

Marijuana, Inc,
Balance Sheet
(UNAUDITED)

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
ASSETS		
Current Assets		
Cash on Hand	602.19	2,000.00
Other Current Assets		
Inventory Asset	12,375.00	5,944.80
Marketable Securities	150,150.00	
Retainer Deposit		
Eric P. Littman	300.00	
Total Other Current Assets	<u>162,825.00</u>	<u>5,944.80</u>
Total Current Assets	<u>163,427.19</u>	<u>7,944.80</u>
Other Assets		
Investment in 420 Café	5,000.00	
Investment in Wild Herb Naturals	5,000.00	
Leasehold Improvements	2,500.00	
Red Rock Naturals	2,500.00	
Property, Plant, & Equipment		
LPO Software	1,810,775.00	314,775.00
Social Network Software	382,000.00	
Total Other Assets	<u>2,207,775.00</u>	<u>314,775.00</u>
TOTAL ASSETS	<u>2,371,202.19</u>	<u>322,719.80</u>
LIABILITIES & EQUITIES		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable	8,057.78	10,000.00
Transfer Agent	6,140.93	
Total Accounts Payable	<u>14,198.71</u>	<u>10,000.00</u>
Other Current Liabilities		
Loan Payable - Bruce Perlowin	1,938,364.30	350,530.11
Loan Payable - David Tobias	17,259.93	
Loan Payable - James Scheltema	12,105.13	
Total Other Current Liabilities	<u>1,967,729.36</u>	<u>350,530.11</u>
Total Current Liabilities	<u>1,981,928.07</u>	<u>360,530.11</u>
Total Liabilities	<u>1,981,928.07</u>	<u>360,530.11</u>
Equity		
Additional Paid In Capital	3,427,813.61	
Capital - Common & Preferred		
Capital Stock (par value \$0.00001)	7,324.98	3,299.71
Preferred Stock (par value \$0.00001)	<u>3,315.00</u>	<u>3,000.00</u>

Total Capital - Common & Preferred	10,639.98	6,299.71
Retained Earnings/Losses	(1,805,276.65)	(11,238.48)
Net Income	(1,243,902.82)	(32,871.54)
Total Equity	<u>389,274.12</u>	<u>(37,810.31)</u>
TOTAL LIABILITIES & EQUITIES	<u>2,371,202.19</u>	<u>322,719.80</u>

Marijuana, Inc,
Income Statement
(UNAUDITED)

	<u>Jan - Dec, 2011</u>	<u>Jan - Dec 2010</u>
Ordinary Income/Expense		
Income		
MJNA Stock Sale	22,100.00	
Nutraceuticals	399.80	
Books	216.39	
Coins	2,100.00	
Loyalty Cards	3,120.00	
Studio	200.00	
Total Income	<u>28,136.19</u>	<u>0.00</u>
Expense		
Advertising and Promotion	29,565.60	601.00
Bank Service Charges	255.50	
Compensation-Stock Based	699,368.89	
Computer and Internet Expenses	24.34	926.74
Consulting	29,583.74	200.00
Copying/Printing	172.00	460.00
Corpororate Fees	139.00	
Dues	722.51	
Insurance Expense	255.83	
Interest Expense		240.81
Investment Expense	7,175.38	
Janitorial Expense	650.00	
Legal	4,653.00	170.00
License	160.00	10.00
Meals and Entertainment	6,353.56	35.20
Miscallaneous	305.97	625.40
Office Supplies	6,650.54	2,492.72
Postage and Shipping	4,357.67	1,240.39
Professional Fees	22,748.75	
Rent	15,561.00	
Repairs and Maintenance	1,610.00	
Seminar	4,924.86	2,075.00
Software Development	550.01	
Storage		1,368.84
Subscription	448.08	
Telephone Expense	18,427.25	3,669.71
Taxes - Sales	15.00	
Texts	264.66	
Transfer Agent Costs	8,250.93	

