ANNUAL REPORT

As of December 31, 2016

Marijuana Company of America, Inc.

5256 S. Mission Road, Suite 703 #314
Bonsall, CA 92003
Phone: 888-777-4362
www.marijuanacompanyofamerica.com

OTC: MCOA

(CUSIP: 56782E105)

ISSUER INFORMATION AND DISCLOSURE STATEMENT
PURSUANT TO RULE 15C2-11(A)(5) OF THE
SECURITIES EXCHANGE ACT OF 1934
MARIJUANA COMPANY OF AMERICA, INC.
DATED: MARCH 31, 2017

ALL INFORMATION FURNISHED HEREIN HAS BEEN PREPARED FROM THE BOOKS AND RECORDS OF MARIJUANA COMPANY OF AMERICA, INC. IN ACCORDANCE WITH RULE 15C-11 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AMENDED.

NO DEALER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED HEREIN IN CONNECTION WITH THE COMPANY.

ANY REPRESENTATION NOT CONTAINED HEREIN MUST NOT BE RELIED UPON AS HAVING BEEN MADE OR AUTHORIZED BY THE COMPANY. DELIVERY OF THIS INFORMATION DOES NOT IMPLY THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THE ISSUER INFORMATION AND DISCLOSURE STATEMENT.

FORWARD LOOKING STATEMENTS: This Report contains forward-looking statements. To the extent that any statements made in this report contain information that is not historical, these statements are essentially forward-looking. Forward-looking statements can be identified by the use of words such as “expects”, “plans”, “may,”, “anticipates”, “believes”, “should”, “intends”, “estimates”, and other words of similar meaning. These statements are subject to risks and uncertainties that cannot be predicted or quantified and, consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, without limitation, marketability of our products; legal and regulatory risks associated with the share exchange our ability to raise additional capital to finance our activities; the effectiveness, profitability and; the future trading of our common stock; our ability to operate as a public company; our ability to protect our proprietary information; general economic and business conditions; the volatility of our operating results and financial condition; our ability to attract or retain qualified senior management personnel and research and development staff; and other risks detailed from time to time in our filings with the OTC Markets (the “OTC”), or otherwise. Information regarding market and industry statistics contained in this report is included based on information available to us that we believe is accurate. It is generally based on industry and other publications that are not produced for purposes of securities offerings or economic analysis. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and the additional uncertainties accompanying any estimates of future market size, revenue and market acceptance of products and services. We do not undertake any obligation to publicly update any forward-looking statements. As a result, investors should not place undue reliance on these forward-looking statements.

FOOD AND DRUG ADMINISTRATION DISCLOSURE (FDA): The statements found herein have not been evaluated by the Food and Drug Administration (FDA) and are not intended to diagnose, treat, cure or prevent any disease or medical condition.

Part A: General Company Information

Item 1. The exact name of the issuer and its predecessor:

Marijuana Company of America, Inc.

Names used by predecessor entities in the past five years and the dates of the name changes

Former Name	Date of Name Change
F/K/A: Converge Global, Inc.	10/27/2015
F/K/A: Capital Placement Specialists, Inc.	01/28/1999
F/K/A: Mormon Mint, Inc.	12/05/1997

Item 2. The address of the issuer's principal executive offices.

5256 S. Mission Road, Suite 703 #314
Bonsall, CA 92003
Phone: 888-777-4362
Email: info@mcoa.club
Website: www.marijuanacompanyofamerica.com

Item 3. The State and date of the issuer's incorporation:

Utah – October 4, 1985

Part B: Share Structure

Item 1. Exact title and class of Securities Outstanding

Trading Symbol: MCOA

Exact title and class of securities outstanding: Common
CUSIP: 56782E105
Par or Stated Value: $.001

Total shares authorized:	5,000,000,000 as of December 31, 2016
Total common shares outstanding:	1,620,996,998 as of December 31, 2016
Public Float (Not Restricted):	504,030,637 as of December 31, 2016
Total number of shareholders of record:	334 as of December 31, 2016

Exact title and class of securities outstanding: Preferred Stock – Class "A"
Par or Stated Value: $.001
Total shares authorized: 50,000,000 as of December 31, 2016
Total Preferred Class "A" shares outstanding: 10,000,000 as of December 31, 2016

Pursuant to the Amended Articles of Incorporation filed on August 25, 2015, the Preferred Class "A" authorized shares were increased to 50,000,000 and have a voting right of 100 to 1. This class of stock is not convertible into common stock.

Effective December 1, 2015, FINRA approved the name change from Converge Global Inc. to Marijuana Company of America, Inc. The new symbol granted was "MCOA" and the CUSIP issued was 56782E105.

List any restrictions on the transfer of security:

Of the Company's outstanding 1,620,996,998 shares of common stock, 1,116,966,361 common shares, and all of our outstanding shares of preferred stock, bear a restricted legend substantially in the following form "The shares represented by these certificates have not been registered under the Securities Act of 1933, as amended and may not be sold or transferred without registration under said Act or an exemption therefrom."

Describe any trading suspensions 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:

On September 4, 2015, 400,000,000 shares of restricted common shares and 10,000,000 shares of the Preferred Class A stock were purchased for $105,000.00 from Cornelia Volino by Donald Steinberg and Charles Larsen, who owned each respective category of shares equally at the time of the transaction. On September 9, 2015, Donald Steinberg was appointed Chairman of the Board, CEO and President of the Company. Mr. Larsen was also appointed to the Board of Directors.

1. For common equity, describe any dividend, voting and preemption rights.

Common stock - The authorized capital stock of the Company includes 5,000,000,000 shares of common stock, par value $0.001 per share. The shares of common stock presently outstanding, and any shares of common stock issued upon exercise of stock options and/or warrants, will be fully paid and non-assessable. Each holder of common stock is entitled to one vote for each share owned on all matters voted on by shareholders, and a majority vote is required for all actions to be taken by shareholders, with the exception that a plurality is required for the election of directors. The common stock has no preemptive rights, no cumulative voting rights, and no redemption, sinking fund, or conversion provisions. Since the holders of common stock do not have cumulative voting rights, holders of more than 50% of the outstanding shares can elect all directors, and the holders of the remaining shares by themselves cannot elect any directors. Holders of common stock are entitled to receive dividends, if and when declared by the board of directors, out of funds legally available for such purpose, subject to the dividend and liquidation rights of any preferred stock that may then be outstanding.

2. For preferred stock, describe the dividend, voting, conversion and liquidation rights as well as redemption or sinking fund provisions:

Series A Preferred. The Company has 50,000,000 shares of Series "A" Preferred Stock authorized of which 10,000,000 are issued and outstanding as of December 31, 2016. Each preferred shares is entitled to 100 votes and is not convertible into shares of common stock. Pursuant to the Amended Articles of Incorporation filed on August 25, 2015, the Preferred Class "A" authorized shares were increased to 50,000,000 and have a voting right of 100 to 1.

Dividend Policy: The current intention of the Board is to retain future earnings, if any, to finance the expansion of business and does not anticipate paying cash dividends on common shares for the foreseeable future. The Company may not have sufficient funds to legally pay dividends, and if funds are legally available the Board has sole discretion in deciding to, or not to, pay dividends. Holders of common stock are entitled to receive dividends, if and when declared by the board of directors, out of funds legally available for such purpose, subject to the dividend and liquidation rights of any preferred stock that may then be outstanding.

Material rights of common or preferred stockholders.
None

Item 7. Name and address of the transfer agent
Pacific Stock Transfer
6725 Via Austi Pkwy, Suite 300
Las Vegas, NV 89119
Phone: 623-266-2591
Fax number: 623-266-2915

Pacific Stock Transfer Company is currently registered with the Securities and Exchange Commission and FINRA and is a member of the Stock Transfer Association.

<u>Part C. Business Information</u>

Item 1.The nature of the issuer's business

A. <u>Business Development.</u>

1. The form of the organization of the issuer;

   Marijuana Company of America, Inc. is a Utah Corporation

2. The year that the issuer was organized;
   Marijuana Company of America, Inc. was originally incorporated under the laws of the State of Utah on October 4, 1985.

3. The issuer's fiscal year end date;
   December 31st

4. The issuer has never been in bankruptcy, receivership or any similar proceeding;

5. Any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets;

On September 4, 2015, 400,000,000 shares of restricted common shares and 10,000,000 shares of the Preferred Class A stock were purchased for $105,000.00 from Cornelia Volino, the previous CEO and President of the Company, by Donald Steinberg and Charles Larsen, who owned each respective category of shares equally at the time of the transaction. On September 9, 2015, Donald Steinberg was appointed Chairman of the Board, CEO and President of the Company. Mr. Larsen was also appointed to the Board of Directors at that time.

6. Any default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments;

   The Company entered a Promissory Note arrangement with Chase Business Consulting Inc. on July 14, 2016 whereby Chase Business Consulting lent the Company $20,000. The loan was due on September 14, 2016 and the fixed interest rate for the period was 20%. A late charge of 5% would be assessed if late. This loan was paid in full prior to the year ended December 31, 2016.

7. Any change of control;

   Yes, as a result of the share purchase referred to in paragraph 5, on September 4, 2015, 400,000,000 shares of restricted common shares and 10,000,000 shares of the Preferred Class A stock were purchased for $105,000.00 from the prior President, Cornelia Volino, by Donald Steinberg and Charles Larsen, who owned each respective category of shares equally at the time of the transaction. Furthermore, on October 8, 2015, Donald Steinberg was issued an additional 217,457,143 in restricted Common shares upon the conversion of a convertible note payable in the amount of $76,110. Mr. Steinberg and Charlie Larsen acquired the debt from a third party, non-affiliate of the Company. Charlie Larsen acquired one-half of the debt prior to the conversion of the debt into two blocks of (108,728,572 common shares) from Mr. Steinberg in a private transaction, leaving Mr. Steinberg with the remaining balance of 108,728,571 restricted common shares resulting from the debt conversion.

8. Any increase of 10% or more of the same class of outstanding equity securities;

   Yes, on October 8, 2015, Donald Steinberg was issued an additional 217,457,143 in restricted Common shares from treasury upon the conversion of a convertible note payable in the amount of $76,110. Mr. Steinberg acquired the debt from a non-affiliated third party. Charles Larsen acquired one-half of the shares converted from the debt (108,728,572) from Mr. Steinberg in a private transaction, leaving Mr. Steinberg with the remaining 108,728,571.

