital lease obligations; (f) any federal, state, or local tax based on income or revenues of Seller or any shareholder of Seller; (g) any sales, use, or excise tax

arising out of the sale of the Assets hereunder; (h) any liability or obligation under or in connection with the Excluded Assets; (i) any liability or obligation of Seller or any shareholder of Seller arising out of the negotiation, execution, or performance of this Agreement and the consummation of the Contemplated Transactions, including fees and expenses of attorneys, accountants, and other advisors; (j) any liability arising out of any tort claim against Seller or Seller's employees or agents or the contravention of or failure to comply with any Legal Requirement; (k) any claim against Seller for Breach of any Contract; and (l) any claim predicated on fraud or strict liability or any similar legal theories. Excluded Liabilities include, but are not limited to, the liabilities listed on **Exhibit 1-D** .

"Facilities" shall mean any real property, leaseholds, or other interests currently or formerly owned or operated by Seller and any buildings, plants, structures, or equipment currently or formerly owned or operated by Seller.

"GAAP" shall mean generally accepted United States accounting principles, applied on a basis consistent with the basis on which the Balance Sheet and the other financial statements referred to in **Section 3.5** were prepared.

"Governmental Authorization" shall mean any approval, consent, license, permit, waiver, or other authorization issued, granted, given, or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement.

"Governmental Body" shall mean any:

(a) federal, state, local, municipal, foreign, or other government;
(b) governmental or quasi governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal); or
(c) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature.

"Hazardous Activity" shall mean the distribution, generation, handling, importing, management, manufacturing, processing, production, refinement, Release, storage, transfer, transportation, treatment, or use (including any withdrawal or other use of groundwater) of Hazardous Materials in, on, under, about, or from the Facilities or any part thereof into the Environment, and any other act, business, operation, or thing that increases the danger, or risk of danger, or poses an unreasonable risk of harm to persons or property on or off the Facilities, or that may affect the value of the Facilities or Seller.

"Hazardous Materials " shall include any (i) "hazardous substance" as defined under CERCLA (42 U.S.C. § 9601 *et seq*.); (ii) substance that is or may be designated pursuant to Section 311(b)(2)(A) of the Federal Water Pollution Control Act, as amended (33 U.S.C. §§ 1251, 1321(b)(2)(A)) (" **FWPCA** "); (iii) hazardous waste identified pursuant to Section 3001 of the Resource Conservation and Recovery Act, as amended (42 U.S.C. §§ 6901, 6921) (" **RCRA** "); (iv) substance containing petroleum, as that term is defined in Section 9001(8) of RCRA; (v) toxic pollutant that is or may be listed under Section 307(a) of FWPCA; (vi) hazardous air pollutant that is or may be listed under Section 112 of the Clean Air Act, as

amended (42 U.S.C. §§ 7401, 7412); (vii) imminently hazardous chemical substance or mixture with respect to which action has been or may be taken pursuant to Section 7 of the Toxic Substances Control Act, as amended (15 U.S.C. §§ 2601, 2606); (viii) source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954, as amended (42 U.S.C. § 2011 et seq.); (ix) asbestos, asbestos-containing material, or urea formaldehyde or material that contains it; (x) waste oil and other petroleum products; and (xi) any other toxic materials, contaminants, or hazardous substances or wastes pursuant to any Environmental Law.

"IRS" shall mean the United States Internal Revenue Service or any successor agency, and, to the extent relevant, the United States Department of the Treasury.

"IRC" shall mean the Internal Revenue Code of 1986 or any successor law, and regulations issued by the IRS pursuant to the Internal Revenue Code or any successor law.

"Knowledge" means in the case of an individual that he or she shall be deemed to have "Knowledge" of a particular fact or other matter if:

(a) such individual is actually aware of such fact or other matter; or
(b) a prudent individual in his or her position with Seller would reasonably be expected to be aware of or discover such fact or other matter in the course of performing his or her duties in a customary manner.

Seller shall be deemed to have "Knowledge" of a particular fact or other matter if a controlling shareholder or any officer or management level employee of Seller has Knowledge of such fact or other matter.

"Legal Requirement" shall mean any federal, state, local, municipal, foreign, international, multinational, or other administrative order, constitution, law, ordinance, principle of common law, regulation, statute, or treaty.

"Material Contract " shall have the meaning set forth in **Section 4.16(c)** .

"Occupational Safety and Health Law" shall mean any Legal Requirement designed to provide safe and healthful working conditions and to reduce occupational safety and health hazards, and any program, whether governmental or private (including those promulgated or sponsored by industry associations and insurance companies), designed to provide safe and healthful working conditions.

"Order" shall mean any award, decision, injunction, judgment, order, ruling, or verdict entered, issued, made, or rendered by any court, administrative agency, or other Governmental Body or by any arbitrator.

"Ordinary Course of Business " shall mean an action taken by a Person shall be deemed to have been taken in the "Ordinary Course of Business" only if:

(a) such action is consistent with the past practices of such Person and is taken in the ordinary course of the normal day-to-day operations of such Person;

(b) such action is not required to be authorized by the board of directors of such Person (or by any Person or group of Persons exercising similar authority); and

(c) such action is similar in nature and magnitude to actions customarily taken, without any authorization by the board of directors (or by any Person or group of Persons exercising similar authority), in the ordinary course of the normal day-to- day operations of other Persons that are in the same line of business as such Person.

"Organizational Documents" shall mean (a) the articles or certificate of incorporation and the bylaws of a corporation; (b) the partnership agreement and any statement of partnership of a general partnership; (c) the limited partnership agreement and the certificate of limited partnership of a limited partnership; (d) any charter or similar document adopted or filed in connection with the creation, formation, or organization of a Person; and (e) any amendment to any of the foregoing.

"Person" shall mean any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, labor union, or other entity or Governmental Body.

"Proceeding" shall mean any action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative, investigative, or informal) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

"Related Person" shall mean, with respect to a particular individual:

(a) each other member of such individual's Family;

(b) any Person that is directly or indirectly controlled by such individual or one or more members of such individual's Family;

(c) any Person in which such individual or members of such individual's Family hold (individually or in the aggregate) a Material Interest; and

(d) any Person with respect to which such individual or one or more members of such individual's Family serves as a director, officer, partner, executor, or trustee (or in a similar capacity).

With respect to a specified Person other than an individual:

(a) any Person that directly or indirectly controls, is directly or indirectly controlled by, or is directly or indirectly under common control with such specified Person;

(b) any Person that holds a Material Interest in such specified Person;

(c) each Person that serves as a director, officer, partner, executor, or trustee of such specified Person (or in a similar capacity);

(d) any Person in which such specified Person holds a Material Interest;

(e) any Person with respect to which such specified Person serves as a general partner or a trustee (or in a similar capacity); and

(f) any Related Person of any individual described in clause (b) or (c).

For purposes of this definition, (a) the " **Family** " of an individual includes (i) the individual, (ii) the individual's spouse, (iii) any other natural person who is related to the individual or the individual's spouse within the second degree, and (iv) any other natural person who resides with such individual, and (b) " **Material Interest** " means direct or indirect beneficial ownership (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) of voting securities or other voting interests representing at least 10% of the outstanding voting power of a Person or equity securities or other equity interests representing at least 10% of the outstanding equity securities or equity interests in a Person.

"Release" shall mean any spilling, leaking, emitting, discharging, depositing, escaping, leaching, dumping, or other releasing into the Environment, whether intentional or unintentional.

"Representative" shall mean, with respect to a particular Person, any director, officer, employee, agent, consultant, advisor, or other representative of such Person, including legal counsel, accountants, and financial advisors.

*" **Seller's business** "* or *" **business of Seller** "* shall mean any business Seller has conducted with the Assets, including the business conducted through Pretty Green Bud, but it shall not mean any business conducted by Seller unrelated to the foregoing.

*" **Tax** "* shall mean any tax (including any income tax, capital gains tax, value-added tax (included goods and services tax), sales tax, property tax or franchise tax) levy, assessment, tariff, duty (including any customs duty), deficiency, or other fee, and any related charge or amount (including any fine, penalty, interest, or addition to tax), imposed, assessed, or collected by or under the authority of any Governmental Body or payable pursuant to any tax-sharing agreement or any other Contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee.

"Tax Return" shall mean an *y* return (including any information return), report, statement, schedule, notice, form, or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Body in connection with the determination, assessment, collection, or payment of any Tax or in connection with the administration, implementation, or enforcement of or compliance with any Legal Requirement relating to any Tax.

"Threat of Release" shall mean a substantial likelihood of a Release that may require action in order to prevent or mitigate damage to the Environment that may result from such Release.

"Threatened" with respect to a claim, Proceeding, dispute, action, or other matter is a status that exists when a demand or statement has been made (orally or in writing) or any notice

has been given (orally or in writing), or another event has occurred or another circumstance exists, that would lead a prudent Person to conclude that such a claim, Proceeding, dispute, action, or other matter is likely to be asserted, commenced, taken, or otherwise pursued in the future.

ARTICLE 2. PURCHASE AND SALE OF ASSETS AND ASSUMPTION OF LIABILITIES.

2.1 Purchase and Sale . Upon the terms and subject to the conditions set forth in this Agreement, at the Closing Seller shall sell, transfer, and assign to Purchaser all of Seller's right, title, and interest in and to the Assets free and clear of any Encumbrance, and Purchaser shall purchase and acquire the Assets from Seller.

2.2 Assumption of Liabilities . Effective as of the Closing, Purchaser shall assume all of the Assumed Liabilities. Except for the assumption of the Assumed Liabilities as expressly provided herein and in the Bill of Sale, Purchaser does not assume or agree to assume or pay any obligations, liabilities, indebtedness, duties, responsibilities, or commitments of Seller of any nature whatsoever, whether known or unknown, absolute or contingent, due or to become due. Notwithstanding any other provision of this Agreement, in no event shall Purchaser be deemed to assume or incur any liability or obligation for or with respect to or arising out of any Excluded Liability.

2.3 The Purchase Price . The " **Purchase Price** " shall be U.S. $3,450,000.

2.4 Payment of Purchase Price . At the Closing, Purchaser (i) shall issue, or direct its transfer agent to issue, 12,222,222 shares cash of common stock of Purchaser, par value $0.0001 per share (" **Common Stock** ") to Seller, (such shares of Common Stock hereinafter referred to as the " **Stock** "), on account of the Purchase Price, and (ii) shall pay in cash the amount of $150,000 within 90 days of the Closing. The Seller may designate the recipients of the shares through notification to the Purchaser's transfer agent.

2.5 Allocation of Purchase Price . The Purchase Price and the liabilities assumed by Purchaser in accordance with **Section 2.2** hereof (together, the " **Total Consideration** ") as finally determined shall be allocated among the Assets acquired hereunder as described on **Exhibit 2.5** hereof. Seller and Purchaser each hereby agrees that it shall not take a position on any income tax return, before any governmental agency charged with the collection of any income tax, or in any judicial proceeding that is in any way inconsistent with the terms of this **Section 2.5** .

2.6 Escrow of Stock . INTENTIONALLY LEFT BLANK

2.7 Formation of Entity to Hold Assets. At the Closing, Purchaser shall have formed a special purpose entity, being either a corporation or a limited liability company (the "Special Purpose Holding Company") in the sole discretion of Purchaser, into which Purchaser will assign the Assets as consideration for 100% ownership of the Special Purpose Holding Company Holders of securities of the Special Purpose Holding Company shall not have any preemptive purchasing or cumulative voting rights, unless otherwise agreed to by Purchase and Seller.

ARTICLE 3. CLOSING; POST-CLOSING .

3.1 Closing . The consummation of the transactions contemplated in this Agreement (the " **Closing** ") shall take place at the offices of MCIG, INC., _____, at 2:00 p.m. (local time) on March 31, 2017, or at such other time and place as the parties may agree (the " **Closing Date** "). Subject to the termination provisions of **Article 10** , failure to consummate the transactions provided for in this Agreement on the date and time and at the place determined pursuant to this **Section 3.1** shall not result in the termination of this Agreement and shall not relieve any party of any obligation under this Agreement.

3.2 Closing Obligations . At the Closing:

(a) Seller shall deliver to Purchaser:

(i) the Bill of Sale, duly executed by Seller;

(ii) a certificate executed by Seller representing and warranting to Purchaser that each of the representations and warranties of Seller in this Agreement was accurate in all respects as of the date of this Agreement and is accurate in all respects as of the Closing Date as if made on the Closing Date (giving full effect to any supplements to the Disclosure Memorandum that were delivered by Seller to Purchaser prior to the Closing Date in accordance with **Section 6.5**);

(iii) such other documents as Purchaser may reasonably request for the purpose of (A) evidencing the accuracy of any of Seller's representations and warranties, (B) evidencing the performance by Seller of, or the compliance by Seller with, any covenant or obligation required to be performed or complied with by it, (C) evidencing the satisfaction of any condition referred to in **Article 8** , or (D) otherwise facilitating the consummation or performance of any of the Contemplated Transactions.

(b) Purchaser shall deliver:

(i) A stock certificate(s) representing 12,222,222 shares of the Stock in the name of Seller, or as designated by Seller, and evidence of direction and authority given to Purchaser's transfer agent to issue a certificate in the name of Seller for such additional shares of the Stock as may be required to be issued pursuant to Section 2.4.;

(ii) the Bill of Sale duly executed by Purchaser;

(iii) a certificate executed by Purchaser to the effect that each of Purchaser's representations and warranties in this Agreement was accurate in all respects as of the date of this Agreement and is accurate in all respects as of the Closing Date as if made on the Closing Date; and

(iv) such other documents as Seller may reasonably request for the purpose of (A) evidencing the accuracy of any representation or warranty of Purchaser, (B) evidencing the performance by Purchaser of, or the compliance by Purchaser with, any covenant or obligation required to be performed or complied with by Purchaser, (C)

evidencing the satisfaction of any condition referred to in **Article 9** , or (D) otherwise facilitating the consummation of any of the Contemplated Transactions.

(c) Simultaneously with such deliveries, Seller shall take all action necessary or appropriate to put Purchaser in actual possession and operating control of the Assets.

3.3 Post-Closing . Ninety days following the Closing, Purchaser shall deliver to the Seller a stock certificate(s) representing Stock in the name of Seller as defined pursuant to Section 2.4.

ARTICLE 4. REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrant to Purchaser as follows:

4.1 Organization and Good Standing .

(a) Seller is a corporation duly organized, validly existing, and in good standing under the laws of the State of Nevada, with full corporate power and authority to conduct its business as it is now being conducted, to own or use the properties and assets that it purports to own or use, and to perform all its obligations under Applicable Contracts. Seller is duly qualified to do business as a foreign corporation under the laws of each country, state, province, territory or other jurisdiction in which it owns or leases any real or personal property or has employees.

(b) Seller has delivered to Purchaser true, correct, and complete copies of its Organizational Documents, as currently in effect.

4.2 Authority; No Conflict .

(a) Seller has all requisite corporate power and authority to enter into this Agreement and to consummate the Contemplated Transactions. The execution and delivery of this Agreement, the Security and Pledge Agreement, the Escrow Agreement and the Bill of Sale and the consummation of the Contemplated Transactions have been duly authorized by all necessary corporate action on the part of Seller, including the approval of the Contemplated Transactions by the shareholders of Seller. This Agreement has been duly executed and delivered by Seller and constitutes the valid and binding obligation, of Seller, enforceable against it in accordance with its terms, subject to general equity principles and bankruptcy, insolvency, reorganization, and similar laws affecting the rights of creditors generally. Upon execution and delivery by Seller of the Bill of Sale, the Security and Pledge Agreement, the Escrow Agreement Purchaser shall acquire good, valid, and marketable title to the Assets free and clear of any Encumbrances.

(b) Except as set forth on **Schedule 4.2** of the Disclosure Memorandum, neither the execution and delivery of this Agreement nor the consummation or performance of any of the Contemplated Transactions shall, directly or indirectly (with or without notice or lapse of time):

(i) contravene, conflict with, or result in a violation of any provision of the Organizational Documents of Seller;

(ii) contravene, conflict with, or result in a violation of any Legal Requirement or any Order to which Seller or any of the Assets may be subject;

(iii) contravene, conflict with, or result in a violation of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate, or modify, any material Governmental Authorization that is held by Seller or that otherwise relates to the business of, or any of the assets owned or used by, Seller;

(iv) contravene, conflict with, or result in a violation or breach of any provision of, or give any Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, or modify, any Material Contract; or

(v) result in the imposition or creation of any Encumbrance upon or with respect to any of the Assets owned or used by Seller except any Encumbrance created or expressly agreed to by Purchaser.

Except as set forth in **Schedule 4.2** of the Disclosure Memorandum, Seller neither is nor shall be required to give any notice to or obtain any Consent from any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any of the Contemplated Transactions.

4.3 Subsidiaries . Except as listed in **Schedule 4.3** of the Disclosure Memorandum, Seller does not, directly or indirectly, own or control or have any capital or other equity interest or participation in (or any interest convertible into or exchangeable or exercisable for, any capital or other equity interest or participation in), nor is Seller directly or indirectly subject to any obligation or requirement to provide funds to or invest in or acquire any capital or either equity interest in, any Person.

4.4 Financial Statements . Seller has delivered to Purchaser a balance sheet of Seller as at March 31, 2017, that include the Assets (the " **Balance Sheet** "), and the related statements of income and cash flow for the period ended March 31, 2017, compiled by Seller. Such financial statements and notes fairly present the financial condition and the results of operations and cash flow of Seller as at the respective dates of and for the periods referred to in such financial statements, determined in accordance with GAAP. The financial statements referred to in this **Section 4.4** fairly present the value of the Assets and appropriately reflect losses and reserves related to the business associated with the Assets.

4.5 Books and Records . The books of account, minute books, and other records of Seller, which reflect ownership, and disposition of the Assets, all of which have been made available to Purchaser, are complete and correct. The minute books of Seller contain accurate and complete records of all meetings held of, and corporate action taken by, the shareholders, the board of directors, and committees of the board of directors of Seller with respect to the ownership and disposition of the Assets, and no meeting of any such shareholders, board of directors, or committee has been held to address the ownership or disposition of the Assets for which minutes have not been prepared and are not contained in such minute books.

4.6 Title to Properties; Encumbrances . Seller owns all the properties and assets (whether tangible or intangible) that it purports to own and that comprise the Assets, including all of the properties and assets reflected in the Balance Sheet (except for assets held under capitalized leases listed on **Schedule 4.6** of the Disclosure Memorandum and personal property sold since the date of the Balance Sheet in the Ordinary Course of Business), and all of the properties and assets purchased or otherwise acquired by Seller since the date of the Balance Sheet (except for personal property acquired and sold since the date of the Balance Sheet in the Ordinary Course of Business and consistent with past practice). All Assets are free and clear of all Encumbrances.

4.7 Accounts Receivable . All accounts receivable of Seller that are reflected on the Balance Sheet or on the accounting records of Seller as of the Closing Date that pertain to the Assets (collectively, the " **Accounts Receivable** ") represent or shall represent valid obligations arising from sales actually made or services actually performed in the Ordinary Course of Business. The Accounts Receivable reflected as of the Closing Date shall not represent a material adverse change in the composition of such Accounts Receivable in terms of aging. Subject to the reserves set forth in the accounting records of Seller which reserve shall not constitute a greater percentage of Accounts Receivable on the Closing Date than the reserve on the Balance Sheet constituted of the Accounts Receivable reflected thereon, each of the Accounts Receivable either has been or shall be collected in full, without any set-off, within ninety days after the day on which it first becomes due and payable. There is no contest, claim, or right of set-off, other than returns in the Ordinary Course of Business, under any Contract with any obligor of an Account Receivable relating to the amount or validity of such Accounts Receivable. **Schedule 4.7** of the Disclosure Memorandum contains a complete and accurate list of all Accounts Receivable as of the date of the Balance Sheet, which list sets forth the aging of such Accounts Receivable.

4.8 Inventory . All inventory of Seller included in the Assets, whether or not reflected in the Balance Sheet, consists of a quality and quantity usable and salable in the Ordinary Course of Business, except for obsolete items and items of below-standard quality, all of which have been written off or written down to net realizable value in the Balance Sheet or on the accounting records of Seller as of the Closing Date, as the case may be or excluded from such Balance Sheet or accounting records. Any such write-offs or write-downs or exclusions since the date of the Balance Sheet are or shall be consistent with previous periods. All inventories not written off have been priced at the lower of cost or market in accordance with GAAP. The quantities of each item of inventory (whether raw materials, work-in-process, or finished goods) are not excessive, but are reasonable in the present circumstances of Seller.

4.9 No Undisclosed Liabilities . Seller has no liabilities or obligations of any nature relating to the Assets (whether known or unknown and whether absolute, accrued, contingent, or otherwise) except for liabilities or obligations reflected or reserved against in the Balance Sheet and current liabilities incurred in the Ordinary Course of Business since the date thereof (none of which involve any tort claim, breach of contract, or violation of any Legal Requirement).

4.10 Taxes .

(a) Seller is in the process of filing all Tax Returns that are or were required to be filed by it pursuant to applicable Legal Requirements. Seller shall grant access to the Company's tax accountant, who shall make available to Purchaser copies of, and **Schedule 4.10** of the Disclosure Memorandum contains a complete and accurate list of, all such Tax Returns relating to income or franchise taxes filed since Fiscal Year 2013. Seller will certify that Seller has paid, or made provision for the payment of, all Taxes that have or may have become due pursuant to those Tax Returns or otherwise, or pursuant to any assessment received by Seller, except such Taxes, if any, as are listed in **Schedule 4.10** of the Disclosure Memorandum and are being contested in good faith and as to which adequate reserves (determined in accordance with GAAP) have been provided in the Balance Sheet.

(b) **Schedule 4.10** of the Disclosure Memorandum contains a complete and accurate list of all audits of Tax Returns, including a reasonably detailed description of the nature and outcome of each audit. All deficiencies proposed as a result of such audits have been paid, reserved against, settled, or, as described in **Schedule 4.10** of the Disclosure Memorandum, are being contested in good faith by appropriate proceedings. **Schedule 4.10** of the Disclosure Memorandum describes all adjustments to such Tax Returns filed by Seller or any group of corporations for all taxable years since 2013, and the resulting deficiencies proposed by the respective taxing authorities. Except as described in **Schedule 4.10** of the Disclosure Memorandum, Seller has not given or been requested to give waivers or extensions (or is or would be subject to a waiver or extension given by any other Person) of any statute of limitations relating to the payment of Taxes of Seller or for which Seller may be liable.

(c) The charges, accruals, and reserves with respect to Taxes on the respective books of Seller are adequate (determined in accordance with GAAP) and are at least equal to Seller's liability for Taxes. There exists no proposed tax assessment against Seller except as disclosed in the Balance Sheet. No consent to the application of Section 341(f)(2) of the IRC has been filed with respect to any property or assets held, acquired, or to be acquired by Seller. All Taxes that Seller is or was required by Legal Requirements to withhold or collect have been duly withheld or collected and, to the extent required, have been paid to the proper Governmental Body or other Person.

(d) All Tax Returns filed by (or that include on a consolidated basis) Seller are true, correct, and complete. There is no tax sharing agreement that shall require any payment by Seller after the date of this Agreement.

4.11 No Material Adverse Change . Since the date of the Balance Sheet, there has not been any material adverse change in the business, operations, properties, prospects, assets (including, but not limited to, Intellectual Property Assets), or condition of Seller, and to the Knowledge of Seller no event has occurred or circumstance exist that may result in such a material adverse change.

4.12 Employee Benefits .

(a) Except as set forth in **Schedule 4.12** of the Disclosure Memorandum, Seller is not obligated to provide, directly or indirectly, any benefits for employees, including pension, bonus, medical, insurance, profit sharing or any other employee benefits, under any practice,

commitment, arrangement, agreement, or Legal Requirement. Except as set forth in **Schedule 4.12** of the Disclosure Memorandum, Seller does not sponsor, maintain, or contribute to, and has never sponsored, maintained, or contributed to, any employee pension benefit plan, within the meaning of Section 3(2) of ERISA. Seller is not required to contribute, and has never been required to contribute, to any multi-employer plan within the meaning of Section 3(37)(A) of ERISA.

(b) Except as described in **Schedule 4.12** of the Disclosure Memorandum, Seller does not sponsor or contribute to any employee welfare benefit plan within the meaning of Section 3(1) of ERISA. **Schedule 4.12** of the Disclosure Memorandum lists each employee welfare benefit plan maintained by Seller or to which Seller contributes or is required to contribute (the " **ERISA Plans** "). Each of the ERISA Plans has been operated and administered in all material respects in accordance with applicable Legal Requirements, including but not limited to, ERISA and the IRC. Neither Seller nor any of the directors, officers, employees, or agents of Seller, nor to the Knowledge of Seller, any "party in interest" or "disqualified person" as such terms are defined in Section 3(14) of ERISA and Section 4975 of the IRC, has been engaged in or been a party to any "prohibited transaction" with respect to the Plans as such term is defined in Section 406 of ERISA or Section 4975 of the IRC. Any ERISA Plan that is a group health plan within the meaning of Section 607(1) of ERISA and Section 49100B of the IRC is in compliance with the continuation coverage requirements of Section 601 of ERISA and Section 49100B of the IRC. There are no pending or, to the Knowledge of Seller, Threatened claims by or on behalf of any of the ERISA Plans, by any employee or beneficiary covered under such ERISA Plan or by any Governmental Body or otherwise involving any such ERISA Plan or any of its fiduciaries (other than for routine claims for benefits). Seller has not entered into any pay arrangements, plans, or programs, which are ERISA Plans. True copies of all ERISA Plans together with related trusts, insurance contracts, summary plan descriptions, annual reports and Form 5500 filings for the past three years, have been or shall be delivered to Purchaser.

(c) No ERISA or non-ERISA Plan provides benefits, including without limitation, death, health, or medical benefits (whether or not insured), with respect to current or former employees of Seller beyond their retirement or other termination of service other than (i) coverage mandated by applicable Legal Requirements, (ii) deferred compensation benefits accrued as liabilities on the books of Seller, or (iii) benefits the full cost of which is borne by the current or former employee or his beneficiary.

(d) The consummation of the Contemplated Transactions shall not (i) entitle any current or former employee or officer of Seller to severance pay, unemployment compensation or any other payment, or (ii) accelerate the time of payment or vesting, or increase the amount of compensation or benefits due any such employee or officer.

4.13 **Compliance with Legal Requirements; Governmental Authorizations .**

(a) Except as set forth in **Schedule 4.13** of the Disclosure Memorandum:

(i) Seller is, and at all times since December 30, 2010, has been, in full compliance with each Legal Requirement that is or was applicable to it or to the conduct or operation of its business or the ownership or use of any of its assets;

(ii) no event has occurred or circumstance exists that (with or without notice or lapse of time) (A) may constitute or result in a violation by Seller of, or a failure on the part of Seller to comply with, any Legal Requirement, or (B) may give rise to any obligation on the part of Seller to undertake, or to bear all or any portion of the cost of, any remedial action of any nature; and

(iii) Seller has not received, at any time since December 30, 2010, any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding (A) any actual, alleged, possible, or potential violation of, or failure to comply with, any Legal Requirement, or (B) any actual, alleged, possible, or potential obligation on the part of it to undertake, or to bear all or any portion of the cost of, any remedial action of any nature.

