



**OTC Pink Basic Disclosure Guidelines**

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## **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.

Current Name of Issuer:

Kona Gold Solutions, Inc.

Past Names of Issuer:

- Formerly=Union Equity, Inc. until 8-2015
- Formerly=PhaserTek Medical, Inc. until 11-04
- Formerly=Class-ique Talent Agency, Inc. until 1-02

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

### Company Headquarters

5585 Schenck Ave  
Suite 5  
Rockledge, FL 32955

1591 Savannah Hwy  
Suite 201  
Charleston, SC 29407

Phone: 844-714-2224  
Email: [info@konagoldhemp.com](mailto:info@konagoldhemp.com)  
Website: [www.konagoldhemp.com](http://www.konagoldhemp.com)

### IR Contact

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FB: <https://www.facebook.com/konagoldhemp>  
Twitter: <https://twitter.com/konagoldhemp>

### 3) Security Information

Trading Symbol: KGKG

Exact title and class of securities outstanding: Common Shares

- Current Issued Common Shares 412,965,449 as of 09/30/2016\*
- Outstanding Common Shares 412,965,449 as of 09/30/2016
- Current Issued Preferred Shares 1,788,000 as of 09/30/2016
- Current Outstanding Preferred Shares 1,788,000 as of 09/30/2016
- Float 115,031,197 as of 09/30/2016
- Cusip# 50050L 107
- Total Authorized for common shares 1,000,000,000
- Par value for common shares \$0.0000001

\* The Company's increase in its Current Issued and Outstanding Common Shares is a majority of Restricted Shares that were issued to Management for services rendered in lieu of compensation and for the acquisition of Elev8 Hemp LLC. These shares are Restricted. The Restricted Shares hold a One (1) Year vesting period and management has no plans to convert these shares as long as they are still employed by the Company.

Additional class of securities (if necessary):

Trading Symbol: KGKG

Exact title and class of securities outstanding: Series A and B Preferred Shares

- Par value for preferred shares \$0.0000001
- Current Issued Preferred Shares 1,788,000 as of 09/30/2016
- Current Outstanding Preferred Shares 1,788,000 as of 09/30/2016
- Cusip# 50050L 107

#### Transfer Agent

Action Stock Transfer  
2469 E. Fort Union Blvd, Suite 214  
Salt Lake City, UT 84121  
(801) 274-1088 voice  
(801) 274-1099 fax  
jb@actionstocktransfer.com  
www.actionstocktransfer.com

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

\*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:

N/A

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

NONE

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

Capital Change=shares increased by 2.564 for 1 split. Ex-date=01/10/2002. Rec date=01/09/2002. Pay date=01/10/2002.

Capital Change=shares increased by 7 for 1 split Ex-date=05/17/2005. Rec date=04/27/2005. Pay date=05/16/2005.

Capital Change=shares decreased by 1 for 10000 split Pay date=09/22/2010.

Capital Change=shares decreased by 1 for 1500 split. Pay date=08/13/2015.

#### **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 equity securities, including debt convertible into equity 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.);  
N/A
- B. Any jurisdictions where the offering was registered or qualified;  
N/A
- C. The number of shares offered;

N/A

D. The number of shares sold;

N/A

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

N/A

F. The trading status of the shares; and

N/A

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.

H. N/A

I. The Company issued in total 53 Million Free Trading shares for debt reduction .

## **5) Financials**

During the Third Quarter (Q3) of 2016, Kona Gold experienced many great growth opportunities, especially with the launch of its much anticipated all new Hemp Infused energy drink. The Company concentrated its efforts to formulate a deliciously unique hemp energy drink that is infused with organic hemp protein. Kona Gold's saw the need to expand operation in order to make room for product line expansion and new inventory which lead to their expansion down to Rockledge, Florida. Their new corporate headquarters provided the company with much needed office and warehouse space. The company also launched their affiliate program, allowing anyone the potential to earn commission from sales of Kona Gold products. The company continues to move forward on their efforts to build a solid foundation around their new cornerstone product, their hemp energy drink. Q4 will see the company actively seeking distribution partners, which will enable them to expand their product into new markets at a much quicker pace.

Kona Gold  
Balance Sheet  
Quarter Ending September 30, 2016

	September 30, 2016	June 30, 2016	March 31, 2016
<b>ASSETS</b>			
Current Assets			
Wells Fargo	71,347	69,309	74,899
Accounts Receivable	300	360	120
Inventory			
Due from Shareholder			
Total Current Assets	71,647	69,669	75,018
Other Assets			
Inventory Asset	33,527	13,408	11,602
Furniture and Equipment	1,519	1,519	291
Undeposited Funds	767		94
Paypal	(434)		
Amazon	(803)	(125)	
Total Other Assets	34,575	14,802	11,987
Total Assets	<u>\$ 106,222</u>	<u>\$ 84,471</u>	<u>\$ 87,005</u>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>			
Current Liabilities			
Accounts Payable	(12,733)	(12,859)	(8,778)
Shipping Cost Payable	174		18
Sales Tax Payable	5	2	1
Total Current Liabilities	(12,554)	(12,857)	(8,760)
Long Term Liabilities			
Convertible Notes Payable - From December 31, 2012	73,468	73,468	73,468
Convertible Notes Payable - From December 31, 2015	25,000	25,000	25,000
Convertible Notes Payable - From January 5, 2016	25,000	25,000	25,000
Convertible Notes Payable - From January 12, 2016	25,000	25,000	25,000
Notes Payable - Related Parties			
Total Long Term Liabilities	148,468	148,468	148,468
Total Liabilities	135,914	135,611	139,709
Stockholder's Equity (Defecit)			
Preferred Stock			
Common Stock			
Common Stock ( 25,000,000 Common Stock)			
Retained Earnings	(8,669)	(7,088)	(7,088)
Additional Paid in Capital			
Net Income	(106,564)	(88,593)	(58,596)
Capital Investment	79,572	38,572	7,012
Opening Balance	5,969	5,969	5,969
Deficit			
Total Equity	(29,692)	(51,140)	(52,703)
Total Liabilities and Stockholder's Equity	<u>106,222</u>	<u>84,471</u>	<u>87,005</u>

Kona Gold  
Cash Flow  
Quarter Ending September 30, 2016

	September 30, 2016	June 30, 2016	March 31, 2016
Cash Flows From Operating Activities			
Net Income (Loss)	(17,971)	(29,997)	(58,596)
Adjustments to Reconcile Net Loss to Net Cash Used by Operating Activities			
Depreciation Expense			
Forgiveness of Debt			
Prepaid Expenses			
Accounts Receivable	60	(240)	(120)
Inventory	(20,119)	(1,805)	(11,602)
Accounts Payable	300	(4,099)	4,240
Tax Payable	3	2	1
Deposits			
Stock Issued to Repay Debt			
Common Stock Issued for Services			
Net Cash Used by Operation Activities	(37,727)	(36,140)	(66,078)
Cash Flow from Investing Activities			
Increase Due to Related Party	1,112	125	(291)
Purchase of FFE		(1,229)	
Net Cash Provided by Investing Activities	1,112	(1,104)	(291)
Cash Flows from Financing Activities			
Opening Balance Equity	(1,581)		5,909
Proceeds from Issuance of Common Stock			
Proceeds from Issuance of Preferred Stock			
Convertible Notes Payable			50,000
Notes Payable			
Stockholder Contributions			
Capital Investment	41,000	31,560	6,012
Net Cash Provided by Financing Activities	39,419	31,560	61,921
Net Change in Cash			
Cash in Beginning of Period	69,309	74,992	79,440
Net cash increase for period	2,805	(5,684)	(4,448)
Opening Balance Equity			
Cash at End of Period	<u>\$ 72,114</u>	<u>\$ 69,309</u>	<u>\$ 74,992</u>
Supplemental Cash Flow Information			
Cash Paid During the Period for:			
Interest			
Income Taxes			

Kona Gold  
Statement of Operations  
Quarter Ending September 30, 2016

	September 30, 2016	June 30, 2016	March 31, 2016
Revenue			
Sales	1,089	1,200	187
Shipping and Delivery Income	(25)		
Total Income	1,064	1,200	187
Cost of Goods Sold			
Cost of Goods Sold	703	815	127
Freight and Shipping Costs	-	314	35
Total COGS	703	1,129	163
Gross Income	361	70	24
Expenses			
Accounting	-	1,500	263
Advertising and Promotion	455	946	7,073
Amazon Fee	121	1,034	-
Bank Service Charges	147	30	120
Dues and Subscriptions	1,565	-	-
Ebay Fee	21	21	-
Legal	-	609	3,198
Management Fees	8,250	18,000	16,800
Meals and Entertainment	55	-	52
Membership Fees	36	92	5
Office Supplies	44	3	150
Postage and Delivery	277	-	-
Product Development and Design	-	115	-
Professional Fees	7	-	125
Public Company Fees	4,395	2,308	2,824
Rent Expense	532.5	0	0
Sales and Use Tax	-	1	-
Shipping Expense	1,665	-	(20)
Shipping Supplies	70	-	97
Stripe Fee	3.51	5.82	0.64
Travel Expense	283	5,022	27,515
Utilities	194	54	4
Web Development and Hosting	211	326	413
Total Expenses	18,331.98	30,066.97	58,620.52
Net Income (Loss)	(17,971)	(29,997)	(58,596)



Kona Gold  
Statement of Shareholders Equity  
September 30, 2016

	Preferred Stock Series A		Preferred Stock Series B		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance, December 31, 2012	1,300,000	\$0.00	491,000	\$0.00	6,947,886,502	\$695	\$1,178,707	-\$1,177,402	\$0.00
Net Income									
Balance, December 31, 2013	1,300,000	0	491,000	0	6,947,886,502	695	1,178,707	-1,177,402	0
Shares Converted	0	0	-3,000	0	300,000,000	30	-30	0	0
Shares Canceled	0	0	0	0	-1,000,000,000	-100	100	0	0
Capital contribution by principal stockholder	0	0	0	0	0	0	148,055	0	148,055
Net loss	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-146,655</u>	<u>-146,655</u>
Balance, December 31, 2014	<u>1,300,000</u>	<u>\$0</u>	<u>488,000</u>	<u>\$0</u>	<u>6,247,886,502</u>	<u>\$625</u>	<u>\$2,505,539</u>	<u>-\$1,324,057</u>	<u>\$1,400</u>
Additional Preferred Stock			68,000,000	-					
Additional Paid in Capital							25,000.00		25,000.00
Balance, December 31, 2015	<u>1,300,000</u>	<u>\$0</u>	<u>68,488,000</u>	<u>\$0</u>	<u>75,965,449</u>	<u>\$8</u>	<u>\$2,530,539</u>	<u>-\$1,324,057</u>	<u>\$26,400</u>
Additional Preferred Stock			116,000,000						
Additional Paid in Capital							50,000		50,000
Common Shares					122,000,000				
Balance, March 31, 2016	<u>1,300,000</u>	<u></u>	<u>184,488,000</u>	<u>\$0</u>	<u>197,965,449</u>	<u>\$8</u>	<u>\$2,580,539</u>	<u>-\$1,324,057</u>	<u>\$76,400</u>
Additional Preferred Stock			132,000,000						
Additional Paid in Capital									
Common Shares					30,000,000				
Balance, June 30, 2016	<u>1,300,000</u>	<u></u>	<u>316,488,000</u>	<u>\$0</u>	<u>227,965,449</u>	<u>\$8</u>	<u>\$2,580,539</u>	<u>-\$1,324,057</u>	<u>\$76,400</u>
Additional Common Stock					53,000,000				
Additional Paid in Capital									
Common Shares									
Balance, September 30, 2016	<u>1,300,000</u>	<u></u>	<u>316,488,000</u>	<u>\$0</u>	<u>280,965,449</u>	<u>\$8</u>	<u>\$2,580,539</u>	<u>-\$1,324,057</u>	<u>\$76,400</u>

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

Kona Gold is a premier hemp company that intends to create products in the hemp niche market. Focusing on the energy drink, energy shot, energy patch, apparel, hair care, and hydroponic markets, Kona Gold is positioning itself to be a premiere lifestyle brand.

Industrial hemp was once a dominant crop on the American landscape. This hardy and renewable resource (one of the earliest domesticated plants known, with roots dating back to the Neolithic Age in China) was refined for various industrial applications, including paper, textiles, and cordage.

Over time, the use of industrial hemp has evolved into an even greater variety of products, including health foods, organic body care, clothing, construction materials, biofuels, plastic composites and more (according to one source, more than 25,000 products can be made from hemp).

In the U.S., the first hemp plantings were in Jamestown, Virginia, where growing hemp was actually mandatory. From then on hemp was used in everything from 19th century clipper ship sails to the covers of pioneer wagons. The Declaration of Independence was drafted on hemp paper, and even the finest Bible paper today remains hemp-based.

In the early 20th century, hemp-derived cellulose was promoted as an affordable and renewable raw material for plastics; Henry Ford even built a prototype car from biocomposite materials, using agricultural fiber such as hemp.

After that things started to go downhill. In 1937, the passage of "Marihuana Tax Act" occurred, and, despite the U.S. government's "Hemp for Victory" campaign during World War II, misplaced fears that industrial hemp is the same as marijuana combined with targeted harassment by law enforcement discouraged farmers from growing hemp. The last crop was grown in Wisconsin in 1958, and by 1970 the Controlled Substances Act (CSA) formally prohibited cultivation (although the state of Hawaii is home to the first industrial hemp crop to be cultivated since the passage of the CSA).

### **The Situation Today**

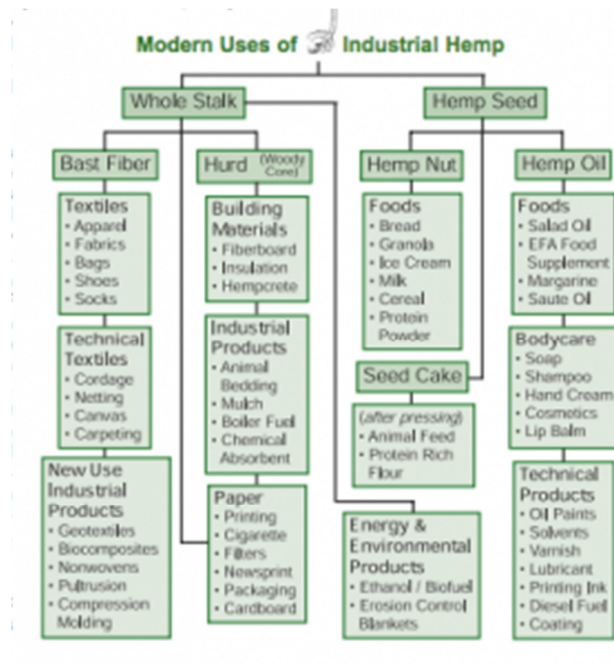
Sustainable hemp seed, fiber and oil are still used in raw materials by major companies, including Ford Motors, Patagonia, and The Body Shop, to make a wide variety of products. However, most hemp product manufacturers are forced to import hemp seed, oil and fiber from growers in Canada, Europe, and China because American farmers are prohibited by law from growing this low-input sustainable crop.

In 2012 the U.S. hemp industry was valued at an estimated \$500 million in annual retail sales and growing for all hemp products, according to the Hemp Industries Association, a non-profit trade organization consisting of hundreds of hemp businesses.

Not only can hemp be used for an astonishing number of products, its net environmental benefit is impressive. Among the more salient features, hemp grows in a variety of climates and soil types, is naturally resistant to most pests, and grows very tightly spaced allowing it to outcompete most weeds. A natural substitute for cotton and wood fiber, hemp can also be pulped using fewer chemicals than wood because of its low lignin content. Its natural brightness can obviate the need to use chlorine bleach.