   As of December 31, 2016, Mr. Steinberg owned 478,803,604 of restricted common shares out of the total 1,620,996,998 outstanding common stock of the Company, or 29.5% of the outstanding common shares, resulting in an increase of more than 10% of all outstanding common stock of the company. During the second quarter of 2016, Mr. Steinberg gifted 4,000,000 restricted common shares of the Company.

Mr. Larsen owned 397,727,842 of the total 1,620,996,998 outstanding common stock of the Company as of December 31, 2016, or 24.5% of the outstanding common shares, resulting in an increase of more than 10% of all outstanding common stock of the company. During the first quarter of 2016, Mr. Larsen gifted 15,000,000 restricted common shares of the Company, out of which 10,000,000 were gifted to Mr. Robert L. Hymers III in January of 2016.

9. Any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization;

   The Company submitted an application to FINRA to reverse split the stock by issuing one share of common stock for 100 shares of common stock held by the shareholders of record. The effective date of the roll back was August 20, 2010. At the date of the reverse there was approximately 218,000,000 shares outstanding and as result of the roll back there was approximately 2,180,000 common shares outstanding.

10. Any delisting of the issuer's securities by any securities exchange or deletion from the OTC Bulletin Board; and

    No, the Issuer's securities have never been delisted from any securities exchange or been deleted from the OTC Bulletin Board. At the time of the filing of this Information Statement, the Issuer is in "OTC Pink Current Information" status.

B. **Business of Issuer:**

1. the Issuer's primary and secondary SIC Codes;

   Primary SIC Code – 9999 Non-classifiable Establishment. Any legal and lawful business purpose

2. if the issuer has never conducted operations, is in the development stage, or is currently conducting operations;

   The Company is currently conducting operations under its new business plan and has conducted operations at all times since the inception of the Company.

3. whether the issuer is or has at any time been a "shell company"

   The Company is not nor has it at any time been deemed to be a "Shell" company as defined by the Securities Act of 1934 Rule 12b-2.

   Marijuana Company of America, Inc. is a Utah corporation which is currently providing public information via OTC Markets' OTC Pink Disclosure and News Service. Since its inception, the Company has held various holdings and other significant assets, and has had substantial operations that are reflected in all of the timely filed quarterly and annual filings with the OTC Markets. Since the change of the business model in 2015 and the subsequent impairment of the Majestic Menu intangible asset, the Company has nominal assets. However, the Company is actively engaged in actualizing its business plan. The Company has incurred significant expenditures since the change of the business model and name change to Marijuana Company of America. Therefore, since the Company has more than nominal operations, and has held assets beyond cash or cash equivalents since its inception, the Company is not now, nor has it ever been, a shell company as defined in SEC Release No. 333-8587 and Rule 144(i).

4. the names of any parent, subsidiary, or affiliate of the issuer, and its business purpose, its method of operation, its ownership, and whether it is included in the financial statements attached to this disclosure statement;

   H Smart, Inc. is a Delaware corporation that is a wholly owned subsidiary of the Company and was formed in September 21, 2015. Its principle purpose is to hold the operations of the HempSmart brand and the sale and operating expenses pertaining to HempSmart. All of the financial activity of this entity has been consolidated on the financial statements of MCOA. The Company filed for a name change with the Secretary of State of Delaware on to change the name of the Company from Converge Acquisition Corp to H Smart Inc. during the Q2 2016. Additionally, during Q4 2016, the Company registered H Smart Inc. with the California Secretary of State. H Smart Inc. is the owner of the DBA "Hempsmart" filed in Los Angeles County.

   MCOA CA Inc. is a California corporation that is a wholly owned subsidiary of the Company and was formed in February 1, 2016. Its principle purpose is to hold the operations of the Club Harmoneous brand in California and the sale and operating expenses pertaining to Club Harmoneous. All of the financial activity of this entity has been consolidated in the financial statements of MCOA. This entity also facilitates the receipt of investments and loans from investors.

5. the effect of existing or probable governmental regulations on the business;

   There are numerous stringent laws set forth in a dynamic and volatile legal landscape pertaining to the sale and use of marijuana and related products for recreational and medicinal use. The Company's business plan is in compliance with all state laws in the U.S. The Company has engaged subject matter legal experts to issue opinions and advise on the proper structure. At the present time, the Federal government lists cannabis as a Schedule-1 Drug. Although management expects that the legal climate for cannabis will continue to be relaxed, this current classification may pose a risk to the Company's business model in the future.

   There are also certain inherent risks and uncertainties pertaining to the Company's affiliate marketing model. The Company is consulting with legal experts in this area to ensure that all legalities are satisfied in each state the company conducts business.
   The effect of existing or probable government regulations on the business of the

Company is not known at this time. Due to the nature of the business of the Company, there may be increasing regulation upon the business of the Company that may cause the Company to have to take serious corrective actions, changes its business plan, or even close or stop its business practices and/or operations.

6. an estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities are borne directly by customers;

   Marijuana Company of America, Inc. intends to spend approximately $250,000-$300,000 in research and development expenses in its initial fiscal year in order to implement systems, develop production protocols, and formulate a proprietary line of cannabis and hemp products to be distributed to the global market. The Company will pay for all of its R&D expenses and there is no direct cost to its customers.

7. costs and effects of compliance with environmental laws (federal, state and local);

   None

8. the number of total employees and number of full-time employees

   The Company has initially hired management and staff as Independent Contractors. Once the requisite funding is obtained, the Company intends to expand its staff to accommodate the expected growth. All of the executive officers have employment agreements with the Company.

Item 2. The nature of products or services offered.

A. principal products or services, and their markets;

The Company is a unique cannabis marketing and distribution company that is the first to leverage a marketing strategy to distribute medical cannabis products that is unique to the industry. The main differences in the Company's business approach will be defined by the laws of the states in which we will operate.

The Company provides product sourcing, branding, payment, distribution, and knowledge through an innovative architecture structure to maintain customer loyalty and capture market share. Furthermore, the Company is developing a unique member-only state-by-state club operation for the purposes of better serving individuals desiring to get all the benefits of cannabis. Club members and associates in legal medicinal or adult use states will use our app or website to place their order for next-day delivery.

In all states, and internationally, the Company will market a variety of hemp derived CBD products in accordance with individual state and country legislation. In the states and countries in which it is legal to sell marijuana for adult use and/or medical use, the Company will align itself with licensed, compliant operators.

OBJECTIVES

- Establish MCOA as one of the first Direct Sales Programs in the cannabis and hemp industry;
- Capture market share by pricing products below the market in anticipation of the inevitable decline in prices as more sophisticated players and efficiencies enter the industry;
- Establish a high standard of quality at competitive prices;
- Present a low barrier to entry business opportunity to entrepreneurs and individuals who desire to participate in the industry;
- Educate members on the numerous health benefits of various cannabis and hemp based products.

KEYS TO SUCCESS

- Ability to penetrate large markets and offer cannabis and hemp derived products in an affiliate based marketing program.
- Provide quality affiliate and member/patient support.
- Provide long-term residual income to our affiliates with the security of a diversified income produced from a potential national and international customer base.
- Secure Back Office Administration.
- Work with experienced cannabis producers, processors and manufacturers to establish a reliable and consistent pipeline of products.
- Operate within the legislative guidelines of each respective legal marijuana state and/or country.

Club Harmoneous

On March 29, 2016, the Company announced the launch of its affiliate marketing platform, Club Harmoneous, at www.Harmoneous.com. Select patients from collectives in Southern California are being invited to test The Club's pilot program. Following the pilot, the program will be expanded throughout Southern California and on a state-by-state basis.

The Club will offer tremendous benefits to member patients, including: consistent high quality, aggressive pricing as well as discounts, loyalty and rewards, unique products and strains, lab testing, discrete and prompt delivery. Knowledge is the key to supporting a cannabis lifestyle for leisure, wellness, health and beauty and Club Harmoneous maintains an in-depth knowledge base of industry, patient, and expert data. Using this information, member patients can select specific products online or from an app on their phone, place them into their shopping cart, checkout, and receive secure, prompt personal delivery. Avoid dispensary visits, Club Harmoneous member patients are a trusted network of members, friends, co-workers, neighbors and relatives to buy with confidence and convenience.

Club Harmoneous also offers an easy-entrance for individuals seeking business opportunities or employment in the rapidly emerging cannabis industry. The Club

Harmoneous affiliate program includes training, support, buying power, and lucrative affiliate commissions for entrepreneurs interested in working in the industry.

In Q2 2016, the Club Harmoneous pilot program was shifted to Green Dot Collective in Los Angeles County from Kush Clinic in Riverside County due to regulatory challenges working with Kush Clinic.

BudzPlus

BudzPlus® is Club Harmoneous' product line and brand for MCOA's cannabis flower (bud), edibles and concentrate products. Through BudzPlus, the Company plans to offer a line of leisure-specific products including buds, concentrates, and related products. MCOA will begin launching BudzPlus branded products through Club Harmoneous as the Company completes the development of its proprietary product formulations.

In 2017, The Club will also be launching two other branded product lines for its non-THC hemp derived products such as proprietary CBD (Cannabidiol) formulations, hemp beauty and nutritional products.

Joint Ventures Cultivation Projects - Adelanto, California

During Q1 2017, the Company completed due diligence and entered into a binding joint venture agreement with GateC Research, Inc. ("GCR") for the purpose of engaging in the cultivation of legal marijuana in Adelanto, California.

The terms of the agreement include that MCOA will invest cash and stock in a newly formed entity, and receive a 50% equity and share in the net profits produced in the joint venture in Adelanto, California, where GCR owns a permit for cultivation.

A three-person board of managing members will oversee operations of the newly formed entity. GCR will contribute its expertise in marijuana cultivation, as well as establish partnerships and licensing agreements that will enable the legal cultivation of marijuana in the State of California.