(b) **Schedule 4.13** of the Disclosure Memorandum contains a complete and accurate list of each material Governmental Authorization that is held by Seller or that otherwise relates to the business of, or to any of the material assets owned or used by, Seller. Each Governmental Authorization listed or required to be listed in **Schedule 4.13** of the Disclosure Memorandum is valid and in full force and effect. The Governmental Authorizations listed in **Schedule 4.13** of the Disclosure Memorandum collectively constitute all of the material Governmental Authorizations necessary to permit Seller to lawfully conduct and operate its business in the manner it currently conducts and operates such business and to permit it to own and use its assets in the manner in which it currently owns and uses such assets.

4.14 Legal Proceedings; Orders .

(a) Except as set forth in **Schedule 4.14** of the Disclosure Memorandum, there is no pending Proceeding:

(i) that has been commenced by or against Seller or that otherwise relates to or may affect the business of, or any of the assets owned or used by, Seller; or

(ii) that challenges, or that may have the effect of preventing, delaying, making illegal, or otherwise interfering with, any of the Contemplated Transactions.

To the Knowledge of Seller, (1) no such Proceeding has been Threatened, and (2) no event has occurred or circumstance exists that may give rise to or serve as a basis for the commencement of any such Proceeding.

(b) Except as set forth in **Schedule 4.14** of the Disclosure Memorandum, there is no Order to which Seller, or any of the assets owned or used by Seller, are subject.

4.15 Absence of Certain Changes and Events . Except as set forth in **Schedule 4.15** of the Disclosure Memorandum or as expressly contemplated by this Agreement, since the date of the Balance Sheet, with respect to Pretty Green Bud or the Assets, Seller has conducted its business only in the Ordinary Course of Business and there has not been any:

(a) increase of any salaries or other compensation to any officer or (except in the Ordinary Course of Business) employee or entry into any employment, severance, or similar Contract with any director, officer, or employee;

(b) adoption of, or increase in the payments to or benefits under, any profit sharing, bonus, deferred compensation, savings, insurance, pension, retirement, or other employee benefit plan for or with any of its employees;

(c) damage to or destruction or loss of any of its assets, whether or not covered by insurance, materially and adversely affecting its properties, assets, business, financial condition, or prospects, taken as a whole;

(d) entry into, termination of, or receipt of notice of termination of (i) any license, distributorship, dealer, sales representative, joint venture, credit, or similar agreement, or (ii) any Contract or transaction involving a total remaining commitment by or to it of at least $5,000;

(e) sale (other than sales of inventory in the Ordinary Course of Business), lease, or other disposition of any of its assets or mortgage, pledge, or imposition of any lien or other encumbrance on any of its material assets, including the sale, lease, or other disposition of any of the Intellectual Property Assets;

(f) cancellation or waiver of any claims or rights with a value to it in excess of $5,000;

(g) material change in the accounting methods used by it; or

(h) agreement, whether oral or written, by it to do any of the foregoing.

4.16 **Contracts; No Defaults** .

(a) **Schedule 4.16(a)** of the Disclosure Memorandum contains a complete and accurate list of those items concerning the Pretty Green Bud:

(i) each Applicable Contract that involves performance of services or delivery of goods or materials by or to Seller of an amount or value in excess of $1,000 or that otherwise involves expenditures or receipts of Seller in excess of $1,000;

(ii) each lease, rental, or occupancy agreement, license, installment, and conditional sale agreement, and other Applicable Contract affecting the ownership of, leasing of, title to, use of, or any leasehold or other interest in, any real or personal property (except personal property leases and installment and conditional sales agreements having a value per item or aggregate payments of less than $1,000 and with terms of less than one year);

(iii) each licensing agreement or other Applicable Contract with respect to patents, trademarks, copyrights, or other intellectual property, including agreements with current or former employees, consultants, or contractors regarding the appropriation or the nondisclosure of any Intellectual Property Assets;

(iv) each collective bargaining agreement and other Applicable Contract to or with any labor union or other employee representative of a group of employees;

(v) each joint venture, partnership, and other Applicable Contract (however named) involving a sharing of profits, losses, costs, or liabilities by Seller with any other Person;

(vi) each Applicable Contract containing covenants that in any way purport to restrict the business activity of Seller or any affiliate of Seller or limit the freedom of Seller or any Affiliate of Seller to engage in any line of business or to compete with any Person;

(vii) each Applicable Contract providing for payments to or by any Person based on sales, purchases, or profits, other than direct payments for goods or services;

(viii) each written warranty, guaranty, and or other similar undertaking with respect to contractual performance extended by Seller other than in the Ordinary Course of Business; and

(ix) each amendment, supplement, and modification (whether oral or written) in respect of any of the foregoing.

Schedule 4.16(a) of the Disclosure Memorandum sets forth reasonably complete details concerning such Contracts, including the parties to the Contracts and the amount of the remaining commitment of Seller under the Contracts.

(b) Except as set forth in **Schedule 4.16(b)** of the Disclosure Memorandum, to the Knowledge of Seller, no officer, director, agent, employee, consultant, or contractor of Seller is bound by any Contract that purports to limit the ability of such officer, director, agent, employee, consultant, or contractor to (A) engage in or continue any conduct, activity, or practice relating to the business of Seller, or (B) assign to Seller or to any other Person any rights to any invention, improvement, or discovery.

(c) Each Contract identified or required to be identified in **Schedule 4.16(a)** of the Disclosure Memorandum (" **Material Contracts** ") is in full force and effect and is valid and enforceable in accordance with its terms.

(d) Except as set forth in **Schedule 4.16(d)** of the Disclosure Memorandum:

(i) Seller is in full compliance with all applicable terms and requirements of each Material Contract under which it has or had any obligation or liability or by which it or any of the Assets are or were bound;

(ii) each other Person that has or had any obligation or liability under any Material Contract under which Seller has or had any rights is, and at all times since December 30, 2010 has been, in full compliance with all applicable terms and requirements of such Material Contract;

(iii) no event has occurred or circumstance exists that (with or without notice or lapse of time) may contravene, conflict with, or result in a violation or breach of, or give Seller or other Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, or modify, any Material Contract; and

(e) Material Contracts relating to the sale, design, manufacture, or provision of products or services by Seller have been entered into in the Ordinary Course of Business and have been entered into without the commission of any act alone or in concert with any other Person, or any consideration having been paid or promised, that is or would be in violation of any Legal Requirement. None of such Material Contracts is likely to result in a material loss to Seller upon completion of performance.

4.17 Insurance . Seller maintains no insurance policies. Purchaser shall, in its sole discretion, acquire insurance, which provide commercially reasonable coverage to insure its assets (including the Assets), properties, and business against such risks and in such amounts as are prudent and customary, and all such policies are in full force and effect.

4.18 Environmental Matters . Except as set forth in **Schedule 4.18** of the Disclosure Memorandum:

(a) Seller is, and at all times has been, in full compliance with all applicable Environmental Laws and has not received notice from any person, including any Governmental Body, of any actual or potential violation of any Environmental Law with respect to any of the Facilities or any other properties or assets in which Seller has an interest.

(b) There are no pending or, to the Knowledge of Seller, Threatened claims, Encumbrances, or other restrictions of any nature, resulting from any Environmental, Health, and Safety Liabilities or arising under or pursuant to any Environmental Law, with respect to or affecting any of the Facilities or any other properties and assets in which Seller has or had an interest.

(c) There are no Hazardous Materials present on, at or beneath any of the Facilities. Neither Seller nor, to the Knowledge of Seller, any other Person, has permitted or conducted, or is aware of, any Hazardous Activity conducted with respect to the Facilities or any other properties or assets in which Seller has or had an interest except in full compliance with all applicable Environmental Laws.

(d) There has been no release (as such term is defined under CERCLA) or, to the Knowledge of Seller, Threat of release, of any Hazardous Materials at or from the Facilities or at or from any other properties and assets in which Seller has or had an interest, whether by Seller or any other Person.

(e) Seller has delivered to Purchaser true and complete copies and results of any reports, studies, analyses, tests, or monitoring possessed or initiated by Seller pertaining to Hazardous Materials or Hazardous Activities in, on, or under the Facilities, or concerning compliance by Seller or any other Person for whose conduct Seller is or may be held responsible, with Environmental Laws.

4.19 Labor Relations; Compliance . Since December 30, 2010, Seller has not been and is not a party to any collective bargaining or other labor Contract except as set forth in **Schedule 4.19** to the Disclosure Memorandum. Since December 30, 2010, there has not been, there is not presently pending or existing, and to Knowledge of Seller there is not Threatened, (a) any strike, slowdown, picketing, work stoppage, or employee grievance process (b) except as set forth on **Schedule 4.19** to the Disclosure Memorandum any Proceeding against or affecting Seller relating to the alleged violation of any Legal Requirement pertaining to labor relations or employment matters, including any charge or complaint filed by an employee or union with the National Labor Relations Board, the Equal Employment Opportunity Commission, or any comparable Governmental Body, organizational activity, or other labor or employment dispute against or affecting Seller or its premises, or (c) any application for certification of a collective bargaining agent. To the Knowledge of Seller no event has occurred or circumstance exists that could provide the basis for any work stoppage or other labor dispute. There is no lockout of any employees by Seller, and Seller contemplates no such action. Seller has complied in all respects with all Legal Requirements relating to employment, equal employment opportunity, nondiscrimination, immigration, wages, hours, benefits, collective bargaining, the payment of social security and similar taxes, occupational safety and health, and plant closing. Seller is not liable for the payment of any compensation, damages, taxes, fines, penalties, or other amounts, however designated, for failure to comply with any of the foregoing Legal Requirements.

4.20 Intellectual Property .

(a) As used in this Agreement, " **Intellectual Property Assets** " means:

(i) all United States and foreign inventions and discoveries, whether or not patentable or reduced to practice, and all United States and foreign patents, registration and applications for the foregoing, including provisional applications, continuations, continuations-in-part, divisions, invention disclosure statements, statutory invention registrations, reissues, renewals and extensions and improvements thereto (" **Patent Rights** ");

(ii) all United States, state and foreign trademarks, service marks, logos, brand names, certification marks, collective marks, Internet domain names, trade dress and trade names (including all assumed or fictitious names under which the Seller is conducting its business or has within the previous five years conducted its business), whether registered or unregistered, and pending applications to register the foregoing and intent-to-use applications (" **Trademarks** ");

(iii) all United States and foreign published and unpublished works of authorship, whether copyrightable or not, whether registered or unregistered and pending applications to register the same together with all renewals, extensions, restorations and reversions thereof (" **Copyrights** ");

(iv) all confidential and proprietary information and ideas, trade secrets, knowhow, concepts, methods, processes, formulae, reports, data, processes, schematics, drawings, prototypes, models, designs, customer lists, supplier lists, mailing lists, business plans, or other proprietary information (" **Trade Secrets** "); and

(v) rights of publicity, privacy and other intellectual property or proprietary rights.

(b) **Schedule 4.20(b)** of the Disclosure Memorandum contains a list and description (showing in each case any product, device, process, service, business or application covered thereby, the registered or other owner, expiration date and number), if any, of the (i) Patent Rights, (ii) Trademarks, (iii) Copyrights, and (iv) Trade Secrets owned by, licensed to, or used by the Seller which are part of the Assets.

(c) **Schedule 4.20(d)** of the Disclosure Memorandum contains a list and description of all agreements, commitments, contracts, understandings, licenses, sublicenses, assignments and indemnities which relate or pertain to any Intellectual Property Assets required to be identified in **Sections 4.20(b)** and **4.20(c)** or to disclosure or use of ideas or information of the Seller or third Persons to which the Seller is a party, showing in each case the parties thereto and the material terms thereof.

(e) Except as disclosed on **Schedule 4.20(e)** of the Disclosure Memorandum, the Seller either: (i) owns the entire right, title and interest in and to the Intellectual Property Assets, free and clear of any Encumbrance; or (ii) has the perpetual, royalty-free right to use the same.

(f) Except as disclosed on **Schedule 4.20(f)** of the Disclosure Memorandum: (i) the Seller is not in Breach of any provision of any agreement, commitment, contract, understanding, license, sublicense, assignment or indemnity which relates to any of the Intellectual Property Assets, and the Seller has not taken any action which would impair or otherwise adversely effect its rights in any of the Intellectual Property Assets which are part of the Assets; (ii) the Seller has all right, power and authority with respect to the Intellectual Property Assets and materials required to be identified in **Section 4.20(d)** ; and (iii) the transactions contemplated by this Agreement shall have no adverse effect on the validity or enforceability of any of the Intellectual Property Assets or materials required to be identified in **Section 4.20(d)** , and Purchaser's right, title and interest thereto immediately after the Closing Date shall be identical to that of the Seller immediately prior to the Closing Date.

(g) Except as disclosed on **Schedule 4.20(g)** of the Disclosure Memorandum: (i) all registrations for Intellectual Property Assets required to be identified as being owned by the Seller are valid and in force, and all applications to register any unregistered Intellectual Property Assets are pending and in good standing, all without challenge of any kind; (ii) the Intellectual Property Assets owned by the Seller are valid and enforceable; and (iii) the Seller has the sole and exclusive right to bring actions for infringement, misappropriation, violation, dilution or unauthorized use of the Intellectual Property Assets owned by the Seller, as the case may be, and there is no basis for any such action. Correct and complete copies of: (x) registrations for all registered copyrights, trademarks, trade names, service marks and patents identified as being owned by the Seller; (y) all pending applications to register unregistered Intellectual Property Assets (together with any subsequent correspondence or filings relating to the foregoing); and (z) all items identified in **Section 4.20(d)** , have heretofore been delivered by the Seller to Purchaser.

(h) Except as disclosed in **Schedule 4.20(h)** of the Disclosure Memorandum: (i) no infringement, misappropriation, violation or dilution of any Intellectual Property Assets or other

property right of any other Person has occurred or results in any way from the operations of the Seller's business; (ii) no claim of any infringement, misappropriation, violation or dilution of any Intellectual Property Assets or other property right of any other Person has been made or asserted in respect of the operations of the business of the Seller; and (iii) the Seller has not had notice of, or knowledge of any basis for, a claim against the Seller that its operations, activities, products, software, equipment, machinery or processes infringe, misappropriate, violate or dilute any Intellectual Property Assets or other property right of any other Person.

(i) Except as disclosed on **Schedule 4.20(j)** of the Disclosure Memorandum, all employees, agents, consultants, or contractors who have contributed to or participated in the creation or development of any copyrightable, patentable or trade secret material included in the Assets either: (i) is a party to an enforceable so-called "work-for-hire" agreement under which Seller is deemed to be the original owner/author of all rights to Intellectual Property Assets therein; or (ii) has executed an enforceable assignment or agreement to assign in favor of Seller (or such predecessor in interest, as applicable) of all right, title and interest in and to such material.

(j) Seller has terminated any and all rights in third parties to the Intellectual Property Assets being acquired by Purchaser, including any Contracts granting any rights of distribution thereof.

4.21 Certain Payments . None of Seller, any director, officer, agent, or employee of Seller, or to the Knowledge of Seller, any other Person associated with or acting for or on behalf of Seller, has directly or indirectly (a) made any contribution, gift, bribe, rebate, payoff, influence payment, kickback, or other payment to any Person, private or public, regardless of form, whether in money, property, or services (i) to obtain favorable treatment in securing business, (ii) to pay for favorable treatment for business secured, (iii) to obtain special concessions or for special concessions already obtained, for or in respect of Seller, or (iv) in violation of any Legal Requirement, or (b) established or maintained any fund or asset that has not been recorded in the books and records of Seller.

4.22 Relationships with Related Persons . Except as set forth on **Schedule 4.22** of the Disclosure Memorandum, no Related Person of Seller has any interest in any property (whether real, personal, or mixed and whether tangible or intangible) included in the Assets. No Related Person of Seller owns (of record or as a beneficial owner) an equity interest, or any other financial or profit interest in, a Person that has (i) had business dealings or a material financial interest in any transaction with Seller, or (ii) engaged in competition with Seller with respect to any line of the products or services of Seller (a " **Competing Business** ") in any market presently served by Seller except for less than one percent of the outstanding capital stock of any Competing Business that is publicly traded on any recognized exchange or in the over-the-counter market. Except as set forth in **Schedule 4.22** of the Disclosure Memorandum, no Related Person of Seller is a party to any Contract with, or has any claim or right against, Seller.

4.23 Brokers Or Finders . Neither party has a fee associated with a broker or finder.

4.24 Disclosure .

(a) No representation or warranty of Seller in this Agreement and no statement in the Disclosure Memorandum omits to state a material fact necessary to make the statements herein or therein, in light of the circumstances in which they were made, not misleading.

(b) No notice given pursuant to **Section 6.5** shall contain any untrue statement or omit to state a material fact necessary to make the statements therein or in this Agreement, in light of the circumstances in which they were made, not misleading.

(c) Seller has no Knowledge of any event or fact that has specific application to Seller (other than general economic or industry conditions) and that materially adversely affects the assets, business, prospects, financial condition, or results of operations of Seller that has not been set forth in this Agreement or the Disclosure Memorandum.

4.25 Investment; Exemption from Registration of Securities .

(a) Knowledge of Investment and its Risks . Seller has knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of Seller's investment in the Stock. Seller understands that an investment in Purchaser represents a high degree of risk and there is no assurance that Purchaser's business or operations will be successful. Seller has considered carefully the risks attendant to an investment in Purchaser, and that, as a consequence of such risks, Seller could lose Seller's entire investment in Purchaser.

(b) Investment Intent . Seller hereby represents and warrants that (i) it is acquiring the Stock for investment for Seller's own account, and not as a nominee or agent and not with a view to the resale or distribution of all or any part of the Stock, and Seller has no present intention of selling, granting any participation in or otherwise distributing any of the Stock within the meaning of the Securities Act and (ii) Seller does not have any contracts, understandings, agreements or arrangements with any person and/or entity to sell, transfer or grant participations to such person and/or entity, with respect to any of the Stock.

(c) Accredited Investor . Seller is an "Accredited Investor" as that term is defined by Rule 501 of Regulation D promulgated under the Securities Act.

(d) Disclosure . Seller has reviewed information provided by Purchaser in connection with the decision to purchase the Stock, including Purchaser's publicly-available filings with the SEC. Purchaser has provided Seller with all the information that Seller has requested in connection with the decision to purchase the Stock. Seller further represents that Seller has had an opportunity to ask questions and receive answers from Purchaser regarding the business, properties, prospects and financial condition of Purchaser. All such questions have been answered to the full satisfaction of Seller.

(e) No Registration . Seller understands that it must bear the economic risk of its investment in Purchaser for an indefinite period of time. Seller further understands that (i) neither the offering nor the sale of the Stock has been registered under the Securities Act or any applicable State Acts or securities laws of other applicable jurisdictions in reliance upon exemptions from the registration requirements of such laws, (ii) the Stock must be held by Seller indefinitely unless the sale or transfer thereof is subsequently registered under the Securities Act and any applicable State Acts, or an exemption from such registration requirements is available,

(iii) Purchaser is not hereby under an obligation to register any of the Stock on Seller's behalf or to assist Seller in complying with any exemption from registration, and (iv) Purchaser will rely upon the representations and warranties made by Seller in this Agreement in order to establish such exemptions from the registration requirements of the Securities Act and any applicable State Acts or securities laws of other applicable jurisdictions.

(f) Transfer Restrictions . Seller will not transfer any of the Stock unless such transfer is exempt from registration under the Securities Act and such State Acts and securities laws of other applicable jurisdictions, and, if requested by Purchaser, Seller has furnished an opinion of counsel in compliance with the Securities Act that such transfer is so exempt. Seller understands and agrees that (i) the certificates evidencing the Stock will bear appropriate legends indicating such transfer restrictions placed upon the Stock, (ii) Purchaser shall have no obligation to honor transfers of any of the Stock in violation of such transfer restrictions, and (iii) Purchaser shall be entitled to instruct any transfer agent or agents for the securities of Purchaser to refuse to honor such transfers not in compliance with the Securities Act.

ARTICLE 5. REPRESENTATIONS AND WARRANTIES OF PURCHASER.

Purchaser represents and warrants to Seller as follows:

5.1 Organization and Good Standing . Purchaser is a corporation duly organized, validly existing, and in good standing under the laws of the State of Nevada. Purchaser has full corporate power and authority to conduct its business as it is now being conducted and to own or use the properties and assets that it purports to own or use.

5.2 Authority; No Conflict .

(a) This Agreement constitutes the legal, valid, and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, subject to general equity principles and bankruptcy, insolvency, reorganization, and similar laws affecting the rights of creditors generally. Upon the execution and delivery by Purchaser of the Bill of Sale, the Security and Pledge Agreement, and the Escrow Agreement, each of such agreements shall constitute the legal, valid, and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms subject to general equity principles and bankruptcy, insolvency, reorganization, and similar laws affecting the rights of creditors generally. Purchaser has the absolute and unrestricted right, power, and authority to execute and deliver this Agreement, the Bill of Sale, Security and Pledge Agreement, and Escrow Agreement and to perform its obligations under this Agreement.

(b) Neither the execution and delivery of this Agreement by Purchaser nor the consummation or performance by Purchaser of any of the Contemplated Transactions shall give any Person the right to prevent, delay, or otherwise interfere with any of the Contemplated Transactions pursuant to:

(i) any provision the Organizational Documents of Purchaser;

(ii) any resolution adopted by the board of directors or the shareholders of Purchaser;

(iii) any Legal Requirement or Order to which Purchaser may be subject; or

(iv) any Contract to which Purchaser is a party or by which Purchaser may be bound.

Purchaser is not and shall not be required to obtain any Consent from any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any of the Contemplated Transactions.

5.3 Purchaser Common Stock . The Stock to be issued in connection with the payment of the Purchase Price, when issued and delivered in accordance with this Agreement, shall be duly authorized, validly issued, fully paid, and non-assessable. Not later than one day after the Closing Date, Purchaser shall have caused 12,222,222 shares of the Stock to be registered in the name of Seller, or as directed by the Seller.

5.4 Certain Proceedings . There is no pending Proceeding that has been commenced against Purchaser that challenges, or may have the effect of preventing, delaying, making illegal, or otherwise interfering with, any of the Contemplated Transactions. To Purchaser's Knowledge, no such Proceeding has been threatened.

ARTICLE 6. COVENANTS OF SELLER.

6.1 Access and Investigation . Between the date of this Agreement and the Closing Date, Seller shall (a) afford Purchaser and its Representatives and prospective lenders and their Representatives (collectively, " **Purchaser's Advisors** ") full and free access to Seller's personnel, properties, contracts, books and records, and other documents and data, (b) furnish Purchaser and Purchaser's Advisors with copies of all such contracts, books and records, and other existing documents and data as Purchaser may reasonably request, and (c) furnish Purchaser and Purchaser's Advisors with such additional financial, operating, and other data and information as Purchaser may reasonably request.

6.2 Operation of the Business of Seller . Between the date of this Agreement and the Closing Date, Seller shall:

(a) conduct the business of Seller regarding the Assets, and the business of Pretty Green Bud, only in the Ordinary Course of Business;

(b) use its Best Efforts to preserve intact the current business organization of Seller and Pretty Green Bud, keep available the services of the current officers, employees, and agents of Seller and Pretty Green Bud, and maintain the relations and good shall with suppliers, customers, landlords, creditors, employees, agents, and others having business relationships with Seller and Pretty Green Bud;

(c) confer with Purchaser concerning operational or other matters of a material nature; and

(d) otherwise report periodically to Purchaser concerning the status of the business, operations, and finances of Seller.

6.3 Negative Covenant . Except as otherwise expressly permitted by this Agreement, between the date of this Agreement and the Closing Date, Seller shall not, without the prior consent of Purchaser, take any affirmative action, or fail to take any reasonable action within its control, as a result of which any of the changes or events listed in **Section 4.15** is likely to occur.

6.4 Required Approvals . As promptly as practicable after the date of this Agreement, Seller shall make all filings required by Legal Requirements to be made by it in order to consummate the Contemplated Transactions. Between the date of this Agreement and the Closing Date, Seller shall (a) cooperate with Purchaser with respect to all filings that Purchaser elects to make or is required by Legal Requirements to make in connection with the Contemplated Transactions, and (b) cooperate with Purchaser in obtaining all consents identified in **Schedule 4.2** of the Disclosure Memorandum.

6.5 Notification; Supplement to Disclosure Memorandum . Between the date of this Agreement and the Closing Date, Seller shall promptly notify Purchaser in writing if it becomes aware of any fact or condition that causes or constitutes a Breach of any of the representations and warranties of Seller as of the date of this Agreement, or if Seller becomes aware of the occurrence after the date of this Agreement of any fact or condition that would (except as expressly contemplated by this Agreement) cause or constitute a Breach of any such representation or warranty had such representation or warranty been made as of the time of occurrence or discovery of such fact or condition. Should any such fact or condition require any change in the Disclosure Memorandum if the Disclosure Memorandum were dated the date of the occurrence or discovery of any such fact or condition, Seller shall promptly deliver to Purchaser a supplement to the Disclosure Memorandum specifying such change. During the same period, Seller shall promptly notify Purchaser of the occurrence of any Breach of any covenant of Seller in this **Article 6** or of the occurrence of any event that may make the satisfaction of the conditions in **Article 8** impossible or unlikely.

6.6 No Negotiation . Until such time, if any, as this Agreement is terminated pursuant to **Article 10** , Seller shall not, and shall cause its Representatives not to, directly or indirectly solicit, initiate, or encourage any inquiries or proposals from, discuss, negotiate, or agree with, provide any non-public information to, or consider the merits of any inquiries or proposals from, any Person (other than Purchaser) relating to any transaction involving the sale of the business or assets (other than in the Ordinary Course of Business) of Seller, or any of the capital stock of Seller, or any merger, consolidation, business combination, or similar transaction involving Seller.

6.7 Best Efforts . Between the date of this Agreement and the Closing Date, Seller shall use its Best Efforts to (a) cause the conditions in **Articles 8** and **9** to be satisfied and (b) transfer any licenses, permits, orders or approvals used or relied upon by Seller in the Ordinary Course of Business to Purchaser.