Why is this incredible plant illegal?

Because it is erroneously confounded with marijuana, and many policymakers believe that by legalizing hemp they are legalizing marijuana, which is not true. Canada, Britain, France, Germany, and Spain, along with over twenty other countries, cultivate and process industrial hemp without affecting the enforcement of marijuana laws.



In fact, industrial hemp and marijuana are different breeds of *Cannabis sativa*; hemp has no value as a recreational drug. Actually smoking large amounts of hemp flowers can produce a significant headache, but not a high.

To delve further in the details, in most western countries industrial hemp is distinguished from marijuana on the basis of THC (the chief intoxicant in marijuana) content, which allows the growing of industrial hemp for fiber and seed. Regulations in the E.U. and Canada (31 countries currently grow industrial hemp) limit THC levels in hemp flowers to 0.2 percent and 0.3 percent, respectively, and prevent attempts to camouflage marijuana in hemp fields. Comparatively, THC levels in marijuana flowers are generally between 3 percent and 15 percent.

A hemp revival is beginning to gain momentum. Perception is beginning to shift in the U.S. Over the past several decades, there's been a resurgence of interest in hemp by a diverse but increasingly politically influential and unified group of businesses, farmers, nutritionists, activists, and green consumers.

What has to occur is a change in the federal policy to essentially revise the definition of "marijuana" so that the term excludes industrial hemp, and then enact specified procedures and requirements relating to growing industrial hemp and those who cultivate industrial hemp.

"A change in federal policy to once again allow hemp farming would mean instant job creation, among many other economic and environmental benefits," says Tom Murphy, the National Outreach Coordinator of Vote Hemp.

## Current Federal and State Legislative Progress

The Industrial Hemp Farming Act of 2013 (H.R. 525) was recently introduced in the House with 28 original co-sponsors, and it was quickly joined by a companion bill in the Senate (S. 359) which was introduced by Senators Ron Wyden (D-OR), Rand Paul (R-KY), Jeff Merkley (D-OR), and Minority Leader Mitch McConnell (R-KY), underscoring the bipartisan support around the hemp issue.

If passed, the bills would remove federal restrictions on the domestic cultivation of industrial hemp, defined as the non-drug oilseed and fiber varieties of *Cannabis*. The full text of the bills, as well as status and co-sponsors, can be found online.

H.R. 525 is the fifth bill introduced in the U.S. House of Representatives in support of industrial hemp farming since the federal government outlawed it in the U.S. in 1971.

At the state level, the first hemp bill was introduced in Colorado in 1995. To date, 31 states have introduced pro-hemp legislation and 19 have passed such legislation.

- Eight states (Colorado, Maine, Montana, North Dakota, Oregon, Vermont, Washington and West Virginia) have defined industrial hemp as distinct and removed barriers to its production.
- Three states (Hawaii, Kentucky and Maryland) have passed bills creating commissions or authorizing hemp research;
- Nine states (California, Colorado, Illinois, Montana, New Hampshire, New Mexico, North Dakota, Vermont and Virginia) have passed hemp resolutions; and,
- Six states (Arkansas, Maine, Minnesota, New Mexico, North Carolina and Vermont) have passed hemp study bills.

However, despite state authorization to grow hemp, farmers in those states still risk raids by federal agents, prison time, and property and civil asset forfeiture if they plant the crop due to the failure of federal policy to distinguish non-drug oilseed and fiber varieties of *Cannabis* (i.e., industrial hemp) from psychoactive drug varieties (i.e., “marihuana”).

## **The Future of Hemp in the U.S.**

Hemp is not a panacea for our social, economic, and environmental woes—no single crop can do that.

However, as we transition to a future that embraces more sustainable agriculture practices industrial hemp can help lead the way. With focused and sustained research and development, hemp could spur dramatic positive ecological and economic benefits. For instance, renewable, fast-growing hemp is a substitute for many unsustainable products like non-organic cotton (which currently uses more than 25 percent of the world’s insecticides and more than 10 percent of the world’s pesticides) and many plastic products.

In addition to supporting a federal policy change on industrial hemp, each of us can help grow the hemp marketplace by buying hemp products and also by staying informed and talking to our state and national representatives, and our friends and family, about the benefits of industrial hemp for the economy and the environment.

**Hemp** (from Old English *hænep*) is a commonly used term for high-growing industrial varieties of the *Cannabis* plant and its products, which include fiber, oil, and seed. Hemp is refined into products such as hemp seed foods, hemp oil, wax, resin, rope, cloth, pulp, paper, and fuel.

Hemp is not to be confused with the close relative of the herb *Cannabis* which is widely used as a drug, commonly known as marijuana. These variants are typically low-growing and have higher content of tetrahydrocannabinol (THC), [cannabidiol](#) (CBD), and other cannabinoids. The legality of *Cannabis* varies widely from country to country, and from state to state in the United States. In many countries regulatory limits for concentrations of psychoactive drug compounds, particularly THC, in hemp require the use of strains of the plant which are bred for low content.<sup>[1]</sup>

Hemp is used for many varieties of products including the manufacture of cordage of varying tensile strength, durable clothing and nutritional products. The *bast fibers* can be used in 100% hemp products, but are commonly blended with other organic fibers such as flax, cotton or silk, for apparel and furnishings, most commonly at a 55%/45% hemp/cotton blend. The inner two fibers of hemp are more woody and are more often used in non-woven items and other industrial applications, such as mulch, animal bedding and litter. The oil from the fruits ("seeds") oxidizes (commonly, though inaccurately, called "drying") to become solid on exposure to air, similar to linseed oil, and is sometimes used in the manufacture of oil-based paints, in creams as a moisturizing agent, for cooking, and in plastics. Hemp seeds have been used in bird feed mix as well.<sup>[2]</sup> A survey in 2003 showed that more than 95% of hemp seed sold in the EU was used in animal and bird feed.<sup>[3]</sup>

In modern times hemp is used for industrial purposes including paper, textiles, clothing, biodegradable plastics, construction (as with [Hempcrete](#) and insulation), body products, health food and bio-fuel.

## Food

Hemp seeds can be eaten raw, ground into a meal, sprouted, made into hemp milk (akin to soy milk) and hemp juice, prepared as tea,<sup>[4]</sup> and used in baking. Roughly 30-35% of the mass of the seeds can be extracted as hempseed oil, which is rich in unsaturated fatty acids. The fresh leaves can also be consumed in salads. Products include cereals, frozen waffles, hemp milk ice cream, hemp tofu, and nut butters. A few companies produce value added hemp seed items that include the seed oils, whole hemp grain (which is sterilized by law in the United States, where they import it from China and Canada), dehulled hemp seed (the whole seed without the mineral rich outer shell), hemp flour, hemp cake (a by-product of pressing the seed for oil) and hemp protein powder. Even though hemp and marijuana are both made from the *Cannabis* plant, hemp seeds contain negligible levels of tetrahydrocannabinol (THC),<sup>[citation needed]</sup> which is the psychoactive substance in marijuana.

## Market share

Within the UK, the Department for Environment, Food and Rural Affairs (Defra) has treated hemp as purely a non-food crop. Seed appears on the UK market as a legal food product, and

cultivation licenses are available for this purpose. In North America, hemp seed food products are sold, typically in health food stores or through mail order. The United States Department of Agriculture has concluded that "the market potential for hemp seed as a food ingredient is unknown. However, it probably will remain a small market, like those for sesame and poppy seeds."<sup>[5]</sup> In 2011, the U.S. imported \$11.5 million worth of legal hemp products, up from \$1.4 million in 2000, most of that driven by growth in hemp seed and hemp oil used in food products.<sup>[6]</sup>

Hemp isn't just for hippies anymore.

Companies are spending more resources to keep up with the growing demand for the crop — which has been recognized for how it helps a variety of products, including clothing, biodegradable plastic, food and building materials.

Here are some facts about hemp, which has had a hazy reputation over the years:

### **What is hemp?**

Many people still confuse hemp with marijuana.

Both are strains of the plant *Cannabis sativa*, but hemp won't get a person high — because it has such a low count of tetrahydrocannabinol, or THC, the chemical that alters brain functions.

Hemp also has a high level of cannabidiol, an anti-psychoactive chemical that actually blocks a high.

### **Confusion in the law**

Since hemp still contains THC, the U.S. federal government classified it as an illegal drug — and, until recently, was illegal to grow in the states.

It wasn't until the feds passed the 2014 Farm Bill that states were allowed to certify and register universities and state departments to grow industrial hemp for research purposes.

The federal bill gives each state the right to determine whether or not farmers can legally grow commercial hemp. So far, 22 states allow farmers to grow industrial hemp and seven states, including New York, allow research-related programs for the crop.

In January, the Industrial Hemp Farming Act of 2015 was introduced to the U.S. Senate and hopes to separate industrial hemp from the definition of marijuana.

But it is still waiting for a vote.

### **The root of hemp**

Hemp has deep roots in the world's history.

Being used as early as 10,000 B.C. in China, hemp was a popular crop because it made paper, rigging for ships and clothing.

Even George Washington farmed hemp in Mount Vernon.

During World War II, the U.S. government turned to domestic hemp to create war goods when Japan cut off supplies.

But soon after the war, the government started its campaign against marijuana, and much of the hemp history and growing techniques vanished from the U.S. culture, Eric Steenstra, executive director of Hemp Industries Association, told the Daily News.

"The knowledge on how to grow hemp was lost," Steenstra said.

It wasn't until the feds passed the 2014 Farm Bill that states were allowed to certify and register universities and state departments to grow industrial hemp for research purposes.

### **Clothing that lasts**

Hemp fiber is one of the most durable natural materials found around the world.

Hemp is a good textile for making clothing that feels good and soft like linen — but also durable, said Robert Jungmann, the founder of the hemp clothing line Jungmaven.

"Hemp is a natural resource that grows fast. (Deciding to use it) was like a big lightbulb," Jungmann said.

Although hemp clothing can be more expensive than cotton, Jungmann said, the clothing lasts years and is an investment that pays off.

Also, wearing hemp benefits the skin since it discourages growth of bad bacteria, Jungmann said.

### **A crop that gives back**

Hemp is a hardy crop that requires no irrigation, no pesticides or synthetic fertilizers, and is harvested and processed by hand, said Adam Fetcher, spokesman for the clothing company Patagonia.

The low-impact plant also absorbs a substantial amount of carbon dioxide and returns it to the soil, Jungmann said.

### **A profitable import**

Americans purchased an estimated \$620 million of hemp products in 2014, Steenstra said.

All of the hemp used in these products was imported from other countries even if the product was made in the U.S.

Most of these imports were from China — the leading grower of hemp — Europe and Canada, Steenstra said.

### **A lucrative future**

The hemp industry will take time to grow and is a long-term venture for a lot of companies, Steenstra said.

"People are making an investment in this to get the industry growing," Steenstra said.

Some argue that the industry will help to create jobs and improve the troubled farming industry in the states.

"It's really going to be tremendous for all of America, not just farmers," Colorado hemp farmer Ryan Loflin said.

"The future is honestly endless. I don't see a seal on this industry."

### **Federal Action**

President Obama signed the Agricultural Act of 2014, or the 2014 Farm Bill, which featured Section 7606 allowing for universities and state departments of agriculture to begin cultivating industrial hemp for limited purposes. Specifically, the law allows universities and state departments of agriculture to grow or cultivate industrial hemp if:

"(1) the industrial hemp is grown or cultivated for purposes of research conducted under an agricultural pilot program or other agricultural or academic research; and

(2) the growing or cultivating of industrial hemp is allowed under the laws of the State in which such institution of higher education or State department of agriculture is located and such research occurs."

The law also requires that the grow sites be certified by—and registered with—their state.

In 2015, a bipartisan group of U.S. Senators introduced the Industrial Hemp Farming Act of 2015 which would allow American farmers to produce and cultivate industrial hemp. The bill would remove hemp from the controlled substances list as long as it contained no more than 0.3 percent THC.

### **State Action**

At least 28 states have laws in place related to industrial hemp. Generally, states have taken three approaches: (1) establish commercial industrial hemp programs, (2) establish industrial hemp research programs or (3) authorize studies of industrial hemp or the industrial hemp industry. Some states establishing these programs require a change in federal laws or a waiver



from the U.S. Drug Enforcement Agency prior to implementation. Please click on the states in the map below for more information or see the complete list of state statutes.

## **State Laws Related to Industrial Hemp**

Allows cultivation of hemp for commercial, research or pilot programs Does not allow cultivation of hemp.

Elements of state industrial hemp laws can include:

- Defines industrial hemp. Most state laws require hemp to have THC concentrations of not more than 0.3 percent by weight, but at least one state (West Virginia) requires the crop have less than 1 percent THC concentrations.

- Provides that industrial hemp is an agricultural crop in the state.

- Establishes licensing or registration programs for growers. Such programs often require registrants to provide information on the type of industrial hemp that will be grown, the grow area, and how the harvested crop will be used. Programs often also require growers to submit to criminal background checks.

- Provides for inspections and establish testing standards for seeds and crops.

- Authorizes fees to support the program. Some states have authorized specific industrial hemp funds. Some states also specifically authorize the state to collect funding from foundations and private sources to support the industrial hemp program.

- Establishes an affirmative defense for registered industrial hemp growers from prosecution under state controlled substances laws.

- Sets penalties for violations of the industrial hemp law.

- Creates of an advisory board to advise regulators on the development of regulations, enforcement, and budgetary matters.

- Defines industrial hemp based on the percentage of tetrahydrocannabinol it contains.

- Authorizes the growing and possessing of industrial hemp.

- Requires state licensing of industrial hemp growers.

- Promotes research and development of markets for industrial hemp.

- Excludes industrial hemp from the definition of controlled substances under state law.

- Establishes a defense to criminal prosecution under drug possession or cultivation

Note that some states laws establishing commercial industrial hemp programs require a change in federal law or waivers from the U.S. Drug Enforcement Agency before those programs can be implemented by the state.

2015 State Legislation

In 2015, at least 31 states and the territory Puerto Rico considered legislation related to industrial hemp.

State Statutes

California

CA FOOD & AG §81000-81010

- Requires industrial hemp growers to be registered with the state.

Prohibits the possession of resin, flowering tops or leaves removed from the hemp plant.  
Establishes registration and renewal fees for commercial growers of industrial hemp.  
Organizes a five year review of industrial hemp's economic impact.

While legislation adding this section was enacted in 2013, the law specifies that its provisions do not become operative unless authorized by federal law.

Colorado

C.R.S.A. § 35-61-101 to 35-61-109

Permits growing and possessing industrial hemp by registered persons for commercial or research and development purposes.

Establishes an industrial hemp committee to work with the Department of Agriculture to establish an industrial hemp registration program and a seed certification program.

Establishes an industrial hemp grant research program for state institutions of higher education to conduct research to develop or recreate strains of industrial hemp best suited for industrial applications.

Connecticut

Public Act No.14-191

(Enacted June 12, 2014; Effective on Oct. 1, 2014)

Requires the Commissioners of Agriculture, Consumer Protection and Economic and Community Development to study the feasibility of legalizing the production, possession, and sale of industrial hemp, respectively.

By Jan. 1, 2015, a report will be made to the legislature regarding "[...]said commissioners' recommendations on (1) establishing a statutory definition of "industrial hemp", based on the percentage of proposed tetrahydrocannabinol in such industrial hemp, as distinguished from marijuana, (2) amending the general statutes to exclude industrial hemp from the definition of "controlled substance" in section 21a-240 of the general statutes, and (3) establishing a licensing system for industrial hemp growers and sellers."