Joint Ventures Cultivation Projects – Washington State

During Q1 2017, the Company entered into a non-binding Letter of Intent ("LOI") while performing due diligence to finalize a joint venture agreement with Bougainville Ventures, Inc. ("BV") for the purpose of housing tenant growers engaging in the cultivation, processing and commercial availability of legal marijuana in the State of Washington.

Subject to the execution of a final definitive agreement, the terms of the LOI are that MCOA will invest up to $1 million in cash in a newly formed entity and receive 50% equity ownership and 50% share in net profits produced by the joint venture. Bougainville Ventures, Inc. will contribute its expertise in establishing facilities related to the production, processing and management for tenant growers utilizing an I-502 Tier 3 license, with leased property, established partnerships, licensing agreements and marketing relationships.

Other Business Divisions/Brands in Development

Cannatherapy® is a new brand that the Company plans on releasing in 2017. The brand focuses on wellness-specific cannabis oils for vaping, tinctures, salves, sublinguals, and tablets.

HempSmart® is a new brand that the Company launched during Q3 2016. This brand includes hemp-based solutions for health and beauty and a full range of accessories and clothing derived from hemp. The inaugural product called hempSMART Brain was launched on November 7, 2016. Members and non-members were able to place orders for this product starting on November 7, 2016. The hempSMART.com website was also released at that time.

Advisory Board

In Q1 2016, the Company formed a strategic advisory board comprised of seasoned cannabis industry and business veterans with very specific expertise that are directly applicable to the Company's business model and strategy. The Company is recruiting subject matter experts as strategic advisors with specific expertise in cannabis regulation, cultivation, processing, manufacturing, product development, marketing, brand development and recognition, distribution and logistics, science, nutrition, marketing, distribution, legal, compliance and many other areas critical to the success of the Company. Each member of the Advisory Board has been granted one million restricted common shares of the Company as compensation. As of December 31, 2016, the following industry experts have been appointed to the Advisory Board: Edward Manolos, Tim Altvater, Dr. Gerry Bedore, Dr. Richard Staack, Dr. Elsagav Shaham, and Robert Calkin.

Majestic Menu License

Prior to the change in control on September 4, 2015 and the appointment of new board members, the Company, through its license to Majestic Menu, was in the business of developing an online portal for the foodservice and hospitality industry and retail connoisseurs. As of December 31, 2015, the new Management team has conducted due diligence and consulted with experts pertaining to the ongoing value of the license to the new business model of the Company. The Management of the Company has determined that the fair market value of the license was fully impaired as of December 31, 2015 pursuant to generally accepted accounting principles set forth by 350: Intangibles—*Goodwill and Other Intangible Assets*, updated by ASU 2012-02. The Company has changed its business model during the third quarter of 2015 to the cannabis industry. As such, the Majestic Menu with a carrying value of $200,000 was fully impaired as of the year ended December 31, 2015 and quarter ended September30, 2016.

B. distribution methods of the products or services;

This will vary from state to state and country to country dependent upon the governing laws of each region.

C. status of any publicly announced new product or service;

The Company currently does not have any new publicly announced products or services that have not been presented to the investing public as of December 31, 2016.

On March 10, 2016, the Company announced that it entered into a supply contract with West Coast Collective. Under the terms of the agreement, West Coast Collective will provide a wide range of products, including flower (bud), concentrates and finished products to the Company's managed services client, Kush Clinic, in Palm Desert, California. West Coast Collective is a Pre-ICO, Prop. D compliant medical marijuana dispensary licensed in the greater Los Angeles area.

On March 22, 2016, the Company announced that in preparation for expansion into Washington State, the Company has entered into a supply agreement with Momma Chan LLC ("MCL"), a Washington State I-502 Tier 3 licensed cultivation. Under the terms of the agreement, MCL will provide a wide selection of cannabis products to MCOA in Washington State, including flower (bud), concentrates and finished products. The seasoned management team behind Momma Chan ensures that MCOA will have a sufficient and consistent supply of high quality cannabis products to fulfill the demand of its future members in Washington State. The Tier 3 authorizes between ten thousand square feet and thirty thousand square feet of dedicated plant canopy, which is the maximum out of the three-tier system in Washington.

On July 19, 2016, the Company announced that wholly owned subsidiary H Smart, Inc., received patent pending status, 62,363,527, from the U.S. Patent and Trademark Office for its proprietary Cannabidiol (CBD) formulation that promotes and supports brain health.

On November 4, the Company announced the launch of its inaugural product called hempSMART Brain. Members were able to place order starting on November 7, 2016 on the hempSMART.com website.

D. competitive business conditions, the issuer's competitive position in the industry, and methods of competition;

This is a new business model; as such, the Company does not currently have any direct competitors.

E. sources and availability of raw materials and the names of principal suppliers;

To be determined through current due diligence with potential strategic partners and Joint Ventures.

Please see the response to Section C above regarding Momma Chan LLC and West Coast Collective being suppliers.

F. dependence on one or a few major customers;

No, the company will not be dependent of a few major customers.

G. patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration; and

H Smart, Inc., has received patent pending status from the U.S. Patent and Trademark Office for its proprietary Cannabidiol (CBD) formulation that promotes and supports brain health.

H. the need for any government approval of principal products or services and the status of any requested government approvals.

The Company has engaged legal experts and is reviewing the extensive regulation and licensing requirements for each state or country and each respective service and product offering. Furthermore, the Company is developing and implementing an adequate system of controls and compliance to ensure that all local, regional, national and international regulatory requirements are satisfied.

Item 3. The nature and extent of the issuer's facilities.

Due to the Company's unique business model, it has contracted with staff and industry experts all over the country. The core management team primarily operates virtually until such time the Company has hired enough staff in a centralized area to justify the expense of an office. For the time being, the Company is leasing a mail service at 5256 S. Mission Rd., Ste. 703 #314, Bonsall, CA 92003.

Company management is outsourcing manufacturing, fulfillment and customer service for the distribution of its products to 3rd party independent operators that specialize in these areas of expertise rather than hiring internal staff to manage these functions.

The Company intends to open an office for marketing staff in the second quarter of 2017 in North San Diego County as well as an administrative office in the Los Angeles area soon thereafter.

Part D Management Structure and Financial Information

Item 4. The name of the chief executive officer, members of the board of directors, as well as control persons.

A. Officers and Directors

CEO/Director/Treasurer/Secretary

1. Donald Steinberg

2. 5256 S. Mission Road, Suite 703 #314
Bonsall, CA 92003

3. Mr. Steinberg has been at the forefront of new business concepts many times, and now brings a lifetime of experience to Marijuana Company of America that will serve to benefit the company in a myriad of ways.

In the 1980's, Don developed stock option analysis and trading programs. This led to his management of floor traders on multiple options exchanges, and gave him the knowledge and insight he needed to successfully take other companies public.

In the early 90's, he co-founded Globalcom 2000 and entered into the prepaid phone card business, which at that time was an almost unknown market. Globalcom 2000 became one of the largest phone card companies in the United States, as well as its fastest growing. Among the many firsts accomplished in that business was an account with 7-11, which he personally closed, and which made Globalcom 2000 the 1st phone card in the country with a corporate logo.

In 1994, Don developed an interest in the telecom "Callback" business, and co-founded One World Communications. He subsequently traveled the world, opening up 187 training centers in only 9 months, and created the world's largest International MLM global sales force selling telecom services.

In 2006, Mr. Steinberg formed Club Vivanet as an International MLM, selling a variety of services. In 2008, he merged Club Vivanet with a publicly traded company. In 2008, Don recognized the emerging opportunities in the medical marijuana industry, and changed the name of Club Vivanet to Medical Marijuana Inc., which became America's first publicly traded company in the medical marijuana industry. In 2011, he successfully managed the acquisition of Medical Marijuana Inc. and the transition to new management.

In 2012, Don launched Global Hemp Group with Charles Larsen as they recognized the momentum building in the emerging global hemp industry.

Mr. Steinberg brings a wealth of knowledge and experience to Marijuana Company of America Inc., from building and managing start-up companies, managing public company compliance, and spending years managing floor operations on various stock exchanges. Mr. Steinberg has had a life-long career in international sales and marketing, with 40 years of experience developing and running successful businesses. Using this breadth of experience, Don will provide guidance and day-to-day management for the company, and will be actively involved in its future and growth.

4. Mr. Steinberg is the CEO and President of the Company

5. Commencing on January 1, 2016, based on his employment agreement with the Company, Mr. Steinberg is entitled to receive monthly compensation of $15,000.00 for his services.

6. Donald Steinberg is the beneficial owner of 478,803,604 of the total 1,620,996,998 outstanding common stock outstanding commons shares at December 31, 2016, which represents 29.5% of all common outstanding shares. Mr. Steinberg also owns 5,000,000 or 50% of the 10,000,000 outstanding Preferred Series "A" shares as of December 31, 2016 with 100 to 1 voting rights.

Chief Operating Officer

1) Charles Larsen

2) 5256 S. Mission Road, Suite 703 #314
   Bonsall, CA 92003

3) Charles Larsen, Global Hemp Group, Inc. Co-Founder, President and CEO, has more than 30 years of experience working in government, public, private, and start-up companies as an executive manager, including the United States Coast Guard, Associated Consulting, Peskin Associates, Integrated Decision Systems, Tower Asset Management, Financial Management Advisors, Polaris Technology, Blues Productions, Medical Marijuana, Inc. He has also worked as a consultant for BG Medtech, Bud Genius and Hemp, Inc.

   He has significant experience in— high volume securities trading, corporate and public debt, equities, options and futures, as well as being an experienced portfolio manager, securities trader, and C level executive. Mr. Larsen has been involved in the highest levels of strategic planning, mergers and acquisitions, financial and operational restructuring, public and private corporate finance, governance and compliance. He has a proven track record of successes at every level of business management, consistently delivering positive results to shareholders and board members.

   Mr. Larsen's experience in the cannabis and hemp industries is invaluable to this project. He has been deeply involved in the industry for over 6 years, and has consulted some of the top companies and management teams.

4) Mr. Larsen is also currently the President and CEO of Global Hemp Group, Inc. (GBHPF). He has disclosed his involvement with the Company and is allocating sufficient time and energy to satisfy his duties and obligations with both companies.

5) Commencing on January 1, 2016, based on his employment agreement with the Company, Mr. Larsen is entitled to receive monthly compensation of $10,000.00 for his services.

