

## **OTC Pink Basic Disclosure Guidelines**

### **1) Name of the issuer and its predecessors (if any)**

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

SK3 Group, Inc.

### **2) Address of the issuer's principal executive offices**

#### Company Headquarters

Address 1: 80 S.W. 8<sup>th</sup> Street

Address 2: Suite 2000

Address 3: Miami, FL 33130

Phone: 305-423-7114

Email: mayor@medicalgreens.com

Website(s): www.medicalgreens.com

#### IR Contact

Address 1: A. Mayor

Address 2: 80 S.W. 8<sup>th</sup> Street

Address 3: Miami, FL 33130

Phone: 305-423-7114

Email: mayor@medicalgreens.com

Website(s): www.medicalgreens.com

### **3) Security Information**

Trading Symbol: SKTO

Exact title and class of securities outstanding: Common stock

CUSIP: 78440L 10 7

Par or Stated Value: 0.0001

Total shares authorized: 500,000,000

as of: 4/15/2013

Total shares outstanding: 362,050,303

as of: 4/15/2013

#### Transfer Agent

Name: Interwest Transfer Company, Inc.

Address 1: 1981 Murray Holladay Road

Address 2: Suite 100

Address 3: Salt Lake City, UT 84117

Phone: 801-272-9294

Is the Transfer Agent registered under the Exchange Act?\*

Yes: ☒

No: ☐

\*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any restrictions on the transfer of security:

No restrictions other than Rule 144 for unregistered securities

Describe any trading suspension orders issued by the SEC in the past 12 months.

None

#### 4) Issuance History

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);

The company issued 7,500,000 shares to one individual in January, 2000 when the Company was formed. The shares were issued as a private transaction under Section 4(2) and were issued for a cash payment of \$750. On April 17, 2000, the Company issued 2,499,600 shares to 24 unrelated individuals for total proceeds of \$24,966 in a private placement transaction under Regulation D. The certificates were issued with appropriate transfer restriction legends. During the year ended December 31, 2001, a total of 312,500 shares were issued in a private offering under Regulation D for consideration of \$62,500. The certificates for the shares were issued with appropriate transfer restriction legends. In December 2004, the Company issued 455,051 shares of common stock as part of a reverse merger transaction, as a result of which there were 10,317,101 common shares issued and outstanding at December 31, 2004 and no preferred shares issued or outstanding. On October 5, 2005, the Company issued 700,000 common shares in a private placement under Regulation D at \$0.10 per share, for \$70,000 in cash. The certificates for the shares were issued with the standard restrictive language on re-sales. On June 26, 2006, a registration statement previously filed with the SEC became effective, under which the Company registered 2,382,933 common shares previously issued to shareholders and 2,500,000 new common shares for sale at \$0.10 per share. A total of 380,000 common shares were issued in 2006 under the registration statement, for proceeds of \$38,000, and there were then 11,397,101 common shares outstanding at December 31, 2006. During 2007, a total of 2,000,000 outstanding shares were turned in and cancelled in a settlement with a former director, and the Company undertook a 1 for 3 forward split, so there were 28,191,303 common shares and no preferred shares outstanding at December 31, 2007. In 2009, a total of 1,800,000 common shares were issued for cash consideration of \$18,000 in private placements under regulation D and the appropriate transfer restriction legend was placed on the certificates. As of that date, and thereafter through March, 19, 2010, there were 29,999,303 common shares and no preferred shares outstanding. On March 19, 2010, 60,000,000 shares of common stock were issued to Healthcare of Today, Inc. in a series of acquisitions. The shares were issued under Section 4(2) and a transfer restriction was placed on the share certificates. The issue of the 60,000,000 shares represented a change of control of the Company. On March 29, 2010, an additional 50,000,000 common shares were issued in a Regulation D private offering, with the certificates issued with the appropriate transfer restriction. As a result, and through December 31, 2010, there were 139,991,303 common shares and no preferred shares issued and outstanding.

During the past two years (Fiscal years ended December 31, 2011 and 2012, and to date), the Company has issued a total of 222,059,000 common shares, all as the result of conversions of issued and outstanding convertible promissory notes issued in March 2010 to replace previously existing liabilities of the Company incurred prior to March 2010. The shares were issued as free trading shares under Rule 144(b)(1) as the holding period of the underlying security was more than one year. The shares were issued in January and March 2011, as reflected in the attached Exhibit 4A, for a total of \$222,059 in principal and accrued interest on the underlying debt. As a result, there have been a total of 362,060,303 common shares and no preferred shares issued and outstanding as of March 31, 2011, through December 31, 2012 and as of the date of this Disclosure.

The common shares issued in the first quarter of 2011 were issued as a result of the conversion of 4 separate but otherwise identical convertible promissory notes in the amount of \$55,514 each which were first issued by the Company, along with a fifth similar promissory note, in March 2010, to incorporate pre-existing corporate debt in the amount of \$277,573. The five convertible notes later were acquired for consideration by Crystal Falls Investments, LLC, a non-affiliate of the Company, based in Vero Beach, Florida. The principal of Crystal Falls is Ashvin Mascarenhas, who is also not an affiliate of the Company. Crystal Falls assigned one of the convertible notes to two other parties, Marjorie Consulting and Madison Consulting, both based in New York, but the Company had no involvement in that assignment and has no knowledge of either of the assignees or their principals. The Company has no basis on which to conclude that either of these assignees or their unknown principals are or were affiliates of the Company. No officer, director, agent or employee of the Company has any affiliation or connection with Crystal Falls or any of the assignees receiving the shares. Crystal Falls also assigned a portion of one of the notes to William Haseltine, a securities lawyer with offices in Washington, DC who had provided legal services to the

Company on occasion in the past. Mr. Haseltine was assigned a portion of the total note as payment by Crystal Falls for his services to it in preparing legal opinions regarding the conversions of the notes into stock and other legal services. The Company did not retain Mr. Haseltine for that purpose and did not issue shares to him for that purpose or provide any other compensation for those services to Crystal Falls. The four notes were converted into 222,059,000 common shares at a conversion price of \$0.001 per share, the conversion price specified in each of the converted notes.