Public Act No.15-202

Defines industrial hemp to parallel its definition under the federal Agricultural Act of 2014. Excludes it from the definition of controlled substance under Connecticut law, and ensures related licensing and regulatory oversight in the state.

Delaware

Del. Code Ann. tit. 3, ch. 28, §2800-2803

Authorizes the state and higher education institutions to grow or cultivate industrial hemp for agricultural or academic research.

Hawaii

## S.B. 2175

"Authorizes the dean of the College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa to establish an industrial hemp remediation and biofuel crop research program;

requires a report on the rate of contamination uptake and efficient uptake from soil and water, the rate of carbon fixation in the Calvin cycle and the viability of industrial hemp as a biofuel feedstock;

clarifies that the term industrial hemp means the plant Cannabis Sativa L;

provides criminal and civil immunity."

## Illinois

### 720 ILCS 550/15.2

Authorize the state and higher education institutions to grow or cultivate industrial hemp if: (1) the industrial hemp is grown or cultivated for purposes of research conducted under an agricultural pilot program or other agricultural or academic research; (2) the pilot program studies the growth, cultivation, or marketing of industrial hemp; and (3) any site used for the growing or cultivating of industrial hemp is certified by, and registered with, the Department of Agriculture.

Before conducting industrial hemp research, the Department of Agriculture and local law enforcement must be informed in writing.

Institutions of higher education must provide quarterly and annual reports to the Department of Agriculture and are subject to inspection. The annual report is due on or before October 1.

Allows the Department of Agriculture to adopt rules to comply with federal rules or to adopt emergency rules deemed necessary to public interest safety and welfare.

Defines industrial hemp.

## Indiana

### IC 15-15-13-1 to 15-15-13-17

Authorizes the production of, possession of, scientific study of, and commerce in industrial hemp in Indiana by license holders.

"Industrial hemp is an agricultural product that is subject to regulation by the state seed commissioner."

The state seed commissioner adopts rules and oversees licensing, production, and management of industrial hemp and agricultural hemp seed.

Sets the standards for application for hemp license and registration.

## Kentucky

### KRS § 260.850-.869

Establishes an industrial hemp commission to promote the research and development of industrial hemp, and commercial markets for Kentucky industrial hemp and hemp products.

Establishes a five year industrial hemp research program, to be directly managed by the University of Kentucky Agricultural Experiment Station to conduct research on industrial hemp for a variety purposes.

Establishes an industrial hemp licensing program.

Includes language that "Kentucky shall adopt the federal rules and regulations that are currently enacted regarding industrial hemp and any subsequent changes thereto."

Note: On Feb. 19, 2014, Kentucky announced five pilot hemp projects that would be used across the state, including one project that would research whether industrial hemp could be used to remediate tainted soil.

Maine

7 M.R.S.A. § 2231

Permits a person to "plant, grow, harvest, possess, process, sell and buy industrial hemp" if that person holds a license.

Prohibits the state from issuing a license unless "The United States Congress excludes industrial hemp from the definition of "marihuana" for the purpose of the Controlled Substances Act, 21 United States Code, Section 802(16); or...the United States Department of Justice, Drug Enforcement Administration takes affirmative steps towards issuing a permit under 21 United States Code, Chapter 13, Subchapter 1, Part C to a person holding a license issued by a state to grow industrial hemp."

Maryland

MD Code of Agriculture § 14-101

Permits a person to "plant, grow, harvest, possess, process, sell and buy industrial hemp" and requires registration with the Department of Agriculture.

Defines "industrial hemp" as Cannabis Sativa L., and revises criminal penalties to exclude it from being categorized as a controlled substance. Contingent upon change in federal law.

Michigan

M.C.L.A. 286.841 to 286.844

Authorizes the state department of agriculture and rural development and colleges and universities in the state to grow or cultivate, or both, industrial hemp for purposes of research conducted under an agricultural pilot program or other agricultural or academic research project.

Establishes an industrial hemp research fund to support research into growing or cultivating, or both, industrial hemp and grants to colleges or universities in this state to conduct research into growing or cultivating, or both, industrial hemp.

## Minnesota

M.S.A. § 18K.01 et seq. (Effective on June 14, 2015)

Defines industrial hemp as *Cannabis sativa* L. with a concentration of delta-9 tetrahydrocannabinol of 0.3 percent or less on a dry weigh basis.

Requires a license from the Commissioner of Agriculture before growing hemp for commercial purposes and payment of an annual registration and inspection fee by the grower. Commissioner must also require a background check from each first-time applicant.

Requires an annual report and sales notification from a licensed grower to the Commissioner.

Directs the Commissioner to adopt rules related to the production, testing and licensing of industrial hemp.

Establishes a pilot program, administered by the Commissioner, for institutions of higher education or a contracted entity to cultivate industrial hemp for research purposes.

## Montana

Mont. Code Anno., § 80-18-101 to 80-18-111

States that industrial hemp that does not contain more than 0.3 percent tetrahydrocannabinol is an agricultural product.

"...an individual in this state may plant, grow, harvest, possess, process, sell, or buy industrial hemp if the industrial hemp does not contain more than 0.3% tetrahydrocannabinol."

Requires industrial hemp growers be licensed by the state.

Creates an affirmative defense to prosecution under criminal code for marijuana possession or cultivation.

## Nebraska

Neb. Rev. St. § 2-5701

Permits a postsecondary institution or the Department of Agriculture to grow or cultivate industrial hemp for purposes of research conducted under an agricultural pilot program or other agricultural or academic research. Requires certification and registration of industrial hemp sites.

## Nevada

S 305

(Enacted June 2015, effective January 2016)

Authorizes higher education institutions and the Department of Agriculture to grow industrial hemp for research purposes.

Defines industrial hemp as *Cannabis Sativa* L., containing no more than 0.3 percent

THC. Excludes industrial hemp from controlled substances, revising criminal penalties.

## New Hampshire

### 2014 HB 153

This bill establishes a committee to study the growth and sale of industrial hemp in New Hampshire.

The study must report their findings by Nov. 1, 2014.

N.H. Rev. Stat. Ann. § 433-C:1 et seq. (Effective September 2015)

Defines industrial hemp as Cannabis Sativa L., containing no more than 0.3 percent THC. Authorizes higher education institutions to grow and process hemp for research purposes. Requires all sites to be regulated in accordance with the Department of Agriculture. All research projects must conclude within 3 years of beginning.

## New York

### McKinney's Agriculture and Markets Law § 505 to 508

Authorizes up to ten sites for the growing or cultivating of industrial hemp as part of an agricultural pilot program conducted by the department and/or an institution of higher education to study the growth and cultivation of such hemp provided that the sites used for growing or cultivating industrial hemp are certified by, and registered with, the department.

Prohibits the sale, distribution or export of industrial hemp grown or cultivated pursuant to this article.

## North Carolina

### S 313 (Effective October 2015)

Recognizes the potential importance industrial hemp research could have in the state.

Establishes North Carolina Industrial Hemp Commission to create and regulate an industrial hemp research and cultivation program. Provides for licensure and reporting procedures.

Distinguishes hemp from marijuana. Provides that no state statute or regulation shall be perceived as violating federal law.

## North Dakota

### N.D. Cent. Code, § 4-41-01 to 4-41-03

States that industrial hemp that does not contain more than 0.3 percent is considered an oilseed.

"...any person in this state may plant, grow, harvest, possess, process, sell, and buy industrial hemp (cannabis sativa l.) having no more than .03 percent tetrahydrocannabinol."

Requires industrial hemp growers be licensed by the state.

"North Dakota State University and any other person licensed under this chapter may import and resell industrial hemp seed that has been certified as having no more than .03 percent tetrahydrocannabinol."

N.D. Cent. Code, § 4-05.1-05

Permits the North Dakota state university main research center to conduct baseline research, including production and processing in conjunction with the research and extension centers of the state, regarding industrial hemp and other alternative industrial use crops.

Allows for the center to collect feral hemp seed stock and develop appropriate adapted strains of industrial hemp which contain less than three-tenths of one percent THC.

Requires the state agriculture commissioner to monitor the collection of feral hemp seed stock and industrial hemp strain development and certify appropriate stocks for licensed commercial cultivation.

Oklahoma

Okla. St. Ann. § 2-101

Distinguishes industrial hemp as Cannabis Sativa containing no more than 0.3 percent THC.

Oregon

O.R.S. § 571.300 et seq.

Requires industrial hemp growers be licensed by the state.

Authorizes "industrial hemp production and possession, and commerce in industrial hemp commodities and products."

South Carolina

S.C. Code Ann. § 46-55-10 et seq.

Provides that it is lawful to grow industrial hemp in this state.

Clarifies that industrial hemp is excluded from the definition of marijuana.

Prohibits growing industrial hemp and marijuana on the same property or otherwise growing marijuana in close proximity to industrial hemp to disguise the marijuana growth.

Tennessee

TN AG Code 916

"Authorizes growing of industrial hemp subject to regulation by the Department of Agriculture;

provides for license fees;

provides that industrial hemp is not marijuana but can be categorized as a controlled

substance under specified circumstances;  
provides that the department has the right to inspect the hemp crop for compliance."

## Utah

Utah Code Ann. § 4-41-101 et seq. & § 26-55-101

Permits the Department of Agriculture and a certified higher education institution to grow industrial hemp for education.

Exempts an individual with intractable epilepsy who uses or possesses hemp extract or an individual who administers hemp extract to a minor with intractable epilepsy.

Provides for a hemp extract registration card; requires maintenance of neurologist medical records and a database of neurologist evaluations.

## Virginia

VA Code Ann. § 3.2-4112 et seq.

Authorizes a licensed person to grow or cultivate hemp in the state for research purposes.

Provides for criminal exemptions for those growing industrial hemp.

Provides that if state law conflicts with federal law, federal law will rule.

Establishes rules, regulations and licensure procedures for the industrial hemp research program.

## Vermont

6 V.S.A. § 561 to 566

"Industrial hemp means varieties of the plant cannabis sativa having no more than 0.3 percent tetrahydrocannabinol, whether growing or not, that are cultivated or possessed by a licensed grower in compliance with this chapter."

"Industrial hemp is an agricultural product which may be grown, produced, possessed, and commercially traded in Vermont ..."

Requires industrial hemp growers to be licensed by the state.

## Washington

H 1268 (Enacted April 2015)

Recognizes the potential use of hemp in commercial animal feed.

Directs the department of agriculture to conduct a study to determine if hemp should be used in commercial feed.

## West Virginia

W. Va. Code § 19-12E-1 to 19-12E-9



"Industrial hemp that has not more than 1 percent tetrahydrocannabinol is considered an agricultural crop in this state if grown for...purposes authorized..."

Requires industrial hemp growers be licensed by the state.

Creates a complete defense to prosecution under criminal code for marijuana possession or cultivation.

## Additional Resources

Congressional Research Service's Hemp as an Agricultural Policy, Feb. 2015

NCSL Marijuana Overview

NCSL State Medical Marijuana Laws

What's All the Hype about Hemp?, June 2014 State Legislatures magazine

## Apparel

### The Growing Apparel Market

Global Biz Circle Jun 3, 2015 Business

If you're looking to grow your apparel business, the U.S. market is the place to be. According to The NPD Group, total U.S. women's apparel retail sales reached \$116.4 billion in 2013, a 4 percent increase over 2012. Men's apparel is growing, too: Euromonitor International reports that the menswear category grew 4.8 percent in 2013 globally, and the trend was especially evident in the U.S.

Apparel is a hot category when it comes to online sales, too. Last year, ecommerce revenue from apparel and accessories sales reached \$44.7 billion; that figure is projected to hit \$52 billion this year and grow steadily to \$86 billion by 2018. In fact, apparel and accessories is the best-performing online retail category, with a compound annual growth rate of 17.2 percent projected from 2012 to 2017, according to eMarketer.

While the percentage of U.S. apparel sales that take place online is expected to remain fairly low through 2016, the percentage of offline sales that are influenced by the web is steadily rising, and by 2016 nearly two-thirds of offline apparel sales will be influenced by the Internet.

So what categories of apparel are hot prospects in the U.S., and what do you need to know to boost your sales? Here's what's hot.

As mentioned earlier, menswear is actually growing faster than women's wear. Pent-up demand for clothing during the Great Recession, more men returning to work, as well as demand from younger, fashion-oriented male Millennials are factors in this growth.

The Polar Vortex—an extremely cold winter that gripped much of the U.S. in 2013-14—had a big effect on driving outerwear sales. According to The NPD Group, sales of outerwear increased 12 percent to \$6.3 billion in 2013 compared to 2012. Smart apparel retailers will keep an eye on long-term weather forecasts.

Women's tailored clothing. Women are dressing up more and buying clothes specifically for work. 2013 saw an 11 percent increase in sales of women's blazers, suits and suit separates.

Plus-sized women's clothing. This category grew 5 percent from May 2013 to April 2014,

according to The NPD Group, and generated \$17.5 billion in sales. Plus-sized apparel sales via ecommerce grew by 31 percent in the past two years. Consumers ages 55 to 64 account for the largest dollar share of the plus-size market, at \$4.2 billion, but sales to the 18-to-24-year-old age group are growing the fastest, surging by 27 percent in the past two years.

Ready to boost your U.S. apparel sales? Here's what you need to know:

It's all about the Internet. Even when consumers buy clothing in a brick-and-mortar store (where the vast majority of apparel purchases still take place), the Internet hugely influences their buying habits. Over two-thirds of consumers with Internet access perform some of their shopping online, including reading reviews, researching apparel or comparing prices. Smart retailers will optimize their websites for search, use online advertising and employ email marketing tactics to attract customers and keep them buying. (One study found apparel industry emails have an open ratio of nearly 35 percent, making this a highly effective marketing strategy.)

Specifically, social media is having an outsized effect on the apparel industry, with top fashion labels scoring huge fan bases on Facebook, Instagram and Pinterest. Take advantage of the latest visually oriented social media networks to promote your apparel products.

In addition, consumers expect seamless integration between their online and offline shopping experiences. They want the ability to order online and pick up or return in store, to order in-store for home delivery and to get the same prices and discounts online as offline.

Plunkett Research offers this advice for U.S. apparel retailers hoping to attract consumers of all income levels:

Luxury apparel is on the upswing. However, beyond just luxury, consumers at all price ranges want to feel they're getting value for money. Your apparel should offer value, quality and durability so customers feel their money is wisely spent.

Brand reputation matters as much as style: Consumers want to buy from companies that put customer satisfaction first. If you also offer great style, that's the cherry on top.

Cheap chic can sell, but with caveats: If you hope to profit from cheaply made, trendy apparel, you've got to offer a really great value so consumers will feel comfortable spending money on items they know won't last more than a season.