6) Charles Larsen is the beneficial owner of 397,727,842 of the total 1,620,996,998 outstanding common stock outstanding commons shares at December 31, 2016, which represents 24.5% of all common outstanding shares. Mr. Larsen also owns 5,000,000 or 50% of the 10,000,000 outstanding Preferred Series "A" shares as of December 31, 2016 with 100 to 1 voting rights.

Chief Financial Officer

1) Robert Hymers, CPA

2) 520 S. Grand Ave, Suite 665, Los Angeles, CA 90071

3) Robert Hymers was the past president and CEO of Everlert, Inc. (OTC: EVLI). He is a licensed CPA in the state of California. During his career as a tax professional at Ernst & Young, LLP, Mr. Hymers provided tax services to several prominent entertainment and real estate companies. His extensive experience with Entertainment and Private Equity industries together with his prolonged involvement with public companies in different roles makes him a key asset to the Company. Mr. Hymers has also served as the CFO of Global Hemp Group (OTC: GBHPF), Spare Backup, Inc. (OTC: SPBU) and is the Managing Partner of Pinnacle Tax Services, LLC. Mr. Hymers holds a Master of Science in Taxation degree and a Bachelor's of Science degree in Accountancy from California State University, Northridge. He is the founding managing editor of the University's: "Tax Development Journal."

4) Commencing on January 1, 2016, Mr. Hymers is entitled to receive monthly compensation of $7,500.00 for his services.

5) Mr. Hymers is the beneficial owner of 55,500,000 shares as of December 31, 2016.

Chief Marketing Officer

1) Timothy Altvater

2) 520 S. Grand Ave, Suite 665, Los Angeles, CA 90071

3) Tim Altvater and his wife, Poni, are Direct Sales, Home Business and Network Marketing Professionals. As a team, they've spent more than two decades actively

building networks, helping companies launch and manage growth strategies. Not many in the business can build MULTIPLE organizations, starting from scratch. Poni and Tim have done that twice. After 16 years of building teams in excess of more than 100,000 people, they launched the "MLM Prosperity Project," a complete roadmap on how to do EXACTLY what they do: step-by-step for success. The MLM Prosperity Project helped and inspired hundreds of entrepreneurs to grow, in many cases, hundreds of percent in a very short period of time.

Tim and Poni's exact "Do This, Say This = Get this result" approach is relevant and successful as their personal sales organizations have achieved more than $400 Million Dollars in sales. Companies that they operate or are currently consulting have achieved in excess of $1 billion in gross Sales. Tim also has developed "sales language" courses that help companies and entrepreneurs implement sales systems and training that simplify and increase sales and profit.

4) Mr. Altvater is the beneficial owner of 10,000,000 shares as of the date of this filing.

Resigned/Terminated Officers

As of April 2016, the Company has notified Mr. Peak and Cronin that their services are no longer needed as officers of the Company. They will be compensated for the pro-rated time period that they actively served as officers. A settlement agreement was entered during Q1 2017.

B. Legal/ Disciplinary History

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

   NONE

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

   NONE

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

   NONE

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

   NONE

C. Disclosure of Family Relationships.

No family relationship exists among and between the Company's directors, officers or owners of more than five percent (5%) of any class of the Company's equity securities.

NONE

D. Disclosure of Related Party Transactions.

Describe any transaction during the issuer's last two full fiscal years and the current fiscal year or any currently proposed transaction, involving the issuer, in which (i) the amount involved exceeds the lesser of $120,000 or one percent of the average of the issuer's total assets at year-end for its last three fiscal years and (ii) any related person had or will have a direct or indirect material interest. Disclose the following information regarding the transaction:

None, not applicable.

E. Disclosure of Conflicts of Interest.
Describe any conflicts of interest. Describe the circumstances, parties involved and mitigating factors for any executive officer or director with competing professional or personal interests.

The Company is not aware of any existing conflicts of interest at the time of this filing.

Item 5. Financial information for the Issuer's most recent fiscal period.

The financial information of the Issuer are incorporated herein by reference and filed with the OTCMarkets (included in the "Company Financials" Section).

Item 6. Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.

The annual financial statements for the years ending December 31, 2016 and December 31, 2015 may be reviewed on the OTCMarkets website, www.otcmarkets.com, and are hereby incorporated by reference.

Item 7. Beneficial Owners.

Provide a list of the name, address and shareholdings of all persons beneficially owning more than five percent (5%) of any class of the Issuer's equity securities.

To the extent not otherwise disclosed, if any of the above 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.

Donald Steinberg is the beneficial owner of 478,803,604 of the total 1,620,996,998 outstanding common stock outstanding commons shares at December 31, 2016, which represents 29.5% of all common outstanding common shares. Mr. Steinberg also owns 5,000,000 or 50% of the 10,000,000 outstanding Preferred Series "A" shares as of December 31, 2016 with 100 to 1 voting rights. During the second quarter of 2016, Mr. Steinberg gifted 4,000,000 common shares.

Charles Larsen is the beneficial owner of 397,727,842 of the total 1,620,996,998 outstanding common stock outstanding commons shares at December 31, 2016, which represents 24.5% of all common outstanding shares. Mr. Larsen also owns 5,000,000 or 50% of the 10,000,000 outstanding Preferred Series "A" shares as of December 31, 2016 with 100 to 1 voting rights.

Both Donald Steinberg and Charles Larsen's mailing address of record in the United States is as follows:

5256 S. Mission Road, Suite 703 #314
Bonsall, CA 92003

Item 8. The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure:

1. Investment Banker – Not applicable

2. Promoters – Not applicable

3. Legal Counsel

   Tad Mailander, Esq.
   Mailander Law Office, Inc.
   835 5th Avenue, Suite 312
   San Diego, CA 92101
   (619) 239-9034
   mailandert@yahoo.com

J. Michael Coombs, Esq.
MABEY & COOMBS, L.C.
3098 South Highland Drive, Suite 323
Salt Lake City, Utah 84106-6001
Phone No. 801-467-2021
Direct Line 801-467-2779
Cell Phone 801-641-2818
Fax No. 801-467-3256
e-mail address: jmcoombs@sisna.com

4. Auditing Firm

L&L CPAs, PA
19720 Jetton Road, 3rd Floor
Cornelius, NC 28031
(704) 897-8336 office
(704) 919-5089 fax
website: www.llcpas.net

5. Investor Relations Consultant
AGORACOM
George Tsiolis
Email: GeorgeT@agoracom.com
PHONE: 416-496-0496
TOLL-FREE: 866-234-9934

6. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement – the information shall include the telephone number and email address of each advisor.

NONE

Item 9. Management's Discussion and Analysis or Plan of Operation.

The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the notes to those statements included elsewhere in this registration statement. In addition to the historical consolidated financial information, the following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our business and results of operations are affected by a wide variety of factors. We may experience material fluctuations in future operating results, on a quarterly or annual basis, which could have a material and negative affect our business, financial condition, operating results and stock price. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth under "Risk Factors" and elsewhere in this Annual Report.

Plan of Operations
The Company is a unique cannabis marketing and distribution company that is the first to leverage a direct sales strategy to distribute medical cannabis products that is unique to the industry. The main differences in the Company's business approach will be defined by the laws of the states in which we will operate.

In all states, and internationally, the Company will market a variety of CBD products in accordance with individual state and country legislation. In states/countries in which it is legal to sell marijuana for recreational and/or medical use, the Company will align itself with properly licensed operators.

Results of Operations
As of December 31, 2016, and the date of this annual filing, the Company has generated $8,729 in revenue per our financial statements. Management anticipates that the Company plans to earn revenues through its JV contract with Bougainville Ventures Inc. for the cultivation project in Washington State, its Hempsmart product, and other contracts it will establish of a similar nature. However, the Company is presently in the development stage for purposes of this filing for the year ended December 31, 2016.

Liquidity and Capital Resources
At December 31, 2016, the Company's had limited liquidity and cash reserves with a cash balance of $147,486. From the date of inception until December 31, 2016, the Company has incurred losses of $9,446,184. Net Loss is attributable to professional fees, and general and administration expenses, startup expenses, and from a lack of revenue to offset the Company's operating expenses. During the fiscal year of 2016, Management paid most of the Company's expenses directly as convertible loans to the Company and through capital contributions made through stock subscription investments by investors.

Prior to the change in control on September 4, 2015 and the appointment of new board members, the Company, through its license to Majestic Menu, was in the business of developing an online portal for the foodservice and hospitality industry and retail connoisseurs. During the fourth quarter of 2015, the new Management team conducted due diligence and consulted with experts pertaining to the ongoing value of the license to the new business model of the Company. The Management of the Company has determined that the fair market value of the license was fully impaired as of December 31, 2015 pursuant to generally accepted accounting principles set forth by 350: Intangibles—Goodwill and Other Intangible Assets, updated by ASU 2012-02. The Company changed its business model during the third quarter of 2015 to the cannabis industry. As such, the Majestic Menu with a carrying value of $200,000 has been fully impaired as of December 31, 2015 and December 31, 2016. The charge off was reflected in the December 31, 2015 Profit and Loss Statement.

Based on the Company's current operating plan for the launch of Marijuana Company of America, Inc., the Company expects to generate revenue and raise capital that is sufficient to cover its expenses for at least the next twelve months. In addition, although the Company does not have a cash reserve at the end of the third quarter, the Company has access to sufficient cash and cash equivalents from investors and management to support its operations for at least the next twelve months. However, the Company may need to obtain additional financing to expand our business and implement new strategies for the next twelve months. The Company will raise the capital necessary to fund its business through a private placement and possible public offering of its common stock. Additional financing, whether through public or private equity or debt financing, arrangements with stockholders or other sources to fund operations, may not be available, or if available, may be on terms unacceptable to the Company. The Company's ability to maintain sufficient liquidity is partially dependent on its ability to raise additional capital. If the Company issues additional equity securities to raise funds, the ownership percentage of its existing stockholders would be diluted. New investors may demand rights, preferences or privileges senior to those of existing holders of our common stock. Debt incurred by the Company would be senior to equity in the ability of debt holders to make claims on the Company's assets. The terms of any debt issued could impose restrictions on the Company's operations. If adequate funds are not available to satisfy either short or long-term capital requirements, the Company's operations and liquidity could be materially adversely affected and the Company could be forced to cease operations.