6.8 No Competition .

(a) For a period of two years after the Closing Date, Seller, or any Related Person of Seller as of the Closing Date, shall not, in any business or industry related to the Purchased Assets, except as exempted below (for the purpose of this **Section 6.8** , the " **Business** "):

(i) directly or indirectly, engage or invest in, own, manage, operate, finance, control, or participate in the ownership, management, operation, financing, or control of, be associated with, or in any manner connected with, or render services or advice to, any company whose products or activities compete in whole or in part with the products or activities of the Purchaser with respect to the Business anywhere in the world. Seller agrees that this covenant is reasonable with respect to its duration, geographical area, and scope; or

(ii) directly or indirectly, either for itself or any other Person, (i) induce or attempt to induce any employee of Purchaser to leave the employ of the Purchaser, (ii) in any way interfere with the relationship between Purchaser and any employee of Purchaser, (iii) employ, or otherwise, any employee of Purchaser, or (iv) induce or attempt to induce any customer, supplier, licensee, or business relation of the Purchaser related to the Business to cease doing business with the Purchaser, or in any way interfere with the relationship between any customer, supplier, licensee, or business relation of the Purchaser with respect to the Business.

ARTICLE 7. COVENANTS OF PURCHASER.

7.1 Approvals of Governmental Bodies . As promptly as practicable after the date of this Agreement, Purchaser shall, and shall cause each of its Related Persons to, make all filings required by Legal Requirements to be made by them to consummate the Contemplated Transactions. Between the date of this Agreement and the Closing Date, Purchaser shall, and shall cause each Related Person to, (i) cooperate with Seller with respect to all filings that they are required by Legal Requirements to make in connection with the Contemplated Transactions, and (ii) cooperate with Seller in obtaining all consents identified in **Schedule 4.2** of the Disclosure Memorandum; provided that this Agreement shall not require Purchaser to dispose of or make any change in any portion of its business or to incur any other burden to obtain a Governmental Authorization.

7.2 Best Efforts . Except as set forth in the proviso to **Section 7.1** , between the date of this Agreement and the Closing Date, Purchaser shall use its Best Efforts to cause the conditions in **Articles 8** and **9** to be satisfied.

ARTICLE 8. CONDITIONS PRECEDENT TO OBLIGATION OF PURCHASER TO CLOSE.

The obligations of Purchaser to consummate the Contemplated Transactions and to take the other actions required to be taken by it at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Purchaser in whole or in part):

8.1 Accuracy of Representations .

Each of the representations and warranties of Seller in this Agreement must have been accurate in all material respects as of the date of this Agreement, and must be accurate in all material respects as of the Closing Date as if made on the Closing Date, without giving effect to any supplement to the Disclosure Memorandum.

8.2 Performance of Seller .

(a) All of the covenants and obligations that Seller is required to perform or to comply with pursuant to this Agreement at or prior to the Closing must have been duly performed and complied with in all material respects.

(b) Each document required to be delivered pursuant to **Section 3.2(a)** must have been delivered.

8.3 Consents . Each of the Consents identified in **Schedule 4.2** of the Disclosure Memorandum must have been obtained and must be in full force and effect.

8.4 No Proceedings . Since the date of this Agreement, there must not have been commenced or Threatened against Purchaser, or against any Person affiliated with Purchaser, any Proceeding (a) involving any challenge to, or seeking damages or other relief in connection with, any of the Contemplated Transactions, or (b) that may have the effect of preventing, delaying, making illegal, or otherwise interfering with any of the Contemplated Transactions.

8.5 No Claim Regarding Asset Ownership or Sale Proceeds . There must not have been made or Threatened by any Person any claim that such Person (a) is the holder or the beneficial owner of, or has the right to acquire or to obtain beneficial ownership of, any of the Assets, or (b) is entitled to all or any portion of the Purchase Price.

8.6 No Prohibition . Neither the consummation nor the performance of any of the Contemplated Transactions shall, directly or indirectly (with or without notice or lapse of time), materially contravene, or conflict with, or result in a material violation of, or cause Purchaser or any Person affiliated with Purchaser to suffer any material adverse consequence under any applicable Legal Requirement or Order.

8.7 Due Diligence . The results of the investigations by Purchaser and its Representatives of Seller and its business, assets, properties, liabilities, affairs, results of operations, condition (financial or other), cash flows, and prospects shall have been reasonably satisfactory to Purchaser.

8.8 Payment of Indebtedness . Seller shall have paid, or shall simultaneously pay at the Closing, all liabilities of Seller that do not constitute Assumed Liabilities, including, but not limited to the Excluded Liabilities.

ARTICLE 9. CONDITIONS PRECEDENT TO SELLER'S OBLIGATION TO CLOSE .

The obligation of Seller to consummate the Contemplated Transactions and to take the other actions required to be taken by them at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Seller, in whole or in part):

9.1 Accuracy of Representations . All of Purchaser's representations and warranties in this Agreement, must have been accurate in all material respects as of the date of this Agreement and must be accurate in all material respects as of the Closing Date as if made on the Closing Date.

9.2 Purchaser's Performance .

(a) All of the covenants and obligations that Purchaser is required to perform or to comply with pursuant to this Agreement at or prior to the Closing, must have been performed and complied with in all material respects.

(b) Purchaser must have delivered each of the documents required to be delivered by Purchaser pursuant to **Article 3** and must have delivered the Stock required to be delivered by Purchaser pursuant to **Section 3.2(b)(i)** , or evidence of authority and direction given to Purchaser's stock transfer agent to issue the Stock.

9.3 Consents . Each of the Consents identified in **Schedule 4.2** of the Disclosure Memorandum must have been obtained and must be in full force and effect.

9.4 No Injunction . There must not be in effect any Legal Requirement or any injunction or other Order that (a) prohibits the Contemplated Transactions, and (b) has been adopted or issued, or has otherwise become effective, since the date of this Agreement.

ARTICLE 10. TERMINATION.

10.1 Termination Events . This Agreement may, by notice given prior to or at the Closing, be terminated:

(a) by either Purchaser or Seller if a material Breach of any provision of this Agreement has been committed by the other party and such Breach has not been waived;

(b) (i) by Purchaser if any of the conditions in **Article 8** has not been satisfied as of the Closing Date or if satisfaction of such a condition is or becomes impossible (other than through the failure of Purchaser to comply with its obligations under this Agreement) and Purchaser has not waived such condition on or before the Closing Date; or (ii) by Seller, if any of the conditions in **Article 9** has not been satisfied as of the Closing Date or if satisfaction of such a condition is or becomes impossible (other than through the failure of Seller to comply with its obligations under this Agreement) and Seller has not waived such condition on or before the Closing Date;

(c) by mutual consent of the parties hereto; or

(d) by either party if the Closing has not occurred (other than through the failure of any party seeking to terminate this Agreement to comply fully with its obligations under this Agreement) on or before February 15, 2017, or such later date as the parties may agree upon.

10.2 Effect of Termination . Each party's right of termination under **Section 10.1** is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination shall not be an election of remedies. If this Agreement is terminated pursuant to **Section 10.1** , all further obligations of the parties under this Agreement shall terminate, except that the obligations in **Sections 12.1** and **12.3** shall survive; provided, however, that if this Agreement is terminated by a party because of the Breach of the Agreement by the other party or because one or more of the conditions to the terminating party's obligations under this Agreement is not satisfied as a result of the other party's failure to comply with its obligations under this Agreement, the terminating party's right to pursue all legal remedies shall survive such termination unimpaired.

ARTICLE 11. INDEMNIFICATION; REMEDIES.

11.1 Survival; Right to Indemnification Not Affected By Knowledge . All representations, warranties, covenants, and obligations in this Agreement, the Disclosure Memorandum, any supplement to the Disclosure Memorandum, the certificate delivered pursuant to **Section 3.2(a)(ii)** , and any other certificate or document delivered pursuant to this Agreement shall survive the Closing. The right to indemnification, payment of Damages or other remedy based on such representations, warranties, covenants, and obligations shall not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant, or obligation. The waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, shall not affect the right to indemnification, payment of Damages, or other remedy based on such representations, warranties, covenants, and obligations.

11.2 Indemnification and Payment of Damages By Seller . Seller shall indemnify and hold harmless Purchaser, and its respective Representatives, shareholders, controlling persons, affiliates, and successors (collectively, the " **Indemnified Persons** ") for, and shall pay to the Indemnified Persons the amount of, any loss, liability, claim, damage (including incidental and consequential damages), expense (including costs of investigation and defense and reasonable attorneys' fees) or diminution of value, whether or not involving a third-party claim (collectively, " **Damages** "), arising, directly or indirectly, from or in connection with:

(a) any misrepresentation or Breach of any representation or warranty made by Seller in this Agreement (without giving effect to any supplement to the Disclosure Memorandum), the Disclosure Memorandum, any supplement to the Disclosure Memorandum, or any other certificate or document delivered by Seller pursuant to this Agreement;

(b) any misrepresentation or Breach of any representation or warranty made by Seller in this Agreement as if such representation or warranty were made on and as of the Closing Date without giving effect to any supplement to the Disclosure Memorandum, other than any such Breach that is disclosed in a supplement to the Disclosure Memorandum and is expressly identified in the certificate delivered pursuant to **Section 3.2(a)(ii)** as having caused the condition specified in **Section 8.1** not to be satisfied;

(c) any Breach by Seller of any covenant or obligation in this Agreement, including, without limitation, its obligation to terminate any employees of Pretty Green Bud and satisfy any amounts owed to such persons by reason of such termination under law;

(d) any claim by any Person for brokerage or finder's fees or commissions or similar payments based upon any agreement or understanding alleged to have been made by any such Person with Seller (or any Person acting on its behalf) in connection with any of the Contemplated Transactions; and

(e) any liability or obligation of Seller of any nature whatsoever, except for the Assumed Liabilities.

The remedies provided in this **Section 11.2** shall be exclusive of any other financial remedies that may be available to Purchaser or the other Indemnified Persons with respect to any Breach of any representation, warranty, or covenant set forth in this Agreement, the Disclosure Memorandum, any supplement to the Disclosure Memorandum, or any other certificate or document delivered pursuant to this Agreement, except for rights to specific performance and similar remedies not involving the payment of damages.

11.3 Indemnification and Payment of Damages By Purchaser . Purchaser shall indemnify and hold harmless Seller, and shall pay to Seller the amount of any Damages arising, directly or indirectly, from or in connection with (a) any Breach of any representation or warranty made by Purchaser in this Agreement or in any certificate delivered by Purchaser pursuant to this Agreement, (b) any Breach by Purchaser of any covenant or obligation of Purchaser in this Agreement, or (c) any liability or obligation of any nature with respect to the Assumed Liabilities.

11.4 Time Limitations . If the Closing occurs, Seller shall have no liability (for indemnification or otherwise) with respect to any representation or warranty, or covenant or obligation to be performed and complied with prior to the Closing Date, other than those in **Sections 4.2, 4.6, 4.10, 4.12** and **4.18** unless on or before the second anniversary of the Closing Date Purchaser notifies Seller of a claim specifying the factual basis of that claim in reasonable detail to the extent then known by Purchaser; a claim with respect to **Sections 4.2, 4.6, 4.10, 4.12,** or **4.18,** or a claim for indemnification or reimbursement not based upon any representation or warranty or any covenant or obligation to be performed and complied with prior to the Closing Date, may be made at any time.

11.5 Procedure For Indemnification - Third Party Claims .

(a) Promptly after receipt by an indemnified party under **Section 11.2** or **11.3** of notice of the commencement of any Proceeding against it, such indemnified party shall, if a claim is to be made against an indemnifying party under such Section, give notice to the indemnifying party of the commencement of such claim, but the failure to notify the indemnifying party shall not relieve the indemnifying party of any liability that it may have to any indemnified party, except to the extent that the indemnifying party demonstrates that the defense of such action is prejudiced by the indemnifying party's failure to give such notice.

(b) If any Proceeding referred to in paragraph (a) above is brought against an indemnified party and it gives notice to the indemnifying party of the commencement of such Proceeding, the indemnifying party shall be entitled to participate in such Proceeding and, to the extent that it wishes (unless (i) the indemnifying party is also a party to such Proceeding and the indemnified party determines in good faith that joint representation would be inappropriate, or (ii) the indemnifying party fails to provide reasonable assurance to the indemnified party of its financial capacity to defend such Proceeding and provide indemnification with respect to such Proceeding), to assume the defense of such Proceeding with counsel satisfactory to the indemnified party and, after notice from the indemnifying party to the indemnified party of its election to assume the defense of such Proceeding, the indemnifying party shall not, as long as it diligently conducts such defense, be liable to the indemnified party under this **Article 11** for any fees of other counsel or any other expenses with respect to the defense of such Proceeding, in each case subsequently incurred by the indemnified party in connection with the defense of such Proceeding, other than reasonable costs of investigation. If the indemnifying party assumes the defense of a Proceeding, (i) it shall be conclusively established for purposes of this Agreement that the claims made in that Proceeding are within the scope of and subject to indemnification; (ii) no compromise or settlement of such claims may be effected by the indemnifying party without the indemnified party's consent unless (A) there is no finding or admission of any violation of Legal Requirements or any violation of the rights of any Person and no effect on any other claims that may be made against the indemnified party, and (B) the sole relief provided is monetary damages that are paid in full by the indemnifying party; and (iii) the indemnified party shall have no liability with respect to any compromise or settlement of such claims effected without its consent. If notice is given to an indemnifying party of the commencement of any Proceeding and the indemnifying party does not, within ten days after the indemnified party's notice is given, give notice to the indemnified party of its election to assume the defense of such Proceeding, the indemnifying party shall be bound by any determination made in such Proceeding or any compromise or settlement effected by the indemnified party.

(c) Notwithstanding the foregoing, if an indemnified party determines in good faith that there is a reasonable probability that a Proceeding may adversely affect it or its affiliates other than as a result of monetary damages for which it would be entitled to indemnification under this Agreement, the indemnified party may, by notice to the indemnifying party, assume the exclusive right to defend, compromise, or settle such Proceeding, but the indemnifying party shall not be bound by any compromise or settlement effected without its consent (which may not be unreasonably withheld).

(d) Seller hereby consents to the non-exclusive jurisdiction of any court in which a Proceeding is brought against any Indemnified Person for purposes of any claim that an Indemnified Person may have under this Agreement with respect to such Proceeding or the

matters alleged therein, and agree that process may be served on Seller with respect to such a claim anywhere in the world.

11.6 Procedure For Indemnification - Other Claims . A claim for indemnification for any matter not involving a third-party claim may be asserted by notice to the party from whom indemnification is sought.

ARTICLE 12. GENERAL PROVISIONS.

12.1 Expenses .

(a) If the Closing occurs, Purchaser and Seller shall pay their respective expenses incurred in connection with the preparation, execution, and performance of this Agreement and the Contemplated Transactions, including all fees and expenses of agents, representatives, counsel, and accountants of the parties (" **Transaction Expenses** "). In the event of termination of this Agreement, each party shall bear its own Transaction Expenses, except that the obligation of each party to pay its own Transaction Expenses shall be subject to any rights of such party arising from a Breach of this Agreement by another party.

(b) Seller shall pay out of the Purchase Price any sales, use, excise, goods and services or similar taxes due as a result of the sale of the Assets or otherwise due as a result of the Contemplated Transactions.

12.2 Public Announcements . Any public announcement or similar publicity with respect to this Agreement or the Contemplated Transactions shall be issued, if at all, at such time and in such manner as any party hereto determines, but in form and content agreeable to the other parties hereto. Purchaser and/or Seller may withhold consent to any public announcement for any period it deems necessary or appropriate for it to comply with the United States securities laws, the rules of the American Stock Exchange, or any other Legal Requirements or obligations it has as a public company to which it is subject. Seller and Purchaser shall consult with each other concerning the means by which Seller's employees, customers, and suppliers and others having dealings with Seller shall be informed of the Contemplated Transactions, and Purchaser shall have the right to be present for any such communication.

12.3 Confidentiality . Between the date of this Agreement and the Closing Date, Purchaser and Seller shall maintain in confidence, and shall cause their respective directors, officers, employees, agents, and advisors to maintain in confidence, any information obtained in confidence from another party in connection with this Agreement or the Contemplated Transactions, unless (a) such information is already known to such party or to others not bound by a duty of confidentiality or such information becomes publicly available through no fault of such party, (b) the use of such information is necessary or appropriate in making any filing or obtaining any consent or approval required for the consummation of the Contemplated Transactions, or (c) the furnishing or use of such information is required by legal proceedings.

If the Contemplated Transactions are not consummated, each party shall return or destroy as much of such written information as the other party may reasonably request.

12.4 Notices . All notices, consents, waivers, and other communications under this Agreement must be in writing and shall be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by telecopier (with written confirmation of receipt), provided that a copy is mailed by registered or certified mail, return receipt requested, or (c) when received by the addressee, if sent by a nationally recognized overnight delivery service, in each case to the appropriate addresses and telecopier numbers set forth below (or to such other addresses and telecopier numbers as a party may designate by notice to the other parties):

Purchaser :	MCIG, INC.. 2831 St. Rose Parkway, Suite 200 Henderson, NV 89052
with a copy to:	Arcadier & Associates 2815 W. New Haven, Suite 303&304 Melbourne, FL 32904 Attention: Maurice Arcadier
Seller:	APO HOLDING, LLC 36840 Quasar Place Murrieta, CA with a copy to: _____ _____

12.5 Further Assurances . The parties agree (a) to furnish upon request to each other such further information, (b) to execute and deliver to each other such other documents, and (c) to do such other acts and things, all as the other party may reasonably request for the purpose of carrying out the intent of this Agreement and the documents referred to in this Agreement.

12.6 Waiver . The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither the failure nor any delay by any party in exercising any right, power, or privilege under this Agreement or the documents referred to in this Agreement shall operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege shall preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement or the documents referred to in this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party shall be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party shall be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.

12.7 Entire Agreement and Modification . This Agreement supersedes all prior agreements between the parties with respect to its subject matter (including the Letter of Intent between Purchaser and the Seller dated December 5, 2017, except paragraphs 4, 5, 6 and 7 thereof) and constitutes (along with the documents referred to in this Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. This Agreement may not be amended except by a written agreement executed by the party to be charged with the amendment.

12.8 Disclosure Memorandum .

(a) The disclosures in the Disclosure Memorandum, and those in any Supplement thereto, must relate only to the representations and warranties in the Section of the Agreement to which they expressly relate and not to any other representation or warranty in this Agreement.

(b) In the event of any inconsistency between the statements in the body of this Agreement and those in the Disclosure Memorandum (other than an exception expressly set forth as such in the Disclosure Memorandum with respect to a specifically identified representation or warranty), the statements in the body of this Agreement shall control.

12.9 Assignments, Successors, and No Third-Party Rights . Neither party may assign any of its rights under this Agreement without the prior consent of the other parties, which shall not be unreasonably withheld. Subject to the preceding sentence, this Agreement shall apply to, be binding in all respects upon, and inure to the benefit of the successors and permitted assigns of the parties. Nothing expressed or referred to in this Agreement shall be construed to give any Person other than the parties to this Agreement any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement. This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the parties to this Agreement and their successors and assigns.

12.10 Severability . If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement shall remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree shall remain in full force and effect to the extent not held invalid or unenforceable.

12.11 Section Headings, Construction . The headings of Sections in this Agreement are provided for convenience only and shall not affect its construction or interpretation. All references to "Section" or "Sections" refer to the corresponding Section or Sections of this Agreement. All words used in this Agreement shall be construed to be of such gender or number as the circumstances require. Unless otherwise expressly provided, the word "including" does not limit the preceding words or terms.

12.12 Time of Essence . With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

12.13 Governing Law . This Agreement shall be governed by the laws of the State of Delaware without regard to conflicts of laws principles.

12.14 Counterparts . This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original copy of this Agreement and all of which, when taken together, shall be deemed to constitute one and the same agreement.

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

PURCHASER **MCIG, INC.**

By:
Name: Paul Rosenberg
Title: Secretary

SELLER: **APO HOLDING, LLC**

By:
Name: Michael Pollastro
Title: President

ALEX MARDIKIAN

By:
Name: Alex Mardikian
Title: Individual

P URCHASE A GREEMENT

B ETWEEN

MCIG, INC.
a Nevada corporation,

and

Vapomins Vertiebsgesellschaft mbH a Germany company

D ATED :

January 5, 2017

TABLE OF CONTENTS

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this " Agreement ") is made and entered into on the this 5th day of August, 2016 (the " Effective Date ") by and between mCig, Inc., a Nevada corporation ("mCig" or "Acquiror") on the one hand and **VAPOMINS VERTIEBSGESELLSCHAFT MBH** , a Germany company who resides at "Am Glockenbach 7, 80469 Munich, Germany (together and/or separately as the "Transferor") on the other hand.

RECITALS

A. Transferor is in the business of sales and distribution of supplies to service the cannabis and CBD markets, and other similar products, both in retail and wholesale sales (the " Business ").

B. Transferor wishes to sell to Acquiror certain assets as described in Section 2.2 associated with Transferor's Business and Acquiror wishes to purchase such assets from Transferor, in each case on the terms and conditions set forth in this Agreement (this term and all other capitalized terms used herein having the respective meanings set forth in this Agreement).

AGREEMENTS

In consideration of the foregoing, the mutual covenants of the parties set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. Definitions . As used in this Agreement, the following terms have the respective meanings set forth below:
" Agreement " shall mean this Purchase Agreement.
" Acquiror " shall have the meaning set forth in the preamble to this Agreement.

" Acquiror's Knowledge " shall mean that any of the officers or directors of Acquiror are actually aware of a particular fact or other matter.

" Assumed Liabilities " shall have the meaning set forth in Section 2.4.

" Best Efforts " shall mean the efforts that a prudent Person who wishes to achieve a result would use in similar circumstances to achieve such result as expeditiously as reasonably possible.

" Bill of Sale " shall mean the document described in Section 6.2.1(a).

" Books and Records " shall mean all books and records of Transferor that are necessary to conduct the Business, the ownership, use, and operation of the Purchased Assets, or the payment or performance of the Assumed Liabilities, including any such records maintained on computer and all related computer software.

" Breach " shall mean any material inaccuracy in or material breach of, or any material failure to perform or comply with, any representation, warranty, covenant, obligation, or other provision of this Agreement or any document delivered pursuant to this Agreement.

" Business " shall have the meaning set forth in the Recitals.

" Business Day " shall mean any day other than a Saturday, Sunday, or other day on which commercial banks in Seattle, Washington are authorized or required by applicable Legal Requirements to be closed.

" Closing " shall mean the closing of this transaction, at which the events set forth in Section 6.2 shall occur.

" Closing Date " shall mean the date on which the Closing occurs.

" Preferred Stock " shall have the meaning set forth in Section 3.1.

" Consent " shall mean any approval, consent, ratification, waiver, or other authorization, including any Governmental Authorization.

" Contract " shall mean any agreement, contract, lease, obligation, promise, or understanding, whether written or oral and whether express or implied, that is legally binding.

" Damages " shall have the meaning set forth in Section 8.2.

" Effective Date " shall have the meaning set forth in the preamble to this Agreement.

" Excluded Assets " shall have the meaning set forth in Section 2.3.

" Governmental Authority " shall mean any national, federal, state, provincial, county, municipal, or local government, foreign or domestic, or the government of any political subdivision of the any of the foregoing, or any entity, authority, agency, ministry, or other similar body exercising executive, legislative, judicial, regulatory, or administrative authority or functions of or pertaining to the government, including any quasi-governmental entity established to perform any such functions.

" Governmental Authorization " shall mean any Consent, license, permit, waiver, or other authorization issued, granted, given, or otherwise made available by or under the authority of any Governmental Authority or pursuant to any Legal Requirement.

" Intellectual Property " shall mean, as it relates to the VitaStik brand (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof, (b) all trademarks, service marks, trade dress, logos, trade names, and corporate names, together with all translations, adaptation, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection

therewith, (c) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (d) all mask works and all applications, registrations, and renewals in connection therewith, I all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (f) all computer software (including data and related documentation) and (g) all other proprietary rights.

" Legal Requirement " shall mean any federal, state, local, municipal, foreign, international, multinational, or other administrative Order, constitution, law, ordinance, principle of common law, regulation, rule, statute, or treaty.

" Lien " shall mean a monetary encumbrance against a Purchased Asset.

" Ordinary Course of Business " shall mean any action taken by a Person if, and only if, such action is consistent with the past practices of such Person and is taken in the ordinary course of the normal day-to-day operations of such Person.

" Organizational Documents " shall mean (i) the articles or certificate of incorporation and the bylaws of a corporation, (ii) the partnership agreement and any statement of partnership of a general partnership, (iii) the limited partnership agreement and certificate of limited partnership of a limited partnership, (iv) any charter, operating agreement, or similar document adopted or filed in connection with the creation, formation, or organization of a Person, and (v) any amendment to any of the foregoing.

" Patents " shall mean those patents used in the Business and listed on **Exhibit 1** hereto.

" Permitted Encumbrances " shall mean those encumbrances incurred in the ordinary course of business or otherwise in existence as of the Closing Date.

" Person " shall mean an individual, partnership, corporation, limited liability company, joint stock company, trust, unincorporated organization or association, joint venture, or other organization, whether or not a legal entity, or a Governmental Authority.

" Possession Date " shall mean 12:01 a.m., on the day following the Closing Date.

" Proceeding " shall mean any action, arbitration, audit, hearing, litigation, or suit (whether civil, criminal, administrative, investigative, or informal) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Authority, arbitrator, or mediator.

" Purchase Price " shall have the meaning set forth in Section 3.1.

" Purchased Assets " shall have the meaning set forth in Section 2.2.

" Release Agreement " shall mean the Agreement described in Section 8.1.1.

" Representative " shall mean, with respect to a particular Person, any director, officer, employee, agent, consultant, advisor, or other representative of or to such Person, including such Person's attorneys, accountants, and financial advisors.

" Transferor " shall have the meaning set forth in the preamble to this Agreement.

" Transferor Shareholders " shall have the meaning set forth in Section 3.2.

" Transferor's Knowledge " shall mean that any of the officers or directors of Transferor are actually aware of a particular fact or other matter.

" Tax " shall mean any tax (including any income tax, capital gains tax, value-added tax, sales tax, excise tax, property tax, gift tax, or estate tax), levy, assessment, tariff, duty (including any customs duty), deficiency, or other fee, and any related charge or amount (including any fine, penalty, interest, or addition to tax), imposed, assessed, or collected by or under the authority of any Governmental Authority or payable pursuant to any tax-sharing agreement or other Contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee

2. Purchase and Sale of Assets .

2.1 Purchase and Sale . Transferor agrees to transfer and sell the assets to Acquiror, and Acquiror agrees to acquire the assets from Transferor, in each case for the price

and on the terms and conditions set forth in this Agreement. Upon payment of the Purchase Price as described in Section 3 hereof and the satisfaction of the other terms of this Agreement, Transferor shall sell, transfer, assign and deliver all acquired assets to Acquiror on the Closing Date free and clear of any and all liens, encumbrances, security interests or obligations, except for Permitted Encumbrances.

2.2 Purchased Assets . The assets to be sold by Transferor to Acquiror pursuant to this Agreement (the " Purchased Assets ") are listed in **Exhibit 2.2** , with the exception of the Excluded Assets described in Section 2.3.

2.3 Excluded Assets . All assets of Transferor not specifically included in the Purchased Assets (the " Excluded Assets ") shall not be acquired by Acquiror pursuant to this Agreement.