On March 10, 2013, SK3 Group acquired the assets and business of Medical Greens from iEquity Corp. for the issuance of 5 million shares of Series A Convertible Preferred Stock ("Series A Preferred"). The Series A Preferred has voting power equal to sixty percent (60%) of the total vote of all classes of stock entitled to vote and convertible at any time after one year from the date of issuance into 60% of the resulting common stock outstanding. The Series A Preferred Shares have not yet been issued, but will be issued as soon as a new Certificate of Designations (the "New Certificate of Designations") for the Series A Preferred Shares (replacing and superseding the current Certificate of Designations on file with the Delaware Secretary of State under which no shares of preferred stock were ever issued) is filed with the Delaware Secretary of State, which is expected to be by May 15, 2013. At that time, iEquity Corp. will become the controlling shareholder. No person or entity holds more than 10 percent of the equity of iEquity Corp. Henry Jan is the Chief Executive Officer of iEquity Corp. The securities are being issued in reliance on the exemption provided by Section 4(2) of the Securities Act of 1933, as amended.

On April 28, 2013, SK3 Group entered into an acquisition agreement to acquire 100% of the general partnership interests of Berkeley BioOrganic Research Laboratories, a California general partnership ("Berkeley BioOrganic") from its four general partners, Dave Hoyer, Mary Ann Harrel, D. Allen Gray and Charles Apel, for 20 million shares of SK3 Group, common stock (5 million shares to each general partner seller). Upon consummation of the transaction, the shares of SK3 Group issued to the general partner sellers will be issued as restricted securities and will contain a legend stating that the shares have not been registered under the Securities Act of 1933, as amended. The securities are being issued in reliance on the exemption provided by Section 4(2) of the Securities Act of 1933, as amended. As of April 30, 2013, the shares have not been issued.

B. Any jurisdictions where the offering was registered or qualified;

.NA

C. The number of shares offered;

See above

D. The number of shares sold;

See above

E. The price at which the shares were offered, and the amount actually paid to the issuer;

As noted above, the shares issued during the first quarter of 2011 were issued on the conversion of convertible promissory notes issued in March 2010 to replace pre-existing debt owed by the Company which arose prior to March 2010 and was reflected on the books of the Company. The shares were issued on the conversion of \$222,059 in principal and accrued interest on the underlying notes, or at a conversion price of \$0.001 per share.

See B above for a description of the consideration for pending share issues.

F. The trading status of the shares;

See above

and

G. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares

have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

See above

With respect to private offerings of securities, the list shall also indicate the identity of the persons who purchased securities in such private offering; *provided, however*, that in the event that any such person is an entity, the list shall also indicate (a) the identity of each natural person beneficially owning, directly or indirectly, more than ten percent (10%) of any class of equity securities of such entity and (b) to the extent not otherwise disclosed, the identity of each natural person who controlled or directed, directly or indirectly, the purchase of such securities for such entity.

See above.

## **5) Financial Statements**

Provide the financial statements described below for the most recent fiscal year end or quarter end to maintain qualification for the OTC Pink Current Information tier. For the initial disclosure statement (qualifying for Current Information for the first time) please provide reports for the two previous fiscal years and any interim periods.

- A. Balance sheet;
- B. Statement of income;
- C. Statement of cash flows;
- D. Financial notes; and
- E. Audit letter, if audited

The financial statements requested pursuant to this item shall be prepared in accordance with US GAAP by persons with sufficient financial skills.

You may either (i) attach/append the financial statements to this disclosure statement or (ii) post such financial statements through the OTC Disclosure & News Service as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial reports separately as described in part (ii) above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to otcq.com in the field below.

Information contained in a Financial Report is considered current until the due date for the subsequent Financial Report. To remain in the OTC Pink Current Information tier, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of its fiscal quarter-end date.

## **6) Describe the Issuer's Business, Products and Services**

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

- A. A description of the issuer's business operations;

From March 2010 through October, 2011, the Company was engaged in operations in the healthcare markets, operating through several subsidiaries. In late 2011, the Company changed its business model and rescinded all of its healthcare market acquisitions by October, 2011, at which time new management changed the business direction and began developing the business of providing administrative, financial, legal, accounting and similar services to medical marijuana collectives operating in California. The Company has not been a shell company and has been engaged continuously in active business or business development since prior to March 2010.

The Company continued this development activity throughout 2012, arranging licenses, contracts and services to be provided in the medical marijuana market. In early 2013, the Company announced the first in a series of signed licensing and support agreements with California collectives and established its offices in Miami, Florida as well as the acquisition of Medical Greens, including all existing contracts and right to use trademarks held by iEquity Corp., now

its controlling shareholder

The Company currently operates as a holding and service company providing administrative, financial, legal, HR and similar services to its subsidiary and its California medical marijuana collective clients.

B. Date and State (or Jurisdiction) of Incorporation:

SK3 Group, Inc. was incorporated in Delaware on January 14, 2000 as Slabsdirect.com, Inc. and changed its corporate name to CTT International Collectives, Inc. on January 7, 2005, and again changed its corporate name to SK3 Group, Inc. on May 14, 2007. It maintains its principal offices in Miami, FL.

C. the issuer's primary and secondary SIC

Codes; 100, 8741

D. the issuer's fiscal year end

date; December 31

E. principal products or services, and their markets;

Management advisory services for medical marijuana collectives in California

## **7) Describe the Issuer's Facilities**

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The Company leases virtual office space in Miami, FL from a commercial provider, which includes telephone services, for a small monthly fee. The subsidiary, Medical Greens, Inc., has acquired a lease purchase to over 40 acres of farmland in Southern California for sublease to its contracted collectives for their use in growing medical marijuana.

## **8) Officers, Directors, and Control Persons**

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant shareholders.