Off Balance Sheet Arrangements

N/A

Part E Issuance History

Item 10. List of securities offerings and shares issued for services in the past two years.

Below is a summary of stock issuances in the last two years.

On December 15, 2013, the Company issued 200,000,000 shares of restricted common stock for the purchase of the stock in Sintek, Inc.

On November 14, 2014, the Company terminated its agreement of September 2013 with Sintek Inc. and as result the transaction was reversed due to lack of financing and the stock issued in the amount of 200,000,000 restricted common shares were cancelled.

On December 23, 2014, one of the shareholders returned to treasury 27,600,000 shares representing a previous issuance to retire a note payable of $27,600. As result the note payable was reinstated on the records of the Company.

On December 23, 2014, the Company issued 400,000,000 shares of restricted common shares at $.005 for a value of $200,000 to Cornelia Volino to reacquire the Majestic Menu license.

On August 25, 2015, the Company increased its authorized common stock to 5,000,000,000 with a par value of $.001 a share and increased its authorized preferred shares to 50,000,000 with a par value of $.001. This amendment to the Articles of Incorporation were filed with the State of Utah with a majority consent of the shareholders and unanimous consent of the Board of Directors.

On September 4, 2015, 400,000,000 shares of restricted common shares and 10,000,000 shares of the Preferred Class A stock were purchased for $105,000.00 from Cornelia Volino by Donald Steinberg and Charles Larsen, who own each respective category of shares equally.

On October 8, 2015, Donald Steinberg was issued 217,457,143 in restricted Common shares upon the conversion of a convertible note payable in the amount of $76,110 that Mr. Steinberg acquired from a third party.

On October 5, 2015, the Company passed a Board Resolution to issue 10,000,000 restricted common shares to Robert Hymers for his contracted CFO services to the Company.

On January 12, 2016, Mr. Peak and Mr. Cronin were issued 10,000,000 of restricted common shares as part of their compensation agreement as officers of the company. These restricted common shares have a vesting period of two years from the date they were issued and shall be earned ratably over the two year period. Apogee Design Inc. was also issued 10,000,000 shares for the Company's efforts in designing the company's various websites.

The following is a list of the Company's Advisory board members that were issued 1,000,000 restricted common shares each upon their appointment to the Company's Advisory Board:

Name:	Stock Issuance Date
Edward F. Manolos	February 1, 2016
Robert F. Calkin	February 22, 2016
Gerry Lee Bedore Jr.	February 22, 2016
Peninacoop LLC (Dr. Shaham)	February 23, 2016
Tim Altvater	February 8, 2016

On June 7, 2016, the following consultants and advisors were issued 1,000,000 restricted common shares of the Company's stock for services rendered to the Company: Robert F. Calkin, Magnet Marketing, Inc., Apogee Design, Inc., David Cook, Lucretia Smith, and Timothy Altvater.

On June 30, 2016, three officers of the Company agreed to convert their accrued compensation from January 1, 2016 through June 30, 2106 into stock of the Company as follows:

	# Shares	**Date of Conversion**	**Price Per Share**
Donald Steinberg	81,818,182	6/30/2016	$0.0011
Charles Larsen	54,545,455	6/30/2016	$0.0011
Robert Hymers	40,909,091	6/30/2016	$0.0011
	177,272,728		

During the third quarter of 2016, the following consultants were issued stock for services as follows:

	# Shares	Date of Issuance	Price Per Share
Timothy Altvater	9,000,000	7/29/2016	$0.0060
Paula Vetter	1,000,000	7/29/2016	$0.0060
David Cook	2,000,000	7/29/2016	$0.0060
AGORACOM	20,000,000	8/12/2016	$0.0060
PYP Enterprises	1,000,000	8/1/2016	$0.0056
Total Shares	**33,000,000**		

The following shares were issued during the Fourth Quarter of 2016:

Shareholder	Date		Common stock Shares
Donald Steinberg	Note conversion	10/6/2016	40,909,091
Charles Larsen	Note conversion	10/6/2016	27,272,727
Robert Hymers	Note conversion	10/6/2016	20,454,545
Guillermo Haro	Stock sale	10/13/2016	10,000,000
Yigale Wax	Stock sale	10/18/2016	5,000,000
Donald Steinberg	Note conversion	11/4/2016	13,636,364
Charles Larsen	Note conversion	11/4/2016	9,090,909
Robert Hymers	Note conversion	11/4/2016	6,818,182
Anonymous Shareholder	Replacement	11/8/2016	5,000,000
John Justin Davis	Stock sale	11/8/2016	500,000
David Kim	Stock sale	11/16/2016	1,666,667
Beodeul Kang	Stock sale	11/16/2016	2,000,000
Kyuk H. Kim	Stock sale	11/18/2016	1,333,333
Donald Steinberg	Note conversion	11/4/2016	13,636,364
Charles Larsen	Note conversion	11/4/2016	9,090,909
Robert L. Hymers III	Note conversion	11/4/2016	6,818,182
Guillermo Haro	Note conversion	12/30/2016	3,440,860
Charles Larsen & Donald Steinberg	Note conversion	11/1/2016	84,674,302
JSK HOLDINGS INC	Note conversion	12/6/2016	1,125,000
IRA Services Trust Comp	Stock sale	12/29/2016	16,666,667
IRA Services Trust Comp	Stock sale	12/29/2016	8,333,333
David Cook	Services	10/28/2016	1,000,000
Stock Vest	Services	11/23/2016	3,500,000
Dillon Jordan	Services	12/31/2016	3,333,333
Michael E Glasser	ServiceServices	12/21/2016	500,000
National Advisory Services	Replacement	12/1/2016	5,000,000
Anonymous Shareholder	Replacement	12/14/2016	5,000,000

Results of Operations - Year Ended December 31, 2016

The net loss for the years ended December 31, 2016 and December 31, 2015 were $5,402,456 and $653,418, respectively. The $5,402,456 loss was mainly a combined result of having operating expenses of $4,744,382 in 2016 and $279,325 in 2015 and interest expense of $530,411 for the year ended December 31, 2016. There was no interest expense in 2015. Operating expenses increased by $4,495,057 from December 31, 2015 to December 31, 2016 primarily due to a stock option plan for officer's amounting to $1,473,750 in expense for 2016, an annual stock bonus for 2016 of $2,025,000, and the Company issuing restricted stock as compensation to independent contractors in the amount of $710,962 for the year ending December 31, 2016.

Liquidity and Capital Resources

For the year ended December 31, 2016, the Company had $147,486 in cash (December 31, 2015 - $0.00), Accounts Payable of $324,889 (December 31, 2015 - $347,875), accrued compensation of $31,710 (December 31, 2015 - $0.00), notes payable and accrued interest of $9,587
(December 31, 2015 - $33,898), and a stockholder's deficit of $129,801 (December 31, 2015 - $381,773).

Part F Exhibits

Item 11. Material Contracts.

Please see the following contracts included as Exhibits:

Not applicable

Item 12. Articles of Incorporation and Bylaws

Attached Herein and incorporated by reference

Item 13. Purchase of Equity Securities by the Issuer and Affiliated Purchaser

See Item 7 "Beneficial Owners"

Item 14. Issuer's Certifications.

I, Donald Steinberg, certify that:

1. I have reviewed this Annual Company Disclosure and Information Statement of Marijuana Company of America, Inc.

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the

financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: March 31, 2017

/s/ Donald Steinberg

Donald Steinberg
Marijuana Company of America, Inc.
Chairman of the Board/ CEO/Treasurer

I, Charles Larsen, certify that:

1. I have reviewed this Annual Company Disclosure and Information Statement Marijuana Company of America, Inc.

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: March 31, 2017

/s/ Charles Larsen

Charles Larsen
Marijuana Company of America, Inc.
Secretary/ Director

Marijuana Company of America, Inc.

(A Utah Corporation)

Consolidated Financial Statements & Notes

For the Year Ended December 31, 2016

OTC: MCOA

(CUSIP: 56782E105)

MARIJUANA COMPANY OF AMERICA, INC. AND SUBSIDIARIES

INDEX TO FINANCIAL STATEMENTS

L&L CPAs, PA

NC Office
19720 Jetton Road, 3rd Floor
Cornelius, NC 28031
Tel: 704-897-8336
Fax: 704-919-5089

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Marijuana Company of America, Inc. (Converge Global, Inc.)

We have audited the accompanying balance sheets of Marijuana Company of America, Inc. and its subsidiaries ("the Company") as of December 31, 2015 and 2016 and the related statements of operations, stockholders' deficit, and cash flows for the years ended December 31, 2015 and 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2015 and December 31, 2016, and the results of its operations, changes in stockholders' deficit and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. The Company has suffered recurring operating losses, has an accumulated stockholders' deficit, has negative working capital, has had no revenues from operations, and has yet to generate an internal cash flow that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ L&L CPAS, PA
L&L CPAS, PA
Certified Public Accountants
Cornelius, NC
The United States of America
March 27, 2017

www.llcpas.net

MARIJUANA COMPANY OF AMERICA, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2016 AND 2015

		2016		2015
ASSETS				
Current assets:				
Cash	$	147,486	$	-
Accounts receivable, net		9,124		-
Inventory		83,475		-
Total current assets		240,085		-
Total assets	$	240,085	$	-
LIABILITIES AND STOCKHOLDERS' DEFICIT				
Current liabilities:				
Accounts payable	$	324,889	$	347,875
Accrued compensation		32,710		-
Accrued interest		4,800		-
Notes payable, related party		7,487		33,898
Total current liabilities		369,886		381,773
Commitments and contingencies		-		-
Stockholders' deficit:				
Preferred stock, $0.001 par value, 50,000,000 shares authorized				
Class A preferred stock, $0.001 par value, 10,000,000 shares designated, 10,000,000 shares issued and outstanding as of December 31, 2016 and 2015		10,000		10,000
Common stock, $0.001 par value; 5,000,000,000 shares authorized; 1,620,996,998 and 1,111,299,628 shares issued and outstanding as of December 31, 2016 and 2015, respectively		1,620,996		1,111,299
Additional paid in capital		7,685,387		2,540,656
Accumulated deficit		(9,446,184)		(4,043,728)
Total stockholders' deficit		(129,801)		(381,773)
Total liabilities and stockholders' deficit	$	240,085	$	-