2.4 Assumption of Certain Liabilities . Acquiror shall at Closing assume certain liabilities of Transferor described on **Exhibit 2.4** (the " Assumed Liabilities "), but excluding any other liabilities of Transferor whatsoever.

2.5 Excluded Liabilities . Acquiror shall not assume any of the liabilities of Transferor not identified in Section 2.4 above. Without limiting the generality of the foregoing, Acquiror shall not assume any liabilities:

(a) attributable to any of the Excluded Assets;

(b) liabilities for any income, gain, profit or similar Tax arising out of or resulting from the sale, conveyance, transfer, assignment and delivery of the Purchased Assets provided for in this Agreement;

(c) all Taxes imposed on or with respect to the Business for all Pre-Closing Periods;

(d) liabilities for any sales, exercise, transfer or other tax on or arising out of the sale, conveyance, transfer, assignment or delivery of the Purchased Assets;

(e) liabilities and obligations pursuant to any agreements relating to the employment of any individual in connection with Transferor's business, including, but not limited to liabilities for any option, warrant, bonus, performance, golden parachute, consulting, or similar liability;

(f) liabilities and obligations (whether fixed or contingent) with respect to the Employee Benefit Plans; and

(g) all liabilities and obligations arising out of the Excluded Assets. (h) liability for any contract not assigned to Acquiror; (i) liability for any employee or stockholder loan;

(j) liability for any pending lawsuits, including those listed on Schedule 7.1.15; and

(k) liability for Transferor's costs, fees, and expenses of this transaction.

3. Purchase Price and Payment.

3.1 Purchase Price . In consideration of (i) the sale, transfer and conveyance to Acquiror of the Assets, Acquiror shall, at the Closing, transfer to Transferor One Million Five

Hundred Thousand (1,500,000) shares of Common Stock of **MCig Corporation** . The consideration described in this Section 3.1 is herein referred to as the " Purchase Price ." The conversion price shall be the price of the stock on the date of the execution of this Agreement by all Parties.

3.2 Third Party Acknowledgments . **VAPOMINS VERTIEBSGESELLSCHAFT MBH** unanimously approved the terms of this Agreement at its January 5, 2017 Board of Director Meeting, and hereunder acknowledges the above referenced transfer of Assets to the Transferor. **VAPOMINS VERTIEBSGESELLSCHAFT MBH** may allocate the distribution of the stock which constitutes the Purchase Price under this Agreement to its Owners. A complete list of the distribution of the Common Stock of MCig is listed in **Schedule 3.2** , as provided by the Transferor.

3.3 Tax and Accounting Consequences . As a result of the transfer of the Assets to Transferor, in accordance with the terms and conditions set forth in this Agreement, there may be certain Tax and accounting consequences to the shareholders of the Transferor (the " Transferor Shareholders "), who will be the ultimate recipients of the Common Shares.

ACQUIROR MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, NOR ARE ANY INTENDED OR SHOULD ANY BE INFERRED, REGARDING THE ECONOMIC RETURN OR THE TAX CONSEQUENCES TO THE TRANSFEROR SHAREHOLDERS WHO WILL ACQUIRE THE COMMON SHARES. ACQUIROR, THEREFORE, RECOMMENDS THAT THE TRANSFEROR SHAREHOLDERS CONSULT THEIR OWN ATTORNEYS, ACCOUNTANTS AND FINANCIAL ADVISORS ABOUT THE LEGAL AND TAX CONSEQUENCES AND THE FINANCIAL RISKS AND MERITS OF RECEIVING THE COMMON SHARES.

3.4 Price Reduction Upon Certain Events . In the event of any damage, loss, destruction or condemnation of any of the assets constituting the Business (excluding damage or destruction caused by Acquiror or any of its affiliates), or any taking of any of the assets constituting the Business by eminent domain, between the Effective Date and the Closing Date, Acquiror shall have the right, by notice given to Transferor within ten (10) days of such event (but in any case prior to the Closing Date), to terminate this Agreement.

3.5 Right of Repurchase. In the event the Acquiror decides to sell the assets acquired in this transaction, or upon mutual consent of the Parties, the Transferor shall have the right to repurchase the assets in exchange for the number of shares issued to the Transferor as part of the Purchase Price.

4. Pre-Closing Matter.

4.1 Operation of Business . Between the Effective Date and the Closing Date, Transferor shall:

4.1.0 Not sell, lease, or otherwise transfer or dispose of any assets used in the Business, or any interest therein, other than transfers and dispositions made in the Ordinary Course of Business or transfers and dispositions otherwise authorized by its President;

4.1.1 Not permit or allow any assets used in the Business to become subject to any additional Lien (other than Permitted Encumbrances);

4.2 Consents .

4.2.1 Acquiror and Transferor shall use their respective Best Efforts, each at its own expense, to obtain all such Consents as soon as practicable after the Effective Date required to transfer the assets to Acquiror. In the event any such Consent is not obtained by the Closing Date, Transferor agrees to continue to use its Best Efforts thereafter, in cooperation with Acquiror, to obtain such Consent as soon as practicable.

4.2.2 Acquiror shall provide all cooperation reasonably requested by Transferor in connection with obtaining the Consents, including the provision of any information relating to Acquiror that may be requested by the Person from whom any such Consent is required.

4.3 Notification of Certain Events .

4.3.1 By Transferor . Between the Effective Date and the Closing Date,

Transferor shall give prompt notice to Acquiror in the event Transferor becomes aware of (i) any fact or condition that causes or constitutes a Breach of any representation or warranty of Transferor set forth herein as of the Effective Date, (ii) any fact or condition that would cause or constitute a Breach of any such representation or warranty had such representation or warranty been made as of the time of occurrence or discovery of such fact or condition, (iii) the occurrence of any Breach of any covenant of Transferor in this Agreement, or (iv) the occurrence of any event that Transferor believes will make the satisfaction of any of the conditions set forth in Section 5 impossible or unlikely. In the event that any fact or condition of the type described in the foregoing clause (i) or (ii) would have required any change in any of the Schedules or Exhibits to this Agreement if such fact or condition had occurred or been known as of the Effective Date, Transferor shall promptly deliver to Acquiror a supplement to such Schedule or Exhibit specifying the necessary change.

4.3.2 By Acquiror . Between the Effective Date and the Closing Date, Acquiror shall give prompt notice to Transferor in the event Acquiror becomes aware of (i) any fact or condition that causes or constitutes a Breach of any representation or warranty of Acquiror set forth herein as of the Effective Date, (ii) any fact or condition that would cause or constitute a Breach of any such representation or warranty had such representation or warranty been made as of the time of occurrence or discovery of such fact or condition, (iii) the occurrence of any Breach of any covenant of Acquiror in this Agreement, or (iv) the occurrence of any event that Acquiror believes will make the satisfaction of any of the conditions set forth in Section 5 impossible or unlikely. In the event that any fact or condition of the type described in the foregoing clause (i) or (ii) would have required any change in any of the Schedules or Exhibits to this Agreement if such fact or condition had occurred or been known as of the Effective Date, Acquiror shall promptly deliver to Transferor a supplement to such Schedule or Exhibit specifying the necessary change.

4.3.3 No Effect on Remedies . The delivery of a notice or supplement pursuant to Sections 4.3.1 and 4.3.2 shall have no effect on the remedies of any party hereunder.

4.4 Access to Information . Between the Effective Date and the Closing Date, Transferor shall, upon reasonable notice from Acquiror, (i) give Acquiror and its representatives access (during normal business hours), in a manner so as not to interfere with Transferor's normal operations and subject to reasonable restrictions imposed by any such representative, to all key employees employed in the Business and to all the Books and Records relating thereto, and (ii) cause its representatives to make available to Acquiror for the purpose of making copies thereof such financial and operating data and other information with respect to the Business as Acquiror may reasonably request.

4.5 Public Announcements . Except as otherwise required by applicable Legal Requirements, any public announcement or similar publicity with respect to this Agreement or this transaction shall be issued, if at all, only with such contents, at such time and in such manner as the parties may agree. If a party believes that it is required by applicable Legal Requirements to make any such public announcement, it shall first provide to the other party the content of the proposed announcement, the reasons such announcement is required to be made, and the time and place that the announcement will be made.

5. Conditions to Closing .

5.1 Transferor's Conditions . Transferor's obligation to close this transaction

shall be subject to and contingent upon the satisfaction (or waiver by Transferor in writing in its sole discretion) of each of the following conditions:

5.1.1 All representations and warranties of Acquiror set forth in this Agreement and each such representation and warranty shall have been accurate in all respects as of the Effective Date and shall be accurate in all respects as of the Closing Date, as if made on the Closing Date.

5.1.2 (i) All of the covenants and obligations that Acquiror is obligated to perform or comply with pursuant to this Agreement prior to or at the Closing and each such covenant and obligation (considered individually) shall have been performed and complied with in all respects; and (ii) Acquiror shall have made the deliveries of documents required to be made pursuant to Section 6.2.2; provided , however , that with respect to the covenants and obligations described in this Section 5.1.2, a failure of the foregoing condition shall not be deemed to have occurred unless (a) Transferor has given Acquiror notice specifying the nature of any Breach of such covenants or obligations in reasonable detail, and (b) either (y) Acquiror has failed to cure such Breach within ten (10) business days after such notice is given, or (z) if such Breach cannot be cured solely by the payment of money and cannot reasonably be cured within ten (10) business days despite the exercise of Best Efforts, Acquiror has failed to commence curative action within ten (10) Business Days after such notice is given or thereafter fails to complete the cure of such Breach as soon as practicable.

5.2 Acquiror's Conditions . Acquiror's obligation to close this transaction shall be subject to and contingent upon the satisfaction (or waiver by Acquiror in its sole discretion) of each of the following conditions:

5.2.1 All representations and warranties of Transferor set forth in this Agreement shall have been accurate as of the Effective Date and shall be accurate as of the Closing Date, as if made on the Closing Date.

5.2.2 All of the covenants and obligations that Transferor are obligated to perform or comply with pursuant to this Agreement prior to or at the Closing shall have been performed and complied with; and (ii) Transferor shall have made the deliveries of documents required to be made pursuant to Section 6.2.1.

5.2.3 To the extent, if any, that Acquiror is required to obtain any Governmental Authorizations that relate to the Business or the ownership, use, and operation of

the assets used in the Business, Acquiror shall have obtained such Governmental Authorizations and such Governmental Authorizations shall be in full force and effect as of the Closing Date or subject to issuance to Acquiror upon consummation of this transaction.

5.2.4 As of the Closing Date, there shall not be in effect any legal requirement or any injunction or other order that prohibits the transfer of any portion of the Purchased Assets by Transferor to Acquiror.

5.2.5 Between the Effective Date and the Closing Date, there shall have been no damage to or destruction of any of the assets used in the Business (excluding damage or destruction (i) caused by Acquiror or any of its affiliates; or (ii) that does not have a material adverse effect on the Businesses), nor any taking of any material portion of the assets used in the Business by eminent domain.

5.2.6 Since the Effective Date, there shall not have been commenced or threatened against Acquiror or Transferor or any related person of Acquiror or Transferor any proceeding (i) seeking damages or other relief in connection with, any aspect of this transaction, or (ii) that could reasonably be expected to have the effect of preventing this transaction or making this transaction illegal.

5.2.7 Transferor shall have executed a Release Agreement, on terms and conditions acceptable to Acquiror.

5.2.8 Transferor shall have executed all documents necessary to transfer and assign any of the Transferor's Intellectual Property which is being transferred pursuant to this Agreement.

5.2.9 The Shareholders of Transferor shall have approved the transaction.

6. Closing .

6.1 Time and Place of Closing . The Closing shall take place at the corporate

offices of ACT or at such other location as the parties may mutually agree. Subject to the provisions of Section 7, the Closing shall take place commencing at 2:00 p.m. (Eastern Standard Time) on **January 15, 2017** , which may be done by facsimile.

6.2 Closing Deliveries.

6.2.1 At the Closing, Transferor shall deliver, or cause to be delivered, to Acquiror:

(a) A fully executed Bill of Sale and Assignment and Assumption in the form of **Exhibit 6.2.1** to this Agreement (the " Bill of Sale ") conveying to Acquiror all personal property to be acquired by Acquiror pursuant to this Agreement and providing for (i) the assignment to Acquiror of the contract rights, and all other intangible personal property included in the assets used in the Business and (ii) Acquiror's assumption of the Assumed Liabilities;

(b) A Certificate of an officer of Transferor (i) certifying to the attached resolutions of the board of directors and shareholders, if the board of directors deems it necessary, of Transferor authorizing this transaction, and (ii) attesting to the incumbency of the authorized officers of Transferor executing this Agreement and the Transferor's closing documents;

(c) A duly authorized and executed Release Agreement required by Section 8.1.1;

(d) A Certificate of an authorized officer of the Transferor certifying as to the accuracy of the Transferor's representations and warranties under Section 7.1;

(e) All Consents necessary to permit Transferor to transfer the Purchased Assets to Acquiror; and

(f) All necessary documents to transfer and assign the Intellectual Property which is being transferred pursuant to this Agreement; and

6.2.2 At the Closing, Acquiror shall deliver, or cause to be delivered, to Transferor:

(a) A counterpart copy of the Bill of Sale, executed by Acquiror;

(b) A Certificate of an authorized officer of Acquiror (i) certifying attached resolutions of the boards of directors and shareholders of Acquiror authorizing this transaction, and (ii) attesting to the incumbency of the authorized officer of Acquiror executing this Agreement and the Acquiror's closing documents;

(c) A duly authorized and executed Release Agreement as required by Section 8.1.1;

(d) A Certificate of an authorized officer of the Acquiror certifying as to the accuracy of the Acquiror's representations and warranties under Section 7.2;

(e) A Certificate of an authorized officer of the Acquiror certifying the number of shares that Transferor shall be entitled to in accordance with the terms and conditions of this Agreement; and

(f) A counterpart copy of necessary documents to transfer and assign the Intellectual Property which is being transferred pursuant to this Agreement.

6.3 Closing Costs . Acquiror shall pay all closing costs associated with the Closing: (i) recording fees with respect to the assignment of any Intellectual Property and (ii) all sales and excise taxes due in connection with this transaction.

6.4 Possession . Acquiror shall be entitled to possession of the Purchased Assets on the Possession Date as that term is defined in Section 1.

7. Representations and Warranties .

7.1 Transferor's Representations and Warranties. warrants to Acquiror as follows:

Transferor represents and

7.1.1 Organization and Good Standing . Transferor is a corporation, duly formed, validly existing and in good standing under the laws of the **country of Germany** . Transferor has the corporate power to own its properties and to carry on its business as now being conducted. Transferor is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which the failure to be so qualified would have a material adverse effect on the business, assets (including intangible assets), prospects, financial condition or results of operations of Transferor (hereinafter referred to as a "MATERIAL ADVERSE EFFECT"). Transferor has delivered a true and correct copy of its Articles of Incorporation and By-laws, each as amended to date, to Acquiror.

7.1.2 Title to Assets . Transferor has good and marketable title to the assets used in the Business, free and clear of all mortgages, pledges, liens, encumbrances, security interests, equities, charges and restrictions of any nature whatsoever, except such Permitted Encumbrances, as that term is defined in Section 1. By virtue of the deliveries made at the Closing, Acquiror will obtain good and marketable title to the Purchased Assets, free and clear of all liens, mortgages, pledges, encumbrances, security interests, equities, charges and restrictions of any nature whatsoever, except any Permitted Encumbrances.

7.1.3 Authority; No Conflict .

This Agreement constitutes the legal, valid, and binding obligation of Transferor, enforceable against Transferor in accordance with its terms. Upon its execution and delivery by Transferor at the Closing, the Transferor's closing documents will constitute the legal, valid, and binding obligations of Transferor, enforceable against Transferor in accordance with its respective terms. Transferor has full corporate power, authority, and capacity to execute and deliver this Agreement and Transferor's closing documents and to perform its obligations hereunder and thereunder. Without limiting the generality of the foregoing, the Boards of Directors, and shareholders, if the Boards of Directors deems it necessary, of Transferor has approved this Agreement and the transactions contemplated hereby.

Neither the execution and delivery of this Agreement, nor the performance of any of Transferor's obligations hereunder, nor the consummation of the transactions contemplated by this Agreement will, directly or indirectly (with or without notice, lapse of time, or both), (i) contravene, conflict with or result in a violation of any provision of Transferor's Organizational Documents or any resolution adopted by the Boards of Directors or shareholders of Transferor; (ii) contravene, conflict with, or result in a violation of, or give any Governmental Authority or other person the right to challenge this transaction or to exercise any remedy or obtain any relief under, any legal requirement or any order to which Transferor or any of the assets used in the Business is subject; (iii) contravene, conflict with, or result in a violation of any of the terms or requirements of any governmental authorization; (iv) contravene, conflict with, or result in a violation or breach of any provision of, or give any person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, or modify, any Contract;

or (v) result in the imposition or creation of any lien upon or with respect to any of the assets used in the Business; except, in the case of clauses (i), (ii) and (iii) above, for contraventions, conflicts or violations which do not have a material adverse effect on the ability of Transferor to consummate the transactions contemplated hereby.

Transferor represents and warrants that it is not and will not be required to give any notice to, make any filing with, or obtain any material Consent from any person in connection with the execution and delivery of this Agreement, the performance of its obligations hereunder, or the consummation of this transaction, other than the Consents described on **Exhibit 4.2.1** except for Consents, the failure of which to obtain would not have a material adverse effect on the ability of the Transferor to consummate the transactions contemplated hereby.

7.1.4 Books and Records . The Books and Records are complete and correct in all material respects and have been maintained in accordance with sound business practices.

7.1.5 Possession of Assets . The assets used in the Business are assets of the Transferor as of the Effective Date and are in Transferor's possession as of the Effective Date, and that Transferor has all requisite title or license to convey the Purchased Assets to Acquiror as contemplated by the Agreement.

7.1.6 No Material Adverse Changes . There have been no material adverse changes to the Business, operations or financial condition other than as disclosed to Acquiror.

7.1.7 Certain Proceedings . No proceeding is pending or, to Transferor's Knowledge, has been threatened against Transferor that challenges, or could reasonably be expected to have the effect of preventing, making illegal, or otherwise materially interfering with, this transaction.

7.1.8 Transferor Financial Statements .

Not Applicable

7.1.9 To the Knowledge of Transferor, since **October 1, 2016** , (i) there has been no material adverse change in the Condition of the Business, (ii) the Business has, in all material respects, been conducted in the ordinary course of business consistent with past practice, (iii) there has not been any material obligation or liability (contingent or otherwise) incurred by Transferor with respect to the Business other than obligations and liabilities incurred in the ordinary course of business, (iv) there has not been any purchase, sale or other disposition, or any agreement or other arrangement, oral or written, for the purchase, sale or other disposition, of any **intellectual properties** , and (v) none of the **intellectual property assets being acquired** of Transferor have been used to reduce liabilities which are not being assumed by Acquiror.

7.1.10 No Undisclosed Liabilities . Transferor does not have any liability, indebtedness, obligation, expense, claim, deficiency, guaranty or endorsement of any type, in excess of $5,000, whether accrued, absolute, contingent, matured, unmatured or other associated with the intellectual property assets being acquired under this Agreement.

7.1.11 Tax and Other Returns and Reports . Not Applicable

7.1.12 Agreements, Contracts and Commitments . Except as set forth on herewith, Transferor does not have, is not a party to nor is it bound by:

(i) any collective bargaining agreements,

(ii) any fidelity or surety bond or completion bond,

(iii) any agreement, contract or commitment containing any covenant limiting the freedom of Transferor to sale the intellectual property,

(iv) any agreement, contract or commitment relating to the disposition or acquisition of material assets or any interest in any business enterprise outside the ordinary course of the Business,

(v) any distribution, joint marketing or associated with the Purchased Assets development agreement,

(xvii) Except for such alleged breaches, violations and defaults, and events that would constitute a breach, violation or default with the lapse of time, giving of notice, or both, all as noted in Schedule 7.1.12, Transferor has not breached, violated or defaulted under, or received notice that it has breached, violated or defaulted under, any of the terms or conditions of any agreement, contract or commitment to which it is a party or by which it is bound and which are required to be set forth in Schedule 7.1.12 (any such agreement, contract or commitment, a "CONTRACT") except for breaches, violations or defaults that will not have a Material Adverse Effect. Each agreement, contract or commitment set forth in any of Transferor Schedules is in full force and effect and, except as otherwise disclosed in Schedule 3.12(b), is not subject to any default thereunder of which Transferor has knowledge by any party obligated to Transferor pursuant thereto.

7.1.13 Governmental Authorization . **Exhibit 7.1.13** accurately lists each material consent, license, permit, grant or other authorization issued to Transferor by a governmental entity (i) pursuant to which Transferor currently operates or holds any interest in any of its properties or (ii) which is required for the operation of its business or the holding of any such interest (herein collectively called "TRANSFEROR AUTHORIZATIONS"), which Transferor Authorizations are in full force and effect and constitute all Transferor Authorizations required to permit Transferor to operate or conduct its business substantially as it is currently and has been conducted or hold any interest in its properties or assets.

7.1.14 Litigation . Except as set forth in **Exhibit 7.1.14** , there is no action, suit, claim or proceeding of any nature pending or, to the knowledge of Transferor, threatened against Transferor, its properties or any of its officers or directors in their capacity as such, nor, to the knowledge of Transferor, is there any basis therefore. Except as set forth in Schedule 7.1.15, there is no investigation pending or to the knowledge of Transferor, threatened against

Transferor, its properties or any of its officers or directors (nor, to the Knowledge of Transferor, is there any basis therefore) by or before any governmental entity. **Schedule 7.1.14** sets forth, with respect to any pending or threatened action, suit, proceeding or investigation, the forum, the parties thereto, the subject matter thereof and the amount of damages claimed or other remedy requested. Except as set forth in Schedule 7.1.15, no governmental entity has at any time challenged or questioned the legal right of Transferor to manufacture, offer or sell any of its products in the present manner or style thereof. Neither Transferor nor any of the Purchased Assets is subject to any material order, writ, injunction, judgment or decree of any court or other governmental agency or authority.

7.1.15 Accounts Receivable . Not Applicable
7.1.16 Minute Books . Not Applicable
7.1.17 Environmental Matter . Not Applicable

7.2 Acquiror's Representations and Warranties . Acquiror represents and warrants to Transferor as follows:

7.2.0 Organization and Good Standing . Acquiror is a corporation duly incorporated, validly existing and in good standing under the laws of the State of **Nevada** .

7.2.1 Authority; No Conflict.
(a) This Agreement constitutes the legal, valid, and binding obligation of

Acquiror, enforceable against Acquiror in accordance with its terms. Upon their execution and delivery by Acquiror at the Closing, the Acquiror's closing documents will constitute the legal, valid, and binding obligations of Acquiror, enforceable against Acquiror in accordance with their respective terms. Acquiror has full corporate power, authority, and capacity to execute and deliver this Agreement and the Acquiror's closing documents and to perform its obligations hereunder and thereunder. Without limiting the generality of the foregoing, the Board of Directors of the Acquiror has approved this Agreement and the transactions contemplated hereby.

(b) Neither the execution and delivery of this Agreement, nor the performance of any of Acquiror's obligations hereunder, nor the consummation of this transaction will, directly or indirectly (with or without notice, lapse of time, or both), (i) contravene, conflict with, or result in a violation of any provision of Acquiror's Organizational Documents or any resolution adopted by the Board of Directors or the shareholders of Acquiror; or (ii) give any Person the right to prevent or otherwise interfere with this transaction pursuant to any legal requirement or order to which Acquiror is subject or any Contract to which Acquiror is a party or by which it or any of its assets is bound.

7.2.2 Certain Proceedings . No proceeding is pending or, to Acquiror's

Knowledge, has been threatened against Acquiror that challenges, or could reasonably be

expected to have the effect of preventing, making illegal, or otherwise materially interfering with, this transaction.

7.2.3 Title to Shares . The Shares are duly authorized and, when issued, upon the consummation of the transactions set forth herein, Transferor will own the Shares free and clear of all liens and encumbrances whatsoever.

8. Additional Covenants .

8.1 Covenants by Each Party.

8.1.1 Release of Acquiror and Transferor . At Closing, Acquiror and Transferor shall enter into a release agreement (the " Release Agreement ") in the form of **Exhibit 8.1.1** attached hereto.

8.1.2 Cooperation . Each of the parties hereto shall cooperate with the other parties in every reasonable way in carrying out the transactions contemplated herein, and in delivering all documents and instruments deemed reasonably necessary or useful by counsel for each party hereto.

8.1.3 Expenses . Except as otherwise provided in this Agreement, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs or expenses.

8.1.4 Further Assurances . From time to time after the Closing, Transferor will, at its own expense, execute and deliver, or cause to be executed and delivered, such documents to Acquiror as Acquiror may reasonably request in order more effectively to vest in Acquiror good title to the Purchased Assets and otherwise to consummate the transactions contemplated by this Agreement, and from time to time after the Closing, Acquiror will, at its own expense, execute and deliver such documents to Transferor as Transferor may reasonably request in order more effectively to consummate the assumption of the Assumed Liabilities by Acquiror and otherwise to consummate the transactions contemplated by this Agreement.

8.2 Indemnification .

8.2.1 By Acquiror . In the event the Acquiror (i) breaches or is deemed to have breached any of the representations and warranties contained in this Agreement or (ii) fails to perform or comply with any of the covenants and agreements set forth in this Agreement, then the Acquiror shall hold harmless, indemnify and defend Transferor, and each of its directors, officers, shareholders, attorneys, representatives and agents, from and against any Damages incurred or paid by Transferor to the extent such Damages arise or result from a breach by the Acquiror of any such representations and warranties or a violation of any covenant in this Agreement.

8.2.2 By Transferor . In the event Transferor (i) breaches or is deemed to have breached any of the representations and warranties contained in this Agreement or (ii) fails to perform or comply with any of the covenants and agreements set forth in this Agreement, Transferor shall hold harmless, indemnify and defend Acquiror, and each of its directors,

officers, shareholders, attorneys, representatives and agents, from and against any Damages incurred or paid by the Acquiror to the extent such Damages arise or result from a breach by Transferor of any such representations or warranties or a violation of any covenant in this Agreement. For purposes of this Section 8.2, " Damages " shall mean any and all costs, losses, damages, liabilities, demands, claims, suits, actions, judgments, causes of action, assessments or expenses, including interest, penalties, fines and attorneys' fees and expenses incident thereto, incurred in connection with any claim for indemnification arising out of this Agreement, and any and all amounts paid in settlement of any such claim.

8.3 Retention of and Access to Books and Records . Transferor agree to retain the Books and Records for a period of five (5) years after the Closing Date and to make them available to Acquiror for the purpose of making copies thereof at Acquiror's expense of.

9. Termination .

9.1 Termination Events . Except as otherwise provided for, this Agreement may, by notice given prior to or at the Closing (which notice shall specify the grounds for termination), be terminated by mutual written agreement of both Transferor and Acquiror.