A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

Chairman:

1. Full Name: Kevin Allyn

2. Business Address:

20969 Ventura Boulevard, Suite  
204 Woodland Hills, CA 91364

3. Employment History (include previous employers for the past 5 years, positions held, responsibilities and employment dates):

SK3 Group, Inc. Chairman, March 2013-Present

AB Management, President, 2000 - Present

4. Board memberships and other affiliations:

None

5. Compensations by the Issuer:

None until cash flow from operations increases.

6. Number and class of the Issuer's securities beneficially owned:

None currently, but stock grants will be provided.

Director and President

1. Full Name: Artemus Mayor

2. Business Address:

3579 E Foothill Blvd #228  
Pasadena, CA 91107

3. Employment History (include previous employers for the past 5 years, positions held, responsibilities and employment dates):

SK3 Group, Inc. President, Secretary, Director, October 2011 - Present

Healthcare of Today, Inc. VP of Marketing, June 2008-October 2011

4. Board memberships and other affiliations:

None

5. Compensations by the Issuer:

None until cash flow from operations increases.

6. Number and class of the Issuer's securities beneficially owned:

None currently, but stock grants will be provided.

GENERAL COUNSEL AND EXECUTIVE VP

1. Full Name: Jeffrey Benz

2. Business Address:

12021 Wilshire Boulevard, Suite 256  
Los Angeles, CA 90025

3. Employment History (include previous employers for the past 5 years, positions held, responsibilities and employment dates):

Benz Law Group and Benz ADR, Attorney, Arbitrator, Mediator, 2009-2013

Golden Spear, LLC, Chief Operating Officer and General Counsel, 2009-2010

AVP, Inc, Chief Operating Officer and General Counsel, 2008

4.Board memberships and other affiliations:

\_\_\_\_\_ None

5.Compensations by the Issuer:

\_\_\_\_\_ None until cash flow from operations increases.

6.Number and class of the Issuer's securities beneficially owned:

\_\_\_\_\_ None currently, but stock grants will be provided.

Director of Operations:

1.Full Name: \_\_\_\_\_ Michael Choo

2.Business Address:

\_\_\_\_\_ 1801 Century Park East 24th  
Floor  
\_\_\_\_\_ Los Angeles, CA 90067

3.Employment History (include previous employers for the past 5 years, positions held, responsibilities and employment dates):

\_\_\_\_\_ SK3 Group, Inc, Director of Operations, March 2013-Present  
\_\_\_\_\_ President and CEO, Bellflower Medical Group, Los Angeles, CA

4.Board memberships and other affiliations:

\_\_\_\_\_ Board member, Novation Holdings, Inc. (OTCQB NOHO)

5.Compensations by the Issuer:

\_\_\_\_\_ None until cash flow from operations increases.

6.Number and class of the Issuer's securities beneficially owned:

\_\_\_\_\_ None currently, but stock grants will be provided.

CONTROL PERSONS:

According to a current shareholder list of the Company, there are no shareholders holding more than 10 percent of the outstanding stock of the Company. The following persons have acquired common shares of the Company, either on the open market or through private purchases, but not from the Company itself, representing more than 5 percent of the common shares issued and outstanding. The three named persons are not affiliates of the Company and the Company has no knowledge, information, or reason to believe that any of the three persons are affiliates of each other or otherwise acting in concert.

1)	Benjamin Millan P.O. Box 63373 Los Angeles, CA 90063	20,000,000 Shares	5.5%
2)	Gerald Lytton	20,000,000 Shares	5.5%

1129 Carmelita Cir  
Monrovia, CA 91016

- |    |   |                   |      |
|----|---|-------------------|------|
| 3) | Tony Hsu<br>3 <sup>rd</sup> Floor, No. 195, Section 1<br>Fu Nong Road<br>Tainan, Taiwan | 20,000,000 Shares | 5.5% |
|----|---|-------------------|------|

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

None

C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

As of April 30, 2013, the Company is not aware of any person or entity controlling more than 10 percent of the outstanding stock, directly or indirectly. In March 2013, the Company acquired Medical Greens, and its existing business, assets and contracts, in exchange for 5 million shares of Series A Convertible Preferred Stock (the "Series A Preferred Shares") which carries 60 percent of the total vote of all classes of stock entitled to vote and is convertible at any time after one year from the date of issue into 60 percent of the resulting common stock outstanding. The Series A Preferred Shares have not yet been issued, but will be issued as soon as a new Certificate of Designations (the "New Certificate of Designations") for the Series A Preferred Shares (replacing and superseding the current Certificate of Designations on file with the Delaware Secretary of State under which no shares of preferred stock were ever issued) is filed with the Delaware Secretary of State, which is expected to be by May 15, 2013. At that time, iEquity Corp. will become the controlling shareholder. No person or entity holds more than 10 percent of the equity of iEquity Corp. Henry Jan is the Chief Executive Officer of iEquity Corp.

## 9) **Third Party Providers**

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:



Legal Counsel

Name: Marc A. Indeglia, Esquire  
Firm: Indeglia & Carney  
Address 1: 1900 Main Street, Suite 300  
Address 2: Irvine, CA 92614  
Phone: 949-861-3321  
Email: marc@indegliacarney.com

Accountant or Auditor

Name: Not yet selected  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

Investor Relations Consultant

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

Name: John Burke  
Firm: JBurke Consulting, LLC  
Address 1: PO Box 541647  
Address 2: Merritt Island, FL 32954  
Phone: 321-302-1831  
Email: jburke1976@rocketmail.com

**10) Issuer Certification**

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, Artemus Mayor certify that:

1. I have reviewed this [Annual Disclosure Statement of [SK3 Group, Inc.];
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

May 2, 2013 [Date]

/s/ Artemus Mayor [Signature]  
(Digital Signatures should appear as "/s/ [OFFICER NAME]")

President[Title]