See the accompanying notes to these consolidated financial statements

MARIJUANA COMPANY OF AMERICA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year ended December 31, 2016	Year ended December 31, 2015
REVENUES:		
Sales	$ 8,729	$ -
Cost of sales	2,815	-
Gross Profit	5,914	-
OPERATING EXPENSES:		
Selling, general and administrative expenses	4,744,382	279,325
Impairment of intellectual property	-	200,000
Total operating expenses	4,744,382	479,325
Net loss from operations	(4,738,468)	(479,325)
OTHER INCOME (EXPENSES):		
Interest expense, net	(530,411)	-
Gain on change in fair value of derivative liabilities	14,208	-
Loss on settlement of debt	(147,785)	(174,093)
Total other income (expense)	(663,988)	(174,093)
Net loss before income taxes	(5,402,456)	(653,418)
Income taxes (benefit)	-	-
NET LOSS	$ (5,402,456)	$ (653,418)
Loss per common share, basic and diluted	$ *	$ *
Weighted average number of common shares outstanding, basic and diluted	1,286,547,260	943,887,417

"*" Less than (0.00)

See the accompanying notes to these consolidated financial statements

MARIJUANA COMPANY OF AMERICA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
FOR THE TWO YEARS ENDED DECEMBER 31, 2016

	Class A Preferred Stock		Common Stock		Additional Paid In	Accumulated	
	Shares	Amount	Shares	Amount	Capital	Deficit	Total
Balance, January 1, 2015	10,000,000	$ 10,000	893,842,485	$ 893,842	$ 2,288,548	$ (3,390,310)	$ (197,920)
Common stock issued in settlement of notes payable	-	-	217,457,143	217,457	(141,347)	-	76,110
Loss on settlement of notes payable	-	-	-	-	243,455	-	243,455
Stock based compensation	-	-	-	-	150,000	-	150,000
Net loss	-	-	-	-	-	(653,418)	(653,418)
Balance, December 31, 2015	10,000,000	10,000	1,111,299,628	1,111,299	2,540,656	(4,043,728)	(381,773)
Common stock issued for services rendered	-	-	91,333,333	91,333	1,127,546	-	1,218,879
Sale of common stock	-	-	69,623,874	69,624	279,876	-	349,500
Common stock issued in settlement of notes payable	-	-	414,240,163	414,240	381,921	-	796,161
Cancellation of previously issued common stock	-	-	(65,500,000)	(65,500)	65,500	-	-
Beneficial conversion feature in connection with convertible notes payable	-	-	-	-	361,138	-	361,138
Stock based compensation	-	-	-	-	2,928,750	-	2,928,750
Net loss	-	-	-	-	-	(5,402,456)	(5,402,456)
Balance, December 31, 2016	10,000,000	$ 10,000	1,620,996,998	$ 1,620,996	$ 7,685,387	$ (9,446,184)	$ (129,801)

See the accompanying notes to these consolidated financial statements

MARIJUANA COMPANY OF AMERICA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31, 2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (5,402,456)	$ (653,418)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of debt discount	401,138	-
Non cash interest	114,911	-
Loss on disposal of equipment	-	10,000
Impairment of intellectual property	-	200,000
Gain on change in fair value of derivative liabilities	(14,208)	-
Loss on settlement of debt	147,785	174,093
Stock based compensation	4,147,629	150,000
Notes payable issued in settlement of accrued compensation	357,500	-
Changes in operating assets and liabilities:		
Accounts receivable	(9,124)	-
Inventory	(83,475)	-
Accounts payable	65,576	119,325
Accrued compensation	32,710	-
Net cash used in operating activities	(242,014)	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of notes payable	40,000	-
Proceeds from sale of common stock	349,500	-
Net cash provided by operating activities	389,500	-
Net increase in cash	147,486	-
Cash-beginning of year	-	-
Cash-end of year	$ 147,486	$ -
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest paid	$ -	$ -
Taxes paid	$ -	$ -
Non cash financing activities:		
Beneficial conversion feature related to convertible debt	$ 361,138	$ -
Common stock issued in settlement of notes payable	$ 796,161	$ 76,110

See the accompanying notes to these consolidated financial statements

NOTE 1 — SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the presentation of the accompanying financial statements follows:

Basis and business presentation

Marijuana Company of America, Inc. (The "Company") was incorporated under the laws of the State of Utah in October 1985 under the name Converge Global, Inc. In October 2009, in a 30 for 1 exchange, the Company merged with Sparrowtech, Inc. for the purpose of exploration and development of commercially viable mining properties.

In 2015, the Company changed its business model to a marketing and distribution company for medical marijuana. In conjunction with the change, the Company changed its name to Marijuana Company of America, Inc.

On September 21, 2015, the Company formed H Smart, Inc, a Delaware corporation as a wholly owned subsidiary for the purpose of operating the hempSMART brand.

On February 1, 2016, the Company formed MCOA, Inc., a California corporation as a wholly owned subsidiary to facilitate mergers, acquisitions and the offering of investments or loans to the Company.

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries: H Smart, Inc. and MCOA, Inc. All significant intercompany balances and transactions have been eliminated in consolidation.

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Codification subtopic 605-10, Revenue Recognition ("ASC 605-10") which requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management's judgments regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the fair value of the Company's stock, stock-based compensation, fair values relating to derivative liabilities, debt discounts and the valuation allowance related to deferred tax assets. Actual results may differ from these estimates.

Cash

The Company considers cash to consist of cash on hand and temporary investments having an original maturity of 90 days or less that are readily convertible into cash.

Concentrations of credit risk

The Company's financial instruments that are exposed to a concentration of credit risk are cash and accounts receivable. Occasionally, the Company's cash and cash equivalents in interest-bearing accounts may exceed FDIC insurance limits. The financial stability of these institutions is periodically reviewed by senior management.

Accounts Receivable

Trade receivables are carried at their estimated collectible amounts. Trade credit is generally extended on a short-term basis; thus trade receivables do not bear interest. Trade accounts receivable are periodically evaluated for collectability based on past credit history with customers and their current financial condition.

Allowance for Doubtful Accounts

Any charges to the allowance for doubtful accounts on accounts receivable are charged to operations in amounts sufficient to maintain the allowance for uncollectible accounts at a level management believes is adequate to cover any probable losses. Management determines the adequacy of the allowance based on historical write-off percentages and the current status of accounts receivable. Accounts receivable are charged off against the allowance when collectability is determined to be permanently impaired. As of December 31, 2016 and 2015, allowance for doubtful accounts was $-0-.

Inventories

Inventories are stated at the lower of cost or market with cost being determined on a first-in, first-out (FIFO) basis. The Company writes down its inventory for estimated obsolescence or unmarketable inventory equal to the difference between the cost of inventory and the estimated market value based upon assumptions about future demand and market conditions. If actual market conditions are less favorable than those projected by management, additional inventory write-downs may be required. During the periods presented, there were no inventory write-downs.

Cost of sales

Cost of sales is comprised of cost of product sold, packaging, and shipping costs.

Stock Based Compensation

The Company measures the cost of services received in exchange for an award of equity instruments based on the fair value of the award. For employees and directors, the fair value of the award is measured on the grant date and for non-employees, the fair value of the award is generally re-measured on vesting dates and interim financial reporting dates until the service period is complete. The fair value amount is then recognized over the period during which services are required to be provided in exchange for the award, usually the vesting period. Stock-based compensation expense is recorded by the Company in the same expense classifications in the statements of operations, as if such amounts were paid in cash. As of December 31, 2016, there were outstanding stock options to purchase 1,000,000,000 shares of common stock, 416,666,667 shares of which were vested. (See Note 7)

Net Loss per Common Share, basic and diluted

The Company computes earnings (loss) per share under Accounting Standards Codification subtopic 260-10, Earnings Per Share ("ASC 260-10"). Net loss per common share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per share, if presented, would include the dilution that would occur upon the exercise or conversion of all potentially dilutive securities into common stock using the "treasury stock" and/or "if converted" methods as applicable.

The computation of basic and diluted income (loss) per share as of December 31, 2016 and 2015 excludes potentially dilutive securities when their inclusion would be anti-dilutive, or if their exercise prices were greater than the average market price of the common stock during the period.

Potentially dilutive securities excluded from the computation of basic and diluted net loss per share are as follows:

	2016	2015
Options to purchase common stock	1,000,000,000	1,000,000,000
Restricted stock units	10,000,000	-
Total	1,010,000,000	1,000,000,000

Fair Value of Financial Instruments

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of December 31, 2016 and 2015. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values. These financial instruments include cash and accounts payable. Fair values were assumed to approximate carrying values for cash, accounts payables and short term notes because they are short term in nature.

Convertible Instruments

GAAP requires companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments according to certain criteria. The criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. An exception to this rule is when the host instrument is deemed to be conventional.

The Company has determined that the embedded conversion options should not be bifurcated from their host instruments, the Company records, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their stated date of redemption.

Derivative Financial Instruments

The Company classifies as equity any contracts that (i) require physical settlement or net-share settlement or (ii) provide the Company with a choice of net-cash settlement or settlement in its own shares (physical settlement or net-share settlement) providing that such contracts are indexed to the Company's own stock. The Company classifies as assets or liabilities any contracts that (i) require net-cash settlement (including a requirement to net cash settle the contract if an event occurs and if that event is outside the Company’s control) or (ii) gives the counterparty a choice of net-cash settlement or settlement in shares (physical settlement or net-share settlement). The Company assesses classification of its common stock purchase warrants and other free standing derivatives at each reporting date to determine whether a change in classification between equity and liabilities is required.

The Company’s free-standing derivatives consisted of conversion options embedded within its issued convertible debt. The Company evaluated these derivatives to assess their proper classification in the balance sheet using the applicable classification criteria enumerated under GAAP. The Company determined that certain conversion options do not contain fixed settlement provisions. The convertible notes contained a conversion feature such that the Company could not ensure it would have adequate authorized shares to meet all possible conversion demands.