9.2 Effect of Termination . Each party's right of termination under Section 9.1 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination shall not constitute an election of remedies. If this Agreement is terminated pursuant to Section 9.1, all further obligations of the parties under this Agreement shall thereupon terminate, except that Sections 10 and 12 shall survive; provided , however , that if this Agreement is terminated by a party because of a material Breach of this Agreement by any of the parties or because one or more of the conditions to the terminating party's obligations under this Agreement is not satisfied as a result of any party's failure to comply with its obligations under this Agreement, the terminating party's right to pursue all legal remedies shall survive such termination unimpaired.

10. Default; Remedies.

10.1 Time of Essence . Time is of the essence of the parties' obligations under this Agreement.

10.2 Remedies . If any party fails to perform its obligations under this Agreement, the other party shall be entitled to pursue all remedies available at law or in equity, including, in the case of a failure to consummate this transaction following satisfaction (or waiver) of the conditions set forth in Section 6.1 or 6.2, as applicable, the remedy of specific performance; provided , however , that except with respect to a failure to close this transaction as provided herein, a party shall not be in default hereunder unless (i) the non-Breaching party has given the Breaching party notice specifying the nature of the Breach in reasonable detail, and (ii) the Breaching party either (a) has failed to cure such Breach within ten (10) Business Days after such notice is given, or (b) if such Breach cannot be cured solely by the payment of money and cannot reasonably be cured within ten (10) Business Days despite the exercise of Best Efforts, has failed to commence curative action within ten (10) Business Days after such notice is given or thereafter fails to complete the cure of such Breach as soon as practicable.

10.3 First Right of Refusal . Not Applicable

11. Survival of Representations and Warranties

11.1 Survival of Representations and Warranties . The representations and warranties in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Closing and continue until **December 31, 2018** .

12. Resolution of Conflicts; Arbitration .

12.1 In case the Transferor shall so object in writing to any claim or claims made in any Officer's Certificate, the Transferor and Acquiror shall attempt in good faith to agree upon the rights of the respective parties with respect to each of such claims. If the Transferor and Acquiror should so agree, a memorandum setting forth such agreement shall be prepared and signed by both parties.

12.2 If no such agreement can be reached after good faith negotiation, the matter shall be arbitrated before the American Arbitration Association. Either Acquiror or the Transferor may demand arbitration of the matter unless the amount of the damage or loss is at issue in pending litigation with a third party, in which event arbitration shall not be commenced until such amount is ascertained upon the conclusion of such litigation or both parties agree to arbitration, and in either such event the matter shall be settled by binding arbitration conducted by three arbitrators. Acquiror and the Transferor shall each select one arbitrator, and the two arbitrators so selected shall select a third arbitrator. The arbitrators shall set a limited time period and establish procedures designed to reduce the cost and time for discovery while allowing the parties an opportunity, adequate in the sole judgment of the arbitrators, to discover relevant information from the opposing parties about the subject matter of the dispute. The arbitrators shall rule upon motions to compel or limit discovery and shall have the authority to impose sanctions, including attorneys' fees and costs, to the same extent as a court of competent law or equity, should the arbitrators determine that discovery was sought without substantial justification or that discovery was refused or objected to without substantial justification. The decision of the arbitrators as to the validity and amount of any claim in such Officer's Certificate shall be binding and conclusive upon the parties to this Agreement. Such decision shall be written and shall be supported by written findings of fact and conclusions of law, which shall set forth the award, decree or order of the arbitrators.

12.3 Judgment upon any award rendered by the arbitrators may be entered in any court having jurisdiction. Any such arbitration shall be held at the discretion of Acquiror in Brevard County, Florida, under the rules then in effect of the American Arbitration Association.

13. Agent of Transferor's Stockholders; Power Of Attorney .

Upon execution and delivery of this Agreement, without further act of any stockholder of Transferor, the law firm of Arcadier & Associates PC shall be appointed as agent and attorney-in-fact (the "TRANSFEROR STOCKHOLDER AGENT") for each stockholder of Transferor on

behalf of stockholders of Transferor, to give and receive notices and communications, to authorize delivery to Acquiror of Acquiror Common Stock in satisfaction of claims by Acquiror, to object to such deliveries, to agree to, negotiate, enter into settlements and compromises of, and demand arbitration and comply with orders of courts and awards of arbitrators with respect to such claims, and to take all actions necessary or appropriate in the judgment of the Transferor Stockholder Agent for the accomplishment of the foregoing. No bond shall be required of the Transferor Stockholder Agent, and the Transferor Stockholder Agent shall not receive compensation for his services. Notices or communications to or from the Transferor Stockholder Agent shall constitute notice to or from each of the stockholders of Transferor.

The Transferor Stockholder Agent shall not be liable for any act done or omitted hereunder as Agent while acting in good faith and in the exercise of reasonable judgment. The stockholders of Transferor shall severally indemnify the Transferor Stockholder Agent and hold the Transferor Stockholder Agent harmless against any loss, liability or expense incurred without negligence or bad faith on the part of the Transferor Stockholder Agent and arising out of or in connection with the acceptance or administration of the Transferor Stockholder Agent's duties hereunder, including the reasonable fees and expenses of any legal counsel retained by the Transferor Stockholder Agent.

13.2 Actions of the Transferor's Stockholder Agent . A decision, act, consent or instruction of the Transferor Stockholder Agent shall constitute a decision of all the stockholders and shall be final, binding and conclusive upon each of such stockholders, and Acquiror may rely upon any such decision, act, consent or instruction of the Transferor's Stockholder Agent as being the decision, act, consent or instruction of each and every such stockholder of Transferor. The Acquiror is hereby relieved from any liability to any person for any acts done by them in accordance with such decision, act, consent or instruction of the Transferor Stockholder Agent.

13.3 Third-Party Claims . If a third-party asserts a claim, Acquiror shall have the right in its sole discretion to defend and to settle such third-party claim, provided, however, that any counsel retained to defend a third-party claim to be satisfied shall be reasonably acceptable to the Transferor Stockholder Agent and Acquiror shall not settle any such third party claim without the prior consent of the Transferor Stockholder Agent, which consent shall not be unreasonably withheld.

13.4 Limitation on Liability . Notwithstanding any other provision of this Agreement to the contrary, absent fraud or bad faith, the liability of Transferor with respect to any claim for a breach of any representation, warranty, covenant or agreement contained in this Agreement shall be limited to the intangible assets listed in this Agreement, and no Principal Stockholder shall have any liability to Acquiror or arising from any breach after the close of this transaction other than with respect to claims made prior to such termination under this Agreement.

14. Construction and Interpretation

14.1 The headings or titles of the sections of this Agreement are intended for ease of reference only and shall have no effect whatsoever on the construction or interpretation of any

provision of this Agreement. References herein to sections are to sections of this Agreement unless otherwise specified.

14.2 Meanings of defined terms used in this Agreement are equally applicable to singular and plural forms of the defined terms. The masculine gender shall also include the feminine and neutral genders and vice versa.

14.3 As used herein, (i) the term "party" refers to a party to this Agreement, unless otherwise specified, (ii) the terms "hereof," "herein," "hereunder," and similar terms refer to this Agreement as a whole and not to any particular provision of this Agreement, (iii) the term "this transaction" refers to the transaction contemplated by this Agreement, (iv) the term "including" is not limiting and means "including without limitation," (v) the term "documents" includes all instruments, documents, agreements, certificates, indentures, notices, and other writings, however evidenced, and (vi) the term "property" includes any kind of property or asset, real, personal, or mixed, tangible or intangible.

14.4 In the event any period of time specified in this Agreement ends on a day other than a Business Day, such period shall be extended to the next following Business Day. In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including," the words "to" and "until" each mean "to but excluding," and the word "through" means "to and including."

14.5 This Agreement is the product of arm's length negotiations among, and has been reviewed by counsel to the parties and is the product of all the parties. Accordingly, this Agreement shall not be construed for or against any party by reason of the authorship or alleged authorship of any provision hereof.

15. Miscellaneous Provisions .

15.1 Survival of Covenants . Each covenant or agreement of the parties set forth in this Agreement which by its terms expressly provides for performance after the Closing Date shall survive the Closing and be fully enforceable thereafter.

15.2 Expenses . Except as otherwise provided, each party shall bear its own expenses incurred in connection with the preparation, execution, and performance of this Agreement and this transaction, including all fees and expenses of its own Representatives or any other similar payment in connection with this transaction.

15.3 Binding Effect . The provisions of this Agreement shall be binding upon and inure to the benefit of the parties and, subject to the restrictions on assignment set forth herein, their respective successors and assigns.

15.4 Assignment . Neither party shall assign any of its rights or obligations under this Agreement without the prior written consent of the other party. No assignment of this Agreement shall release the assigning party from its obligations under this Agreement.

15.5 Notices . All notices under this Agreement shall be in writing. Notices may be (i) delivered personally, (ii) transmitted by facsimile, (iii) delivered by a recognized

national overnight delivery service, or (iv) mailed by certified United States mail, postage prepaid and return receipt requested. Notices to any party shall be directed to its address set forth in this agreement, or to such other or additional address as any party may specify by notice to the other party. Any notice delivered in accordance with this Section 13.5 shall be deemed given when actually received or, if earlier, (a) in the case of any notice transmitted by facsimile, on the date on which the transmitting party receives confirmation of receipt by facsimile transmission, telephone, or otherwise, if sent during the recipient's normal business hours or, if not, on the next Business Day, (b) in the case of any notice delivered by a recognized national overnight delivery service, on the next Business Day after delivery to the service or, if different, on the day designated for delivery, or (c) in the case of any notice mailed by certified U.S. mail, two (2) Business Days after deposit therein.

15.6 Waiver . Any party's failure to exercise any right or remedy under this Agreement, delay in exercising any such right or remedy, or partial exercise of any such right or remedy shall not constitute a waiver of that or any other right or remedy hereunder. A waiver of any Breach of any provision of this Agreement shall not constitute a waiver of any succeeding Breach of such provision or a waiver of such provision itself. No waiver of any provision of this Agreement shall be binding on a party unless it is set forth in writing and signed by such party.

15.7 Amendment . This Agreement may not be modified or amended except by the written agreement of the parties.

15.8 Severability . If any provision of this Agreement is held invalid, illegal, or unenforceable, then (i) such provision shall be enforceable to the fullest extent permitted by applicable law, and (ii) the validity and enforceability of the other provisions of this Agreement shall not be affected and all such provisions shall remain in full force and effect.

15.9 Integration . This Agreement, including the Exhibits and Schedules hereto, contains the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements with respect thereto. The parties acknowledge and agree that there are no agreements or representations relating to the subject matter of this Agreement, either written or oral, express or implied, that are not set forth in this Agreement, in the Exhibits and Schedules to this Agreement.

15.10 Governing Law . This Agreement shall be governed by and construed in accordance with the laws of the State of **Nevada** (without regard to the principles thereof relating to conflicts of laws).

15.11 Arbitration . All disputes or claims arising out of or relating to this Agreement, or the breach hereof, including disputes as to the validity and/or enforceability of this Agreement or any portion thereof, and any claims for indemnification under the provisions of this Agreement, shall be resolved by binding arbitration conducted in **Nevada** . Any arbitration pursuant to this Section 12.11 shall be conducted, upon the request of any party, before a single arbitrator selected by the parties or, failing agreement on the choice of an arbitrator within thirty (30) days of service of written demand for arbitration, by an arbitrator designated by the Presiding Judge of the Superior Court for **Nevada** . The arbitrator shall be a practicing attorney licensed to practice in one or more of the fifty (50) states, with substantial experience in

commercial and/or commercial litigation Matter, who has been in active practice for at least ten (10) years. Such arbitration shall be conducted in accordance with the laws of the State of **Nevada** and pursuant to the commercial arbitration rules of the American Arbitration Association (although not under the auspices of the American Arbitration Association) and such of the federal rules of civil procedure as the arbitrator may determine. The arbitration shall be conducted within forty-five (45) days of the selection of the arbitrator and the arbitrator shall render his or her decision within twenty (20) days after conclusion of the arbitration. The prevailing party in the arbitration shall be entitled as a part of the arbitration award to the costs and expenses (including reasonable attorneys' fees and the fees of the arbitrator) of investigating, preparing, and pursuing or defending the arbitration claim as such costs and expenses are awarded by the arbitrator. The duty to arbitrate shall survive a termination or cancellation of this Agreement and shall be specifically enforceable under applicable federal law and the prevailing arbitration law of the State of **Nevada** . The decision of the arbitrator shall be final and binding upon the parties and enforceable in any court of competent jurisdiction.

15.12 Execution . This Agreement may be executed in any number of counterparts, all of which together shall constitute one and the same agreement. Each party may rely upon the signature of each other party on this Agreement that is transmitted by facsimile as constituting a duly authorized, irrevocable, actual, current delivery of this Agreement with the original ink signature of the transmitting party.

15.13 Waiver of Conflicts The parties acknowledge that certain of the principals of **VAPOMINS VERTIEBSGESELLSCHAFT MBH** may have independent agreements with **MCig** . The terms and conditions of these agreements have been negotiated in good faith and at arms-length. Any conflict of interest, whether real or implied resulting from these prior agreements are deemed by the parties hereto to be waived.

15.14 Incorporation of Recitals, Exhibits, and Schedules . The Recitals to this Agreement and all Exhibits and Schedules to this Agreement are incorporated herein by this reference.

15.15 Further Assurances . Each party agrees to execute and deliver such additional documents and instruments as may reasonably be required to effect this transaction fully, so long as the terms thereof are consistent with the terms of this Agreement.

15.16 Bulk Sales . Not Applicable

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

ACQUIROR:	TRANSFEROR:
MCIG, INC	**VAPOMINS VERTIEBSGESELLSCHAFT MBH**
By :_____	By :_____
Name: Paul Rosenberg Title: Chief Executive Officer	Name: Johannes Luis Schmid Title: President

EXHIBIT 1

NONE

EXHIBIT 2.2

PURCHASED ASSETS

- ALL INTELLECTUAL PROPERTY ASSOCIATED WITH VITASTIK BRAND
- Active trademarks for VitaStik in the countries of:
  - - Germany
  - - UK
  - - European Union
  - - China
  - - Australia
  - - Japan (not active yet)
  - - Mex
  - - Turkey
  - -Norway
  - - Swiss

EXHIBIT 2,4

ASSUMED LIABILITIES

NONE

SCHEDULE 3,2

COMMON SHAREHOLDER LIST

EXHIBIT 6.2.1

BILL OF SALE

AND

ASSIGNMENT AND ASSUMPTION

This Bill of Sale and Assignment and Assumption Agreement (this " Bill of Sale "), dated as of _____, 20__ (the " Effective Date ") by and between _____, a _____ corporation ("Acquiror"), and _____, a _____ limited liability company ("Transferor").

Recitals :

A. TRANSFEROR and ACQUIROR entered into that certain Purchase Agreement, _____, 20__ (the " Agreement "), which provides, on the terms and conditions set forth therein, for the transfer by Transferor and purchase by Acquiror of the Assets of Transferor as set forth in the Agreement. Capitalized terms used herein without definition shall have the meanings ascribed to them in the Agreement.

B. The assets being sold by Transferor and purchased by Acquiror include, but are not limited to, all of Transferor's tangible and intangible property used in the Business (the "Purchased Assets") as set forth in the Agreement.

C. Acquiror desires to obtain all right, title and interest in and to any and all of the Purchased Assets.

D. This Bill of Sale is being executed and delivered in order to affect the transfer of the Purchased Assets to Acquiror, as provided in the Agreement.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Transferor agree as follows:

1. Assignment . Transferor hereby sells, grants, conveys, bargains, transfers, assigns and delivers to Acquiror, and to Acquiror's successors and assigns, all of Transferor's rights, titles and interests, legal and equitable, throughout the world, in and to the Purchased Assets, to have and to hold the same forever. This is a transfer and conveyance by Transferor to Acquiror of good and marketable title to the Purchased Assets, free and clear of all encumbrances except as provided in the Agreement or on the Schedules thereto. Subject to the conditions and limitations contained in the Agreement, Transferor hereby covenants and agrees to warrant and defend title to the Purchased Assets against any and all claims whatsoever to the extent represented and warranted to in the Agreement.

2. Assumption . Acquiror, in consideration of the assignment, hereby assumes and undertakes to discharge, as appropriate in accordance with their terms, all of the Assumed Liabilities except as otherwise set forth in the Agreement. Except as provided for in this Paragraph 2, Acquiror is not hereby assuming, and the Acquiror shall not assume or otherwise be obligated to pay, perform, satisfy or discharge, any liabilities or obligations of Transferor or the Business.

3. Further Assurances . Transferor agrees that it will, at Acquiror's request at any time and from time to time after the date hereof and without further consideration, do, execute, acknowledge and deliver or will cause to be done, executed, acknowledged and delivered all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and other instruments and assurances as may be considered by Acquiror, its successors and assigns, to be necessary or proper to better effect the sale, conveyance, transfer, assignment, assurance, confirmation and delivery of ownership of the Purchased Assets to Acquiror, or to aid and assist in collecting and reducing to the possession of Acquiror, any and all Purchased Assets.

4. Amendment or Termination; Successors and Assigns . This Bill of Sale may not be amended or terminated except by a written instrument duly signed by each of the parties hereto. This Bill of Sale shall inure to the benefit of, and be binding upon, each of the parties hereto and their respective successors and assigns.

5. No Third Parties . Nothing in this Bill of Sale, expressed or implied, is intended or shall be construed to confer upon or give to any person, firm or corporation other than Acquiror and Transferor, their successors and assigns, any remedy or claim under or by reason of this instrument or any term, covenant or condition hereof, and all of the terms, covenants, conditions, promises and agreements contained in this instrument shall be for the sole and exclusive benefit of the Acquiror and Transferor, their successors and assigns.

6. Construction . This Bill of Sale, being further documentation of a portion of the conveyances, transfers and assignments provided for in and by the Agreement, neither supersedes, amends, or modifies any of the terms or provisions of the Agreement nor does it expand upon or limit the rights, obligations or warranties of the parties under the Agreement. In the event of a conflict or ambiguity between the provisions of this Bill of Sale and the Agreement, the provisions of the Agreement will be controlling.

7. Governing Law . The rights and obligations of the parties under this Bill of Sale will be construed under and governed by the internal laws of the State of **Nevada** (regardless of its or any other jurisdiction's conflict-of-law provisions).

8. Counterparts . This Bill of Sale may be executed by facsimile in one or more counterparts and by facsimile, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Bill of Sale as of the Effective Date.

ACQUIROR:	TRANSFEROR:
By:_____	By:_____
Name: Title:	Name: Title:

EXHIBIT 4.2.1

CONSENTS

EXHIBIT 7.1.13

GOVERNMENTAL LICENSES, PERMITS, AND OTHER AGREEMENTS

EXHIBIT 7.1.14

LITIGATIONS

EXHIBIT 8.1.1

MUTUAL RELEASE AGREEMENT

This Mutual Release Agreement (this " Release Agreement "), dated as of _____, 20__ (the " Effective Date "), by and between _____, a _____ corporation ("Acquiror") and _____, a _____ corporation("Transfer or ").

RECITALS

WHEREAS, Transferor and Acquiror are parties to that certain Purchase Agreement, dated _____, 20__ (the " Purchase Agreement "), and this Release Agreement is that certain Release Agreement as that term is defined in the Asset Purchase Agreement; and

WHEREAS, Transferor and Acquiror now wish to enter into this Release Agreement with respect to the consummation of the Purchase Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. Definitions . Any capitalized term used in this Release Agreement without definition shall have the meaning given to such term in the Purchase Agreement.

2. Release by Transferor . Transferor hereby fully, forever, irrevocably, and unconditionally releases and discharges Acquiror, including, as applicable, all past and present officers, directors, stockholders, affiliates (including, but not limited to, parent, subsidiary and affiliated corporations), agents, employees, representatives, lawyers, administrators, spouses, and all persons acting by, through, under, or in concert with them, from any and all claims, damages or other sums, including attorneys' fees and costs, which Transferor may have against them, or any of them, which could have arisen out of any act or omission occurring from the beginning of time to the effective date of this Agreement, whether now known or unknown, and whether asserted or unasserted.

3. Release by Acquiror . Acquiror hereby fully, forever, irrevocably, and unconditionally releases and discharges Transferor, including, as applicable, all past and present officers, directors, stockholders, affiliates (including, but not limited to, parent, subsidiary and affiliated corporations), agents, employees, representatives, lawyers, administrators, spouses, and all persons acting by, through, under, or in concert with them, from any and all claims, damages or other sums, including attorneys' fees and costs, which Acquiror may have against them, or any of them, which could have arisen out of any act or omission occurring from the beginning of time to the effective date of this Agreement, whether now known or unknown, and whether asserted or unasserted.

4. Miscellaneous .

4.1 Severability . The invalidity of all or any part of this Release Agreement shall not render invalid the remainder of this Release Agreement. In the event a court of competent jurisdiction should decline to enforce any provision of this Release Agreement, such provision shall be reformed to the extent necessary in the judgment of such court to make such provision enforceable to the maximum extent that the court shall find enforceable.

4.2 Notices . Any notice hereunder shall be sufficient if in writing and telefaxed to the party or sent by certified mail, return receipt requested and addressed as identified in the Asset Purchase Agreement dated _____, 20__.

4.3 Governing Law . This Agreement is made and shall be construed and performed in accordance with the laws of the State of **Nevada** .

4.4 Waiver of Agreement . Any term or condition of this Release Agreement may be waived at any time by the party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the party waiving such term or condition. No waiver by any party of any term or condition of this Release Agreement, in any one or more instance, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Release Agreement on any future occasion. All remedies, either under this Release Agreement, by law or otherwise, will be cumulative and not alternative.

4.5 Headings . The headings of the sections of this Release Agreement are for convenience and reference only and are not to be used to interpret or define the provisions hereof.

4.6 Counterparts . This Release Agreement may be executed by facsimile and in two (2) or more counterparts, each of which shall be deemed an original and all of which shall constitute one (1) instrument.

IN WITNESS WHEREOF, each of the parties has caused this Release Agreement to be executed as of the Effective Date.

ACQUIROR:	TRANSFEROR:
By:_____	By:_____
Name: Title:	Name: Title:

P URCHASE A GREEMENT

B ETWEEN

GROW CONTRACTORS INC a Nevada corporation,

and

AGRI-CONTRACTORS, LLC a Colorado company

D ATED :

November 18, 2016

TABLE OF CONTENTS

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this " Agreement ") is made and entered into on the this 18th day of November, 2016 (the " Effective Date ") by and between Grow Contractors Inc, a Nevada corporation ("mCig" or "Acquiror") on the one hand and AGRI-CONTRACTORS, LLC, a Colorado company (together and/or separately as the "Transferor") on the other hand.

RECITALS

A. Transferor is in the business of sales and distribution of supplies to service the cannabis and CBD markets, and other similar products, both in retail and wholesale sales (the " Business ").

B. Transferor wishes to sell to Acquiror certain assets as described in Section 2.2 associated with Transferor's Business and Acquiror wishes to purchase such assets from Transferor, in each case on the terms and conditions set forth in this Agreement (this term and all other capitalized terms used herein having the respective meanings set forth in this Agreement).

AGREEMENTS

In consideration of the foregoing, the mutual covenants of the parties set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. Definitions . As used in this Agreement, the following terms have the respective meanings set forth below:

" Agreement " shall mean this Purchase Agreement.

" Acquiror " shall have the meaning set forth in the preamble to this Agreement.

" Acquiror's Knowledge " shall mean that any of the officers or directors of Acquiror are actually aware of a particular fact or other matter.

" Assumed Liabilities " shall have the meaning set forth in Section 2.4.

" Best Efforts " shall mean the efforts that a prudent Person who wishes to achieve a result would use in similar circumstances to achieve such result as expeditiously as reasonably possible.

" Bill of Sale " shall mean the document described in Section 6.2.1(a).

" Books and Records " shall mean all books and records of Transferor that are necessary to conduct the Business, the ownership, use, and operation of the Purchased Assets, or the payment or performance of the Assumed Liabilities, including any such records maintained on computer and all related computer software.

" Breach " shall mean any material inaccuracy in or material breach of, or any material failure to perform or comply with, any representation, warranty, covenant, obligation, or other provision of this Agreement or any document delivered pursuant to this Agreement.

" Business " shall have the meaning set forth in the Recitals.

" Business Day " shall mean any day other than a Saturday, Sunday, or other day on which commercial banks in Seattle, Washington are authorized or required by applicable Legal Requirements to be closed.

" Closing " shall mean the closing of this transaction, at which the events set forth in Section 6.2 shall occur.

" Closing Date " shall mean the date on which the Closing occurs.

" Preferred Stock " shall have the meaning set forth in Section 3.1.

" Consent " shall mean any approval, consent, ratification, waiver, or other authorization, including any Governmental Authorization.

" Contract " shall mean any agreement, contract, lease, obligation, promise, or understanding, whether written or oral and whether express or implied, that is legally binding.

" Damages " shall have the meaning set forth in Section 8.2.

" Effective Date " shall have the meaning set forth in the preamble to this Agreement.

" Excluded Assets " shall have the meaning set forth in Section 2.3.

" Governmental Authority " shall mean any national, federal, state, provincial, county, municipal, or local government, foreign or domestic, or the government of any political subdivision of the any of the foregoing, or any entity, authority, agency, ministry, or other similar body exercising executive, legislative, judicial, regulatory, or administrative authority or functions of or pertaining to the government, including any quasi-governmental entity established to perform any such functions.

" Governmental Authorization " shall mean any Consent, license, permit, waiver, or other authorization issued, granted, given, or otherwise made available by or under the authority of any Governmental Authority or pursuant to any Legal Requirement.

" Intellectual Property " shall mean (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof, (b) all trademarks, service marks, trade dress, logos, trade names, and corporate names, together with all translations, adaptation, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (c)

all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (d) all mask works and all applications, registrations, and renewals in connection therewith, I all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (f) all computer software (including data and related documentation) and (g) all other proprietary rights.

" Legal Requirement " shall mean any federal, state, local, municipal, foreign, international, multinational, or other administrative Order, constitution, law, ordinance, principle of common law, regulation, rule, statute, or treaty.

" Lien " shall mean a monetary encumbrance against a Purchased Asset.

" Ordinary Course of Business " shall mean any action taken by a Person if, and only if, such action is consistent with the past practices of such Person and is taken in the ordinary course of the normal day-to-day operations of such Person.

" Organizational Documents " shall mean (i) the articles or certificate of incorporation and the bylaws of a corporation, (ii) the partnership agreement and any statement of partnership of a general partnership, (iii) the limited partnership agreement and certificate of limited partnership of a limited partnership, (iv) any charter, operating agreement, or similar document adopted or filed in connection with the creation, formation, or organization of a Person, and (v) any amendment to any of the foregoing.

" Patents " shall mean those patents used in the Business and listed on **Exhibit 1** hereto.