## EXHIBIT 4A

Co_Lst_Name	First_Name	Cert_ID	Shares	Date	Address_1	City	State	Zip
CRYSTAL FALLS INVESTMENTS		2057	30,000,000	1/14/2011	1177 SOUTH HWY 1	VERO BEACH	FL	33962
MUNEIO	CHRIS	2058	30,000,000	1/14/2011	211 MONCEAUX RD	WEST PALM BEACH	FL	33405
CHARY	SIDDHARTH	2059	30,000,000	1/14/2011	888 BISCAYNE BLVD 1212	MIAMI	FL	33132
HASELTINE	WILLIAM	2060	16,545,000	1/14/2011	1629 K ST NW SUITE 300	WASHINGTON	DC	20006
LMTS TRADING INC		BE13	30,000,000	1/14/2011	6605 253RD STREET E	Myakka City	FL	34251
BRADSHAW	STEPHEN	BE14	30,000,000	1/14/2011	1177 SOUTH HWY 1	VERO BEACH	FL	33962
			<b>166,545,000</b>					
MADISON CONSULTING SERVICES LLC		BE18	27,757,000	3/30/2011	7 Rose Avenue	Great Neck	NY	11021
MARJORIE CONSULTING LLC		BE19	27,757,000	3/30/2011	42 W. 38th Street, Suite 503	New York	NY	10018
			<b>55,514,000</b>					

**SK3 Group, Inc.**  
**Financial Statements**  
**Unaudited**  
**December 31, 2012 and 2011**

**SK3 GROUP, INC.**  
**BALANCE SHEETS**  
**DECEMBER 31, 2012 AND 2011**  
**(Unaudited)**

<b>Assets</b>		
	<b>2012</b>	<b>2011</b>
<b>Current Assets</b>		
<b>Total Current Assets</b>	<u><b>0.00</b></u>	<u><b>0.00</b></u>
<b>Total Assets</b>	<u><b>\$ 0.00</b></u>	<u><b>\$ 0.00</b></u>
<b>Liabilities and Stockholders' Equity</b>		
	<b>2012</b>	<b>2011</b>
<b>Current Liabilities</b>		
Accounts payable	\$ 4,270.54	\$ 148,670.54
Accrued liabilities	<u>642.80</u>	<u>237.40</u>
<b>Total Current Liabilities</b>	<b>4,913.34</b>	<b>148,907.94</b>
<b>Long-Term Liabilities</b>		
Convertible note payable-CFOs	\$ 144,400.00	\$ 0.00
Convertible note payable-iEquity	450,000.00	0.00
Note payable Crystal Falls 2	1,680.00	1,680.00
Note payable Crystal Falls	<u>2,374.00</u>	<u>2,374.00</u>
<b>Total Long-Term Liabilities</b>	<u><b>598,454.00</b></u>	<u><b>4,054.00</b></u>
<b>Total Liabilities</b>	<b>603,367.34</b>	<b>152,961.94</b>
<b>Stockholders' Equity</b>		
Additional paid-in capital	393,069.50	393,069.50
Common stock	36,205.50	36,205.50
Retained Earnings	(582,236.94)	(507,649.00)
Net Income	<u>(450,405.40)</u>	<u>(74,587.94)</u>
<b>Total Stockholders' Equity</b>	<u><b>(603,367.34)</b></u>	<u><b>(152,961.94)</b></u>
<b>Total Liabilities and Stockholders' Equity</b>	<u><b>\$ 0.00</b></u>	<u><b>\$ 0.00</b></u>

**SK3 GROUP, INC.**  
**Statements of Operations**  
**Years ended December 31, 2012 and 2011**

	Dec 31, 2012	Dec 31, 2011
<b>Revenue</b>		
<b>Total Revenue</b>	<b>0.00</b>	<b>0.00</b>
<b>Cost of Goods Sold</b>		
<b>Total Cost of Goods Sold</b>	<b><u>0.00</u></b>	<b><u>0.00</u></b>
<b>Gross Profit</b>	<b>0.00</b>	<b>0.00</b>
<b>Operating Expenses</b>		
Consulting expense	\$ 450,000.00	\$ 63,000.00
Filing and other fees	0.00	1,680.00
Rent Expense	0.00	5,400.00
Transfer agent fees	<u>0.00</u>	<u>4,270.54</u>
<b>Total Operating Expenses</b>	<b><u>450,000.00</u></b>	<b><u>74,350.54</u></b>
<b>Operating Income (Loss)</b>	<b>(450,000.00)</b>	<b>(74,350.54)</b>
<b>Other Expenses</b>		
Interest	<u>405.40</u>	<u>237.40</u>
<b>Total Other Expenses</b>	<b><u>405.40</u></b>	<b><u>237.40</u></b>
<b>Income (Loss) Before Income Taxes</b>	<b>(450,405.40)</b>	<b>(74,587.94)</b>
<b>Income Tax</b>		
<b>Net Income (Loss)</b>	<b><u>\$ (450,405.40)</u></b>	<b><u>\$ (74,587.94)</u></b>

**SK3 GROUP, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**

	Dec 31, 2012	Dec 31, 2011
<b>Cash Flows from Operating Activities</b>		
<b>Net Income</b>		
Net Income (Loss)	\$ (450,405.40)	\$ (74,587.94)
<b>Total Net Income</b>	<b>(450,405.40)</b>	<b>(74,587.94)</b>
<b>Adjustments to Net Income</b>		
Adjustments to reconcile Net Income (Loss) to net Cash:		
(Increase) Decrease in:		
Increase (Decrease) in:		
Accounts payable	(144,400.00)	72,670.54
Accrued liabilities	405.40	(43,223.69)
<b>Total Adjustments</b>	<b>(143,994.60)</b>	<b>29,446.85</b>
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>(594,400.00)</b>	<b>(45,141.09)</b>
<b>Cash Flows from Investing Activities</b>		
Investment in subsidiary	0.00	6,000.00
<b>Net Cash Provided By (Used In) Investing Activities</b>	<b>0.00</b>	<b>6,000.00</b>
<b>Cash Flows from Financing Activities</b>		
Convertible note payable-CFOs	144,400.00	0.00
Convertible note payable-iEquity	450,000.00	0.00
Note Payable-Crystal 1	0.00	(55,515.00)
Note payable-Crystal 2	0.00	(55,515.00)
Note payable-Crystal 3	0.00	(55,515.00)
Note payable-Crystal 4	0.00	(55,514.00)
Note payable-Crystal 5	0.00	(55,514.00)
Note payable Crystal Falls 2	0.00	1,680.00
Additional paid-in capital	0.00	249,367.50
Common stock	0.00	22,205.50
Retained Earnings	0.00	43,461.09
<b>Net Cash Provided By (Used In) Financing Activities</b>	<b>594,400.00</b>	<b>39,141.09</b>
<b>Net Increase (Decrease) in Cash</b>	<b>0.00</b>	<b>0.00</b>
<b>Cash at Beginning of Period</b>		
<b>Total Cash at Beginning of Period</b>	<b>0.00</b>	<b>0.00</b>
<b>Cash at End of Period</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>