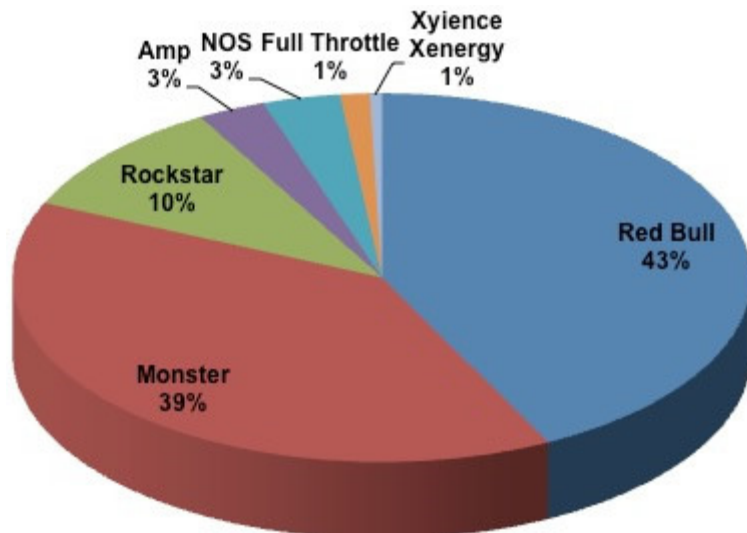
## **Energy Drink Market**

Red Bull continues to dominate as the energy drink leader, but Monster has experienced huge growth in the last few years.

The energy drink market continues to grow even in light of the tough economy and increased health scrutiny. Soda sales have been declining steadily over the same period, while energy drink sales have been booming.

Despite recent FDA scrutiny regarding the safety of these beverages, 2013 energy drink sales are up 6.7% over last year in the USA alone.

*Did your favorite energy drink make the list?*



Energy Drink Brand Market Share 2014

### USA Top Selling Energy Drink Brands

Rank	2014	2014 sales (\$millions)	2013	2013 sales (\$millions)	2012	2012 sales (\$millions)	2011	2011 sales (\$millions)	2010	2010 sales (\$millions)
1	Red Bull	2,883	Red Bull	3,433	Red Bull	2,950	Red Bull	2,300	Red Bull	2,200
2	Monster	2,476	Monster	3,147	Monster	2,600	Monster	1,900	Monster	1,500
3	<a href="#">Rockstar</a>	647	Rockstar	821	Rockstar	780	Rockstar	660	Rockstar	400
4	NOS	294	NOS	274	Amp	300	Amp	330	NOS	200
5	Amp	212	Amp	239	NOS	250	Doubleshot	250	Doubleshot	180
6	Full Throttle	114	Full Throttle	104	Full Throttle	140	NOS	220	Amp	140
7	<a href="#">Xyience Xenergy</a>	40	Xyience Xenergy	43	Xyience Xenergy	40	Full Throttle	130	Full Throttle	110
8	Arizona Energy	28	VPX Redline	–	VPX Redline	15	Xyience Xenergy	30	–	–
9	Rip It	22								
10	Venom	19								

\* Although the energy drink market grew in 2014 with all the major brands showing increased sales as well, the data above doesn't reflect this. This is due to IRI<sup>2</sup> not having access to certain retailers' sales data. Pre 2013 data does not include Walmart sales so most numbers would be higher with that factored in. 2009 sales data is unavailable.

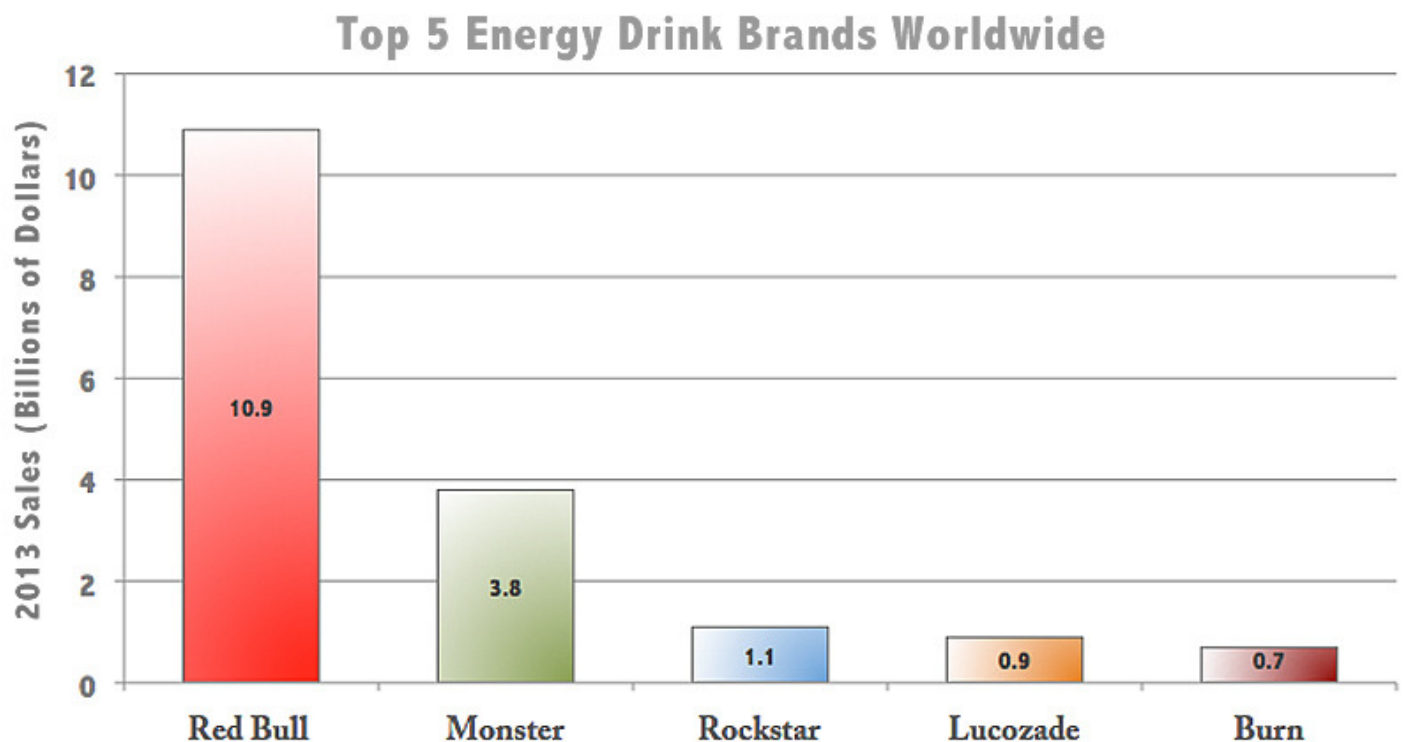
The top Monster drinks are: Monster Energy, Java Monster, Monster Mega Energy, and Monster Rehab.

In case you didn't read that correctly: Red Bull sold US\$3.4 BILLION dollars of energy drink product in the 52 weeks prior to July 2013. Monster sold US\$3.1 BILLION worth.

Advertisement

A huge part of energy drink popularity is in the sponsorship efforts, with top brands spending large sums of money to achieve brand placement. [Xyience](#) has definitely been lifting their marketing efforts and it's paying off with their recent entrance into the top 15 energy drinks ranking.

Based on worldwide sales figures here's how the energy drink brands stack up worldwide.



[CaffeineInformer.com](http://CaffeineInformer.com)

Data: Euromonitor International

*The data for the above graph was provided to us by Euromonitor International who tracks the worldwide sales of energy drinks and many other consumer products.*

Red Bull has a sizable lead in the USA, but worldwide the energy drink giant has a massive lead over any other competitor.

## Top Selling Energy Shot Brands



Rank	2015	2015 sales (\$millions)	2014	2014 sales (\$millions)	2013	2013 sales (\$millions)	2012	2012 sales (\$millions)	2011	2011 sales (\$millions)
1	5 Hour Energy	725	5 Hour Energy	732	5 Hour Energy	1,114	5 Hour Energy	896	5 Hour Energy	996
2	Stacker inc/6 hr. Power	10	Stacker inc/6 hr. Power	11	Stacker inc/6 Hour Power	47	6 Hour Power	30	6 Hour Power	22
3	Tweaker	8.3	Tweaker	8	Private Label	17	Red Bull Shot	25	Worx	14
4	RhinoRush	3.7	Street King	3.7	Worx Energy	7	Monster Hitman	10	E6	5

					Shot			
5	Vital 4 U	3.5	Vital 4 U	3.4	Tweaker	5	Stacker 24	Stacker 24
6	Fuel In A Bottle	3.3	Fuel In A Bottle	3	Street King	4.9	Nitro 2 Go	3.4
								Redline Power Rush
7	Street King	3	RhinoRush	2.9	E6 Energy Shot	3.9	Redline	3.2
								Spike Double Shot
8	E6 Energy Shot	2.5	Nitro 2 Go	2.68	Rip It Energy Shot	3.2	Vital 4U	3.1
								Vital 4U
9	Rip It Shot	1.7	E6 Energy Shot	2.65				
10	Nitro 2 Go	1.4	Worx Energy Shot	1.3				

5 Hour Energy certainly has the energy shot market cornered with none of the others anywhere in the same universe as 5 Hour, but they seem to be losing their dominance in late 2014 as other brands gain market share. The energy shot market segment **was down 4.1% in 2014** compared to the same time period the previous year and in 2015 down again. It looks like some are losing their enthusiasm for the energy shot. <sup>2</sup>

### Top Selling Energy Drink Mixes

Rank	2013	2013 sales (\$millions)
1	MIO Energy	55
2	Crystal Light Energy	39.5
3	Private Label	36.7
4	Propel Energy Drink Mix	23
5	<a href="#">Zipfizz</a>	12.5
6	4C Energy Rush	3.3
7	Ecodrunk	1.5
8	Splash	.34

### Which Companies Own Which Brands?

It's also interesting to note that some parent companies own several different brands of energy drinks. Here's a bit of the breakdown.

1. Coca Cola owns Nos, Burn, and Relentless but has given Monster Energy the rights to these brands.
2. Pepsi Co. owns Amp, Starbucks bottled drinks, Mountain Dew Kickstart but sold No Fear.
3. Monster also owns Worx Energy Shot.
4. Coca-Cola just bought a 17% Stake in the Monster Beverage Company. Monster will take over Coke's Energy Drink Brands and Coke takes over Monster's Hanson brand.
5. Rockstar is still flying solo, but is distributed by Pepsi.

(<http://www.caffeineinformer.com/the-15-top-energy-drink-brands>  
<http://www.caffeineinformer.com/the-15-top-energy-drink-brands>)

Research and Markets ([http://www.researchandmarkets.com/research/mbbjvv/global\\_energy](http://www.researchandmarkets.com/research/mbbjvv/global_energy)) has announced the addition of the "[Global Energy Drinks Market: Insights, Market Size, Share, Growth, Trends Analysis and Forecast to 2021](#)" report to their offering.

The global energy drinks market was worth USD 39760.8 million in 2013 and it is expected to reach USD 61707.5 million by 2021 at a CAGR of 5.8% over the forecast period.

Raising health concerns and growing popularity of energy drinks are expected to boost the energy drinks market over the forecast period. Furthermore, significant growth in number of athlete and sports persons is likely to support the growth in this market in the near future. Energy drinks are being marketed as an important alternative to carbonated drinks therefore; there is a significant increase in the number of people switching from carbonated drinks to energy drinks over the last few years. Furthermore, energy drinks are gaining popularity among all the age groups due to the health benefits associated with them. One of the major restraints that is likely to limit the growth in this market is certain energy drinks including popular ones contain ingredients that are potentially harmful to children. Moreover, alcoholic energy drinks pose side effects on health hence are expected to experience sluggish growth over the forecast period. This in turn is likely to hamper the market size of energy drinks market in the world.

The report on global energy drinks market provides insights of drivers, restraints and opportunities, Porter's five forces analysis and value chain analysis of Energy Drinks market. Moreover, the study highlights current market trends and provides forecast from 2014 to 2021. The report also has highlighted future trends in the global energy drinks market that will impact the demand during the forecast period. Furthermore, the competitive landscape is provided for both global as well as regional markets. It helps analyze the current competitive situation as well as competitiveness over the past few years. The report also analyzes the distribution share in the regional markets such as North America, Europe, Asia Pacific, Latin America and Rest of the World.

The key investment market analysis provided in this report highlights key investing markets in the world. Moreover, the competitive analysis given in each regional market brings an insight on the market share of the leading players. Additionally, the analysis highlights rise and fall in the market shares of the key players in the market. This report will help manufacturers,

suppliers and distributors to understand the present and future trends in this market and formulate their strategies accordingly.

A. the issuer's primary and secondary SIC Codes;

- 6722 - Management investment, open-ended

B. the issuer's fiscal year end date;

- 12/31

C. principal products or services, and their markets;

- Kona Gold Solutions, Inc. is currently in the process of developing a premier Hemp Infused Product line. Kona Gold LLC, the company's only subsidiary, has started the process of developing its Hemp Product line. Kona Gold will begin developing Hemp Energy Drinks, Energy Patches, Hemp Apparel, Hemp Shampoo as well as a Hydroponics division; please visit the Company's new website to view updates and new products [www.konagoldhemp.com](http://www.konagoldhemp.com). Kona Gold's markets are the Hemp, Energy Drink, Apparel and Shampoo Markets.

## 7) CEO Letter

### *To Our Shareholders:*

I am very pleased to be able to communicate with our loyal shareholders directly and to give you an update on our impressive progress to date and the direction our company is going.

Kona Gold Solutions, Inc. is a lifestyle hemp company that has developed, designed, and has begun marketing products in the hemp energy drink, energy drink, energy shot, and apparel markets. Kona Gold has accomplished the above in only the first 8 months of 2016. We continue our efforts on creating market awareness and to bring attention to the Kona Gold brand that will assist in gaining market share in the hemp energy drink market.

Now is an exciting time to be a growing company in the early stages of a rapidly expanding hemp industry. This coming November, 8 states will be voting on the fate of medical and recreational cannabis initiatives, including Arizona, Arkansas, California, Florida, Maine, Montana, Nevada, and North Dakota. We are especially excited about our home state of Florida's Amendment 2 to legalize Medical Marijuana.

The Company recently sold their membership interest in Elev8 Hemp LLC to PLAD, Inc. (OTC Pink: PLAD) in exchange for Two Hundred Thousand Dollars (\$200,000), to be paid in a combination of stock and cash. The



proceeds from the sale of Elev8 will play an integral part in funding further marketing initiatives and assist in locking down product distribution.

Kona Gold has recently received several questions from Shareholders regarding its current share structure. Kona Gold's third quarter financials, which includes the company's updated share structure, will be posted to the OTC markets within the next couple of weeks. As stated previously, Kona Gold's management team is dedicated to growing this Company into one of the largest lifestyle hemp company's in the market. Our team has invested a tremendous amount of its own money as well as time to grow this company. Our team will continue to do so and is very excited for what the future holds.

The Company prides itself in being extremely transparent to its shareholders. As of today Kona Gold has 412,965,449 Common Shares Issued and Outstanding, which 115,031,197 are Free Trading. A majority of the Company's float has come from conversions from past management. Current management does not own any Free Trading shares, the management team only holds Restricted Common Shares to help keep the Company's share structure as tight as possible.

Kona would also like to address that past management has no involvement in the Company. Past management had conversions from shares they acquired in lieu of salary. They have no further involvement with the Company.

Kona Gold currently sells their highly acclaimed hemp energy drinks, infused with organic hemp protein, on their website, Amazon.com and at over 2 dozen retail locations, which include convenient stores, beverage stores, smoke shops, nightclubs, and fitness facilities.

In closing, I want to thank each of you for your interest and continued support of Kona Gold Solution, Inc. I encourage you to contact our investor relations email at [investorrelations@konagoldhemp.com](mailto:investorrelations@konagoldhemp.com) regarding any questions you may have about the Company. From the Company's website, you can also 'opt in' to follow the Company's latest developments on <https://twitter.com/konagoldhemp>, on <https://www.facebook.com/konagoldhemp>, and on <https://www.instagram.com/konagoldhemp/>.