" Permitted Encumbrances " shall mean those encumbrances incurred in the ordinary course of business or otherwise in existence as of the Closing Date.

" Person " shall mean an individual, partnership, corporation, limited liability company, joint stock company, trust, unincorporated organization or association, joint venture, or other organization, whether or not a legal entity, or a Governmental Authority.

" Possession Date " shall mean 12:01 a.m., on the day following the Closing Date.

" Proceeding " shall mean any action, arbitration, audit, hearing, litigation, or suit (whether civil, criminal, administrative, investigative, or informal) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Authority, arbitrator, or mediator.

" Purchase Price " shall have the meaning set forth in Section 3.1.

" Purchased Assets " shall have the meaning set forth in Section 2.2.

" Release Agreement " shall mean the Agreement described in Section 8.1.1.

" Representative " shall mean, with respect to a particular Person, any director, officer, employee, agent, consultant, advisor, or other representative of or to such Person, including such Person's attorneys, accountants, and financial advisors.

" Transferor " shall have the meaning set forth in the preamble to this Agreement.

" Transferor Shareholders " shall have the meaning set forth in Section 3.2.

" Transferor's Knowledge " shall mean that any of the officers or directors of Transferor are actually aware of a particular fact or other matter.

" Tax " shall mean any tax (including any income tax, capital gains tax, value-added tax, sales tax, excise tax, property tax, gift tax, or estate tax), levy, assessment, tariff, duty (including any customs duty), deficiency, or other fee, and any related charge or amount (including any fine, penalty, interest, or addition to tax), imposed, assessed, or collected by or under the authority of any Governmental Authority or payable pursuant to any tax-sharing agreement or other Contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee

2. Purchase and Sale of Assets .

2.1 Purchase and Sale . Transferor agrees to transfer and sell the assets to Acquiror, and Acquiror agrees to acquire the assets from Transferor, in each case for the price

and on the terms and conditions set forth in this Agreement. Upon payment of the Purchase Price as described in Section 3 hereof and the satisfaction of the other terms of this Agreement, Transferor shall sell, transfer, assign and deliver all acquired assets to Acquiror on the Closing Date free and clear of any and all liens, encumbrances, security interests or obligations, except for Permitted Encumbrances.

2.2 Purchased Assets . The assets to be sold by Transferor to Acquiror pursuant to this Agreement (the " Purchased Assets ") are listed in **Exhibit 2.2** , with the exception of the Excluded Assets described in Section 2.3.

2.3 Excluded Assets . All assets of Transferor not specifically included in the Purchased Assets (the " Excluded Assets ") shall not be acquired by Acquiror pursuant to this Agreement.

2.4 Assumption of Certain Liabilities . Acquiror shall at Closing assume certain liabilities of Transferor described on **Exhibit 2.4** (the " Assumed Liabilities "), but excluding any other liabilities of Transferor whatsoever.

2.5 Excluded Liabilities . Acquiror shall not assume any of the liabilities of Transferor not identified in Section 2.4 above. Without limiting the generality of the foregoing, Acquiror shall not assume any liabilities:

(a) attributable to any of the Excluded Assets;

(b) liabilities for any income, gain, profit or similar Tax arising out of or resulting from the sale, conveyance, transfer, assignment and delivery of the Purchased Assets provided for in this Agreement;

(c) all Taxes imposed on or with respect to the Business for all Pre-Closing Periods;

(d) liabilities for any sales, exercise, transfer or other tax on or arising out of the sale, conveyance, transfer, assignment or delivery of the Purchased Assets;

(e) liabilities and obligations pursuant to any agreements relating to the employment of any individual in connection with Transferor's business, including, but not limited to liabilities for any option, warrant, bonus, performance, golden parachute, consulting, or similar liability;

(f) liabilities and obligations (whether fixed or contingent) with respect to the Employee Benefit Plans; and

(g) all liabilities and obligations arising out of the Excluded Assets. (h) liability for any contract not assigned to Acquiror; (i) liability for any employee or stockholder loan;

(j) liability for any pending lawsuits, including those listed on Schedule 7.1.15; and

(k) liability for Transferor's costs, fees, and expenses of this transaction.

3. Purchase Price and Payment.

3.1 Purchase Price . In consideration of (i) the sale, transfer and conveyance to Acquiror of the Assets, Acquiror shall, at the Closing, transfer to Transferor One Million Shares

(1,000,000) shares of Common Stock of **MCig Corporation** . The consideration described in this Section 3.1 is herein referred to as the " Purchase Price ." The conversion price shall be the average price of the previous five days of the market closing price from the day of closing.

3.2 Third Party Acknowledgments . **AGRI-CONTRACTORS, LLC** unanimously approved the terms of this Agreement at its December 6, 2016 Board of Director Meeting, and hereunder acknowledges the above referenced transfer of Assets to the Transferor. **AGRI-CONTRACTORS, LLC** allocates the distribution of the stock which constitutes the Purchase Price under this Agreement to its Owners on a prorate basis. A complete list of the distribution of the Common Stock of MCig is listed in **Schedule 3.2** .

3.3 Tax and Accounting Consequences . As a result of the transfer of the Assets to Transferor, in accordance with the terms and conditions set forth in this Agreement, there may be certain Tax and accounting consequences to the shareholders of the Transferor (the " Transferor Shareholders "), who will be the ultimate recipients of the Common Shares.

ACQUIROR MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, NOR ARE ANY INTENDED OR SHOULD ANY BE INFERRED, REGARDING THE ECONOMIC RETURN OR THE TAX CONSEQUENCES TO THE TRANSFEROR SHAREHOLDERS WHO WILL ACQUIRE THE COMMON SHARES. ACQUIROR, THEREFORE, RECOMMENDS THAT THE TRANSFEROR SHAREHOLDERS CONSULT THEIR OWN ATTORNEYS, ACCOUNTANTS AND FINANCIAL ADVISORS ABOUT THE LEGAL AND TAX CONSEQUENCES AND THE FINANCIAL RISKS AND MERITS OF RECEIVING THE COMMON SHARES.

3.4 Price Reduction Upon Certain Events . In the event of any damage, loss, destruction or condemnation of any of the assets constituting the Business (excluding damage or destruction caused by Acquiror or any of its affiliates), or any taking of any of the assets constituting the Business by eminent domain, between the Effective Date and the Closing Date, Acquiror shall have the right, by notice given to Transferor within ten (10) days of such event (but in any case prior to the Closing Date), to terminate this Agreement. If Acquiror does not elect to terminate this Agreement, the Purchase Price shall be reduced by an amount equal to the resulting reduction in the value of the Purchased Assets, which shall be attributed to the Transferor whose respective Purchased Assets were so damaged, lost, destroyed or condemned. Transferor shall be entitled to retain any insurance proceeds or condemnation awards paid or payable on account of such damage or destruction or such taking. Transferor and Acquiror agree to negotiate in good faith regarding the reduction in value resulting from any damage to or destruction or condemnation of the Purchased Assets.

3.5 Right of Repurchase. In the event the Acquiror decides to sell the assets acquired in this transaction, or upon mutual consent of the Parties, the Transferor shall have the right to repurchase the assets in exchange for the number of shares issued to the Transferor as part of the Purchase Price.

4. Pre-Closing Matter.

4.1 Operation of Business . Between the Effective Date and the Closing Date, Transferor shall:

4.1.1 Continue to conduct the Business and operate and maintain the assets used in the Business in the Ordinary Course of Business;

4.1.2 Not sell, lease, or otherwise transfer or dispose of any assets used in the Business, or any interest therein, other than transfers and dispositions made in the Ordinary Course of Business or transfers and dispositions otherwise authorized by its President;

4.1.3 Not permit or allow any assets used in the Business to become subject to any additional Lien (other than Permitted Encumbrances);

4.1.4 Maintain the levels of Inventories and supplies in the Business at customary levels; and
4.1.5 Use its Best Efforts to maintain the relations and goodwill with suppliers, customers, and others having business relationships with Transferor in connection with the Business.

4.2 Consents .

4.2.1 Acquiror and Transferor shall use their respective Best Efforts, each at its own expense, to obtain all such Consents as soon as practicable after the Effective Date required to transfer the assets to Acquiror. In the event any such Consent is not obtained by the Closing Date, Transferor agrees to continue to use its Best Efforts thereafter, in cooperation with Acquiror, to obtain such Consent as soon as practicable.

4.2.2 Acquiror shall provide all cooperation reasonably requested by Transferor in connection with obtaining the Consents, including the provision of any information relating to Acquiror that may be requested by the Person from whom any such Consent is required.

4.3 Notification of Certain Events .

4.3.1 By Transferor . Between the Effective Date and the Closing Date, Transferor shall give prompt notice to Acquiror in the event Transferor becomes aware of (i) any fact or condition that causes or constitutes a Breach of any representation or warranty of Transferor set forth herein as of the Effective Date, (ii) any fact or condition that would cause or constitute a Breach of any such representation or warranty had such representation or warranty been made as of the time of occurrence or discovery of such fact or condition, (iii) the occurrence of any Breach of any covenant of Transferor in this Agreement, or (iv) the occurrence of any event that Transferor believes will make the satisfaction of any of the conditions set forth in Section 5 impossible or unlikely. In the event that any fact or condition of the type described in the foregoing clause (i) or (ii) would have required any change in any of the Schedules or Exhibits to this Agreement if such fact or condition had occurred or been known as of the Effective Date, Transferor shall promptly deliver to Acquiror a supplement to such Schedule or Exhibit specifying the necessary change.

4.3.2 By Acquiror . Between the Effective Date and the Closing Date, Acquiror shall give prompt notice to Transferor in the event Acquiror becomes aware of (i) any fact or condition that causes or constitutes a Breach of any representation or warranty of Acquiror set forth herein as of the Effective Date, (ii) any fact or condition that would cause or constitute a Breach of any such representation or warranty had such representation or warranty been made as of the time of occurrence or discovery of such fact or condition, (iii) the occurrence of any Breach of any covenant of Acquiror in this Agreement, or (iv) the occurrence of any event that Acquiror believes will make the satisfaction of any of the conditions set forth in Section 5 impossible or unlikely. In the event that any fact or condition of the type described in the foregoing clause (i) or (ii) would have required any change in any of the Schedules or Exhibits to this Agreement if such fact or condition had occurred or been known as of the

Effective Date, Acquiror shall promptly deliver to Transferor a supplement to such Schedule or Exhibit specifying the necessary change.

4.3.3 No Effect on Remedies . The delivery of a notice or supplement pursuant to Sections 4.3.1 and 4.3.2 shall have no effect on the remedies of any party hereunder.

4.4 Access to Information . Between the Effective Date and the Closing Date, Transferor shall, upon reasonable notice from Acquiror, (i) give Acquiror and its representatives access (during normal business hours), in a manner so as not to interfere with Transferor's normal operations and subject to reasonable restrictions imposed by any such representative, to all key employees employed in the Business and to all the Books and Records relating thereto, and (ii) cause its representatives to make available to Acquiror for the purpose of making copies thereof such financial and operating data and other information with respect to the Business as Acquiror may reasonably request.

4.5 Public Announcements . Except as otherwise required by applicable Legal Requirements, any public announcement or similar publicity with respect to this Agreement or this transaction shall be issued, if at all, only with such contents, at such time and in such manner as the parties may agree. If a party believes that it is required by applicable Legal Requirements to make any such public announcement, it shall first provide to the other party the content of the proposed announcement, the reasons such announcement is required to be made, and the time and place that the announcement will be made.

5. Conditions to Closing .

5.1 Transferor's Conditions . Transferor's obligation to close this transaction shall be subject to and contingent upon the satisfaction (or waiver by Transferor in writing in its sole discretion) of each of the following conditions:

5.1.1 All representations and warranties of Acquiror set forth in this Agreement and each such representation and warranty shall have been accurate in all respects as of the Effective Date and shall be accurate in all respects as of the Closing Date, as if made on the Closing Date.

5.1.2 (i) All of the covenants and obligations that Acquiror is obligated to perform or comply with pursuant to this Agreement prior to or at the Closing and each such covenant and obligation (considered individually) shall have been performed and complied with in all respects; and (ii) Acquiror shall have made the deliveries of documents required to be made pursuant to Section 6.2.2; provided , however , that with respect to the covenants and obligations described in this Section 5.1.2, a failure of the foregoing condition shall not be deemed to have occurred unless (a) Transferor has given Acquiror notice specifying the nature of any Breach of such covenants or obligations in reasonable detail, and (b) either (y) Acquiror has failed to cure such Breach within ten (10) business days after such notice is given, or (z) if such Breach cannot be cured solely by the payment of money and cannot reasonably be cured within ten (10) business days despite the exercise of Best Efforts, Acquiror has failed to commence curative action within ten (10) Business Days after such notice is given or thereafter fails to complete the cure of such Breach as soon as practicable.

5.2 Acquiror's Conditions . Acquiror's obligation to close this transaction shall be subject to and contingent upon the satisfaction (or waiver by Acquiror in its sole discretion) of each of the following conditions:

5.2.1 All representations and warranties of Transferor set forth in this Agreement shall have been accurate as of the Effective Date and shall be accurate as of the Closing Date, as if made on the Closing Date.

5.2.2 All of the covenants and obligations that Transferor are obligated to perform or comply with pursuant to this Agreement prior to or at the Closing shall have been performed and complied with; and (ii) Transferor shall have made the deliveries of documents required to be made pursuant to Section 6.2.1.

5.2.3 To the extent, if any, that Acquiror is required to obtain any Governmental Authorizations that relate to the Business or the ownership, use, and operation of the assets used in the Business, Acquiror shall have obtained such Governmental Authorizations and such Governmental Authorizations shall be in full force and effect as of the Closing Date or subject to issuance to Acquiror upon consummation of this transaction.

5.2.4 As of the Closing Date, there shall not be in effect any legal requirement or any injunction or other order that prohibits the transfer of any portion of the Purchased Assets by Transferor to Acquiror.

5.2.5 Between the Effective Date and the Closing Date, there shall have been no damage to or destruction of any of the assets used in the Business (excluding damage or destruction (i) caused by Acquiror or any of its affiliates; or (ii) that does not have a material adverse effect on the Businesses), nor any taking of any material portion of the assets used in the Business by eminent domain.

5.2.6 Since the Effective Date, there shall not have been commenced or threatened against Acquiror or Transferor or any related person of Acquiror or Transferor any proceeding (i) seeking damages or other relief in connection with, any aspect of this transaction, or (ii) that could reasonably be expected to have the effect of preventing this transaction or making this transaction illegal.

5.2.7 Transferor shall have executed a Release Agreement, on terms and conditions acceptable to Acquiror.

5.2.8 Transferor shall have executed all documents necessary to transfer and assign any of the Transferor's Intellectual Property which is being transferred pursuant to this Agreement.

5.2.9 The Shareholders of Transferor shall have approved the transaction.

6. Closing .

6.1 Time and Place of Closing . The Closing shall take place at the corporate offices of ACT or at such other location as the parties may mutually agree. Subject to the provisions of Section 7, the Closing shall take place commencing at 2:00 p.m. (Eastern Standard Time) on November 30 **, 2016** .

6.2 Closing Deliveries.

6.2.1 At the Closing, Transferor shall deliver, or cause to be delivered, to Acquiror:

(a) A fully executed Bill of Sale and Assignment and Assumption in the form of **Exhibit 6.2.1** to this Agreement (the " Bill of Sale ") conveying to Acquiror all personal property to be acquired by Acquiror pursuant to this Agreement and providing for (i) the assignment to Acquiror of the contract rights, and all other intangible personal property included in the assets used in the Business and (ii) Acquiror's assumption of the Assumed Liabilities;

A Certificate of an officer of Transferor (i) certifying to the attached resolutions of the board of directors and shareholders, if the board of directors deems it necessary, of Transferor authorizing this transaction, and (ii) attesting to the incumbency of the authorized officers of Transferor executing this Agreement and the Transferor's closing documents;

A duly authorized and executed Release Agreement required by Section 8.1.1;

A Certificate of an authorized officer of the Transferor certifying as to the accuracy of the Transferor's representations and warranties under Section 7.1;

All Consents necessary to permit Transferor to transfer the Purchased Assets to Acquiror; and

All necessary documents to transfer and assign any Intellectual Property which is being transferred pursuant to this Agreement; and

6.2.2 At the Closing, Acquiror shall deliver, or cause to be delivered, to Transferor:

(a) A counterpart copy of the Bill of Sale, executed by Acquiror;

A Certificate of an authorized officer of Acquiror (i) certifying attached resolutions of the boards of directors and shareholders of Acquiror authorizing this transaction, and (ii) attesting to the incumbency of the authorized officer of Acquiror executing this Agreement and the Acquiror's closing documents;

A duly authorized and executed Release Agreement as required by Section 8.1.1;

A Certificate of an authorized officer of the Acquiror certifying as to the accuracy of the Acquiror's representations and warranties under Section 7.2;

A Certificate of an authorized officer of the Acquiror certifying the number of shares that Transferor shall be entitled to in accordance with the terms and conditions of this Agreement; and

A counterpart copy of necessary documents to transfer and assign any Intellectual Property which is being transferred pursuant to this Agreement.

6.3 Closing Costs . Acquiror shall pay all closing costs associated with the Closing: (i) recording fees with respect to the assignment of any Intellectual Property and (ii) all sales and excise taxes due in connection with this transaction.

6.4 Possession . Acquiror shall be entitled to possession of the Purchased Assets on the Possession Date as that term is defined in Section 1.

7. Representations and Warranties .

7.1 Transferor's Representations and Warranties. warrants to Acquiror as follows:

Transferor represents and

7.1.1 Organization and Good Standing . Transferor is a corporation, duly formed, validly existing and in good standing under the laws of the State of **Nevada** . Transferor has the corporate power to own its properties and to carry on its business as now being conducted. Transferor is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which the failure to be so qualified would have a material adverse effect on the business, assets (including intangible assets), prospects, financial condition or results of operations of Transferor (hereinafter referred to as a "MATERIAL ADVERSE EFFECT"). Transferor has delivered a true and correct copy of its Articles of Incorporation and By-laws, each as amended to date, to Acquiror.

7.1.2 Title to Assets . Transferor has good and marketable title to the assets used in the Business, free and clear of all mortgages, pledges, liens, encumbrances, security interests, equities, charges and restrictions of any nature whatsoever, except such Permitted Encumbrances, as that term is defined in Section 1. By virtue of the deliveries made at the Closing, Acquiror will obtain good and marketable title to the Purchased Assets, free and clear of all liens, mortgages, pledges, encumbrances, security interests, equities, charges and restrictions of any nature whatsoever, except any Permitted Encumbrances.

7.1.3 Authority; No Conflict .

7.1.3 This Agreement constitutes the legal, valid, and binding obligation of Transferor, enforceable against Transferor in accordance with its terms

Upon its execution and delivery by Transferor at the Closing, the Transferor's closing documents will constitute the legal, valid, and binding obligations of Transferor, enforceable against Transferor in accordance with its respective terms. Transferor has full corporate power, authority, and capacity to execute and deliver this Agreement and Transferor's closing documents and to perform its obligations hereunder and thereunder. Without limiting the generality of the foregoing, the Boards of Directors, and shareholders, if the Boards of Directors deems it necessary, of Transferor has approved this Agreement and the transactions contemplated hereby.

Neither the execution and delivery of this Agreement, nor the performance of any of Transferor's obligations hereunder, nor the consummation of the transactions contemplated by this Agreement will, directly or indirectly (with or without notice, lapse of time, or both), (i) contravene, conflict with or result in a violation of any provision of Transferor's Organizational Documents or any resolution adopted by the Boards of Directors or shareholders of Transferor; (ii) contravene, conflict with, or result in a violation of, or give any Governmental Authority or other person the right to challenge this transaction or to exercise any remedy or obtain any relief under, any legal requirement or any order to which Transferor or any of the assets used in the Business is subject; (iii) contravene, conflict with, or result in a violation of any of the terms or requirements of any governmental authorization; (iv) contravene, conflict with, or result in a violation or breach of any provision of, or give any person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, or modify, any Contract; or (v) result in the imposition or creation of any lien upon or with respect to any of the assets used in the Business; except, in the case of clauses (i), (ii) and (iii) above, for contraventions, conflicts or violations which do not have a material adverse effect on the ability of Transferor to consummate the transactions contemplated hereby.

Transferor represents and warrants that it is not and will not be required to give any notice to, make any filing with, or obtain any material Consent from any person in connection with the execution and delivery of this Agreement, the performance of its obligations hereunder, or the consummation of this transaction, other than the Consents described on **Exhibit 4.2.1** except for Consents, the failure of which to obtain would not have a material adverse effect on the ability of the Transferor to consummate the transactions contemplated hereby.

7.1.4 Books and Records . The Books and Records are complete and correct in all material respects and have been maintained in accordance with sound business practices.

7.1.5 Possession of Assets . The assets used in the Business are assets of the Transferor as of the Effective Date and are in Transferor's possession as of the Effective Date, and that Transferor has all requisite title or license to convey the Purchased Assets to Acquiror as contemplated by the Agreement.

7.1.6 No Material Adverse Changes . There have been no material adverse changes to the Business, operations or financial condition other than as disclosed to Acquiror.

7.1.7 Certain Proceedings . No proceeding is pending or, to Transferor's Knowledge, has been threatened against Transferor that challenges, or could reasonably be expected to have the effect of preventing, making illegal, or otherwise materially interfering with, this transaction.

7.1.8 Transferor Financial Statements .

(a) Transferor has heretofore furnished Acquiror with financial statements in respect of the Business for the fiscal years ending December 31, 2013 (the "Financial Statements"), (b) The Financial Statements were prepared in accordance with generally accepted accounting terms as utilized in the United States,

consistently applied, and accurately present the financial condition of the Transferor for the periods presented.

7.1.9 To the Knowledge of Transferor, since **June 1, 2016** , (i) there has been no material adverse change in the Condition of the Business, (ii) the Business has, in all material respects, been conducted in the ordinary course of business consistent with past practice, (iii) there has not been any material obligation or liability (contingent or otherwise) incurred by Transferor with respect to the Business other than obligations and liabilities incurred in the ordinary course of business, (iv) there has not been any purchase, sale or other disposition, or any agreement or other arrangement, oral or written, for the purchase, sale or other disposition, of any properties or assets having a value in excess of $5,000 in any case other than in the ordinary course of business, and (v) none of the assets of Transferor have been used to reduce liabilities which are not being assumed by Acquiror.

7.1.10 No Undisclosed Liabilities . Except as set forth on the Balance Sheet, included in the Financial Statements, Transferor does not have any liability, indebtedness, obligation, expense, claim, deficiency, guaranty or endorsement of any type, in excess of $5,000 individually or $10,000 in the aggregate, whether accrued, absolute, contingent, matured, unmatured or other (whether or not required to be reflected in financial statements in accordance with generally accepted accounting principles).

7.1.11 Tax and Other Returns and Reports .

(a) Definition of Taxes. For the purposes of this Agreement, "TAX" or, collectively, "TAXES," shall have the meaning set forth in Article 1 hereof.

(b) Tax Returns and Audits.

7.1.11 Except as set forth in Schedule

(i) Transferor as of the Closing Date will have prepared and filed all required federal, state, local and foreign returns, estimates, information statements and reports ("RETURNS") relating to any and all Taxes concerning or attributable to Transferor, its operations and the Business and such Returns will be true and correct in all material respects and will have been completed in accordance with applicable law in all material respects.

(ii) Transferor as of the Closing Date: (A) will have paid or accrued all material Taxes it is required to pay or accrue and (B) will have withheld with respect to its employees all federal and state income taxes, FICA, FUTA and other Taxes required to be withheld.

(iii) Transferor has not been adjudicated delinquent by any Tax Authority in the payment of any Tax nor is there any Tax deficiency outstanding, proposed or assessed against Transferor, nor has Transferor executed any waiver of any statute of limitations on or extending the period for the assessment or collection of any Tax.

(iv) No audit or other examination of any Return of Transferor is presently in progress, nor has Transferor been notified of any request for such an audit or other examination.

(v) Transferor does not have any material liabilities for unpaid federal, state, local and foreign Taxes which have not been accrued or reserved against on the current Balance Sheet, whether asserted or unasserted, contingent or otherwise, and Transferor has no knowledge of any basis for the assertion of any such liability attributable to Transferor, its assets or operations.

(vi) Transferor has provided to Acquiror copies of all federal and state income and all state sales and use Tax Returns filed for fiscal years 2015, if applicable.

(vii) There are (and as of immediately following the Closing there will be) no liens, pledges, charges, claims, security interests or other encumbrances of any sort ("LIENS") on the assets of Transferor relating to or attributable to Taxes.

(viii) Transferor has no knowledge of any basis for the assertion of any claim relating or attributable to Taxes, which if adversely determined, would result in any Lien on the assets of Transferor.

(ix) None of Transferor's assets are treated as "tax- exempt use property" within the meaning of Section 168(h) of the Code.

(x) As of the Closing Date, Transferor will not be a party to any contract, agreement, plan or arrangement, including but not limited to the provisions of this Agreement, covering any employee or former employee of Transferor that could obligate Transferor to pay any amount that would not be deductible pursuant to Section 280G of the Code.

(xi) Transferor has not filed any consent agreement under Section 341(f) of the Code nor agreed to have Section 341 (f)(2) of the Code apply to any disposition of a subsection (f) asset (as defined in Section 341(f)(4) of the Code) owned by Transferor.

(xii) Transferor is not a party to a tax sharing or allocation agreement nor does Transferor owe any amount under any such agreement.

(xiii) Transferor is not, and has not been at any time, a "United States real property holding corporation" within the meaning of Section 897I(2) of the Code.

(xiv) Transferor's tax basis in its assets for purposes of determining its future amortization, depreciation and other federal income tax deductions is accurately reflected on Transferor's tax books and records in all material respects.

7.1.12 Agreements, Contracts and Commitments . Except as set forth on herewith, Transferor does not have, is not a party to nor is it bound by:

(14) any collective bargaining agreements,

(ii) any agreements or arrangements that contain any severance pay or post-employment liabilities or obligations,

(iii) any bonus, deferred compensation, pension, profit sharing or retirement plans, or any other employee benefit plans or arrangements,

(iv) any employment or consulting agreement, contract or commitment with an employee or individual consultant or salesperson or consulting or sales agreement, contract or commitment with a firm or other organization,

(v) any agreement or plan, including, without limitation, any stock option plan, stock appreciation rights plan or stock purchase plan, any of the benefits of which will be increased, or the vesting of benefits of which will be accelerated, by the occurrence of any of the transactions contemplated by this Agreement or the value of any of the benefits of which will be calculated on the basis of any of the transactions contemplated by this Agreement,

(vi) any fidelity or surety bond or completion bond,

(vii) any lease of personal property having a value individually in excess of $5,000,

(viii) any agreement of indemnification or guaranty,

(ix) any agreement, contract or commitment containing any covenant limiting the freedom of Transferor to engage in any line of business or to compete with any person,

(x) any agreement, contract or commitment relating to capital expenditures and involving future payments in excess of $5,000,

(xi) any agreement, contract or commitment relating to the disposition or acquisition of material assets or any interest in any business enterprise outside the ordinary course of the Business,

(xii) any mortgages, indentures, loans or credit agreements, security agreements or other agreements or instruments relating to the borrowing of money or extension of credit, including guaranties referred to in clause (viii) hereof,

(xiii) any purchase order or contract for the purchase of raw materials involving $10,000 or more other than purchases in the ordinary course of business,

(xiv) any construction contracts,

(xv) any distribution, joint marketing or development agreement, or

(xvi) any other agreement, contract or commitment that involves $5,000 or more and is not cancelable without penalty within thirty (30) days.