**SK3 Group, Inc.**

**Statement of Stockholders' Deficit  
From May 17, 2004 (Date of Inception) to December  
31, 2012  
(Unaudited)**

	Common Shares #	Amount \$	Additional Paid-in Capital \$	Donated Capital \$	Deficit Accumulated During the Development Stage \$	Total \$
Balances May 17, 2004 (inception)	--	--	--	--	--	--
Common stock issued for cash	455,001	45,501	--	--	--	45,501
Stock offering costs	--	--	(8,399)	--	--	(8,399)
Adjustment for reverse acquisition						
Remove old common	(455,001)	(45,501)	--	--	--	(45,501)
Stock of CTT International	30,936,300	3,094	42,407	--	--	45,501
Stock issued on reverse	1,365,003	137	3,263	--	--	3,400
Transaction costs of reverse	--	--	(718)	--	(34,282)	(35,000)
Stock cancelled	(1,350,000)	(135)	135	--	--	--
Donated services	--	--	--	3,500	--	3,500
Net loss	--	--	--	--	(52,883)	(52,883)
Balances December 31, 2004	30,951,303	3,096	36,688	3,500	(87,165)	(43,881)
Common stock issued for cash	2,100,000	210	69,790	--	--	70,000
Stock offering costs	--	--	(12,067)	--	--	(12,067)
Donated services	--	--	--	7,247	--	7,247
Net loss	--	--	--	--	(76,753)	(76,753)
Balances December 31, 2005	33,051,303	3,306	94,411	10,747	(163,918)	(55,454)
Common stock issued for cash	1,140,000	114	37,886	--	--	38,000
Stock offering costs	--	--	(12,542)	--	--	(12,542)
Donated services	--	--	--	6,000	--	6,000
Net loss	--	--	--	--	(66,287)	(66,287)
Balances December 31, 2006	34,191,303	3,420	119,755	16,747	(230,205)	(90,283)
Stock cancelled	(6,000,000)	(600)	600	--	--	--
Donated services	--	--	--	6,000	--	6,000
Donated rent	--	--	--	600	--	600
Net loss	--	--	--	--	(112,221)	(112,221)
Balances December 31, 2007	28,191,303	2,820	120,355	23,347	(342,426)	(195,904)
Net loss	--	--	--	--	(82,477)	(82,477)
Balances December 31, 2008	28,191,303	2,820	120,355	23,347	(424,275)	(278,381)



Convert donated to paid-in capital	--	--	23,347	(23,347)	--	--
Shares issued for services	1,800,000	180	--	--	--	180
Net loss	--	--	--	--	(1,825)	(1,825)
Balances December 31, 2009	29,991,303	3,000	143,702	--	(426,100)	(31,828)
Shares issued for acquisition	60,000,000	6,000	--	--	--	6,000
Shares issued for services	50,000,000	5,000	--	--	--	5,000
Net profit	--	--	--	--	(125,010)	(125,010)
Balances December 31, 2010	139,991,303	14,000	143,702	--	(551,110)	1,373
Shares issued on note conversions	222,059,000	22,206	198,014	--	--	220,220
Cancellation of Note	--	--	51,353	--	(43,461)	7,892
Net loss	--	--	--	--	(74,588)	(74,588)
Balances December 31, 2011	362,060,303	36,206	393,069	--	(582,237)	(152,962)
Net loss	--	--	--	--	(450,405)	(450,405)
Balances December 31, 2012	362,060,303	36,206	393,069	--	(1,032,642)	(603,367)

**SK3 Group, Inc.**  
**Notes to Financial Statements**  
**December 31, 2012 and 2011**  
**(Unaudited)**

**Note 1 Basis of Presentation**

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules and regulations of the United States Securities and Exchange Commission for financial information presentation. It is management's opinion that all material adjustments (consisting of normal recurring adjustments) have been made which are necessary for a fair financial statement presentation.

**Note 2 Nature of Operations and Summary of Significant Accounting Policies**

**Nature of Operations**

SK3 Group, Inc. was incorporated in Delaware on January 14, 2000 as Slabsdirect.com, Inc. and changed its corporate name to CTT International Distributors, Inc. on January 7, 2005, and again changed its corporate name to SK3 Group, Inc. on May 14, 2007.

In March 2010, SK3 Group, Inc. agreed to acquire two healthcare providers, Medical Billing Specialists, Inc. and Angels of the Valley Hospice Care, LLC, both based in the Los Angeles, CA area.

In December 2010, SK3 Group, Inc. agreed to acquire PRN Staffing Services, Inc. ("PRN") from Healthcare of Today, Inc. for 100,000,000 shares of common stock and 5,000,000 shares of voting preferred stock with a non-dilutive vote of 51 percent of total votes of all classes of stock. The acquisitions all closed by December 31, 2010. The financial statements for SK3 Group, Inc., for the period ended December 31, 2010 were filed on a consolidated basis with its then wholly-owned subsidiaries. In early 2011, the Company agreed to acquire Healthstaff Training Institute and W&M Medical Management.

In late 2011, the Company changed its business model and rescinded all of its acquisitions by October, 2011, at which time new management changed the business direction and began developing the business of providing administrative, financial, legal, accounting and similar services to medical marijuana collectives operating in California.