Sincerely Yours,

A handwritten signature in dark ink, appearing to read "Robert Clark". The signature is fluid and cursive, with the first name "Robert" and last name "Clark" clearly distinguishable.

Robert Clark  
Chief Executive Officer

#### Safe Harbor Statement:

The information posted in this release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. You can identify these statements by use of the words "may," "will," "should," "plans," "expects," "anticipates," "continue," "estimate," "project," "intend," and similar expressions. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected or anticipated. These risks and uncertainties include, but are not limited to, general economic and business conditions, effects of continued geopolitical unrest and regional conflicts, competition, changes in technology and methods of marketing, delays in completing various engineering and manufacturing programs, changes in customer order patterns, changes in product mix, continued success in technological advances and delivering technological innovations, shortages in components, production delays due to performance quality issues with outsourced components, and various other factors beyond the Company's control.

#### **8) Kona Gold Solutions, Inc. Retires 30 Million Free Trading Shares**

Charleston, SC July 18 /PRNewswire-FirstCall/ -- Kona Gold Solutions, Inc. (OTC Pink: KGKG), a premier hemp lifestyle brand of exclusivity and status, is pleased to announce that the Company is retiring 30 million free trading common shares of Kona Gold Solutions, Inc. stock. The Company has negotiated with a shareholder to reduce the overall number of free trading shares to help position the Company for future growth. The 30 million Free Trading shares have been sent back to the Company's Transfer Agent and will reduce the current float for Kona Gold Solutions, Inc., which is 62,031,197 as of July 18, 2016.

"In efforts to reduce the outstanding number of free trading shares, we have worked with a long standing shareholder who has agreed to retire 30 million free trading shares," stated Robert Clark, CEO of Kona Gold Solutions, Inc. "As we continue to build Kona Gold on a solid foundation, it's important that our stock reflects that growth and we feel that a reduction in free trading shares aligns our stock with our growth strategy"

The Company has had a tremendous amount of success placing its product in retail locations throughout Florida, so the Company's management team has decided to look for warehouse space in Florida to continue its growth. The Company plans to have additional warehouse space within the next 14 business days and will have its new warehouse stocked with its Hemp Energy Drink, Clothing Line, Hydroponic Systems as well as its non-hemp energy drink and shots.

#### **9) Kona Gold Solutions, Inc. Places Order for New Hemp Infused Energy Drink**

Company is finalizing terms on additional warehouse space in Florida

Charleston, SC July 20 /PRNewswire-FirstCall/ -- Kona Gold Solutions, Inc. (OTC Pink: KGKG), a premier hemp lifestyle brand of exclusivity and status, has announced that the Company has placed its initial order for their new hemp infused energy drink that will hit store shelves in 4-5 weeks. Kona Gold's new hemp infused energy drink will feature the Company's new logo, which can be viewed on its

website, [konagoldhemp.com](http://konagoldhemp.com). The Company's new hemp energy drink will be available for sale on Amazon.com, [konagoldhemp.com](http://konagoldhemp.com) as well as local retailers.

The Company would also like to announce that it is finalizing its lease agreement for additional warehouse space for expanded operations in Florida. Kona Gold's management team plans to have the lease in place within the next 7 business days. The additional location will increase warehouse and front office space to house inventory of their new hemp energy drink. Inventory will also be stored in Amazon facilities as Kona Gold joins their FBA (Fulfillment by Amazon) program, allowing for free 2 day delivery to Prime Members.

"This is a great day and milestone for our company," stated Robert Clark, CEO of Kona Gold Solutions, Inc. "Our team has been working diligently to create a fantastic hemp energy drink that is going to resonate with our existing and new customers. Our new hemp energy drink is so smooth and tastes amazing, I am beyond excited at what our team has made possible and look forward to getting cans in our consumer's hands."

#### **10) Kona Gold Solutions, Inc. Expands Operations to Florida with New Office and Warehouse Space**

Company's new hemp energy drink order ahead of schedule

Charleston, SC July 25 /PRNewswire-FirstCall/ -- Kona Gold Solutions, Inc. (OTC Pink: KGKG), a premier hemp lifestyle brand of exclusivity and status, has announced that the company is moving operations to new office and warehouse space in Rockledge, Florida. This will include space for front office operations and substantial warehouse space with options to expand.

In preparation for an increase in product inventory, the company has been working with brokers in several areas of Florida to expand operations. They have decided on a small community in east central Florida. Once the Company has settled into its additional warehouse, Kona Gold will be hosting an open house for shareholders where there will be music, Kona Gold models as well as free Kona Gold Hemp Energy Drinks for attendees.

"Kona Gold has quickly outgrown its current space, so I'm excited to announce our expansion down to the sunshine state of Florida," stated Robert Clark, CEO of Kona Gold Solutions, Inc. "Our new space will include corporate office operations and large warehouse space with the option to expand as needed. This comes at a perfect time as we prepare for the addition of new products that will occupy our new space."

The Company recently announced they have placed its initial order for their new hemp infused energy drink. This is the first of several hemp infused products Kona Gold has to offer. Kona Gold's new hemp infused energy drink will feature the Company's new logo, which can be viewed on its website, [konagoldhemp.com](http://konagoldhemp.com). The Company's new hemp energy drink will be available for sale on Amazon.com, [konagoldhemp.com](http://konagoldhemp.com), as well as local retailers.

#### **11) Kona Gold Solutions, Inc. brings to Market an all New Hemp Infused Energy Drink this Month**

Energy Drink is ahead of schedule and will be in Company's warehouse within 2 weeks

Rockledge, FL August 5 /PRNewswire-FirstCall/ -- Kona Gold Solutions, Inc. (OTC Pink: KGKG), a premier hemp lifestyle brand of exclusivity and status, has announced that their all new hemp infused energy drink will hit the market later this month, which will be available on its website, Amazon.com and select retail stores. Kona Gold's new hemp infused energy drink will feature the Company's new logo and will be blended with organic hemp protein that is packed with omegas 3, 6, and 9 as well as an abundance of minerals, vitamins, and antioxidants.

The Company has begun discussions with another public entity for the proposed sale of elev8 Hemp LLC. Kona Gold is in very early stages of negotiations in regards to the sale of its subsidiary but the end result would give Elev8 Hemp its own public company while Kona Gold Solutions, Inc. would still remain a minority owner. The management team for Elev8 feels this will give the company more exposure, potential funding and the ability to expand more rapidly.

"The day our customers have been waiting for is almost here," stated Robert Clark, CEO of Kona Gold Solutions, Inc. "We have settled into our new office space down in Rockledge, FL where we are awaiting delivery of our much anticipated hemp infused energy drink. I may have a biased opinion, but I can honestly say that we've created the best tasting hemp energy drink on the market and I'm excited to get it in the hands of our customers. Our team has opened up dialog with distribution channels in anticipation of our launch and we hope to ink several deals that will greatly expand our market reach."

## **12) Kona Gold Solutions, Inc. Highly Anticipated Hemp Energy Drink Hits the Market Online and in Stores**

New Hemp Energy Drink is available for purchase and will be available with Amazon Prime

Rockledge, FL August 15 /PRNewswire-FirstCall/ -- Kona Gold Solutions, Inc. (OTC Pink: KGKG), a premier hemp lifestyle brand of exclusivity and status, has announced that its highly anticipated all new hemp infused energy drink has hit the market and is now available for purchase. Over the last several months, the company has been developing a hemp energy drink with the perfect blend of organic hemp protein, packed with omegas 3, 6, and 9 as well as an abundance of minerals, vitamins, and antioxidants.

Kona Gold's new hemp energy drink is available for immediate purchase on the Company's website. Within the coming weeks, their hemp energy drink will be available via Amazon Prime and at retail outlets that currently carry Kona Gold products, which include beverage stores, convenience stores, liquor stores, and head shops.

"We set out to create not only a hemp energy drink that tastes amazing, but one with the perfect blend of the highest quality organic hemp protein, and our team has accomplished just that," stated Robert Clark, CEO of Kona Gold Solutions, Inc. "We are a hemp lifestyle company, and from the beginning, we knew we wanted to create something special. Our new hemp energy drink is just that. We have created the best tasting hemp energy drink on the market and I can't wait until our consumers get it in their hands. This is an exciting day for Kona Gold, our shareholders, our partners, and our customers."

### **13) Kona Gold Solutions, Inc. Launches Affiliate Program to Increase Exposure**

Company has Increased Marketing Efforts to Create Brand Awareness

Rockledge, FL Sept. 7, 2016 (GLOBE NEWSWIRE) -- Kona Gold Solutions, Inc. (OTC Pink: KGKG), a premier hemp lifestyle brand of exclusivity and status, has announced the launch of their new affiliate program aimed at creating more exposure online, create brand awareness, and gain more market share. The Company's affiliate program is open to anyone that is interested in signing up, offers great commission payouts, and low minimum payout requirements.

Kona Gold's new hemp energy drink hit the markets in early August and the company's new affiliate program is just one avenue their team is aggressively taking on to help create brand awareness. To sign up for Kona Gold's affiliate program, visit their website and scroll down to the bottom of the page and click the Affiliates link.

"Our web team has been working hard over the last several weeks to roll out our new affiliate program that allows anyone to make money selling Kona Gold online, whether that be through their social media accounts, email, or their own website, it creates opportunities for our consumers to make money promoting a product that they love," stated Robert Clark, CEO of Kona Gold Solutions, Inc. "I'm very excited about the potential our affiliate program has in creating brand awareness and the potential it has for anyone to make additional income."

### **14) Kona Gold Solutions, Inc. New Hemp Energy Drink now Available on Amazon**

Company is working on making hemp energy drinks Amazon Prime eligible

Rockledge, FL Sept. 15, 2016 (GLOBE NEWSWIRE) -- Kona Gold Solutions, Inc. (OTC Pink: KGKG), a premier hemp lifestyle brand of exclusivity and status, has announced their new Hemp Energy Drinks are now available for purchase on Amazon in both 12 and 24 packs. The company is currently working on offering their Hemp Energy Drinks via Amazon Prime through Amazon's FBA program.

Kona Gold's new hemp energy drink hit the markets in early August and the company has been gaining market exposure via traditional and non-traditional marketing, such as the company's new Affiliate Program they rolled out earlier this month which allows any individual to market Kona Gold products while earning commission from sales.

"As our team works to establish distribution deals around the country, it only made sense for us to make our new hemp energy drink available to consumers on Amazon, the country's leading online marketplace," stated Robert Clark, CEO of Kona Gold Solutions, Inc. "Our next step with Amazon is to get set up with their FBA program which will then make our hemp energy drinks Prime Eligible. We hope to have this completed in the next couple of weeks."



## Business Plan

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## 1.0 Executive Summary

Kona Gold, LLC is a premium hemp company that intends to develop, design, trademark, and market products related to hemp lifestyle niche markets. Kona Gold's energy drink and energy shot formula has already been created and is in the production phase. Two trademarks have been initially filed for that pertains to energy drinks and apparel. The company projects upwards of \$12.8 million in sales in year three.

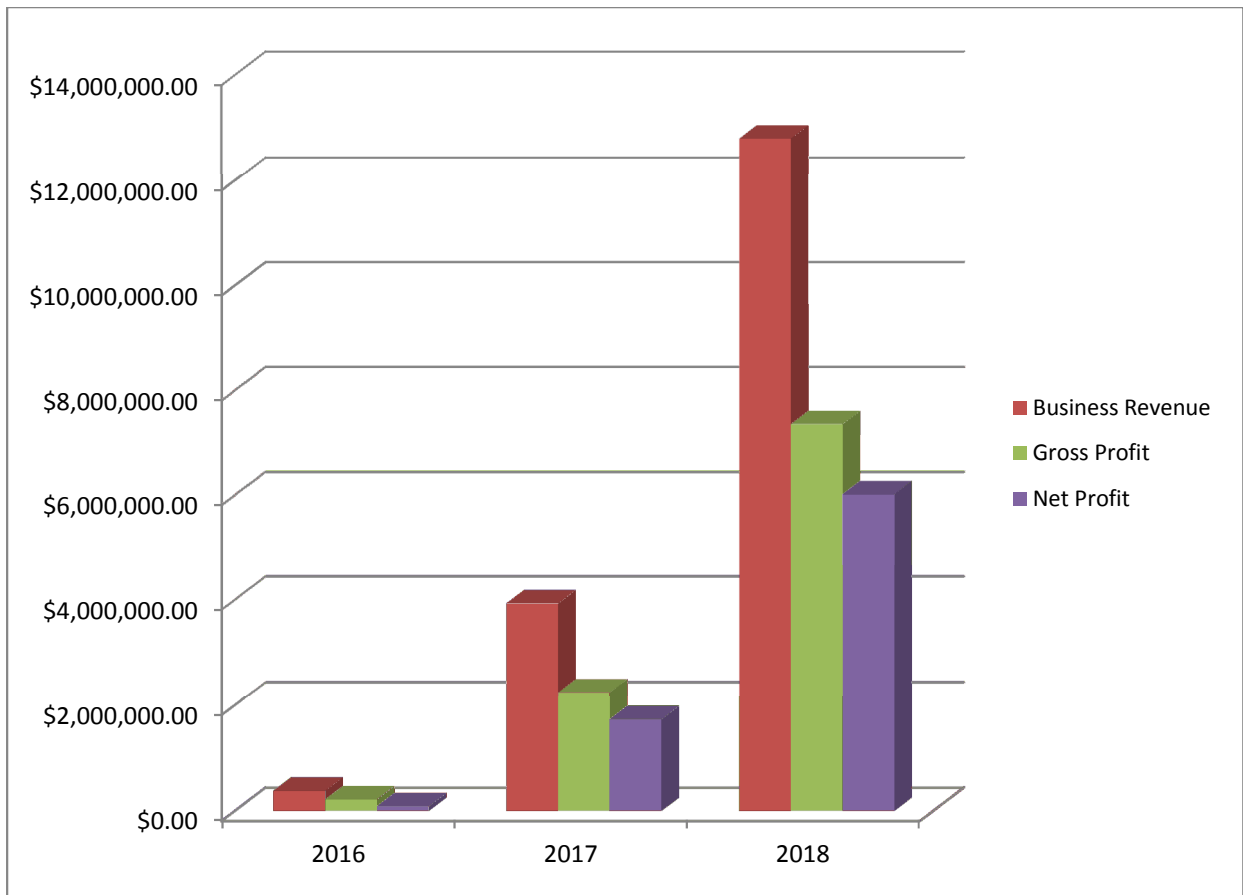
The market segments are clearly defined and all are subject to a high growth trend. The hemp market alone grew 24% in 2013 and is expected to increase on the same trajectory. There are many verticals in the hemp industry and Kona Gold plans on attacking several of those. What is lacking in the market is a premium brand, a brand that brings status, and that is where Kona Gold comes in.

This is a several hundred million dollar market and with significant growth potential. The company becomes mature in year three. The company is potentially profitable in year one if projected sales are met.

### **1.1 Mission**

The mission of Kona Gold, LLC is to create a premium lifestyle brand with its product line. These products will be manufactured from the highest quality materials and superior craftsmanship. We will design and develop products that set the standard in their respective markets within the hemp industry.

Chart: Highlights



### **1.2 Keys to Success**

The keys to success for Kona Gold, LLC are as follows:

1. Initial capitalization obtained.
2. All trademark applications filed.
3. The ability to generate early revenue from direct online sales.
4. Recruiting top-notch Sales Representatives.
5. Successful penetration into retail outlets.
6. Successful implementation of sales and marketing plan to U.S. energy drink market to obtain a minimum 4% market share in the third full year to generate \$12.8 million in revenue.
7. Increased product development and continued market share gains to continue upward revenue growth.