Travel			
Air Travel	852.40		420.00
Auto - Other	4,013.78		2,356.80
Automobile Gas & Oil	6,604.78		5,331.52
Car Rental	544.03		
Entertainment	1,202.07		
Lodging	982.59		7,036.76
Meals	6,857.45		3,273.21
Parking	74.05		293.65
Taxi	32.00		
Travel - Other	<u>19,351.03</u>		
Total Travel		40,514.18	<u>18,711.94</u>
Utilities		<u>5,977.43</u>	<u>43.79</u>
Total Expense		<u>909,685.68</u>	<u>32,871.54</u>
Net Ordinary Income		<u>(881,549.49)</u>	<u>(32,871.54)</u>
Other Income/Expense			
Other Expense			
Reduction in Value of Marketable Securit		<u>(362,353.33)</u>	
Net Other Income		<u>(362,353.33)</u>	
Net Income		<u>(1,243,902.82)</u>	<u>(32,871.54)</u>

Marijuana, Inc,
Statement of Cash Flows
For the Period Jan 1 - Dec 31, 2011
(UNAUDITED)

	<u>Jan - Dec, 2011</u>	<u>Jan - Dec 2010</u>
OPERATING ACTIVITIES		
Net Income	(1,243,902.82)	(32,871.54)
Adjustments to reconcile Net Income		
To net cash provided by operations:		
Cash on Hand	602.19	
Inventory Asset	31,500.00	(469.80)
Marketable Securities	472,350.00	
Loan Payable - Bruce Perlowin	1,496,322.77	33,341.34
Loan Payable - David Tobias	17,259.93	
Loan Payable - James Scheltema	10,937.38	
Net cash provided by Operating Activities	<u>785,069.45</u>	<u>-</u>
INVESTING ACTIVITIES		
Investment in 420 Café	(5,000.00)	
Investment in Wild Herb Naturals	(5,000.00)	
Leasehold Improvements	(2,500.00)	
Red Rock Naturals	(2,500.00)	
Net cash provided by Investing Activities	<u>(15,000.00)</u>	<u>-</u>
FINANCING ACTIVITIES		
Additional Paid In Capital	3,427,813.61	
Capital - Common & Preferred: Capital Stock	7,324.98	3,299.71
Capital - Common & Preferred: Preferred Stoc	3,315.00	3,000.00
Net cash provided by Financing Activities	<u>3,438,453.59</u>	<u>6,299.71</u>
Net cash increase for period	<u>4,208,523.04</u>	<u>6,299.71</u>
Cash at end of Period	<u>-</u>	<u>-</u>

Changes in Stockholders' Equity

	Preferred Stock		Common Stock		Additional Paid-in Capital	Retained Earnings	Total
	Shares	Amount	Shares	Amount			
Balance as of December 31, 2011	31,500,000	315.00	402,527,722	4,025.28	3,427,813.61	(1,805,276.65)	1,626,877.23

MARIJUANA, INC. (OTC:"HEMP")

Note 1 - Organization and Basis of Presentation

Organization and Line of Business

The Company was incorporated on January 16, 2008 in Colorado as Preachers Coffee, Inc. Preachers Coffee, Inc. a Colorado corporation was given the trading symbol PCIO. On November 11, 2009 Preachers Coffee, Inc. a Colorado corporation's name was changed to Marijuana, Inc. On October 10, 2011 the trading symbol PCIO was changed to HEMP.

Marijuana Inc. ("MI") (OTC: HEMP) is a start-up company and is in the development stage preparing to launch a comprehensive network of information, services and products focused on the rapidly emerging medical marijuana industries and movements. MI is assembling the components of this all encompassing educational, social network, affinity program, and distribution network through internal development, mergers & acquisition and joint ventures. These components are being seamlessly integrated into a process designed to take someone from curious, to knowledgeable, to a satisfied and loyal MI community member with a lasting relationship with the company through education, information, social networking, and product purchases.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America.

It is assumed that the transfer agent's certified shareholder list is accurate and complete regarding the issuance and holders of common stock.

Note 2 - Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with 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. Actual results could differ from those estimates.

Principles of Consolidation

These consolidated financial statements include the accounts of Marijuana, Inc's wholly owned subsidiaries Eco Harmony Rocks, LLC, a Delaware limited liability company and Eco Harmony, Inc., a Nevada corporation. All significant intercompany transactions have been eliminated.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and cash in time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less. During this

development period, many of the expenses of the company were funded by the officers and directors, thus alleviating the need for a bank account.

Prepaid Expenses

None

Investments in Marketable Securities

On August 15, 2011, ten million five hundred thousand (10,500,000) freely trading shares of Medical Marijuana, Inc., ("MJNA") were exchanged for 307,537,500 shares of common stock, subject to 144 restriction (which requires these recipients to hold the shares for a year prior to the shares being able to be sold). On December 31, 2012 the marketable securities account was adjusted to reflect the change in market value.