The Company continued this development activity throughout 2012, arranging licenses, contracts and services to be provided in the medical marijuana market. In early 2013, the Company announced the acquisition of Medical Greens, including all existing contracts and trademarks owned by it, and also the first in a series of signed licensing and support agreements with California collectives. The Company also established its offices in Miami, Florida.

**SK3 Group, Inc. and Subsidiaries**  
**Notes to Financial Statements**  
**December 31, 2012 and 2011**  
**(Unaudited)**

**Note 2 Nature of Operations and Summary of Significant Accounting Policies (continued)**

The Company currently operates as a holding and service company providing administrative, financial, legal, HR and similar services to its subsidiary, Medical Greens, Inc., and its collective clients.

**Risks and Uncertainties**

The Company operates in an industry that is very competitive, highly regulated and subject to rapid technological change. The Company's operations will be subject to significant risk and uncertainties including financial, operational, technological, regulatory and other risks associated with a development stage company, including the potential risk of business failure.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. A significant estimate in 2012 and 2011 included a 100% valuation allowance for deferred taxes assets arising from net operating losses incurred since inception.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ materially from estimates.

**Cash and Cash Equivalents**

The Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. At December 31, 2012 and 2011, respectively, the Company had no cash equivalents.

The Company minimizes its credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. At December 31, 2012 and 2011, respectively, there were no balances that exceeded the federally insured limit.

**SK3 Group, Inc.**  
**Notes to Financial Statements**  
**December 31, 2012 and 2011**  
**(Unaudited)**

**Note 2 Nature of Operations and Summary of Significant Accounting Policies (continued)**

**Earnings per Share**

In accordance with accounting guidance now codified as FASB ASC Topic 260, “*Earnings per Share*,” Basic earnings per share (“EPS”) is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding during the period, excluding the effects of any potentially dilutive securities. Diluted EPS gives effect to all dilutive potential of shares of common stock outstanding during the period including stock options or warrants, using the treasury stock method (by using the average stock price for the period to determine the number of shares assumed to be purchased from the exercise of stock options or warrants), and convertible debt or convertible preferred stock, using the if-converted method. Diluted EPS excludes all dilutive potential of shares of common stock if their effect is anti-dilutive. The computation of basic and diluted loss per share for the period from inception to December 31, 2012, is equivalent since the Company has had continuing losses. The Company also has no common stock equivalents.

**Share Based Payments**

Generally, all forms of share-based payments, including stock option grants, restricted stock grants and stock appreciation rights, are measured at their fair value on the awards’ grant date, and based on the estimated number of awards that are ultimately expected to vest. Share-based payment awards issued to non-employees for services rendered are recorded at either the fair value of the services rendered or the fair value of the share-based payment, whichever is more readily determinable. The expense resulting from share-based payments are recorded as a component of general and administrative expense.

**Intangible Assets**

Intangible assets are stated at cost less accumulated amortization and, if impaired, at fair value. They are amortized in accordance with the relevant income stream or by using the straight line method over their useful lives from the time they are first available for use. The estimated useful lives vary according to the specific asset but are typically:

1 to 12 years for customer contracts and relationships;

3 to 8 years for capitalized software;

3 to 10 years for patents, trademarks and licenses; and

3 to 8 years for capitalized development currently being amortized.

Intangible assets which are not yet being amortized are subject to annual impairment reviews.

**SK3 Group, Inc.**  
**Notes to Financial Statements**  
**December 31, 2012 and 2011**  
**(Unaudited)**

**Note 2 Nature of Operations and Summary of Significant Accounting Policies (continued)**  
**Segment Information**

During the quarters ended December 31, 2012 and 2011, the Company only operated in one segment; therefore, segment information has not been presented.

**Fair Value of Financial Instruments**

The carrying amounts of the Company's short-term financial instruments, including accounts payable and accrued liabilities, approximate fair value due to the relatively short period to maturity for these instruments.

**Reclassifications**

Certain amounts from the prior period financial statements have been reclassified to conform to current period presentation.

**Fair Value Measurement**

The fair value of the Company's financial assets and liabilities reflects the Company's estimate of amounts that it would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from sources independent from the Company) and to minimize the use of unobservable inputs (the Company's assumptions about how market participants would price assets and liabilities). The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

- Level 1: Quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: Observable inputs other than Level 1 inputs. Examples of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs based on the Company's assessment of the assumptions that market participants would use in pricing the asset or liability.

**SK3 Group, Inc.**  
**Notes to Financial Statements**  
**December 31, 2012 and 2011**  
**(Unaudited)**

**Note 2 Nature of Operations and Summary of Significant Accounting Policies (continued)**

**Recent Accounting Pronouncements**

The Company continually assesses any new accounting pronouncements to determine their applicability to the Company. Where it is determined that a new accounting pronouncement affects the Company's financial reporting, the Company undertakes a study to determine the consequence of the change to its financial statements and assures that there are proper controls in place to ascertain that the Company's financials properly reflect the change. There were no recently issued accounting pronouncements during the quarter impacting the company's business.

**Note 3 Convertible Notes and Other Liabilities**

A total of \$222,059 in convertible notes issued in March 2010 to record already existing debt of the Company on its books, were converted into common stock during the first quarter of 2011 and all related interest also was deemed converted as well.

In December 2010, the Company issued a convertible note to Crystal Falls Investments, LLC, in the original principal amount of \$2,474, converting an outstanding open account due to Crystal Falls for its direct payment of the outstanding balance due to the Company's transfer agent. The note is a three year note due December 31, 2013, bears interest at 10 percent and is in the principal amount of \$2,474. The note is convertible into common stock at any time after 180 days at the election of the holder, at a price equal to the par value of the common stock at the date of election to convert. There is a limitation on the total shares held by the holder of the note, to 4.99 percent of all common shares outstanding. Interest of \$247 has been accrued on the note for each of the fiscal years 2011 and 2012.