As such, the Company was required to record the conversion feature which does not have fixed settlement provisions as liabilities and mark to market all such derivatives to fair value at the end of each reporting period.

The Company has adopted a sequencing policy that reclassifies contracts (from equity to assets or liabilities) with the most recent inception date first. Thus any available shares are allocated first to contracts with the most recent inception dates.

Advertising

The Company follows the policy of charging the costs of advertising to expense as incurred. The Company charged to operations $44,688 and $222 as advertising costs for the year ended December 31, 2016 and 2015, respectively.

Income Taxes

Deferred income tax assets and liabilities are determined based on the estimated future tax effects of net operating loss and credit carry forwards and temporary differences between the tax basis of assets and liabilities and their respective financial reporting amounts measured at the current enacted tax rates. The Company records an estimated valuation allowance on its deferred income tax assets if it is not more likely than not that these deferred income tax assets will be realized.

The Company recognizes a tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. As of December 31, 2016 and 2015, the Company has not recorded any unrecognized tax benefits.

Segment Information

Accounting Standards Codification subtopic Segment Reporting 280-10 ("ASC 280-10") establishes standards for reporting information regarding operating segments in annual financial statements and requires selected information for those segments to be presented in interim financial reports issued to stockholders. ASC 280-10 also establishes standards for related disclosures about products and services and geographic areas. Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker, or decision-making group, in making decisions how to allocate resources and assess performance. The information disclosed herein materially represents all of the financial information related to the Company's only material principal operating segment.

Recent Accounting Pronouncements

There are various other updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to a have a material impact on the Company's financial position, results of operations or cash flows.

Subsequent Events

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the financial statements, except as disclosed.

NOTE 2 – GOING CONCERN AND MANAGEMENT'S LIQUIDITY PLANS

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying financial statements during year ended December 31, 2016, the Company incurred net losses of $5,402,456 and used cash in operations of $242,014. These factors among others may indicate that the Company will be unable to continue as a going concern for a reasonable period of time.

The Company's primary source of operating funds in 2016 and 2015 has been from revenue generated from proceeds from the sale of common stock and the issuance of convertible and other debt. The Company has experienced net losses from operations since inception, but expects these conditions to improve in 2017 and beyond as it develops its business model. The Company has stockholders' deficiencies at December 31, 2016 and requires additional financing to fund future operations.

The Company's existence is dependent upon management's ability to develop profitable operations and to obtain additional funding sources. There can be no assurance that the Company's financing efforts will result in profitable operations or the resolution of the Company's liquidity problems. The accompanying statements do not include any adjustments that might result should the Company be unable to continue as a going concern.

NOTE 3 – ACCOUNTS PAYABLE

During the years ended December 31, 2016 and 2015, the Company settled outstanding payables with vendors. In connection with the settlement, the Company recorded a gain of $7,442 and $69,362 for the years ended December 31, 2016 and 2015, respectively.

NOTE 4 – NOTES PAYABLE

<u>2015:</u>

Note payable-T. Patterson

On January 1, 2014, the Company issued a 5% convertible note for $76,110, initially due January 1, 2015, bearing interest at 5% per annum due at conversion and unsecured.

The convertible note is convertible upon maturity for any unpaid principal or interest at $0.001 per share. Based upon the value of the stock an embedded beneficial conversion feature was not present in the note.

On September 28, 2015, the Company issued 217,457,143 shares of its common stock in settlement of the above described note. In connection with the settlement, the Company recorded a loss on settlement of debt of $243,455 representing the fair value of common shares issued at conversion in excess of the terms of the note.

<u>2016:</u>

Purchase agreement CBD Global, Inc.

On July 12, 2016, the Company entered into a payment agreement with CBD Global, Inc. for the supply of raw materials used in the sale of the Company's product for an aggregate amount of $15,000.

Under the terms of the payment agreement, the Company and the vendor agreed to payments, net 30 days from delivery, 75% cash and 25% of the Company's common stock at a fixed conversion rate of $0.00335.

In accordance ASC 470-20, Debt ("ASC 470-20"), the Company recognized an embedded beneficial conversion feature present in the note. The Company allocated a portion of the proceeds equal to the intrinsic value of that feature to additional paid-in capital. The Company recognized and measured an aggregate of $3,638 of the proceeds, which is equal to the intrinsic value of the embedded beneficial conversion feature, to additional paid-in capital and a discount against the note. The debt discount attributed to the beneficial conversion feature was charged to current period operations as interest expense.

Convertible debenture-Guillermo Haro

On October 13, 2016, the Company issued a convertible debenture for $40,000, due January 13, 2017, bearing interest of 12% per annum due upon conversion and is unsecured.

The debenture is convertible, at any time, into shares of the Company's common stock at the published last three closing prices for the Company prior to the date of conversion.

The Company has identified the embedded derivatives related to the above described debenture. These embedded derivatives included certain conversion features. The accounting treatment of derivative financial instruments requires that the Company record fair value of the derivatives as of the inception date of the Notes and to fair value as of each subsequent reporting date.

At the funding dates of the debenture, the Company determined the aggregate fair value of $154,910 of embedded derivatives. The fair value of the embedded derivatives was determined using the Binomial Option Pricing Model based on the following assumptions: (1) dividend yield of 0%; (2) expected volatility of 482.68%, (3) weighted average risk-free interest rate of 0.30%, (4) expected life of 0.25 years, and (5) estimated fair value of the Company's common stock from $0.0155 per share.

The determined fair value of the debt derivatives of $154,910 was charged as a debt discount up to the net proceeds of the note with the remainder of $114,910 charged to 2016 operations as non-cash interest expense.

On December 30, 2016, the Company issued 3,440,860 shares of its common stock in settlement of the outstanding debenture and accrued interest. In connection with the settlement, the Company recorded a loss on settlement of debt of $95,955 representing the fair value of common shares issued at conversion in excess of the terms of the note.

NOTE 5 – NOTES PAYABLE-RELATED PARTY

At December 31, 2016 and 2015, the Company had outstanding $7,487 and $33,898 outstanding notes payable to related parties, respectively. The notes are non-interest bearing and are due on demand.

During the year ended December 31, 2016, the Company issued an aggregate of $357,500 convertible notes payable in payment for accrued compensation. The notes were unsecured, non-interest bearing, due upon demand and were convertible into shares of the Company's common stock at $0.0011 per share.

In accordance with ASC 470-20, Debt ("ASC 470-20"), the Company recognized an embedded beneficial conversion feature present in certain of these notes. The Company allocated a portion of the proceeds equal to the intrinsic value of that feature to additional paid-in capital. The Company recognized and measured an aggregate of $357,500 of the proceeds, which is equal to the intrinsic value of the embedded beneficial conversion feature, to additional paid-in capital and a discount against the note. The debt discount attributed to the beneficial conversion feature was charged to current period operations as interest expense.

In 2016, the Company issued an aggregate of 325,000,001 shares of its common stock in full settlement of its issued convertible notes.

On October 9, 2016, the Company issued two convertible notes to officers for incurred expenses for an aggregate of $93,142, due on demand, non-interest bearing and unsecured.

The notes were convertible, at any time, into shares of the Company's common stock at 75% of the average closing price for the last 30 days prior to the date of conversion. Immediately upon issuance, effective October 9, 2016, the Company issued an aggregate of 84,674,302 shares of its common stock in full settlement of the outstanding notes. In connection with the settlement, the Company incurred a loss on settlement of debt of $59,272 representing the fair value of the common stock in excess of the carrying value of the notes.

NOTE 6 – DERIVATIVE LIABILITIES

As described in Note 4, the Company issued a convertible note that contained conversion features and a reset provision. The accounting treatment of derivative financial instruments requires that the Company record fair value of the derivatives as of the inception date and to fair value as of each subsequent reporting date. At December 31, 2016 and 2015, there were no outstanding convertible notes with embedded derivatives.

NOTE 7 – STOCKHOLDERS' DEFICIT

Preferred stock

The Company is authorized to issue 50,000,000 shares of $0.001 par value preferred stock as of December 31, 2016 and 2015. As of December 31, 2016 and 2015, the Company has designated and issued 10,000,000 shares of Class A Preferred Stock.

Each share of Class A Preferred Stock is entitled to 100 votes on all matters submitted to a vote to the stockholders of the Company, does not have conversion, dividend or distribution upon liquidation rights.

Common stock

The Company is authorized to issue 5,000,000,000 shares of $0.001 par value common stock as of December 31, 2016 and 2015. As of December 31, 2016 and 2015, the Company had 1,620,996,998 and 1,111,299,628 common shares issued and outstanding.

In 2015, the Company issued 217,457,143 shares of its common stock in settlement of notes payable and accrued interest with a principal amount of $76,110.

In 2016, the Company issued an aggregate of 91,333,333 shares of its common stock for services rendered with an estimated fair value of $1,218,879.

In 2016, the Company issued an aggregate of 409,674,303 shares of its common stock in settlement of related party notes payable in aggregate of $450,642.

In 2016, the Company issued an aggregate of 4,565,860 shares of its common stock in settlement of notes payable and purchase agreements of $43,750.

In 2016, the Company canceled and returned to treasury an aggregate of 65,500,000 shares of previously issued common stock.

In 2016, the Company sold an aggregate of 69,623,874 shares of its common stock for net proceeds of $349,500.

In December 2016, the Company's board of directors approved bonuses to the officers of the Company of an aggregate of 25,000,000 shares. As such, the Company recorded stock based compensation of $2,025,000 based on the fair value at the date of grant.

Options

Option valuation models require the input of highly subjective assumptions. The fair value of stock-based payment awards was estimated using the Black-Scholes option model with a volatility figure derived from using the Company's historical stock prices. Management determined this assumption to be a more accurate indicator of value. The Company accounts for the expected life of options based on the contractual life of options for non-employees. For employees, the Company accounts for the expected life of options in accordance with the "simplified" method, which is used for "plain-vanilla" options, as defined in the accounting standards codification.

The risk-free interest rate was determined from the implied yields of U.S. Treasury zero-coupon bonds with a remaining life consistent with the expected term of the options.