### **1.3 Objectives**

The principal objectives Kona Gold, LLC are as follows:

1. To achieve a 4% market penetration in the energy drink market by year three.
2. To achieve \$12.8 million in revenue by year three.
3. To raise \$500,000 in capital.

## 2.0 Company Summary



Kona Gold, LLC will develop and market energy drinks, energy shots, energy patches, and apparel through multiple distribution channels domestically. The company is currently selling energy drinks and shots via their website. They are also seeking to establish their corporate identity in the apparel and hydroponic products field. Growth strategy calls for the following objectives:

1. Continued product development.
2. Establish corporate identity, brand names, and trademarks.
3. Establish an advisory board.
4. Build staff, infrastructure, and retain consultants for trial and compliance issues.
5. Explore options for 2nd round financing (venture capital, corporate alliance, licensing, and public offering) to maximize value to shareholders.

### 2.1 Company Ownership

Kona Gold, LLC is a Delaware Limited Liability Company

Its founding shareholders are:

Robert Clark (30,000,000 shares)

### ***2.2 Company Locations and Facilities***

Kona Gold, LLC business offices/warehouse are at 1591 Savannah Hwy, Suite 201, Charleston, SC 29407. Their Phone is (844)714-2224. The offices/warehouse is leased month-to-month on a temporary basis. This business plan calls for the establishment of corporate offices and small-run manufacturing facilities. These facilities will be 5,000 sq. ft. initially expandable to 10,000 sq. ft.

### 3.0 Products

Kona Gold, LLC will initially market five distinct products.

1. Kona Gold 8.4oz energy drink
2. Kona Gold 2.0oz energy shot
3. Kona Gold energy patches
4. Kona Gold apparel (to include t-shirts and hats)
5. Kona Gold single plant hydroponic system

These five product areas may be more generally defined as follows:

1. **8.4oz energy drink – manufactured in cans**

Kona Gold Energy Drink: Available in both regular and sugar-free, this great tasting energy drink will contain essential vitamins and ingredients that will give consumers the natural boost they are looking for.

2. **2.0oz energy shot – manufactured in small plastic containers**

Kona Gold Energy Shots: Available in grape, berry, and orange, these great tasting energy shots will contain essential vitamins and ingredients like the energy drinks, but in a much smaller size, still providing that natural boost of energy consumers are looking for.

3. **Energy patches – small adhesive patches**

Kona Gold Energy Patches: These self-adhesive small patches are a convenient way to maintain energy over a period of time. Once adhered to the body, the energy patch slowly provides essential vitamins and nutrients to the body provide and natural boost of energy.

4. **Apparel – men and women t-shirts and hats**

Kona Gold Apparel: Only the finest textiles will be used in Kona Gold's apparel line, providing consumers with a premium fit and feel. Specialty inks and foils will be used on apparel products to compliment Kona Gold's branding and provide a premium look.

5. **Hydroponic Systems – single plant hydroponic systems**

Kona Gold Hydroponic Systems: Assembled with the best components, the single plant hydroponic system can includes everything to successfully cultivate a single plant.

#### **3.1 Product Description**

A detailed description of Kona Gold, LLC's initial product line follows:

##### **Energy Drinks**

Kona Gold energy drinks are available in a 8.4oz can. Two varieties, regular and sugar-free, are available for consumptions. The cans consist of custom printing that reflect Kona Gold's branding and have a premium beverage appeal.

**Energy Drink Ingredients:** Filtered carbonated water, high fructose corn syrup, natural and artificial flavors, citric acid, sodium citrate, glucuronolactone, taurine, caffeine, potassium sorbate, sodium benzoate, sucralose, niacinamide, inositol, pantothenic acid, vitamin B6 (pyridoxine hydrochloride), vitamin B12 (cyanocobalamin).

**Energy Drink Ingredients (Sugar-free):** Filtered carbonated water, natural and artificial flavors, citric acid, sodium citrate, glucuronolactone, taurine, caffeine, potassium sorbate, sodium benzoate, sucralose, niacinamide, inositol, pantothenic acid, vitamin B6 (pyridoxine hydrochloride), vitamin B12 (cyanocobalamin).

**Energy Drink Nutrition Facts:**

- Calories 5
- Total Fat 0g
- Cholesterol 0mg
- Sodium 200mg
- Total Carbohydrate 28g
- Total Carbohydrate\* 1g
- Sugars 27g
- Sugars\* 0g
- Protein 0g
- Niacin 100%
- Vitamin B6 250%
- Vitamin B12 80%
- Pantothenic Acid 100%

\*Sugar-free

**Energy Shots**

Kona Gold energy shots are available in 2oz plastic bottles. Three flavors, berry, grape and orange, are available for consumptions. The bottles consist of custom printing that reflect Kona Gold's branding and have a premium beverage appeal.

**Energy Shot Ingredients:** Filtered carbonated water, artificial flavor, potassium sorbate and sodium benzoate (to protect freshness), sucralose.

### **Energy Drink Nutrition Facts:**

- Calories 0
- Niacin 20mg 100%
- Vitamin B6 2000%
- Folic Acid 400mcg 100%
- Vitamin B12 8333%
- Sodium 10mg <1%
- Energy Blend 2125mg
  - Taurine, Malic Acid, Caffeine, Glucuronolactone, N-Acetyl, L-Tyrosine, L-Phenylalanine
- Enzyme Blend 1mg
  - Amylase, Protease, Lipase, Cellulase, Lactase

### **3.2 Competitive Comparison**

Red Bull continues to dominate as the energy drink leader with Monster experiencing huge growth in the last few years. Within the hemp energy market, Rocky Mountain High and Canna are the leaders. The energy drink market continues to grow even in light of the touch economy. Soda levels have been declining steadily over the same period, while energy drink sales have been booming.

Robert Clark, the founder of Kona Gold is aware of both its strengths and shortcomings of competing products. Kona Gold's energy products will be entering an already crowded market, but with their premium branding, their strategy is to capture an upscale market which will filter down. Many of the product advantages were highlighted in the previous section of this plan. To summarize the key advantages:

- Premium branding across all product lines
- Great tasting energy drinks and shots
- High quality apparel line
- Diverse product line in markets with continuous growth over the last several years
- Competitively priced products, but with premium branding.

Kona Gold's diverse product lines will enter the hemp market as a premium brand. Marketing efforts will be include celebrity figures that have a large outreach and social following. By positioning Kona Gold as a premium brand, all products will stand out in the growing hemp market.

### **3.3 Sales Literature**

Initial Sales literature and line sheets for Kona Gold, LLC are being developed.

### **3.4 Sourcing**

Kona Gold, LLC has partnered with multiple manufacturers in the United States and Korea to provide fulfillment of their products from the best, low cost sources.

These partners are integral to Kona Gold's success, providing the ability to scale as needed. Kona Gold will store all product in their warehouse located in Charleston, SC and Rockledge, FL.

### **3.5 Trademarks**

Two trademarks, one for use of "kona gold" in the energy drink segment and use of "kona gold" in the clothing segment are in the process of being filed. No conflicts or other use of these names has been found in an initial search. Opinion of legal counsel is strong and firm that Kona Gold's trademark applications are enforceable and defensible.

Care has been taken to take into account all potential claims of Kona Gold products. All trademark application documents will be available for examination by potential investors.

### **3.6 Future Products**

Plans for future product development by Kona Gold include expanding on the energy drink and apparel line and also to enter the skin and hair care market segments. These initiatives will be led by Robert Clark CEO for Kona Gold and an outside branding and product development firms yet to be determined. In addition, Kona Gold may seek to acquire products developed by others once it attains sufficient capitalization to do so. It is the objective of Kona Gold to both innovate and market its products. Once an industry reputation has been achieved and marketing channels opened expansion into other energy drink and apparel areas becomes potentially rewarding.

## **4.0 Market Analysis Summary**

There are several key factors influencing discussion of Kona Gold's market growth. These factors include, but aren't limited to, the hemp industry growth, the change of laws surrounding marijuana, the energy drink, shot, and patch market growth, and apparel associated with the previously mentioned markets. In all cases, the trends are upwards in the favor of Kona Gold.

### **4.1 Market Segmentation**

The potential customers of Kona Gold, LLC span across several markets. These markets include the energy drink, energy shot, energy patch, and apparel markets.

#### 4.1.1 Hemp Industry

The Hemp Industries Association (HIA), a non-profit trade association consisting of hundreds of hemp businesses, has released final estimates of the size of the 2014 U.S. retail market for hemp products. Data from market research supports an estimate of total retail sales of hemp food and body care products in the United States at \$200 million. Sales of popular hemp items like non-dairy milk, shelled seed, soaps and lotions have continued to skyrocket against the backdrop of the new hemp research provision in the Farm Bill, and increasing grassroots pressure to allow hemp to be grown domestically on a commercial scale once again for U.S. processors and manufacturers. The HIA has also reviewed sales of clothing, auto parts, building materials and various other products, and estimates the total retail value of hemp products sold in the U.S. in 2014 to be at least \$620 million.

The sales data on hemp foods and body care, collected by market research firm SPINS, was obtained from natural and conventional retailers, excluding Whole Foods Market, Costco and certain other key establishments, who do not provide sales data — and thus it underestimates actual sales by a factor of at least two and a half. According to the SPINS data, combined U.S. hemp food and body care sales grew in the sampled stores by 21.2% or \$14,020,239, over the previous year ending December 31, 2014 to a total of just over \$80,042,540. According to SPINS figures, sales in conventional retailers grew by 26.8% in 2014, while sales in natural retailers grew by 16.3%. Indeed, the combined growth of hemp retail sales in the U.S. continues steadily, as annual natural and conventional market percent growth has progressed from 7.3% (2011), to 16.5% (2012), to 24% (2013), to 21.2 in 2014.

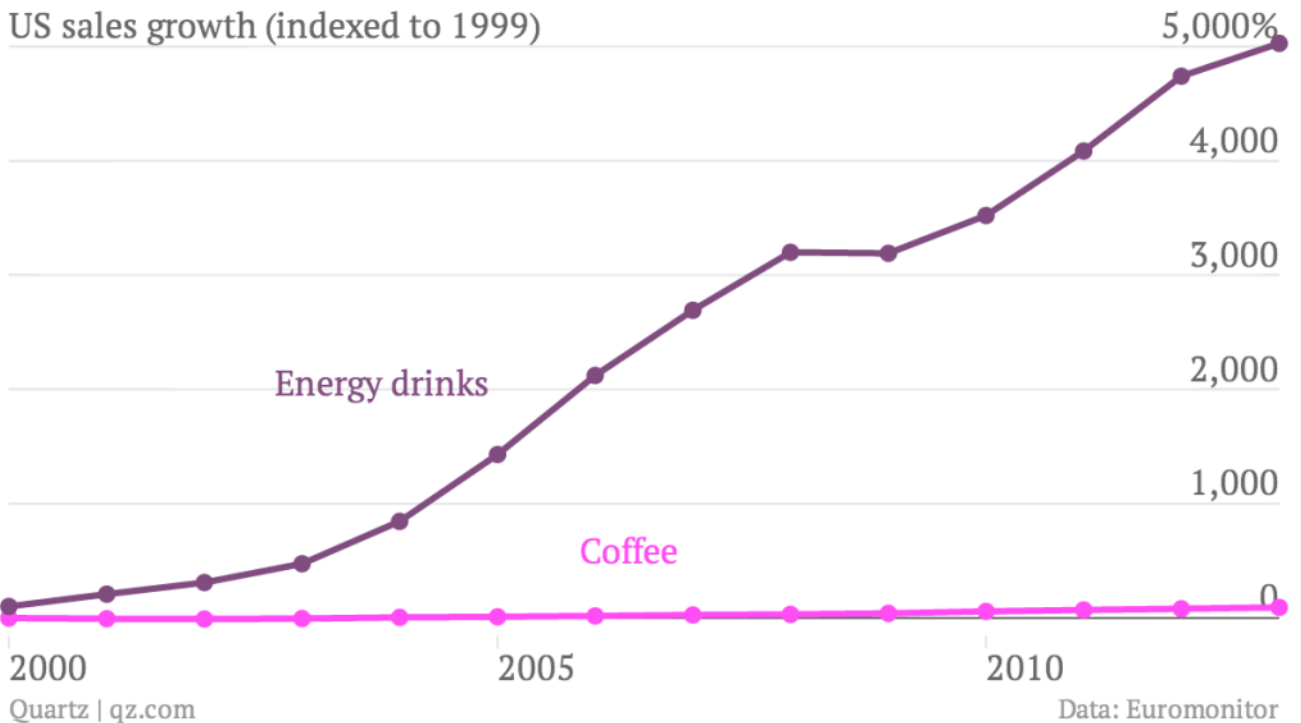
#### 4.1.2 Energy Drinks

A growing thirst for caffeinated “energy” drinks, which include the likes of Red Bull, Monster, and rockstar, has spurred a heart-thumping surge in sales. Globally, the energy drink industry has gone from a \$3.8-billion business in 1999, to a \$27.5-billion business last year, according to data from market research firm Euromonitor. That’s a more than 620% jump.

But no one is crazier about the bubbly—[and potentially dangerous](#)—caffeine-packed cans than Americans. In the US, energy drink sales have grown by more than 5000% since 1999.



US sales growth (indexed to 1999)



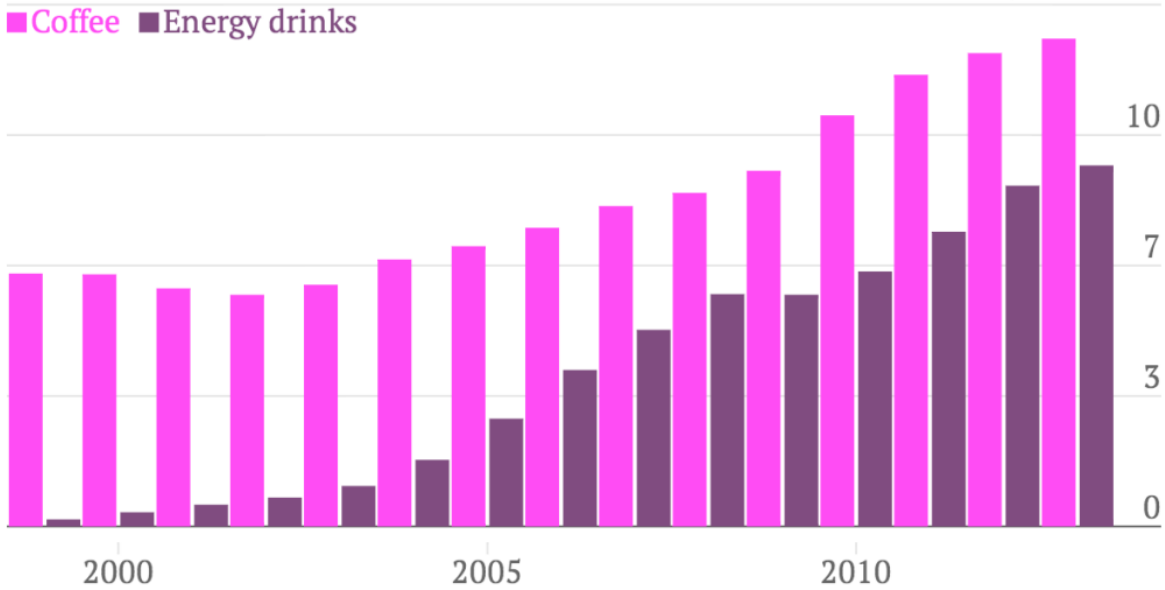
While the energy drink industry was much smaller circa 2000, it wasn't non-existent—the market raked in more than \$350 million that year. Caffeinated sodas, like Jolt Cola, have existed for years. But the introduction of Red Bull in 1997, and the many other energy drinks that followed in its footsteps, have helped turn the industry from a big one into an enormous one.