(xvii) Except for such alleged breaches, violations and defaults, and events that would constitute a breach, violation or default with the lapse of time, giving of notice, or both, all as noted in Schedule 7.1.12, Transferor has not breached, violated or defaulted under, or received notice that it has breached, violated or defaulted under, any of the terms or conditions of any agreement, contract or commitment to which it is a party or by which it is bound and which are required to be set forth in Schedule 7.1.12 (any such agreement, contract or commitment, a "CONTRACT") except for breaches, violations or defaults that will not have a Material Adverse Effect. Each agreement, contract or commitment set forth in any of Transferor Schedules is in full force and effect and, except as otherwise disclosed in Schedule 3.12(b), is not subject to any default thereunder of which Transferor has knowledge by any party obligated to Transferor pursuant thereto.

7.1.13 Governmental Authorization . **Exhibit 7.1.13** accurately lists each material consent, license, permit, grant or other authorization issued to Transferor by a governmental entity (i) pursuant to which Transferor currently operates or holds any interest in any of its properties or (ii) which is required for the operation of its business or the holding of any such interest (herein collectively called "TRANSFEROR AUTHORIZATIONS"), which Transferor Authorizations are in full force and effect and constitute all Transferor Authorizations required to permit Transferor to operate or conduct its business substantially as it is currently and has been conducted or hold any interest in its properties or assets.

7.1.14 Litigation . Except as set forth in **Exhibit 7.1.14** , there is no action, suit, claim or proceeding of any nature pending or, to the knowledge of Transferor, threatened against Transferor, its properties or any of its officers or directors in their capacity as such, nor, to the knowledge of Transferor, is there any basis therefore. Except as set forth in Schedule 7.1.15, there is no investigation pending or to the knowledge of Transferor, threatened against Transferor, its properties or any of its officers or directors (nor, to the Knowledge of Transferor, is there any basis therefore) by or before any governmental entity. **Schedule 7.1.14** sets forth, with respect to any pending or threatened action, suit, proceeding or investigation, the forum, the parties thereto, the subject matter thereof and the amount of damages claimed or other remedy requested. Except as set forth in Schedule 7.1.15, no governmental entity has at any time challenged or questioned the legal right of Transferor to manufacture, offer or sell any of its products in the present manner or style thereof. Neither Transferor nor any of the Purchased Assets is subject to any material order, writ, injunction, judgment or decree of any court or other governmental agency or authority.

7.1.15 Accounts Receivable . There is no Accounts Receivable except as shown on the Financial Statements.

7.1.16 Minute Books . The minutes of corporate proceedings and consents of Transferor and Subsidiary made available to counsel for Acquiror are the only minute books of Transferor and Subsidiaries and contain a reasonably accurate summary of the meetings of directors (or committees thereof) referred to therein.

7.1.17 Environmental Matter .

(a) Hazardous Material . No underground storage tanks and no amount of any substance that has been designated by any Governmental Entity or by applicable federal, state or local law to be radioactive, toxic, hazardous or otherwise a danger to health or the environment, including, without limitation, PCBs, asbestos, petroleum, urea-formaldehyde and all substances listed as hazardous substances pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, or defined as a hazardous waste pursuant to the United States Resource Conservation and Recovery Act of 1976, as amended, and the regulations promulgated pursuant to said laws, (a "HAZARDOUS MATERIAL"), but excluding office and janitorial supplies or similar items, are present in any material quantities, as a result of the deliberate actions of Transferor, or, to Transferor's knowledge, as a result of any actions of any third party or otherwise, in, on or under any property, including the land and the improvements, ground water and surface water thereof, that Transferor has at any time owned, operated, occupied or leased, except for such presence as will not have a Material Adverse Effect.

(b) Hazardous Materials Activities . Transferor has not transported, stored, used, manufactured, disposed of, released or exposed its employees or others to Hazardous Materials in violation of any law in effect on or before the Closing Date, nor has Transferor disposed of, transported, sold, or manufactured any product containing a Hazardous Material (collectively "HAZARDOUS MATERIALS ACTIVITIES") in violation of any rule, regulation, treaty or statute promulgated by any Governmental Entity in effect prior to or as of the date hereof to prohibit, regulate or control Hazardous Materials or any Hazardous Material Activity, except for such Hazardous Material Activity as would not have a Material Adverse Effect.

I Permits . Transferor currently holds all environmental approvals, permits, licenses, clearances and consents (the "ENVIRONMENTAL PERMITS") necessary for the conduct of Transferor's Hazardous Material Activities and other businesses of Transferor as such activities and businesses are currently being conducted.

(d) Environmental Liabilities . No material action, proceeding, revocation proceeding, amendment procedure, writ, injunction or claim is pending, or to Transferor's knowledge, threatened concerning any Environmental Permit, Hazardous Material or any Hazardous Materials Activity of Transferor. Transferor is not aware of any fact or circumstance which could involve

Transferor in any material environmental litigation or impose upon Transferor any material environmental liability.

I Capital Expenditures . Transferor is not aware of any material capital expenditures which are required in order for it to comply with Environmental Laws.

7.2 Acquiror's Representations and Warranties . Acquiror represents and warrants to Transferor as follows:

7.2.0 Organization and Good Standing . Acquiror is a corporation duly incorporated, validly existing and in good standing under the laws of the State of **Nevada** .

7.2.1 Authority; No Conflict.

(a) This Agreement constitutes the legal, valid, and binding obligation of Acquiror, enforceable against Acquiror in accordance with its terms. Upon their execution and delivery by Acquiror at the Closing, the Acquiror's closing documents will constitute the legal, valid, and binding obligations of Acquiror, enforceable against Acquiror in accordance with their respective terms. Acquiror has full corporate power, authority, and capacity to execute and deliver this Agreement and the Acquiror's closing documents and to perform its obligations hereunder and thereunder. Without limiting the generality of the foregoing, the Board of Directors of the Acquiror has approved this Agreement and the transactions contemplated hereby.

(b) Neither the execution and delivery of this Agreement, nor the performance of any of Acquiror's obligations hereunder, nor the consummation of this transaction will, directly or indirectly (with or without notice, lapse of time, or both), (i) contravene, conflict with, or result in a violation of any provision of Acquiror's Organizational Documents or any resolution adopted by the Board of Directors or the shareholders of Acquiror; or (ii) give any Person the right to prevent or otherwise interfere with this transaction pursuant to any legal requirement or order to which Acquiror is subject or any Contract to which Acquiror is a party or by which it or any of its assets is bound.

7.2.2 Certain Proceedings . No proceeding is pending or, to Acquiror's Knowledge, has been threatened against Acquiror that challenges, or could reasonably be expected to have the effect of preventing, making illegal, or otherwise materially interfering with, this transaction.

7.2.3 Title to Shares . The Shares are duly authorized and, when issued, upon the consummation of the transactions set forth herein, Transferor will own the Shares free and clear of all liens and encumbrances whatsoever.

8. Additional Covenants .

8.1 Covenants by Each Party.

8.1.1 Release of Acquiror and Transferor . At Closing, Acquiror and Transferor shall enter into a release agreement (the " Release Agreement ") in the form of **Exhibit 8.1.1** attached hereto.

8.1.2 Cooperation . Each of the parties hereto shall cooperate with the other parties in every reasonable way in carrying out the transactions contemplated herein, and in delivering all documents and instruments deemed reasonably necessary or useful by counsel for each party hereto.

8.1.3 Expenses . Except as otherwise provided in this Agreement, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs or expenses.

8.1.4 Further Assurances . From time to time after the Closing, Transferor will, at its own expense, execute and deliver, or cause to be executed and delivered, such documents to Acquiror as Acquiror may reasonably request in order more effectively to vest in Acquiror good title to the Purchased Assets and otherwise to consummate the transactions contemplated by this Agreement, and from time to time after the Closing, Acquiror will, at its own expense, execute and deliver such documents to Transferor as Transferor may reasonably request in order more effectively to consummate the assumption of the Assumed Liabilities by Acquiror and otherwise to consummate the transactions contemplated by this Agreement.

8.2 Indemnification.

8.2.1 By Acquiror . In the event the Acquiror (i) breaches or is deemed to have breached any of the representations and warranties contained in this Agreement or (ii) fails to perform or comply with any of the covenants and agreements set forth in this Agreement, then the Acquiror shall hold harmless, indemnify and defend Transferor, and each of its directors, officers, shareholders, attorneys, representatives and agents, from and against any Damages incurred or paid by Transferor to the extent such Damages arise or result from a breach by the Acquiror of any such representations and warranties or a violation of any covenant in this Agreement.

8.2.2 By Transferor . In the event Transferor (i) breaches or is deemed to have breached any of the representations and warranties contained in this Agreement or (ii) fails to perform or comply with any of the covenants and agreements set forth in this Agreement, Transferor shall hold harmless, indemnify and defend Acquiror, and each of its directors, officers, shareholders, attorneys, representatives and agents, from and against any Damages incurred or paid by the Acquiror to the extent such Damages arise or result from a breach by Transferor of any such representations or warranties or a violation of any covenant in this Agreement. For purposes of this Section 8.2, " Damages " shall mean any and all costs, losses, damages, liabilities, demands, claims, suits, actions, judgments, causes of action, assessments or expenses, including interest, penalties, fines and attorneys' fees and expenses incident thereto, incurred in connection with any claim for indemnification arising out of this Agreement, and any and all amounts paid in settlement of any such claim.

8.3 Retention of and Access to Books and Records . Transferor agree to retain the Books and Records for a period of five (5) years after the Closing Date and to make them available to Acquiror for the purpose of making copies thereof at Acquiror's expense of.

9. Termination .

9.1 Termination Events . Except as otherwise provided for, this Agreement may, by notice given prior to or at the Closing (which notice shall specify the grounds for termination), be terminated by mutual written agreement of both Transferor and Acquiror.

9.2 Effect of Termination . Each party's right of termination under Section 9.1 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination shall not constitute an election of remedies. If this Agreement is terminated pursuant to Section 9.1, all further obligations of the parties under this Agreement shall thereupon terminate, except that Sections 10 and 12 shall survive; provided , however , that if this Agreement is terminated by a party because of a material Breach of this Agreement by any of the parties or because one or more of the conditions to the terminating party's obligations under this Agreement is not satisfied as a result of any party's failure to comply with its obligations under this Agreement, the terminating party's right to pursue all legal remedies shall survive such termination unimpaired.

10. Default; Remedies.

10.1 Time of Essence . Time is of the essence of the parties' obligations under this Agreement.

10.2 Remedies . If any party fails to perform its obligations under this Agreement, the other party shall be entitled to pursue all remedies available at law or in equity, including, in the case of a failure to consummate this transaction following satisfaction (or waiver) of the conditions set forth in Section 6.1 or 6.2, as applicable, the remedy of specific performance; provided , however , that except with respect to a failure to close this transaction as provided herein, a party shall not be in default hereunder unless (i) the non-Breaching party has given the Breaching party notice specifying the nature of the Breach in reasonable detail, and (ii) the Breaching party either (a) has failed to cure such Breach within ten (10) Business Days after such notice is given, or (b) if such Breach cannot be cured solely by the payment of money and cannot reasonably be cured within ten (10) Business Days despite the exercise of Best Efforts, has failed to commence curative action within ten (10) Business Days after such notice is given or thereafter fails to complete the cure of such Breach as soon as practicable.

10.3 First Right of Refusal .

Agri-Contractors, LLC retains the First Right of Refusal regarding the repurchase of common stock should MCIG decide to sell its interest in **Agri-Contractors, LLC** at any time in the future.

10.4 Default of Terms and Conditions . In the event that Acquiror fails to pay the liabilities in accordance with the terms and conditions established, Transferor may repurchase the Purchased Assets in Exchange for the Common Stock in which it owns. Transferor must notify Acquiror of its intent to repurchase and grant Acquiror fifteen (15) business days to cure its default status.

11. Survival of Representations and Warranties

11.1 Survival of Representations and Warranties . The representations and warranties in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Closing and continue until **December 31, 2018** .

12. Resolution of Conflicts; Arbitration .

12.1. In case the Transferor shall so object in writing to any claim or claims made in any Officer's Certificate, the Transferor and Acquiror shall attempt in good faith to agree upon the rights of the respective parties with respect to each of such claims. If the Transferor and Acquiror should so agree, a memorandum setting forth such agreement shall be prepared and signed by both parties.

12.2 If no such agreement can be reached after good faith negotiation, the matter shall be arbitrated before the American Arbitration Association. Either Acquiror or the Transferor may demand arbitration of the matter unless the amount of the damage or loss is at issue in pending litigation with a third party, in which event arbitration shall not be commenced until such amount is ascertained upon the conclusion of such litigation or both parties agree to arbitration, and in either such event the matter shall be settled by binding arbitration conducted by three arbitrators. Acquiror and the Transferor shall each select one arbitrator, and the two arbitrators so selected shall select a third arbitrator. The arbitrators shall set a limited time period and establish procedures designed to reduce the cost and time for discovery while allowing the parties an opportunity, adequate in the sole judgment of the arbitrators, to discover relevant information from the opposing parties about the subject matter of the dispute. The arbitrators shall rule upon motions to compel or limit discovery and shall have the authority to impose sanctions, including attorneys' fees and costs, to the same extent as a court of competent law or equity, should the arbitrators determine that discovery was sought without substantial justification or that discovery was refused or objected to without substantial justification. The decision of the arbitrators as to the validity and amount of any claim in such Officer's Certificate shall be binding and conclusive upon the parties to this Agreement. Such decision shall be written and shall be supported by written findings of fact and conclusions of law, which shall set forth the award, decree or order of the arbitrators.

12.3 Judgment upon any award rendered by the arbitrators may be entered in any court having jurisdiction. Any such arbitration shall be held at the discretion of Acquiror in Nevada, under the rules then in effect of the American Arbitration Association.

13. Agent of Transferor's Stockholders; Power Of Attorney .

Upon execution and delivery of this Agreement, without further act of any stockholder of Transferor, Thomas Amon shall be appointed as agent and attorney-in-fact (the "TRANSFEROR STOCKHOLDER AGENT") for each stockholder of Transferor on behalf of stockholders of Transferor, to give and receive notices and communications, to authorize delivery to Acquiror of Acquiror Common Stock in satisfaction of claims by Acquiror, to object to such deliveries, to

agree to, negotiate, enter into settlements and compromises of, and demand arbitration and comply with orders of courts and awards of arbitrators with respect to such claims, and to take all actions necessary or appropriate in the judgment of the Transferor Stockholder Agent for the accomplishment of the foregoing. No bond shall be required of the Transferor Stockholder Agent, and the Transferor Stockholder Agent shall not receive compensation for his services. Notices or communications to or from the Transferor Stockholder Agent shall constitute notice to or from each of the stockholders of Transferor.

The Transferor Stockholder Agent shall not be liable for any act done or omitted hereunder as Agent while acting in good faith and in the exercise of reasonable judgment. The stockholders of Transferor shall severally indemnify the Transferor Stockholder Agent and hold the Transferor Stockholder Agent harmless against any loss, liability or expense incurred without negligence or bad faith on the part of the Transferor Stockholder Agent and arising out of or in connection with the acceptance or administration of the Transferor Stockholder Agent's duties hereunder, including the reasonable fees and expenses of any legal counsel retained by the Transferor Stockholder Agent.

13.2 Actions of the Transferor's Stockholder Agent . A decision, act, consent or instruction of the Transferor Stockholder Agent shall constitute a decision of all the stockholders and shall be final, binding and conclusive upon each of such stockholders, and Acquiror may rely upon any such decision, act, consent or instruction of the Transferor's Stockholder Agent as being the decision, act, consent or instruction of each and every such stockholder of Transferor. The Acquiror is hereby relieved from any liability to any person for any acts done by them in accordance with such decision, act, consent or instruction of the Transferor Stockholder Agent.

13.3 Third-Party Claims . If a third-party asserts a claim, Acquiror shall have the right in its sole discretion to defend and to settle such third-party claim, provided, however, that any counsel retained to defend a third-party claim to be satisfied shall be reasonably acceptable to the Transferor Stockholder Agent and Acquiror shall not settle any such third party claim without the prior consent of the Transferor Stockholder Agent, which consent shall not be unreasonably withheld.

13.4 Limitation on Liability . Notwithstanding any other provision of this Agreement to the contrary, absent fraud or bad faith, the liability of Transferor with respect to any claim for a breach of any representation, warranty, covenant or agreement contained in this Agreement shall be limited to the assets of Revels, and no Principal Stockholder shall have any liability to Acquiror or arising from any breach after the close of this transaction other than with respect to claims made prior to such termination under this Agreement.

14. Construction and Interpretation

14.1 The headings or titles of the sections of this Agreement are intended for ease of reference only and shall have no effect whatsoever on the construction or interpretation of any provision of this Agreement. References herein to sections are to sections of this Agreement unless otherwise specified.

14.2 Meanings of defined terms used in this Agreement are equally applicable to singular and plural forms of the defined terms. The masculine gender shall also include the feminine and neutral genders and vice versa.

14.3 As used herein, (i) the term "party" refers to a party to this Agreement, unless otherwise specified, (ii) the terms "hereof," "herein," "hereunder," and similar terms refer to this Agreement as a whole and not to any particular provision of this Agreement, (iii) the term "this transaction" refers to the transaction contemplated by this Agreement, (iv) the term "including" is not limiting and means "including without limitation," (v) the term "documents" includes all instruments, documents, agreements, certificates, indentures, notices, and other writings, however evidenced, and (vi) the term "property" includes any kind of property or asset, real, personal, or mixed, tangible or intangible.

14.4 In the event any period of time specified in this Agreement ends on a day other than a Business Day, such period shall be extended to the next following Business Day. In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including," the words "to" and "until" each mean "to but excluding," and the word "through" means "to and including."

14.5 This Agreement is the product of arm's length negotiations among, and has been reviewed by counsel to the parties and is the product of all the parties. Accordingly, this Agreement shall not be construed for or against any party by reason of the authorship or alleged authorship of any provision hereof.

15. Miscellaneous Provisions .

15.1 Survival of Covenants . Each covenant or agreement of the parties set forth in this Agreement which by its terms expressly provides for performance after the Closing Date shall survive the Closing and be fully enforceable thereafter.

15.2 Expenses . Except as otherwise provided, each party shall bear its own expenses incurred in connection with the preparation, execution, and performance of this Agreement and this transaction, including all fees and expenses of its own Representatives or any other similar payment in connection with this transaction.

15.3 Binding Effect . The provisions of this Agreement shall be binding upon and inure to the benefit of the parties and, subject to the restrictions on assignment set forth herein, their respective successors and assigns.

15.4 Assignment . Neither party shall assign any of its rights or obligations under this Agreement without the prior written consent of the other party. No assignment of this Agreement shall release the assigning party from its obligations under this Agreement.

15.5 Notices . All notices under this Agreement shall be in writing. Notices may be (i) delivered personally, (ii) transmitted by facsimile, (iii) delivered by a recognized national overnight delivery service, or (iv) mailed by certified United States mail, postage prepaid and return receipt requested. Notices to any party shall be directed to its address set forth in this agreement, or to such other or additional address as any party may specify by notice to the

other party. Any notice delivered in accordance with this Section 13.5 shall be deemed given when actually received or, if earlier, (a) in the case of any notice transmitted by facsimile, on the date on which the transmitting party receives confirmation of receipt by facsimile transmission, telephone, or otherwise, if sent during the recipient's normal business hours or, if not, on the next Business Day, (b) in the case of any notice delivered by a recognized national overnight delivery service, on the next Business Day after delivery to the service or, if different, on the day designated for delivery, or (c) in the case of any notice mailed by certified U.S. mail, two (2) Business Days after deposit therein.

15.6 Waiver . Any party's failure to exercise any right or remedy under this Agreement, delay in exercising any such right or remedy, or partial exercise of any such right or remedy shall not constitute a waiver of that or any other right or remedy hereunder. A waiver of any Breach of any provision of this Agreement shall not constitute a waiver of any succeeding Breach of such provision or a waiver of such provision itself. No waiver of any provision of this Agreement shall be binding on a party unless it is set forth in writing and signed by such party.

15.7 Amendment . This Agreement may not be modified or amended except by the written agreement of the parties.

15.8 Severability . If any provision of this Agreement is held invalid, illegal, or unenforceable, then (i) such provision shall be enforceable to the fullest extent permitted by applicable law, and (ii) the validity and enforceability of the other provisions of this Agreement shall not be affected and all such provisions shall remain in full force and effect.

15.9 Integration . This Agreement, including the Exhibits and Schedules hereto, contains the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements with respect thereto. The parties acknowledge and agree that there are no agreements or representations relating to the subject matter of this Agreement, either written or oral, express or implied, that are not set forth in this Agreement, in the Exhibits and Schedules to this Agreement.

15.10 Governing Law . This Agreement shall be governed by and construed in accordance with the laws of the State of **Nevada** (without regard to the principles thereof relating to conflicts of laws).

15.11 Arbitration . All disputes or claims arising out of or relating to this Agreement, or the breach hereof, including disputes as to the validity and/or enforceability of this Agreement or any portion thereof, and any claims for indemnification under the provisions of this Agreement, shall be resolved by binding arbitration conducted in **Nevada** . Any arbitration pursuant to this Section 12.11 shall be conducted, upon the request of any party, before a single arbitrator selected by the parties or, failing agreement on the choice of an arbitrator within thirty (30) days of service of written demand for arbitration, by an arbitrator designated by the Presiding Judge of the Superior Court for **Nevada** . The arbitrator shall be a practicing attorney licensed to practice in one or more of the fifty (50) states, with substantial experience in commercial and/or commercial litigation Matter, who has been in active practice for at least ten (10) years. Such arbitration shall be conducted in accordance with the laws of the State of

Nevada and pursuant to the commercial arbitration rules of the American Arbitration Association (although not under the auspices of the American Arbitration Association) and such of the federal rules of civil procedure as the arbitrator may determine. The arbitration shall be conducted within forty-five (45) days of the selection of the arbitrator and the arbitrator shall render his or her decision within twenty (20) days after conclusion of the arbitration. The prevailing party in the arbitration shall be entitled as a part of the arbitration award to the costs and expenses (including reasonable attorneys' fees and the fees of the arbitrator) of investigating, preparing, and pursuing or defending the arbitration claim as such costs and expenses are awarded by the arbitrator. The duty to arbitrate shall survive a termination or cancellation of this Agreement and shall be specifically enforceable under applicable federal law and the prevailing arbitration law of the State of **Nevada** . The decision of the arbitrator shall be final and binding upon the parties and enforceable in any court of competent jurisdiction.

15.12 Execution . This Agreement may be executed in any number of counterparts, all of which together shall constitute one and the same agreement. Each party may rely upon the signature of each other party on this Agreement that is transmitted by facsimile as constituting a duly authorized, irrevocable, actual, current delivery of this Agreement with the original ink signature of the transmitting party.

15.13 Waiver of Conflicts The parties acknowledge that certain of the principals of **AGRI-CONTRACTORS, LLC** may have independent agreements with **MCig** providing for their employment after the Closing. The terms and conditions of these agreements have been negotiated in good faith and at arms-length. Any conflict of interest, whether real or implied resulting from these prior agreements are deemed by the parties hereto to be waived.

15.14 Incorporation of Recitals, Exhibits, and Schedules . The Recitals to this Agreement and all Exhibits and Schedules to this Agreement are incorporated herein by this reference.

15.15 Further Assurances . Each party agrees to execute and deliver such additional documents and instruments as may reasonably be required to effect this transaction fully, so long as the terms thereof are consistent with the terms of this Agreement.

15.16 Bulk Sales . Acquiror hereby waives compliance by transferor with the provisions of any applicable bulk sales law (including the applicable sections of the Uniform Commercial Code of any state, and transferor hereby agrees to indemnify and hold Acquiror harmless for any liability, cost and expenses resulting from any such non-compliance.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

ACQUIROR:	TRANSFEROR:
GROW CONTRACTORS INC	**AGRI-CONTRACTORS, LLC**
By :_____	By :_____
Name: Paul Rosenberg	Name:
Title: President	Title: Managing Member

EXHIBIT 1

NO PATENTS

EXHIBIT 2.2

PURCHASED ASSETS

CONTRACTS

All orders placed by customers which payments have not been received.

FIXED ASSETS AND INVENTORY

Inventory

INTELLECTUAL PROPERTY

Website/Domain/Email
Trademark
Copyrights
Trade Secrets
Customer List

EXHIBIT 2.4

ASSUMED LIABILITIES

NONE

SCHEDULE 3.2

COMMON SHAREHOLDER LIST

EXHIBIT 6.2.1

BILL OF SALE

AND

ASSIGNMENT AND ASSUMPTION

This Bill of Sale and Assignment and Assumption Agreement (this " Bill of Sale "), dated as of _____, 20__ (the " Effective Date ") by and between _____, a _____ corporation ("Acquiror"), and _____, a _____ limited liability company ("Transferor").

Recitals :

A. TRANSFEROR and ACQUIROR entered into that certain Purchase Agreement, _____, 20__ (the " Agreement "), which provides, on the terms and conditions set forth therein, for the transfer by Transferor and purchase by Acquiror of the Assets of Transferor as set forth in the Agreement. Capitalized terms used herein without definition shall have the meanings ascribed to them in the Agreement.

B. The assets being sold by Transferor and purchased by Acquiror include, but are not limited to, all of Transferor's tangible and intangible property used in the Business (the "Purchased Assets") as set forth in the Agreement.

C. Acquiror desires to obtain all right, title and interest in and to any and all of the Purchased Assets.

D. This Bill of Sale is being executed and delivered in order to affect the transfer of the Purchased Assets to Acquiror, as provided in the Agreement.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Transferor agree as follows:

1. Assignment . Transferor hereby sells, grants, conveys, bargains, transfers, assigns and delivers to Acquiror, and to Acquiror's successors and assigns, all of Transferor's rights, titles and interests, legal and equitable, throughout the world, in and to the Purchased Assets, to have and to hold the same forever. This is a transfer and conveyance by Transferor to Acquiror of good and marketable title to the Purchased Assets, free and clear of all encumbrances except as provided in the Agreement or on the Schedules thereto. Subject to the conditions and limitations contained in the Agreement, Transferor hereby covenants and agrees to warrant and defend title to the Purchased Assets against any and all claims whatsoever to the extent represented and warranted to in the Agreement.