In December 2011, the Company issued a second convertible note to Crystal Falls Investments, LLC, converting an outstanding open account due to Crystal Falls for direct payments made by Crystal Falls to DTC to obtain NOBO lists, totaling \$1,680. The note is a two year note due December 31, 2013, bears interest at 10 percent and is in the principal amount of \$1,680. The note is convertible into common stock at any time after 180 days at the election of the holder, at a price equal to 75 percent of the average closing price of the common stock for the 30 trading days prior to the date of election to convert, but not less than \$0.001. There is a limitation on the total shares held by the holder of the note, to 4.99 percent of all common shares outstanding. Interest of \$168 has been accrued on the note for 2012.

At December 31, 2011, the Company had accounts payable of \$148,671, of which \$144,400 were due to CFOs to Go, Inc. under a consulting agreement dated March 1, 2010, which was

**SK3 Group, Inc.**  
**Notes to Financial Statements**  
**December 31, 2012 and 2011**  
**(Unaudited)**

**Note 3 Convertible Notes and Other Liabilities (continued)**

terminated September 30, 2011, and \$4,271 due to the Company's transfer agent. On December 30, 2012, the balance due to CFOs to Go, Inc. was converted into a convertible promissory note in the same amount, due December 31, 2013.

Effective May 1, 2012, the Company entered into a Consulting Agreement with iEquity Corp. under which iEquity Corp. agreed to undertake the research and business development necessary to implement the new business of the Company already under development. The Consulting Agreement provides for a monthly fee of \$50,000 and a total of \$450,000 in fees had accrued as of December 31, 2012. The accrued amount was converted into a promissory note in the same amount on December 31, 2012 convertible into common stock at the election of the holder. Upon issuance of the Series A Preferred Stock, iEquity Corp. will be now the controlling shareholder of the Company (See, Note 6).

**Note 4 Subsidiaries and Subsequent Events.**

In February 2011, the Company acquired all of the outstanding shares of PRN Staffing Services, Inc. ("PRN"), in exchange for 100,000,000 common shares and 5,000,000 voting preferred shares having a vote at all times equal to 51% of the total vote of all shares entitled to vote, and PRN would become a wholly-owned subsidiary. The shares required to be issued in the transaction were not then issued, however. PRN's purchase price of \$4,000,000 was determined by reference to the fair value of shares trading on the open market.

In March 2011, the Company also acquired all of the outstanding shares of W&M Medical Management, Inc. ("W&M"), in exchange for a convertible promissory note with an original principal amount of \$4,300,000, and W&M became a wholly-owned subsidiary of the Company. The promissory note was payable within twelve (12) months of Closing and was convertible into that number of shares of SK3 common stock that equals \$4,300,000 divided by 90 percent of the average share price of SK3 common stock at the close of trading.

In March, 2011, the Company acquired all of the outstanding shares of Healthstaff Training Institute, Inc. ("Healthstaff"), in exchange for a convertible promissory note with an original principal amount of \$630,000., and Healthstaff became a wholly-owned subsidiary of the Company. The promissory note was payable within twelve (12) months of Closing and was convertible into that number of shares of SK3 common stock that equals \$630,000 divided by 90 percent of the average share price of SK3 common stock at the close of trading.

**SK3 Group, Inc.**  
**Notes to Financial Statements**  
**December 31, 2012 and 2011**  
**(Unaudited)**

**Note 4 Subsidiaries and Subsequent Events (continued)**

In April, 2011, the Company agreed to acquire all of the outstanding shares of Angel's Holding Corp. ("Angel's"), in exchange for a convertible promissory note with an original principal amount of \$1,100,500, and Angel's would become a wholly-owned subsidiary of the Company. The promissory note was to be payable within twelve (12) months of Closing and would be convertible into that number of shares of SK3 common stock that equals \$1,100,500 divided by 90 percent of the average share price of SK3 common stock at the close of trading. The acquisition ultimately did not close.

In April, 2011, the Company agreed to acquire all of the outstanding member interests of Med-Ready Healthcare, LLC, a California Limited Liability Company ("MRH"), in exchange for a convertible promissory note with an original principal amount of \$700,000, and MRH will become a wholly-owned subsidiary of the Company. The promissory note was to be payable within twelve (12) months of Closing and would be convertible into that number of shares of SK3 common stock that equals \$700,00 divided by 90 percent of the average share price of SK3 common stock at the close of trading. The acquisition did not close.

In October, 2011, the Company changed its business model due to lack of available independent funding for the acquisition and operation of its subsidiary healthcare operations, already acquired or to be acquired. As a result, the acquisitions of PRN, Healthstaff and W&M Management were all rescinded, the pending acquisitions of Angel's Holding and MedReady were cancelled, and the Company began developing the new business plan of providing administrative, operations and financial support to medical marijuana collectives in California.

As part of the new business direction, Hong-Shin Pan, then the sole director and officer of the Company, resigned as an officer on October 15, 2011, and appointed Artemus Mayor as President, CEO and Secretary and as a director. In May, 2012, Mr. Pan resigned as a director as well and is no longer affiliated with the Company. Also as part of the new business plan, an existing consulting agreement with CFOs to Go, Inc., under which the latter provided financial, administrative, legal and other advice to the Company, managed its books and financial records and provided it with office space, for a monthly fee of \$7,000, was terminated as of September 30, 2011. CFOs to GO, Inc. had accrued a total of \$144,400 in unpaid consulting fees under the Consulting Agreement with the Company, which had been executed effective March 1, 2010. As of December 31, 2012, the balance due to CFOs to Go was included in a convertible promissory note in the principal amount of \$144,400, convertible into common stock. CFOs to Go then merged into Matriarch Management, Inc. in January 2013, and the latter acquired the note, which was later divided into six separate identical notes of \$22,990 each and distributed to six unrelated parties in March, 2013. CFOs to Go, Inc. has no remaining affiliation with the Company.