In addition, the Company is required to estimate the expected forfeiture rate and only recognize expense for those shares expected to vest. In estimating the Company's forfeiture rate, the Company analyzed its historical forfeiture rate, the remaining lives of unvested options, and the number of vested options as a percentage of total options outstanding. If the Company's actual forfeiture rate is materially different from its estimate, or if the Company reevaluates the forfeiture rate in the future, the stock-based compensation expense could be significantly different from what the Company has recorded in the current period.

The Company estimated forfeitures related to option grants at a weighted average annual rate of 0% per year, as the Company does not yet have adequate historical data, for options granted during the years ended December 31, 2016 and 2015.

The following assumptions were used in determining the fair value of employee options during the year ended December 31, 2015 (none issued in 2016):

		2015
Risk-free interest rate		2.06%
Dividend yield		0%
Stock price volatility		510.08%
Expected life		6 years
Weighted average grant date fair value	$	0.018

On October 5, 2015, the Company awarded options to purchase an aggregate of 1,000,000,000 shares of common stock to the Company's officers. These options vested over three years, have a term of 10 year before expiring and have an exercise price of $0.005 per share. The options had an aggregate grant date fair value of $1,800,000.

The following table summarizes the stock option activity for the years ended December 31, 2016 and 2015:

	Shares	Weighted-Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at January 1, 2015	-			
Granted	1,000,000,000	$ 0.005	10.0	$ 3,200,000
Exercised	-			
Forfeitures or expirations	-			
Outstanding at December 31, 2015	1,000,000,000	$ 0.005	9.77	$ 23,300,000
Granted	-			
Forfeitures or expirations	-			
Outstanding at December 31, 2016	1,000,000,000	$ 0.005	8.76	$ 76,000,000
Exercisable at December 31, 2016	416,666,667	$ 0.005	8.76	$ 31,666,667

The following table presents information related to stock options at December 31, 2016:

Options Outstanding		Options Exercisable	
Exercise Price	Number of Options	Weighted Average Remaining Life In Years	Exercisable Number of Options
$ 0.005	1,000,000,000	8.76	416,666,667

As of December 31, 2016, stock-based compensation of $1,050,000 remains unamortized and is expected to be amortized over the weighted average remaining period of 1.75 years.

The stock-based compensation expense related to option grants was $150,000 and $600,000 during the years ended December 31, 2016 and 2015, respectively.

Restricted Stock Units ("RSU")

The following table summarizes the restricted stock activity for the year ended December 31, 2016:

Restricted share units as of December 31, 2014	—
Granted	—
Forfeited	—
Restricted shares units issued as of December 31, 2015	—
Granted	10,000,000
Forfeited	—
Total Restricted Shares Issued at December 31, 2016	10,000,000
Vested at December 31, 2016	—
Unvested restricted shares as of December 31, 2016	660,000

In April 2016, the Company granted 10,000,000 restricted stock units vesting over two years to previous officers of the Company for past services. The fair value of the granted restricted stock units vested in 2016 of $303,750 was recognized in 2016 operations as stock based compensation.

As of December 31, 2016, stock-based compensation related to restricted stock awards of $506,250 remains unamortized and is expected to be amortized over the weighted average remaining period of 1.25 years.

NOTE 8 — FAIR VALUE MEASUREMENT

The Company adopted the provisions of Accounting Standards Codification subtopic 825-10, Financial Instruments ("ASC 825-10") on January 1, 2008. ASC 825-10 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance. ASC 825-10 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 825-10 establishes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities.

All items required to be recorded or measured on a recurring basis are based upon level 3 inputs.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement is disclosed and is determined based on the lowest level input that is significant to the fair value measurement.

Upon adoption of ASC 825-10, there was no cumulative effect adjustment to beginning retained earnings and no impact on the financial statements.

The carrying value of the Company's cash and cash equivalents, accounts receivable, accounts payable, short-term borrowings (including convertible notes payable), and other current assets and liabilities approximate fair value because of their short-term maturity.

As of December 31, 2016 and 2015, the Company did not have any items that would be classified as level 1 or 2 disclosures.

The Company recognizes its derivative liabilities as level 3 and values its derivatives using the methods discussed in notes 4 and 5. While the Company believes that its valuation methods are appropriate and consistent with other market participants, it recognizes that the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. The primary assumptions that would significantly affect the fair values using the methods discussed in Notes 4 and 5 are that of volatility and market price of the underlying common stock of the Company.

As of December 31, 2016 and 2015, the Company did not have any derivative instruments that were designated as hedges.

The derivative liability as of December 31, 2016, in the amount of $-0- has a level 3 classification.

The following table provides a summary of changes in fair value of the Company's Level 3 financial liabilities as of December 31, 2016:

		Debt Derivative
Balance, December 31, 2014	$	-
Total (gains) losses		
Initial fair value of debt derivative at note issuance		-
Mark-to-market at December 31, 2015:		-
Transfers out of Level 3 upon conversion and settlement of notes		-
Balance, December 31, 2015		-
Total (gains) losses		
Initial fair value of debt derivative at note issuance		154,911
Mark-to-market at December 31, 2016:		(14,208)
Transfers out of Level 3 upon conversion or payoff of notes payable		(140,703)
Balance, December 31, 2016	$	-
Net gain for the period included in earnings relating to the liabilities held during the year ended December 31, 2016	$	14,208

Fluctuations in the Company's stock price are a primary driver for the changes in the derivative valuations during each reporting period. During the year ended December 31, 2016, the Company's stock price increased 186.2% from December 31, 2015. As the stock price increase for each of the related derivative instruments, the value to the holder of the instrument generally increases. Stock price is one of the significant unobservable inputs used in the fair value measurement of each of the Company's derivative instruments.

NOTE 9 — RELATED PARTY TRANSACTIONS

The Company's current officers and stockholders advanced funds to the Company for travel related and working capital purposes. As of December 31, 2016 and 2015, there were no related party advances outstanding.

As of December 31, 2016 and 2015, accrued compensation due officers and executives included as accrued compensation was $32,710 and $-0-, respectively.

In 2016, the Company issued for accrued compensation and subsequently converted to common stock an aggregate of $357,500 convertible notes payable.

In 2016, the Company issued for incurred expenses and subsequently converted to common stock an aggregate of $93,142 convertible notes payable. In connection with the settlement, the Company incurred a $59,272 loss on settlement of debt

At December 31, 2016 and 2015, there were an aggregate of $7,487 and $33,898 notes payable due to officers. The notes are non-interest bearing and are due on demand.

NOTE 10 — COMMITMENTS AND CONTINGENCIES

Employment contracts

Effective January 1, 2016, the Company entered into employment contracts with Donald Steinberg (Chief Executive Officer), Charles Larsen (Director) and Robert Hymers (Chief Financial Officer) for annual compensation of $180,000, $120,000 and $90,000, respectively. The contracts are for a one year term with automatic renewal. For each fiscal year, the officers are eligible to receive an annual bonus based on the sole and absolute discretion of the board of directors. In addition, during the employment term, the officers are eligible to participate in the Marijuana Company of America, Inc. Equity Incentive Plan, as determined by the board of board of directors and any fringe benefits and perquisites consistent with the practices of the Company and to the extent the Company provides similar benefits or perquisites (or both) to similarly situated executives of the Company during employment term.

The employment contracts can be terminated by either the Company or the officer at any time for any reason with at least a 30 day notice. Should termination occur by the Company without cause and subject to certain limitations (as defined); the officer is entitled to one year base pay and target bonus for the year in which termination occurs, as a lump sum payment 30 days following termination. In addition, subject to the Marijuana Company of America, Inc. Equity Incentive Plan or any successor Plan, all previously granted and outstanding equity based compensation awards shall become fully vested and exercisable for their remaining terms (subject to limitations).

Litigation

The Company is subject at times to other legal proceedings and claims, which arise in the ordinary course of its business. Although occasional adverse decisions or settlements may occur, the Company believes that the final disposition of such matters should not have a material adverse effect on its financial position, results of operations or liquidity. There was no outstanding litigation as of December 31, 2016 or 2015.

NOTE 11 – INCOME TAXES

At December 31, 2016, the Company has available for federal income tax purposes a net operating loss carry forward of approximately $350,000, expiring in the year 2036, that may be used to offset future taxable income. The Company has provided a valuation reserve against the full amount of the net operating loss benefit, since in the opinion of management based upon the earnings history of the Company; it is more likely than not that the benefits will not be realized. Due to possible significant changes in the Company's ownership, the future use of its existing net operating losses may be limited. All or portion of the remaining valuation allowance may be reduced in future years based on an assessment of earnings sufficient to fully utilize these potential tax benefits. During the year ended December 31, 2016, the Company has increased the valuation allowance from $112,000 to $121,000.

We have adopted the provisions of ASC 740-10-25, which provides recognition criteria and a related measurement model for uncertain tax positions taken or expected to be taken in income tax returns. ASC 740-10-25 requires that a position taken or expected to be taken in a tax return be recognized in the financial statements when it is more likely than not that the position would be sustained upon examination by tax authorities.

Tax position that meet the more likely than not threshold are then measured using a probability weighted approach recognizing the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement. The Company had no tax positions relating to open income tax returns that were considered to be uncertain.

The Company is required to file income tax returns in the U.S. Federal jurisdiction and in California. The Company is no longer subject to income tax examinations by tax authorities for tax years ending before December 31, 2012.

The effective rate differs from the statutory rate of 34% for due to the following:

	2016	2015
Statutory rate on pre-tax book loss	(34.00)%	(34.00)%
Gain on change in fair value of derivatives	(1.0)%	-
Stock based compensation	27.6%	16.0%
Financing costs	6.5%	-
Valuation allowance	0.09%	18.0%
	0.00%	0.00%

The Company's deferred taxes as of December 31, 2016 and 2015 consist of the following:

	2016	2015
Non-Current deferred tax asset:		
Net operating loss carry-forwards	$ 28,000	$ 330,000
Valuation allowance	(28,000)	(330,000)
Net non-current deferred tax asset	$ -	$ -

NOTE 12 – SUBSEQUENT EVENTS

In January 2017, the Company issued an aggregate of 25,000,000 shares of its common stock as officer compensation. The shares were previously recorded as stock based compensation of $2,025,000 during the year ended December 31, 2016.