The rise of Red Bull and Monster, which accounted for nearly 80% of US energy drink sales last year, is such that the energy drink category now legitimately rivals our old-fashioned caffeine delivery system—coffee. In 1999, coffee sales in the US outpaced energy drink sales by a factor of nearly 36 to 1. This past year, coffee sales came in at just above \$12 billion in the US, while energy drink sales were just below \$9 billion—a gap of less than 1.5 to 1.

## US sales

■ Coffee ■ Energy drinks

\$13 billion



Quartz | qz.com

Data: Euromonitor

It's not unreasonable to expect the two to eventually overlap. Over the next five years, energy drink sales are slated to continue growing at about twice the rate of coffee sales, according to Euromonitor.

What's so cool about energy drinks? Well, obviously, they have caffeine—and plenty of it. Sometimes, they even have [more than advertised](#). They have [become staples at colleges](#), where under-slept students crave alertness. But they are also being heavily marketed as [morning coffee alternatives](#), and are mixed with any number of alcohols at night. As Murray Carpenter notes in his book *Caffeinated*, there's plenty of precedent for the nightclub staple of Red Bull and vodka, or of convenience store canned drinks such as Four Loko, which originally contained [roughly six beers and hefty amounts of caffeine](#) and was banned in some US states. "Americans have had a long history of mixing alcohol and caffeine," Murray writes, citing coffee-flavored liquor such as Kahlua.

When it comes to drinks, consumers are looking for a bit more than deliciousness these days. "The question has become, 'what can a beverage do for you?' As opposed to merely, 'what does a beverage taste like?'" Jonas Feliciano, an industry analyst at Euromonitor told Quartz.

There's also the possibility that Americans are getting amped because it's seen as manly to down something that keeps the eyelids open a bit wider. "The macho image linked to energy drinks is a potential influence here," a report by market research firm Canadean [noted earlier this year](#).

No matter the impetus, the success of the energy drink industry is undeniable. It has even inspired spinoffs and riffs. The energy shot market, which is [dominated by 5-hour energy](#), is now an over-\$1-billion business in the US in its own right. "Energy shots took off because of energy drinks," Chris Schmidt, a consumer health analyst at Euromonitor said. "If you're a white collar worker, you're not necessarily willing to down a big Monster energy drink, but you may drink an energy shot."

The industry is basically intent on reaching as many demographics as possible. Caffeine—or “energy,” as it’s more popularly branded—can now be found in everything from [gum](#) to [mints](#), [water](#), [jellybeans](#), and [even bacon maple lollipops](#).

#### 4.1.3 Apparel

In 2014, menswear grew by 4.5 percent reaching US\$440 billion in sales compared to 3.7 percent in womenswear with US\$662 billion. By 2019, menswear will contribute close to US\$40 billion in the global apparel market, offering opportunities for category development. Men’s shirts, jeans and jackets and coats are forecast to be the top performers between 2014-2019.

The following chart illustrates the approximate total number of these buying groups that exist. This data is clearly definable and available.

Chart: Market Analysis (Pie)

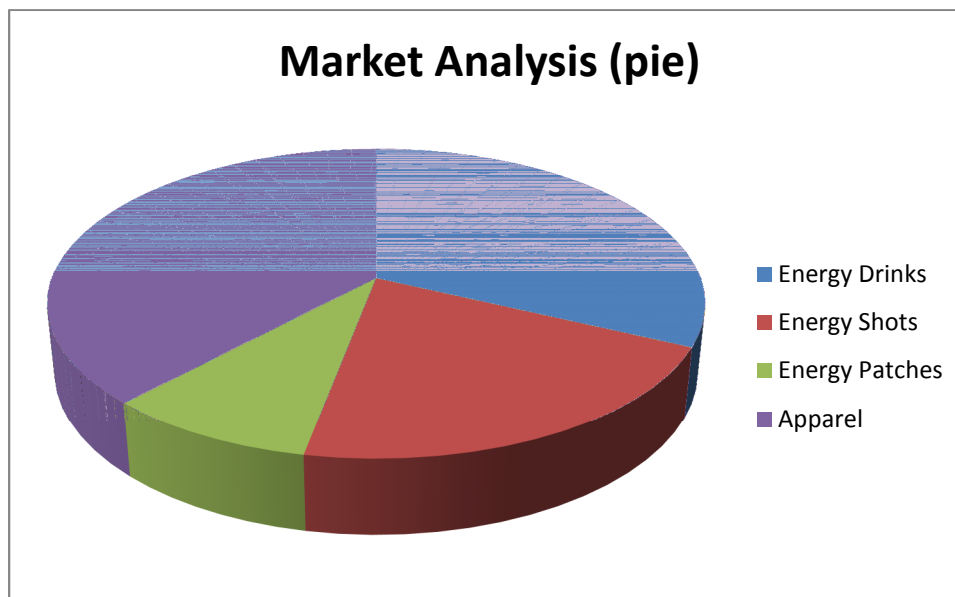


Table: Market Analysis

Market Analysis					
		2016	2017	2018	
Potential Customers	Growth				CAGR
Energy Drink Market	689%	25000	245000	975000	688.98%
Energy Shot Market	696%	16500	155000	700000	695.50%
Energy Patch Market	946%	6000	65000	525000	945.51%

Apparel Market	661%	12000	125000	350000	660.83%
<b>Total</b>	<b>748%</b>	<b>20</b>	<b>155</b>	<b>540</b>	<b>747.71%</b>

## 4.2 Industry Analysis

The hemp, energy drink, and apparel market segments in the United States have seen a rising trend in growth over the past 5 years. These markets are expected to see continual growth upward over the next 10 years.

### 4.2.1 Competition and Buying Patterns

Large companies with established brand names and distribution channels have a distinct advantage in the energy drink and apparel markets. But new small companies are succeeding on a regular basis dependent on their new product offerings and low overhead. The product must deliver on consumer senses in order to attract them away from current offerings.

Effective branding, quality, and great taste are the key economic parameters. Kona Gold will succeed in all markets based on these parameters. Kona Gold's products are already competitively priced. After initial market resistance to any new product, Kona Gold's products can grow to dominate several market segments.

### 4.2.2 Main Competitors

Competitors differ regarding Kona Gold's target markets. Within the Hemp market, current big competitors include Rocky Mountain High and Canna Energy drinks.

Within the energy drink segment, the big competitors are Monster Energy, Rockstar, and Red bull.

Apparel market competitors also include Monster Energy and Rockstar, but can also include brands from the surf/skate industries and hemp industry.

### 4.2.3 Distribution Patterns

Distribution patterns in the energy drink and apparel industries are such that the large buying groups dictate what products are used in their channels. Working with these large buying groups will open up large distribution channels that could potential supply Kona Gold product offerings in several market segments.

## 5.0 Strategy and Implementation Summary

Kona Gold LLC will pursue specific, definable, market segments with a multi-tiered, multi-channel approach. We will leverage our products with direct sales and distribution strategy in the other using established distributors.

We will look to online retail markets first with established distributors for initial revenue. Convenient stores, smoke shops, specialty stores, clothing retailers, and grocery store revenue will follow.

## **5.1 Marketing Strategy**

Marketing will follow from industry and trade awareness campaigns to specific executions directed at specific customer segments. Successful sales hits in these segments will enable achievement of targeted forecasts. Kona Gold will achieve its initial sales goals from direct and distributed sales of energy products, apparel, and hydroponic systems. These products exist in a well-defined market.

### **5.1.1 Promotion Strategy**

Public relations, industry media, will help in over-all industry awareness plans. Feature articles and product reviews will help launch awareness. Celebrity endorsement will play a role in promotion and contribute to product awareness.

Kona Gold has already worked closely with a design firm assist in developing and designing products.

### **5.1.2 Pricing Strategy**

Pricing for Kona Gold energy, apparel, and hydroponic products will be competitive with leaders in each respective market segment. Gross margins will vary on market segments.

Industry standard discounts will be offered to distributors and retailers. Quantity discounts are not included but remain possible in negotiations with major buying groups.

### **5.1.3 Investments**

FOR VALUE RECEIVED, Kona Gold Solutions, Inc., a Delaware corporation ("Maker"), hereby promises to pay to Lee Thornburg, or its assigns ("Lender" or "Holder"), the principal amount advanced by Lender on January 12, 2015, together with interest on the unpaid principal amounts as set forth in this Convertible Note (this "Note") (the Loans and interest thereon referred to collectively as the "Indebtedness") by June 30, 2017, ("Maturity Date"). Conversion. Each Convertible Note plus accrued interest can be converted into common shares at any time before or after the Maturity Date by the Note Holder at a Conversion Price that is equal to a 50% discount to the 10 day average bid price of the Company. And in the event of a default each Convertible Note plus accrued interest can be converted into common shares at any time after the default date by the Note Holder at the same Conversion Price. Conversion rights under this note cannot and will not be diluted by reverse splits of common stock

FOR VALUE RECEIVED, Kona Gold Solutions, Inc., a Delaware corporation ("Maker"), hereby promises to pay to Andy Holloway or its assigns ("Lender" or "Holder"), the principal amount advanced by Lender on December 23, 2015, together with interest on the unpaid principal

amounts as set forth in this Convertible Note (this "Note") (the Loans and interest thereon referred to collectively as the "Indebtedness") by June 30, 2017, ("Maturity Date"). Conversion. Each Convertible Note plus accrued interest can be converted into common shares at any time before or after the Maturity Date by the Note Holder at a Conversion Price that is equal to a 50% discount to the 10 day average bid price of the Company. And in the event of a default each Convertible Note plus accrued interest can be converted into common shares at any time after the default date by the Note Holder at the same Conversion Price. Conversion rights under this note cannot and will not be diluted by reverse splits of common stock.

Amendment to the Convertible Note dated the 31st day of December, 2012 (hereinafter "Note"). By and between Kona Gold, Inc. ("Borrower") and ("Lender"). Whereas, for value received, the undersigned Borrower and Lender hereby amend that the Note dated as of December 31, 2012 in the original amount of \$73,468.20USD, payable to the order of the Lender as follows: A new paragraph is added to the Note after paragraph Six (6) and before paragraph Seven (7) and it is hereby amended to paragraph Six A (6A) and is amended to include the following language: The number of shares of Common Stock issuable upon conversion of this Note is equal to the quotient of the Conversion Amount of that portion of the Note being converted divided by the Conversion Price. Fractional shares will not be issued. In lieu of any fraction of a share, the Maker shall deliver its check for the dollar amount of the less than full share remainder. For purposes of this Note, the "Conversion Price" shall mean the lesser of (i) the price that the common stock of the Maker is trading at on the date of conversion less a Fifty percent (50%) discount to market; or (ii) \$0.00001 (par value). If this note is not paid in full by new management no later than September 30, 2015.

FOR VALUE RECEIVED, Kona Gold Solutions, Inc., a Delaware corporation ("Maker"), hereby promises to pay to Joseph Thornburg., or its assigns ("Lender" or "Holder"), the principal amount advanced by Lender on January 5th, 2015, together with interest on the unpaid principal amounts as set forth in this Convertible Note (this "Note") (the Loans and interest thereon referred to collectively as the "Indebtedness") by June 30, 2017, ("Maturity Date"). Conversion. Each Convertible Note plus accrued interest can be converted into common shares at any time before or after the Maturity Date by the Note Holder at a Conversion Price that is equal to a 50% discount to the 10 day average bid price of the Company. And in the event of a default each Convertible Note plus accrued interest can be converted into common shares at any time after the default date by the Note Holder at the same Conversion Price. Conversion rights under this note cannot and will not be diluted by reverse splits of common stock

## 5.2 Sales Strategy

Kona Gold's sales strategy is to push into the energy drink and apparel markets in 2016. We will fully exploit those markets in 2017 with the groundwork laid out in 2016. Tradeshows will play a big role in creating market awareness.

Kona Gold's Energy Drinks and Shots are now available on Amazon.com, the largest Internet-based retailer in the United States. Kona Gold's products can be viewed and purchased on Amazon.com from the following Link:

[http://www.amazon.com/sp?\\_encoding=UTF8&asin=&isAmazonFulfilled=&isCBA=&marketplaceID=ATVPDKIKX0DER&orderID=&seller=AV51Y1JMPSKQZ&tab=&vasStoreID=](http://www.amazon.com/sp?_encoding=UTF8&asin=&isAmazonFulfilled=&isCBA=&marketplaceID=ATVPDKIKX0DER&orderID=&seller=AV51Y1JMPSKQZ&tab=&vasStoreID=)

### 5.2.1 Sales Forecast

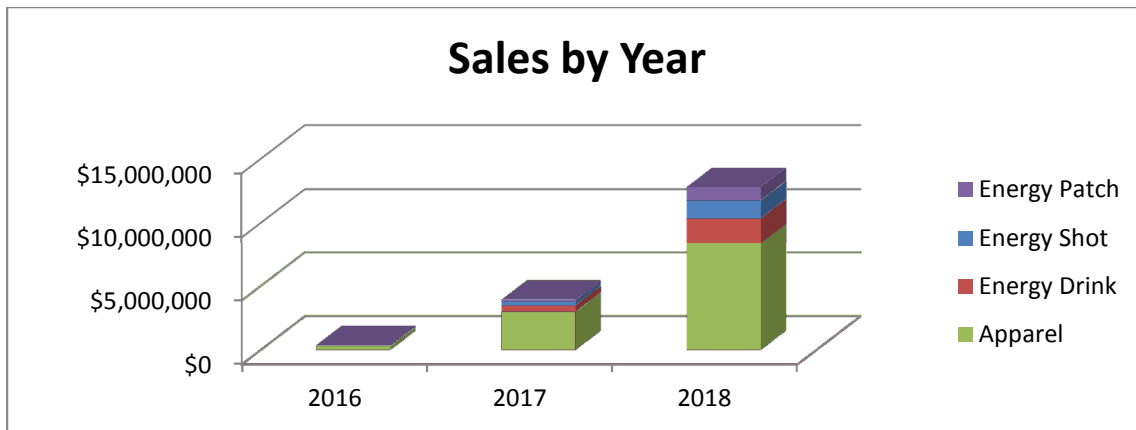
This sales forecast includes Kona Gold's energy drinks, shots, patches, and apparel. Product cost of direct sales is 43% while product cost through distributors is 73%.

In 2017, the company anticipates a sharp increase in sales from the marketing efforts put in place throughout 2016. 2018 sales will follow the same upward path trajectory.

Table: Sales Forecast

Sales Forecast			
	2016	2017	2018
Energy Drink	\$50,000	\$490,000	\$1,950,000
Energy Shot	\$33,000	\$310,000	\$1,400,000
Apparel	\$288,000	\$3,000,000	\$8,400,000
Energy Patch	\$12,000	\$130,000	\$1,050,000
Total Sales	\$383,000	\$3,930,000	\$12,800,000

Chart: Sales by Year



## 5.2.2 Sales Programs

Sales programs include direct wholesale sales to national distributors and to end buyers. Sales materials and support materials will be produced.

Direct sales will be by personal contact, direct mail, public relations, and media directed at key industry segments.