**SK3 Group, Inc.**  
**Notes to Financial Statements**  
**December 31, 2012 and 2011**  
**(Unaudited)**

**Note 4 Subsidiaries and Subsequent Events (continued)**

Effective May 1, 2012, the Company entered into a Consulting Agreement with iEquity Corp. under which iEquity Corp. agreed to complete the research and business development necessary to implement the new business of the Company. The Consulting Agreement provides for a monthly fee of \$50,000 and a total of \$450,000 in fees had accrued as of December 31, 2012.

The accrued amount was converted into a promissory note in the same amount on December 31, 2012 convertible into common stock at the election of the holder.

In March 2013, SK3 Group acquired the assets and business of Medical Greens from iEquity Corp. for the issuance of 5 million shares of Series A Convertible Preferred Stock having voting power equal to 60 percent of the total vote of all classes of stock entitled to vote and convertible at any time after one year from the date of issue into 60 percent of the resulting common stock outstanding. As of May 2, 2013, the Series A Preferred has not been issued but will be issued as soon as a new Certificate of Designations (the "New Certificate of Designations") for the Series A Preferred Shares (replacing and superseding the current Certificate of Designations on file with the Delaware Secretary of State under which no shares of preferred stock were ever issued) is filed with the Delaware Secretary of State. The New Certificate of Designations is expected to be filed by May 15, 2013, at which time the Series A Preferred shares will be issued.

In April, 2013, the Company formed Medical Greens, Inc. in California and contributed the assets and business of Medical Greens to its new wholly-owned subsidiary.

On April 28, 2013, SK3 Group entered into an acquisition agreement to acquire 100% of the general partnership interests of Berkeley BioOrganic Research Laboratories, a California general partnership ("Berkeley BioOrganic") from its four general partners, Dave Hoyer, Mary Ann Harrel, D. Allen Gray and Charles Apel, for 20 million shares of SK3 Group, common stock (5 million shares to each general partner seller). Upon consummation of the transaction, the shares of SK3 Group issued to the general partner sellers will be issued as restricted securities and will contain a legend stating that the shares have not been registered under the Securities Act of 1933, as amended. The securities are being issued in reliance on the exemption provided by Section 4(2) of the Securities Act of 1933, as amended. As of April 30, 2013, the shares have not been issued.

**Note 5 Litigation**

The Company is informed that it has been named in a lawsuit filed in California in 2012 by a law firm, Hirschmann Group, to collect fees in the total amount of approximately \$50,000 allegedly

**SK3 Group, Inc.**  
**Notes to Financial Statements**  
**December 31, 2012 and 2011**  
**(Unaudited)**

**Note 5 Litigation (continued)**

incurred in dismissing an earlier lawsuit filed in 2010 against the Company's former control shareholder, Healthcare of Today, Inc., in which the Company was later added as a party, with no legal basis. The law firm was retained by Healthcare of Today, Inc. to obtain a dismissal of the case against the Company for lack of jurisdiction in California, and Healthcare of Today, Inc. agreed to be responsible for the legal fees involved, with the agreement and consent of Hirschman Law to that arrangement. The Company was dismissed from the Healthcare of Today, Inc. litigation in October 2011 on the grounds that there was no California jurisdiction over the Company, as it had no place of business, no assets and no presence in California. Apparently, Healthcare of Today, Inc. was unable or refused to pay the legal fees, as agreed by all parties, and the law firm is now attempting to sue the Company in California, as to which the law firm already has established there is no jurisdiction in California. The Company has not reflected the legal fees as a payable of the Company in its financial reports, and has not reserved against any liability for the fees claimed, as Healthcare of Today and the law firm both agreed that the Company would not be liable for the fees. The Company has not been served with the Complaint or any other papers relating to the lawsuit.

**Note 6 Stockholders' Equity (Deficit)**

As of December 31, 2010, the Company had 139,991,303 common shares, par value \$0.0001, issued and outstanding and no preferred shares issued and outstanding. During the first quarter of 2011, the Company issued a total of 222,059,000 common shares to unrelated parties as a result of conversions of outstanding promissory notes in the total amount of \$222,059. As a result there were 362,991,308 common shares issued and outstanding at December 31, 2011. No additional shares were issued during 2012.

There were 500,000,000 common shares, par value \$0.0001, and 5,000,000 preferred shares, par value \$0.0001, authorized at December 31, 2011 and 2012.

On March 10, 2013, SK3 Group acquired the assets and business of Medical Greens from iEquity Corp. for the issuance of 5 million shares of Series A Convertible Preferred Stock ("Series A Preferred"). The Series A Preferred has voting power equal to sixty percent (60%) of the total vote of all classes of stock entitled to vote and convertible at any time after one year from the date of issuance into 60% of the resulting common stock outstanding. As of April 30, 2013, the Series A Preferred had not been issued as the New Certificate of Designations had not yet been filed in Delaware. The Company expects to file the New Certificate of Designations by May 15, 2013, at which time the certificate for the 5 million shares will be issued. The certificate will contain a legend stating that the shares have not been registered under the Securities Act of 1933, as amended. No person or entity

**SK3 Group, Inc.**  
**Notes to Financial Statements**  
**December 31, 2012 and 2011**  
**(Unaudited)**

**Note 6 Stockholders' Equity (Deficit) (continued)**

holds more than 10 percent of the equity of iEquity Corp. Henry Jan is the Chief Executive Officer of iEquity Corp. The securities are being issued in reliance on the exemption provided by Section 4(2) of the Securities Act of 1933, as amended.

On April 28, 2013, SK3 Group entered into an acquisition agreement to acquire 100% of the general partnership interests of Berkeley BioOrganic Research Laboratories, a California general partnership ("Berkeley BioOrganic") from its four general partners, Dave Hoyer, Mary Ann Harrel, D. Allen Gray and Charles Apel, for 20 million shares of SK3 Group, common stock (5 million shares to each general partner seller). Upon consummation of the transaction, the shares of SK3 Group issued to the general partner sellers will be issued as restricted securities and will contain a legend stating that the shares have not been registered under the Securities Act of 1933, as amended. The securities are being issued in reliance on the exemption provided by Section 4(2) of the Securities Act of 1933, as amended. As of April 30, 2013, the shares have not been issued.