Deposits

Deposits are the balances outstanding that have not been redeemed as of the date of the Financial Statements. As of December 31, 2011, there are no deposits.

Accounts Receivable/Other Receivable

Accounts Receivable are amounts due to the company from sales or services rendered. As of December 31, 2011, there are no deposits.

Notes Receivable

Notes Receivable are executed contractual obligations to pay the company reflecting amounts due for sales or services rendered to another by the company. As of December 31, 2011, there are no notes receivable.

Property and Equipment

Property and equipment are stated at cost. Expenditures for maintenance and repairs are charged to earnings as incurred; additions, renewals and betterments are capitalized. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in operations.

Depreciation of property and equipment is provided using the MACRS method for substantially all assets with estimated lives of 5 years and, to the extent available, accelerated depreciation per Internal Revenue Code Sec. 179.

As of December 31, 2011, there is two assets classified under Property and Equipment. One is a software program that incorporates all working aspects of the social network, loyalty program, media access, education access, and sales and marketing for the company. This software is the backbone of the business and actual payments for programmers exceeded \$1.8 million. The other proprietary software program is for managing the Company's social network and it was paid for with 144 restricted stock valued at \$364,000.

Inventory

Inventory consists of silver medallions emblazoned with the "King of Pot" and designed to raise the public awareness of the company and its products. On August 15, 2011, these were exchanged, together with the dye enabling future releases of additional medallions, for 31,500,000 shares of preferred stock which is convertible at a ratio of 1:2.5 shares of Marijuana, Inc. common shares. Inventory has been recorded at the lower of cost or fair market value.

Revenue Recognition

The Company's revenue recognition policies are in compliance with SEC Staff Accounting Bulletin ("SAB") 104.

Stock-Based Compensation

The Company accounts for its stock-based compensation in accordance with SFAS No. 123R, "Share-Based Payment, an Amendment of FASB Statement no. 123." The Company recognizes in the statement of operations the grant-date fair value of stock options and other equity-based compensation issued to employees and non-employees. During the period from January 1 to December 31, 2011, 402,527,722 shares were issued in total. 69,540,222 were issued pursuant to consulting agreements.

Income Taxes

The Company utilizes the SFAS No. 109, "Accounting for Income Taxes," which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in the future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each period and based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

Basic and Diluted Earnings per Share

Earnings per share are calculated in accordance with the SFAS No. 128 ("SFAS No. 128"), "Earnings per Share." Net earnings per share for all periods presented have been restated to reflect the adoption of SFAS No. 128. Basic earnings per share is based upon the weighted average number of common shares outstanding. Diluted earnings per share is based on the assumption that all dilutive convertible shares and stock options were converted or exercised. There are convertible shares as discussed in Note 8. There are no options or warrants. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. At this time there are no stock options granted.

Note 3 - Going Concern

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America, which contemplates continuation of the Company as a going concern.

Note 4 - Accounts Payable

Accounts payable represent amounts owed to vendors for products and/or services rendered but not yet paid for in full. At the close of business on December 31, 2011, there was only one account having an outstanding balance.

Note 5 - Notes Payable

None.

Note 6 - Loans To/From Officers

Loans are stated at par and are represented in aggregate. Such sum represents the loan of funds and/or withdrawal of funds by officers and is not considered revenue to the company, nor income to individual officers.

Note 7 - Stock Options and Warrants

None.

Note 8 - Preferred Shares

The company has three types of preferred shares. The first, Preferred, is convertible to common shares at a ratio of one preferred share to two and one half shares of common shares. There are currently 331,500,000 preferred shares outstanding. The second, Series K, is convertible to common shares at a ratio of one preferred share to ten shares of common. There are currently no preferred series K shares outstanding. The third, Series Q, is convertible to common shares at a ratio of one preferred share to one hundred shares of common. There are currently no preferred series Q shares outstanding.

Note 9 - Prepaid Expenses

None.

Note 10 - Significant Events

The company has expanded its focus to develop opportunities associated with the medical marijuana industry. The company does not cultivate, distribute or possess marijuana. Instead, the company is creating a service infrastructure to serve industry participants. By creating the prerequisite social network infrastructure, the company is poised to profit from its leadership position in the industry.