2. Assumption . Acquiror, in consideration of the assignment, hereby assumes and undertakes to discharge, as appropriate in accordance with their terms, all of the Assumed Liabilities except as otherwise set forth in the Agreement. Except as provided for in this Paragraph 2, Acquiror is not hereby assuming, and the Acquiror shall not assume or otherwise be obligated to pay, perform, satisfy or discharge, any liabilities or obligations of Transferor or the Business.

3. Further Assurances . Transferor agrees that it will, at Acquiror's request at any time and from time to time after the date hereof and without further consideration, do, execute, acknowledge and deliver or will cause to be done, executed, acknowledged and delivered all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and other instruments and assurances as may be considered by Acquiror, its successors and assigns, to be necessary or proper to better effect the sale, conveyance, transfer, assignment, assurance, confirmation and delivery of ownership of the Purchased Assets to Acquiror, or to aid and assist in collecting and reducing to the possession of Acquiror, any and all Purchased Assets.

4. Amendment or Termination; Successors and Assigns . This Bill of Sale may not be amended or terminated except by a written instrument duly signed by each of the parties hereto. This Bill of Sale shall inure to the benefit of, and be binding upon, each of the parties hereto and their respective successors and assigns.

5. No Third Parties . Nothing in this Bill of Sale, expressed or implied, is intended or shall be construed to confer upon or give to any person, firm or corporation other than Acquiror and Transferor, their successors and assigns, any remedy or claim under or by reason of this instrument or any term, covenant or condition hereof, and all of the terms, covenants, conditions, promises and agreements contained in this instrument shall be for the sole and exclusive benefit of the Acquiror and Transferor, their successors and assigns.

6. Construction . This Bill of Sale, being further documentation of a portion of the conveyances, transfers and assignments provided for in and by the Agreement, neither supersedes, amends, or modifies any of the terms or provisions of the Agreement nor does it expand upon or limit the rights, obligations or warranties of the parties under the Agreement. In the event of a conflict or ambiguity between the provisions of this Bill of Sale and the Agreement, the provisions of the Agreement will be controlling.

7. Governing Law . The rights and obligations of the parties under this Bill of Sale will be construed under and governed by the internal laws of the State of **Nevada** (regardless of its or any other jurisdiction's conflict-of-law provisions).

8. Counterparts . This Bill of Sale may be executed by facsimile in one or more counterparts and by facsimile, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Bill of Sale as of the Effective Date.

ACQUIROR:	TRANSFEROR:
By:_____	By:_____
Name: Title:	Name: Title:

EXHIBIT 4.2.1

CONSENTS

EXHIBIT 7.1.11

TAX RETURNS

EXHIBIT 7.1.13

GOVERNMENTAL LICENSES, PERMITS, AND OTHER AGREEMENTS

EXHIBIT 7.1.14

LITIGATIONS

EXHIBIT 8.1.1

MUTUAL RELEASE AGREEMENT

This Mutual Release Agreement (this " Release Agreement "), dated as of _____, 20__ (the " Effective Date "), by and between _____, a _____ corporation ("Acquiror") and _____, a _____ corporation("Transfer or ").

RECITALS

WHEREAS, Transferor and Acquiror are parties to that certain Purchase Agreement, dated _____, 20__ (the " Purchase Agreement "), and this Release Agreement is that certain Release Agreement as that term is defined in the Asset Purchase Agreement; and

WHEREAS, Transferor and Acquiror now wish to enter into this Release Agreement with respect to the consummation of the Purchase Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. Definitions . Any capitalized term used in this Release Agreement without definition shall have the meaning given to such term in the Purchase Agreement.

2. Release by Transferor . Transferor hereby fully, forever, irrevocably, and unconditionally releases and discharges Acquiror, including, as applicable, all past and present officers, directors, stockholders, affiliates (including, but not limited to, parent, subsidiary and affiliated corporations), agents, employees, representatives, lawyers, administrators, spouses, and all persons acting by, through, under, or in concert with them, from any and all claims, damages or other sums, including attorneys' fees and costs, which Transferor may have against them, or any of them, which could have arisen out of any act or omission occurring from the beginning of time to the effective date of this Agreement, whether now known or unknown, and whether asserted or unasserted.

3. Release by Acquiror . Acquiror hereby fully, forever, irrevocably, and unconditionally releases and discharges Transferor, including, as applicable, all past and present officers, directors, stockholders, affiliates (including, but not limited to, parent, subsidiary and affiliated corporations), agents, employees, representatives, lawyers, administrators, spouses, and all persons acting by, through, under, or in concert with them, from any and all claims, damages or other sums, including attorneys' fees and costs, which Acquiror may have against them, or any of them, which could have arisen out of any act or omission occurring from the beginning of time to the effective date of this Agreement, whether now known or unknown, and whether asserted or unasserted.

4. Miscellaneous .

4.1 Severability . The invalidity of all or any part of this Release Agreement shall not render invalid the remainder of this Release Agreement. In the event a court of competent jurisdiction should decline to enforce any provision of this Release Agreement, such provision shall be reformed to the extent necessary in the judgment of such court to make such provision enforceable to the maximum extent that the court shall find enforceable.

4.2 Notices . Any notice hereunder shall be sufficient if in writing and telefaxed to the party or sent by certified mail, return receipt requested and addressed as identified in the Asset Purchase Agreement dated _____, 20__.

4.3 Governing Law . This Agreement is made and shall be construed and performed in accordance with the laws of the State of **Nevada** .

4.4 Waiver of Agreement . Any term or condition of this Release Agreement may be waived at any time by the party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the party waiving such term or condition. No waiver by any party of any term or condition of this Release Agreement, in any one or more instance, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Release Agreement on any future occasion. All remedies, either under this Release Agreement, by law or otherwise, will be cumulative and not alternative.

4.5 Headings . The headings of the sections of this Release Agreement are for convenience and reference only and are not to be used to interpret or define the provisions hereof.

4.6 Counterparts . This Release Agreement may be executed by facsimile and in two (2) or more counterparts, each of which shall be deemed an original and all of which shall constitute one (1) instrument.

IN WITNESS WHEREOF, each of the parties has caused this Release Agreement to be executed as of the Effective Date.

ACQUIROR:	TRANSFEROR:
By:_____	By:_____
Name: Title:	Name: Title:

STATE OF NEVADA

BARBARA K. CEGAVSKE
Secretary of State

KIMBERLEY PERONDI
Deputy Secretary
for Commercial Recordings

Commercial Recordings Division
202 N. Carson Street
Carson City, NV 89701-4201
Telephone (775) 684-5708
Fax (775) 684-7138

OFFICE OF THE
SECRETARY OF STATE

Mike Hawkins
mCig, Inc.
2831 St. Rose Parkway Suite 200
Henderson, NV 89052

Job:C20161205-1532
December 5, 2016

Special Handling Instructions:

Charges

Description	Document Number	Filing Date/Time	Qty	Price	Amount
Articles of Incorporation	20160528240-30	12/5/2016 1:29:25 PM	1	$175.00	$175.00
Initial List	20160528241-41	12/5/2016 1:29:29 PM	1	$150.00	$150.00
Business License 12/2016-12/2017	20160528241-41	12/5/2016 1:29:29 PM	1	$500.00	$500.00
Total					$825.00

Payments

Type	Description	Amount
Credit	172495|480973362831619630406 3	$825.00
Total		$825.00

Credit Balance: $0.00

Job Contents:

Corp Charter(s):	1
File Stamped Copy(s):	2
Business License(s):	1

Mike Hawkins
mCig, Inc.
2831 St. Rose Parkway Suite 200
Henderson, NV 89052

040105

BARBARA K. CEGAVSKE
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov

Articles of Incorporation
(PURSUANT TO NRS CHAPTER 78)

Filed in the office of	Document Number
Barbara K. Cegavske	20160528240-30
Secretary of State	Filing Date and Time
State of Nevada	12/05/2016 1:29 PM
	Entity Number
	E0522712016-8

(This document was filed electronically.)

USE BLACK INK ONLY - DO NOT HIGHLIGHT — ABOVE SPACE IS FOR OFFICE USE ONLY

1. Name of Corporation: GROW CONTRACTORS INC

2. Registered Agent for Service of Process: (check only one box)

☐ Commercial Registered Agent: Name

☐ Noncommercial Registered Agent (name and address below) **OR** ☒ Office or Position with Entity (name and address below)

MIKE HAWKINS
Name of Noncommercial Registered Agent **OR** Name of Title of Office or Other Position with Entity

2831 ST. ROSE PARKWAY | HENDERSON | Nevada | 89052
Street Address | City | Zip Code

Nevada
Mailing Address (if different from street address) | City | Zip Code

3. Authorized Stock: (number of shares corporation is authorized to issue)

Number of shares *with par value:* 100000000 Par value per share: $ 0.00010 Number of shares *without par value:* 0

4. Names and Addresses of the Board of Directors/Trustees: (each Director/Trustee must be a natural person at least 18 years of age; attach additional page if more than two directors/trustees)

1) MIKE HAWKINS
Name
2831 ST. ROSE PARKWAY | HENDERSON | NV | 89052
Street Address | City | State | Zip Code

2) PAUL ROSENBERG
Name
2831 ST. ROSE PARKWAY | HENDERSON | NV | 89052
Street Address | City | State | Zip Code

5. Purpose: (optional; required only if Benefit Corporation status selected)

The purpose of the corporation shall be:
ANY LEGAL PURPOSE

6. Benefit Corporation: (see instructions) ☐ Yes

7. Name, Address and Signature of Incorporator: (attach additional page if more than one incorporator)

I declare, to the best of my knowledge under penalty of perjury, that the information contained herein is correct and acknowledge that pursuant to NRS 239.330, it is a category C felony to knowingly offer any false or forged instrument for filing in the Office of the Secretary of State.

MIKE HAWKINS (Name) | X MIKE HAWKINS (Incorporator Signature)
2831 ST. ROSE PARKWAY | HENDERSON | NV | 89052
Address | City | State | Zip Code

8. Certificate of Acceptance of Appointment of Registered Agent:

I hereby accept appointment as Registered Agent for the above named Entity.

X MIKE HAWKINS — 12/5/2016
Authorized Signature of Registered Agent or On Behalf of Registered Agent Entity | Date

This form must be accompanied by appropriate fees.

SECRETARY OF STATE

STATE OF NEVADA

CORPORATE CHARTER

I, BARBARA K. CEGAVSKE, the duly elected and qualified Nevada Secretary of State, do hereby certify that **GROW CONTRACTORS INC**, did on December 5, 2016, file in this office the original Articles of Incorporation; that said Articles of Incorporation are now on file and of record in the office of the Secretary of State of the State of Nevada, and further, that said Articles contain all the provisions required by the law of said State of Nevada.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on December 5, 2016.

Barbara K. Cegavske

BARBARA K. CEGAVSKE
Secretary of State

Certified By: Electronic Filing
Certificate Number: C20161205-1532
You may verify this certificate online at **http://www.nvsos.gov/**

(PROFIT) INITIAL/ANNUAL LIST OF OFFICERS, DIRECTORS AND STATE BUSINESS LICENSE APPLICATION OF:

ENTITY NUMBER

GROW CONTRACTORS INC — E0522712016-8

NAME OF CORPORATION

FOR THE FILING PERIOD OF DEC, 2016 TO DEC, 2017

100103

USE BLACK INK ONLY - DO NOT HIGHLIGHT

****YOU MAY FILE THIS FORM ONLINE AT www.nvsilverflume.gov****

☐ Return one file stamped copy. (If filing not accompanied by order instructions, file stamped copy will be sent to registered agent.)

IMPORTANT: Read instructions before completing and returning this form

1. Print or type names and addresses, either residence or business, for all officers and directors. A President, Secretary, Treasurer, or equivalent of and all Directors must be named. There must be at least one director. An **Officer** must sign the form. *FORM WILL BE RETURNED IF UNSIGNED.*
2. If there are additional officers, attach a list of them to this form.
3. Return the completed form with the filing fee. Annual list fee is based upon the current total authorized stock as explained in the Annual List Fee Schedule For Profit Corporations. A $75.00 penalty must be added for failure to file this form by the deadline. An annual list received more than 90 days before its due date shall be deemed an amended list for the previous year.

Filed in the office of	Document Number
Barbara K. Cegavske	20160528241-41
Secretary of State	Filing Date and Time
State of Nevada	12/05/2016 1:29 PM
	Entity Number
	E0522712016-8

(This document was filed electronically.)

ABOVE SPACE IS FOR OFFICE USE ONLY

4. State business license fee is $500.00/$200.00 for Professional Corporations filed pursuant to NRS Chapter 89. Effective 2/1/2010, $100.00 must be added for failure to file form by deadline.
5. Make your check payable to the Secretary of State.
6. **Ordering Copies:** If requested above, one file stamped copy will be returned at no additional charge. To receive a certified copy, enclose an additional $30.00 per certification. A **copy fee of $2.00 per page** is required for **each additional copy** generated when ordering 2 or more file stamped or certified copies. Appropriate instructions must accompany your order.
7. Return the completed form to: Secretary of State, 202 North Carson Street, Carson City, Nevada 89701-4201, (775) 684-5708.
8. Form must be in the possession of the Secretary of State on or before the last day of the month in which it is due. (Postmark date is not accepted as receipt date.) Forms received after due date will be returned for additional fees and penalties. Failure to include annual list and business license fees will result in rejection of filing.

CHECK ONLY IF APPLICABLE AND ENTER EXEMPTION CODE IN BOX BELOW

☐ Pursuant to NRS Chapter 76, this entity is exempt from the business license fee. Exemption code: ☐

NOTE: If claiming an exemption, a notarized Declaration of Eligibility form must be attached. Failure to attach the Declaration of Eligibility form will result in rejection, which could result in late fees.

☐ This corporation is a publicly traded corporation. The Central Index Key number is:

☐ This publicly traded corporation is not required to have a Central Index Key number.

NRS 76.020 Exemption Codes
001 - Governmental Entity
005 - Motion Picture Company
006 - NRS 680B.020 Insurance Co.

NAME	TITLE(S)		
PAUL ROSENBERG	PRESIDENT (OR EQUIVALENT OF)		
ADDRESS	CITY	STATE	ZIP CODE
2831 ST. ROSE PARKWAY , USA	HENDERSON	NV	89052
NAME	TITLE(S)		
MIKE HAWKINS	SECRETARY (OR EQUIVALENT OF)		
ADDRESS	CITY	STATE	ZIP CODE
2831 ST. ROSE PARKWAY , USA	HENDERSON	NV	89052
NAME	TITLE(S)		
MIKE HAWKINS	TREASURER (OR EQUIVALENT OF)		
ADDRESS	CITY	STATE	ZIP CODE
2831 ST. ROSE PARKWAY , USA	HENDERSON	NV	89052
NAME	TITLE(S)		
PAUL ROSENBERG	DIRECTOR		
ADDRESS	CITY	STATE	ZIP CODE
2831 ST. ROSE PARKWAY , USA	HENDERSON	NV	89052

None of the officers or directors identified in the list of officers has been identified with the fraudulent intent of concealing the identity of any person or persons exercising the power or authority of an officer or director in furtherance of any unlawful conduct.

I declare, to the best of my knowledge under penalty of perjury, that the information contained herein is correct and acknowledge that pursuant to NRS 239.330, it is a category C felony to knowingly offer any false or forged instrument for filing in the Office of the Secretary of State.

X MICHAEL W HAWKINS

Signature of Officer or Other Authorized Signature

Title: DIRECTOR

Date: 12/5/2016 1:29:27 PM

(PROFIT) INITIAL/ANNUAL LIST OF OFFICERS AND DIRECTORS OF:

GROW CONTRACTORS INC

ENTITY NUMBER: E0522712016-8

NAME	TITLE(S)		
MIKE HAWKINS	DIRECTOR		
ADDRESS	**CITY**	**STATE**	**ZIP CODE**
2831 ST. ROSE PARKWAY , USA	HENDERSON	NV	89052
NAME	**TITLE(S)**		
ADDRESS	**CITY**	**STATE**	**ZIP CODE**
NAME	**TITLE(S)**		
ADDRESS	**CITY**	**STATE**	**ZIP CODE**
NAME	**TITLE(S)**		
ADDRESS	**CITY**	**STATE**	**ZIP CODE**
NAME	**TITLE(S)**		
ADDRESS	**CITY**	**STATE**	**ZIP CODE**
NAME	**TITLE(S)**		
ADDRESS	**CITY**	**STATE**	**ZIP CODE**
NAME	**TITLE(S)**		
ADDRESS	**CITY**	**STATE**	**ZIP CODE**
NAME	**TITLE(S)**		
ADDRESS	**CITY**	**STATE**	**ZIP CODE**
NAME	**TITLE(S)**		
ADDRESS	**CITY**	**STATE**	**ZIP CODE**
NAME	**TITLE(S)**		
ADDRESS	**CITY**	**STATE**	**ZIP CODE**

SECRETARY OF STATE

STATE OF NEVADA

NEVADA STATE BUSINESS LICENSE

GROW CONTRACTORS INC

Nevada Business Identification # NV20161704998

Expiration Date: December 31, 2017

In accordance with Title 7 of Nevada Revised Statutes, pursuant to proper application duly filed and payment of appropriate prescribed fees, the above named is hereby granted a Nevada State Business License for business activities conducted within the State of Nevada.

Valid until the expiration date listed unless suspended, revoked or cancelled in accordance with the provisions in Nevada Revised Statutes. License is not transferable and is not in lieu of any local business license, permit or registration.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on December 5, 2016

Barbara K. Cegavske

BARBARA K. CEGAVSKE
Secretary of State

You may verify this license at www.nvsos.gov under the Nevada Business Search.

License must be cancelled on or before its expiration date if business activity ceases. Failure to do so will result in late fees or penalties which by law cannot be waived.

Electronic Articles of Incorporation For

P17000046993
FILED
May 25, 2017
Sec. Of State
lyarbrough

TUERO CAPITAL, INC.

The undersigned incorporator, for the purpose of forming a Florida profit corporation, hereby adopts the following Articles of Incorporation:

Article I

The name of the corporation is:

TUERO CAPITAL, INC.

Article II

The principal place of business address:

6055 ANELLO DR
MELBOURNE, FL. 32940

The mailing address of the corporation is:

6055 ANELLO DR
MELBOURNE, FL. UN 32940

Article III

The purpose for which this corporation is organized is:

ANY AND ALL LAWFUL BUSINESS.

Article IV

The number of shares the corporation is authorized to issue is:

10,000

Article V

The name and Florida street address of the registered agent is:

MIKE W HAWKINS
6055 ANELLO DR
MELBOURNE, FL. 32940

I certify that I am familiar with and accept the responsibilities of registered agent.

Registered Agent Signature: MICHAEL W HAWKINS

P17000046993
FILED
May 25, 2017
Sec. Of State
lyarbrough

Article VI

The name and address of the incorporator is:

MICHAEL W HAWKINS
6055 ANELLO DR

MELBOURNE

Electronic Signature of Incorporator: MICHAEL W HAWKINS

I am the incorporator submitting these Articles of Incorporation and affirm that the facts stated herein are true. I am aware that false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s.817.155, F.S. I understand the requirement to file an annual report between January 1st and May 1st in the calendar year following formation of this corporation and every year thereafter to maintain "active" status.

Article VII

The initial officer(s) and/or director(s) of the corporation is/are:

Title: PST
MCIG, INC.
2831 ST. ROSE PARKWAY, SUITE 200
HENDERSON, NV. 89052

Article VIII

The effective date for this corporation shall be:

05/25/2017

Electronic Articles of Incorporation For

MCIG INTERNET SALES, INC.

P16000049941
FILED
June 07, 2016
Sec. Of State
jahickman

The undersigned incorporator, for the purpose of forming a Florida profit corporation, hereby adopts the following Articles of Incorporation:

Article I

The name of the corporation is:

MCIG INTERNET SALES, INC.

Article II

The principal place of business address:

4375 WATERMILL DRIVE
ORANGE PARK, FL. 32073

The mailing address of the corporation is:

4375 WATERMILL DRIVE
ORANGE PARK, FL. 32073

Article III

The purpose for which this corporation is organized is:

ANY AND ALL LAWFUL BUSINESS.

Article IV

The number of shares the corporation is authorized to issue is:

10,000

Article V

The name and Florida street address of the registered agent is:

CHRISTIAN RISHEL
4375 WATERMILL DRIVE
ORANGE PARK, FL. 32073

I certify that I am familiar with and accept the responsibilities of registered agent.

Registered Agent Signature: CHRISTIAN RISHEL

P16000049941
FILED
June 07, 2016
Sec. Of State
jahickman

Article VI

The name and address of the incorporator is:

CHRISTIAN RISHEL
4375 WATERMILL DRIVE

ORANGE PARK, FL 32073

Electronic Signature of Incorporator: CHRISTIAN RISHEL

I am the incorporator submitting these Articles of Incorporation and affirm that the facts stated herein are true. I am aware that false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s.817.155, F.S. I understand the requirement to file an annual report between January 1st and May 1st in the calendar year following formation of this corporation and every year thereafter to maintain "active" status.

Article VII

The initial officer(s) and/or director(s) of the corporation is/are:

Title: DIR
PAUL ROSENBERG
4375 WATERMILL DRIVE
ORANGE PARK, FL. 32073

Title: P
CHRISTIAN RISHEL
4375 WATERMILL DRIVE
ORANGE PARK, FL. 32073

Article VIII

The effective date for this corporation shall be:

06/01/2016

Electronic Articles of Incorporation For

VITACIG, INC.

P16000047105
FILED
May 26, 2016
Sec. Of State
gmcleod

The undersigned incorporator, for the purpose of forming a Florida profit corporation, hereby adopts the following Articles of Incorporation:

Article I

The name of the corporation is:

VITACIG, INC.

Article II

The principal place of business address:

4375 WATERMILL DRIVE
ORANGE PARK, FL. US 32073

The mailing address of the corporation is:

4375 WATERMILL DRIVE
ORANGE PARK, FL. US 32073

Article III

The purpose for which this corporation is organized is:

ANY AND ALL LAWFUL BUSINESS.

Article IV

The number of shares the corporation is authorized to issue is:

1,000,000

Article V

The name and Florida street address of the registered agent is:

EILERS LAW GROUP P.A.
1000 5TH STREET
SUITE 200-P2
MIAMI BEACH, FL. 33139

I certify that I am familiar with and accept the responsibilities of registered agent.

Registered Agent Signature: WILLIAM EILERS

P16000047105
FILED
May 26, 2016
Sec. Of State
gmcleod

Article VI

The name and address of the incorporator is:

WILLIAM EILERS
84 SAINT DUNSTANS RD.

ASHEVILLE, NC 28803

Electronic Signature of Incorporator: WILLIAM EILERS

I am the incorporator submitting these Articles of Incorporation and affirm that the facts stated herein are true. I am aware that false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s.817.155, F.S. I understand the requirement to file an annual report between January 1st and May 1st in the calendar year following formation of this corporation and every year thereafter to maintain "active" status.

Article VII

The initial officer(s) and/or director(s) of the corporation is/are:

Title: CEO
PAUL ROSENBERG
4375 WATERMILL DRIVE
ORANGE PARK, FL. 32073 US

Title: CFO
MIKE HAWKINS
4375 WATERMILL DRIVE
ORANGE PARK, FL. 32073 US

Article VIII

The effective date for this corporation shall be:

05/31/2016

State of Delaware
Secretary of State
Division of Corporations
Delivered 09:34 AM 03/30/2017
FILED 09:34 AM 03/30/2017
SR 20172128700 - File Number 6364115

CERTIFICATE OF INCORPORATION
OF
GigeTech, Inc.

FIRST: The name of the corporation is: GigeTech, Inc.

SECOND: Its registered office in the State of Delaware is located at 16192 Coastal Highway, Lewes, Delaware 19958, County of Sussex. The registered agent in charge thereof is Harvard Business Services, Inc.

THIRD: The purpose of the corporation is to engage in any lawful activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH: The total number of shares of stock which the corporation is authorized to issue is 500,000,000 shares having a par value of $0.000100 per share.

FIFTH: The business and affairs of the corporation shall be managed by or under the direction of the board of directors, and the directors need not be elected by ballot unless required by the bylaws of the corporation.

SIXTH: This corporation shall be perpetual unless otherwise decided by a majority of the Board of Directors.

SEVENTH: In furtherance and not in limitation of the powers conferred by the laws of Delaware, the board of directors is authorized to amend or repeal the bylaws.

EIGHTH: The corporation reserves the right to amend or repeal any provision in this Certificate of Incorporation in the manner prescribed by the laws of Delaware.

NINTH: The incorporator is Harvard Business Services, Inc., whose mailing address is 16192 Coastal Highway, Lewes, DE 19958.

TENTH: To the fullest extent permitted by the Delaware General Corporation Law a director of this corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director.

I, the undersigned, for the purpose of forming a corporation under the laws of the State of Delaware do make and file this certificate, and do certify that the facts herein stated are true; and have accordingly signed below, this March 30, 2017.

Signed and Attested to by: Richard H. Bell II

Harvard Business Services, Inc., Incorporator
By: Richard H. Bell, II, President

Exhibit 31.1

Certification of CEO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 and 906 of the Sarbanes-Oxley Act of 2002.

I, Paul Rosenberg, certify that:

1. I have reviewed this annual report on Form 10-K of mCig, Inc.;

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

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

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

(d) Disclosed in this report any change in the Issuer's internal control over financial reporting that occurred during the Registrant's fiscal quarter ending April 30, 2017 that has materially affected, or is reasonably likely to materially affect, the Issuer's internal control over financial reporting.

5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditor and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 28, 2017

/s/ Paul Rosenberg
Paul Rosenberg, Chief Executive Officer
(Principal Executive Officer)

Certification of CFO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 and 906 of the Sarbanes-Oxley Act of 2002.

I, Michael Hawkins, certify that:

1. I have reviewed this annual report on Form 10-K of mCig, Inc.;

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

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

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

(d) Disclosed in this report any change in the Issuer's internal control over financial reporting that occurred during the Registrant's fiscal quarter ending April 30, 2017 that has materially affected, or is reasonably likely to materially affect, the Issuer's internal control over financial reporting.

5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditor and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 28, 2017

/ s/ Michael W. Hawkins
Michael W. Hawkins, Chief Financial Officer
(Principal Accounting Officer)

Exhibit 32.1

CERTIFICATIONS PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the annual report of mCig Inc. (the "Company") on Form 10-K for the period ending April 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul Rosenberg, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Dated: August 28, 2017

/s/ Paul Rosenberg
Paul Rosenberg,
Chief Executive Officer

Exhibit 32.2

CERTIFICATIONS PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the annual report of mCig, Inc. (the "Company") on Form 10-K for the period ending April 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael Hawkins, Chief Financial Officer, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Dated: August 28, 2017

/s/ Michael Hawkins
Michael Hawkins, Chief Financial Officer
(Principal Accounting Officer)