In addition electronic marketing will be deployed whenever it fits with the buying patterns of a key group.

A website and electronic commerce site will be utilized to cultivate direct sales to key industry groups.

## 6.0 Management Summary

The founder of Kona Gold, LLC is Robert Clark. Robert will serve the company as CEO. His biography follows in the Management Team section.

Several key people are actively being sought. These are summarized in Management Team Gaps.

### 6.1 Organizational Structure

Robert will handle responsibility for R&D, design, compliance, and initial manufacturing and sourcing.

Reporting to Robert will be additional designers and sales and marketing managers. Some of these tasks can also be handled by outside consultants in the early going. The ramp-up of essential personnel and tasks are included in the Personnel Plan that follows.



## 6.2 Management Team

Robert Clark (38)

BS, Management Information Systems, University of Central Florida 2003

Robert Clark is the CEO and founder of Kona Gold, LLC. Mr. Clark drive's the company's vision, strategy, and growth and oversees product design and manufacturing. Kona Gold is positioning itself as a premium lifestyle brand in the fast growing hemp industry. Mr. Clark's goal is to lead all market segments in the hemp industry that Kona Gold enters.

Mr. Clark has held several leadership positions prior to founding and becoming CEO of Kona Gold. He earned a Bachelor's Degree in Business Administration and Management Information Systems and has over 12 years of experience in the product design field.

Prior to Kona Gold, Mr. Clark worked with regional and national companies to help establish branding and bringing new products to market.

Mr. Clark is an active member of the Hemp Industries Association.

## 6.3 Management Team Gaps

Robert Clark will help to identify and bring in a VP of Sales and Marketing.

Robert is actively searching for specialty design houses. Several have been identified and are available.

## 6.4 Personnel Plan

The Personnel Plan chronicles the growth of the organization in the first three years. The third year could require a few additional people besides those indicated especially if sales reach or exceed \$12.8 million. Production assembly people are grouped together at approx. \$15k per person. Payroll costs and benefits are pegged at 24%.

Table: Personnel

Personnel Plan	2016	2017	2018
Production Personnel			
Assembly Workers	\$0	\$30,000	\$50,000
Subtotal	0	\$30,000	\$50,000
Sales and Marketing Personnel			
VP Sales and Marketing	\$0	\$40,000	\$50,000
Marketing/Product Mgr.	\$0	\$0	\$0,000

Sales Reps (3)	\$0	\$0	\$0,000
Subtotal	\$0	\$40,000	\$50,000
General and Administrative Personnel			
CEO	\$60,000	\$70,000	\$100,000
President	\$0	\$0	\$0
Administrative Staff (1)	\$0	\$0	\$0
Subtotal	\$60,000	\$70,000	\$100,000
Total People	1	4	5
<b>Total Payroll</b>	\$60,000	\$140,000	\$200,000

## 7.0 Financial Plan

The value of the trademarks and the size of the potential markets enable several back-up plans of action if this plan doesn't work as indicated. Venture funds are available early on and historically investments of \$200,000 to \$500,000 are common for similar companies.

Even after successfully completing the start and seed stage as indicated, a second round of funding is potentially available in the \$1 million range. We have planned for additional capital input in years two and three as a safety net for cash flow/cash balance.

However, cash flow achievement within the parameters of the indicated plan plus further funding on the senior debt side will lead to the best value for shareholders. Then, strategy can dictate the best valuation for ramp-up and roll-out.

### ***7.1 Key Financial Indicators***

All of our benchmarks being attained will allow expansion strategies of merger, acquisition, or roll-up.

### ***7.2 Break-even Analysis***

Kona Gold, LLC has calculated a break-even maintenance point for sales in year one once full management staffing and facility costs are reached. Included are payroll and rent considerations.

The break-even target can sustain Kona Gold, LLC's operation in late 2016 and throughout 2017 even if expansion and capitalization plans are late in materializing. It is anticipated that direct sales can produce these numbers and more in the wholesale markets.

The break-even analysis is restricted to this late 2016 and early 2017 time frame since the early ramp-up phase in business development is characteristic of most cash-flow shortages that represent exposure to early stage investors.

### ***7.3 Projected Profit and Loss***

The profit in year one of operation is expected to be minimal. However, by year two, the company expects to surpass the \$1 million mark. The third year profit reflects the performance of a mature company. Over-all gross margins are excellent.

Chart: Gross Margin Yearly

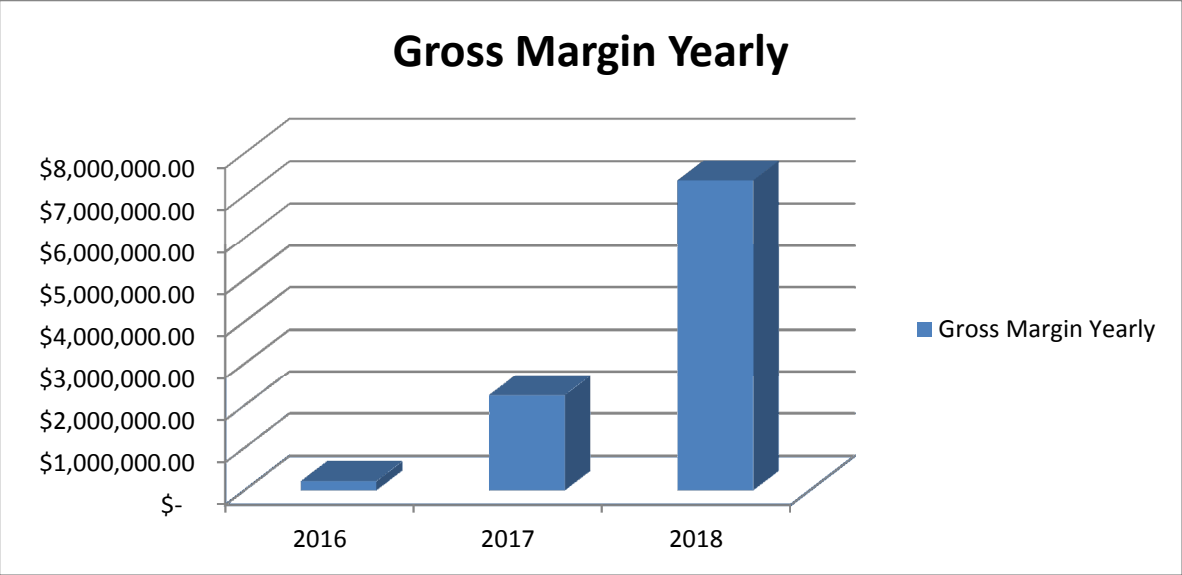
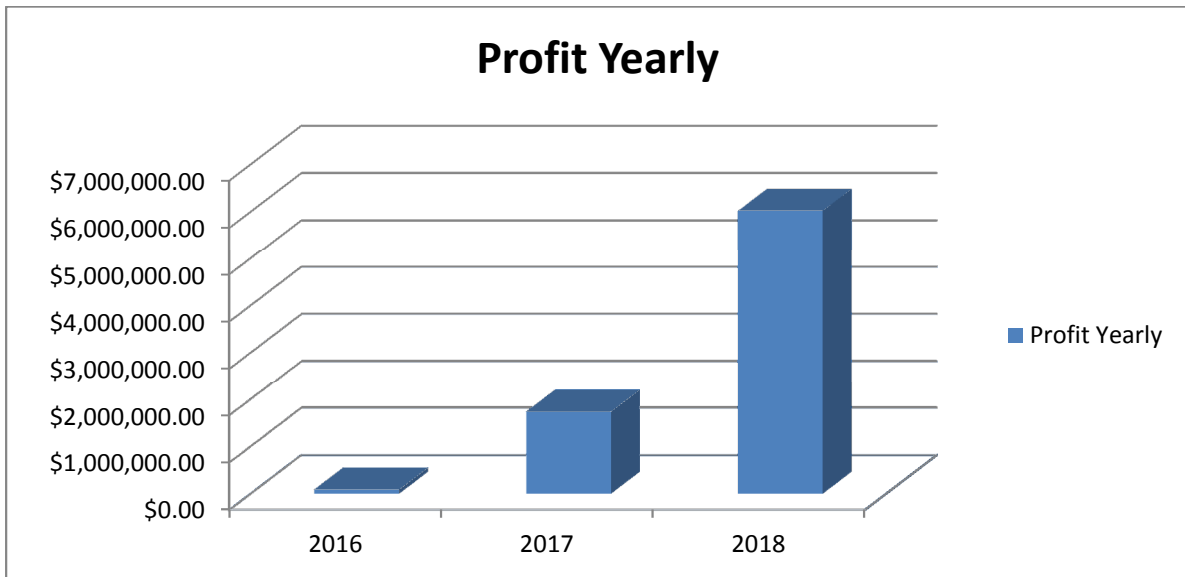


Table: Profit and Loss

Income and Expense - Profit and Loss \$			
	2016	2017	2018
Business Revenue	\$383,000.00	\$3,930,000.00	\$12,800,000.00
COGS	\$164,500.00	\$1,682,500.00	\$5,437,500.00
Gross Profit	\$218,500.00	\$2,247,500.00	\$7,362,500.00
Net Profit	\$88,221.66	\$1,732,058.64	\$6,018,608.64
Advertising and Promotion	2500	5000	8000
Bank Service Charges	144	144	144
Google Apps Monthly Fee	300	300	300
Legal Expense	500	500	500
Meals and Entertainment	125.86	500	500
Merchant Services Fee	660	660	660
Office Supplies	250	250	250
Personnel	60000	140000	200000
Design and Development	20000	10000	5000
Rent Expense	6780	6780	6780
Shipping Supplies	800	3000	12000
Tradeshows	10000	25000	25000
Travel Expense	10000	15000	20000
Utilities	600	600	600
Website Development	2000	2000	2000
Website Hosting	49.95	49.95	49.95
EBITDA	103790.19	2037716.05	7080716.05
Operating Expenses	114709.81	209783.95	281783.95

Operating Income	103790.19	2037716.05	7080716.05
Interest Income	0	0	0
Interest Expense	0	0	0
Pre-Tax Net Profit	\$103,790.19	\$2,037,716.05	\$7,080,716.05
Income Tax	\$15,568.53	\$305,657.41	\$1,062,107.41
After Tax Net Profit	\$88,221.66	\$1,732,058.64	\$6,018,608.64

Chart: Profit Yearly



#### ***7.4 Projected Cash Flow***

We began the year with \$115,000 in cash from investors. This provided our start-up capital. We are targeting an additional equity investment in the form of Private Placement Memorandums.

If sales and profits hit targets then further investment needs will be limited to higher value options to roll-up a national level company.



On October 12 Kona Gold Solutions, Inc. (OTC Pink: KGKG), a company currently developing a Hemp Energy product line, announced that it has its Hydroponics Systems in stock and ready for sale. The Company's Hydroponics Systems can be purchased through its eBay store: <http://www.ebay.com/itm/-/252100632968?> And can be viewed on the Company's social media links or website listed below:

<http://konagoldhemp.com>  
<https://www.facebook.com/konagoldhemp>  
<https://twitter.com/konagoldhemp>

"We are excited to introduce our hydroponic systems, which is our first product of many products to come, across several verticals," stated Robert Clark, CEO of Kona Gold Solutions, Inc. "We are in the process of securing funding to develop and launch our Energy drink, energy shot, energy patch, and premier apparel products, Clark added. This is an exciting time to be in the hemp industry where we will see exponential growth in the coming years and Kona Gold is at the ground floor in establishing itself as a premier hemp brand. " Kona Gold is also pleased to announce it has started the process to host a Nationwide Teleconference. The Company has not yet set a date for its Nationwide Conference Call, but encourages shareholders to email: [info@konagoldhemp.com](mailto:info@konagoldhemp.com), so all questions can be answered during the conference call.

On January 7, 2016 Kona Gold Solutions, Inc. (OTC Pink: KGKG), retained the services of a leading web development company to design and build a fully functioning eCommerce website that better reflects the Company's branding. The Company's new website can be seen at [www.konagoldhemp.com](http://www.konagoldhemp.com)

"We felt it was imperative to invest a significant amount of money on developing a new state of the art website that better reflects the Company's branding," stated Robert Clark, CEO of



Kona Gold Solutions, Inc. "We will have other announcements within the next two weeks regarding new products and are pleased to now have a platform to display and sell our new products. Kona Gold is a multifaceted company that will begin selling apparel, energy shots, drinks as well as hydroponic systems. We encourage all shareholders to view our website and give us your feedback

Kona Gold Solutions, Inc. announced on January 19, 2016 that it has placed its initial order for its energy drinks as well as its energy shots as they enter the multi-billion dollar energy drink market. The Company's energy drinks will include sugar free and regular energy drinks. Kona Gold's energy shots include orange, berry, and grape flavors. Kona Gold's energy drinks and shots are available for purchase on the Company's new e-commerce website.

"We have been working hard to create a great tasting energy drink and energy shots and are excited to get them in the hands of our customers," stated Robert Clark, CEO of Kona Gold Solutions, Inc. "We offer our 8.4 oz energy drink in regular and sugar free and our 2 oz energy shots include orange, berry, and grape. I feel we've hit the mark on creating a premium energy drink and shot line and with our aggressive marketing efforts, we anticipate great things for Kona Gold this coming year."

Energy drinks and shots are just the first line of products that Kona Gold is planning to release this year. Following the release of their energy drink line, Robert Clark stated that their apparel line will hit the market shortly after. "Our apparel line is being designed as we speak and we know will be a big hit across several demographics," stated Clark. "The designs I've seen so far have me very excited and they play right into our branding."

Kona Gold has worked on several new logo designs to reach several vertical markets. The new logos will be implemented for different markets in 2016.

The Company's first energy drink production was for its non-hemp infused energy drink line. The Company is currently working on production of its hemp infused energy drink line and has also created new branding to appeal to each market. The next production run of Kona Gold's non-hemp infused energy drinks will not include the gold leaf in the logo and can be seen above in the disclosure statement whereas the hemp infused energy drink line will be the only line to have the gold leaf logo. The Company has also created an additional logo with the gold leaf to be used for their apparel as well as their shampoo line.

The non-hemp and hemp infused products will allow the company to appeal to a broader market and allow Kona Gold to capture a bigger share in the energy drink marketplace.

## **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 sublets its warehouse at 1591 Savannah Hwy, Suite 201, Charleston, SC 29407
- The Company is looking to expand its operations to Central Florida as well and should have warehouse space in Florida within the next 30 days

## **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.

The previous control person, JT Thornburg, of Kona Gold Solution, Inc's Preferred Series A stock has submitted his Certificate to the Company's attorney where it is being held in escrow until final payment is received for the Purchase of the Public Company

- 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);

N/A

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;

N/A

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

N/A

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.

N/A

- 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.

N/A

## **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

Matthew McMurdo, Esq.

28 West 44th Street  
16th Floor  
New York, NY 10036  
917-318-2865

Accountant or Auditor

D'Arelli Pruzansky, P.A.

Accounting/Auditing Firm  
7280 W. Palmetto Park Road  
Suite 308-N  
Boca Raton, FL 33433  
561-756-9250  
www.darellipruzansky.com  
Batul@dp-cpas.com

Investor Relations Consultant

N/A

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

N/A

**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, Robert Clark certify that:

1. I have reviewed this Initial Disclosure Statement of Kona Gold Solutions, 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.

August 10, 2016

A handwritten signature in dark ink, appearing to read "Robert Clark", is positioned above a horizontal line.

Robert Clark  
Chief Executive Officer  
Kona Gold Solutions, Inc.