The company contemplates becoming involved in a social networking media via the internet to connect industry participants and serve their information needs. The company also plans to pursue providing a full curriculum to educate participants in the industry both through live seminars as well as via the internet. The company intends to offer industry-related products and services where economically feasible. Finally, the company is developing a website providing entertainment and news which affect industry participants.

Note 11 – Change in Stockholder’s Equity

Common Stock

During the period ended December 31, 2011, the Company issued 12,500,000 shares of restricted common pursuant to a consulting agreement with the Company (James Scheltema).

During the period ended December 31, 2011, the Company issued 62,550,000 shares of restricted common stock for 2,000,000 shares of liquid stock from another public company (James Scheltema).

During the period ended December 31, 2011, the Company issued 62,550,000 shares of restricted common stock for 2,000,000 shares of liquid stock from another public company (Bruce Perlowin).

During the period ended December 31, 2011, the Company issued 25,000,000 shares of restricted common pursuant to a consulting agreement with the Company (David Tobias).

During the period ended December 31, 2011, the Company issued 62,550,000 shares of restricted common stock for 2,000,000 shares of liquid stock from another public company (David Tobias).

During the period ended December 31, 2011, the Company issued 222,222 shares of restricted common for consulting work done for the Company (Alexander Scheltema).

During the period ended December 31, 2011, the Company issued 12,500,000 shares of restricted common pursuant to a consulting agreement with the Company (Craig Perlowin).

During the period ended December 31, 2011, the Company issued 41,700,000 shares of restricted common stock for 2,000,000 shares of liquid stock from another public company (Richard Stewart).

During the period ended December 31, 2011, the Company issued 68,000 shares of restricted common for consulting work done for the Company (Alexander Scheltema).

During the period ended December 31, 2011, the Company issued 6,250,000 shares of restricted common pursuant to a consulting agreement with the Company (Ferris Holding, Inc.).

During the period ended December 31, 2011, the Company issued 78,187,500 shares of restricted common stock for 2,500,000 shares of liquid stock from another public company (New Compendium Corporation).

During the period ended December 31, 2011, the Company issued 12,000,000 shares of restricted common for consulting work done for the Company (Robert Milstein).

During the period ended December 31, 2011, the Company issued 225,000 shares of restricted common as a bonus for his outstanding work for Company (Joseph Di Marco).

During the period ended December 31, 2011, the Company issued 1,000,000 shares of restricted common as an advance for the book about his first person experiences smuggling marijuana (Cecil Rogers).

During the period ended December 31, 2011, the Company issued 25,000,000 shares of restricted common for a social network software interface for the Company (Source, Inc.).

During the period ended December 31, 2011, the Company issued 225,000 shares of restricted common as a bonus for his outstanding work for Company (Joan Brown).

Total common stock issued during period 402,527,722

Preferred Stock

During the period ended December 31, 2010, the Company issued 100,000,000 shares of restricted Preferred stock at par value (0.00001) totaling \$1,000 to pay for R&D (Bruce Perlowin).

During the period ended December 31, 2010, the Company issued 100,000,000 shares of restricted Preferred stock at par value (0.00001) totaling \$1,000 to pay for R&D (Svetlana Ogorodnikova).

During the period ended December 31, 2010, the Company issued 100,000,000 shares of restricted Preferred stock at par value (0.00001) totaling \$1,000 to pay for R&D (New Compendium Corp).

During the period ended December 31, 2011, the Company issued 31,500,000 shares of restricted Preferred stock in exchange for silver medallions (Bruce Perlowin).

Total preferred stock issued during period 31,500,000

Note 12 - Subsequent Events

None.

I, Joseph Di Marco, Accounting Manager of Marijuana, Inc., certify that:

1. I have reviewed this 2011 End of Year Financials addendum to the Initial Company Information and Disclosure Statement Covering the period ending December 31, 2011 of Marijuana, 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.

Date: 3/19/2012



Joseph Di Marco
Accounting Manager

I, Bruce Perlowin CEO and Chairman of the Board, certify that:

1. I have reviewed this 2011 End of Year Financials addendum to the Initial Company Information and Disclosure Statement Covering the period ending December 31, 2011 of Marijuana, 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.

Date: 3/19/2012

Bruce Perlowin - CEO
Bruce Perlowin
CEO and Chairman of the Board