

MEDICAL CANNABIS PAYMENT SOLUTIONS
A Nevada corporation
QUARTERLY DISCLOSURE STATEMENT
March 31, 2016

Item 1. Name of the issuer and its predecessors (if any).

Medical Cannabis Payment Solutions, a Nevada corporation incorporated on May 17, 2013 as Medical Cannabis Payment Systems, is the product of a holding company reorganization completed in September, 2013 by Refill Energy, Inc. Refill Energy was a Nevada corporation incorporated on December 1, 2005, as the successor by merger on April 20, 2006 to WCollect.com, a Florida corporation incorporated on October 10, 1989. Until October 23, 2009, the issuer's name was Granite Energy, Inc.

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

The issuer's principal office address is 109 E. 17th Street, Suite 4634, Cheyenne Wyoming 82001, and its telephone is (702) 706-7011. Our website is medicalcannabispaymentsolutions.com. We do not employ any public relations firm at this time.

Item 3. Security Information.

Trading Symbol: REFG

Exact title and class of securities outstanding: Common stock and Series A Convertible Preferred Stock

CUSIP:584502 10 8 for the common stock. The Series A Convertible Preferred Stock does not have a CUSIP number assigned.

Par or Stated Value: par value is \$.0001 for both the Common and the Series A Convertible Preferred Stock

Total Shares authorized as of March 31, 2016: 490,000,000 shares of common stock and 10,000,000 shares of preferred stock, including 250,000 shares of Series A Convertible Preferred Stock

Total Shares outstanding as of March 31, 2016: 169,380,251 shares of common stock (165,339,887 as of 12/31 and 4,040,364 issued in the quarter for \$66,666) and 35,000 shares of Series A Convertible Preferred Stock.

Transfer Agent

Name: Action Stock Transfer Corporation; website is <http://www.actionstocktransfer.com>.

Address1: 2469 E. Fort Union Blvd., Suite 214

Address 2: Salt Lake City, Utah 84121

Address 3:

Phone: (801) 274-1088

Is the Transfer Agent registered under the Exchange Act? YES

List any restrictions on the transfer of security: None

Describe any trading suspensions issued by the SEC in the past 12 months: None.

Item 4. Issuance history.

In the quarter ended March 31, 2016, the Company issued 4,040,364 restricted shares of common stock to one investor for cash of \$.0165 per share, or an aggregate of \$66,666 in cash. Reference is made to the Annual Disclosure Statement for the year ended December 31, 2015 for issuances in 2015.

Item 5. Financial Statements.

The following financial statements are appended to the end of this Quarterly Report and, together with updated annual and interim information published hereafter, are incorporated herein by reference. All of our financial statements to date are unaudited:

Consolidated Balance Sheets as of March 31, 2016 and December 31, 2015

Consolidated Statements of Income for the three months ended March 31, 2016 and 2015

Consolidated Statements of Cash Flows for the three months ended March 31, 2016 and 2015.

Notes to Consolidated Financial Statements.

Since the Issuer effected a reverse merger in July 2013 and has declared a dividend to its shareholders of all of the common stock of its former subsidiary, Refill Energy, Inc. to its shareholders, the financial statements of the prior operations are not presented in this interim report.

Item 6. Describe the Issuer's Business, Products and Services.

Background and Summary

Medical Cannabis Payment Solutions, a Nevada corporation, was incorporated on May 17, 2013 and is the result of a holding company reorganization effected by Refill Energy, Inc., a Nevada corporation.

Information about our Business

Our primary focus since organization in May 2013 has been the development of ancillary services for the medical marijuana industry. Since 1996, medicinal cannabis, commonly referred to as medical marijuana, has been legalized by 23 states and the District of Columbia. Several additional states are considering legislation for legalization in 2016.

The Issuer is a provider of integrated supply and distribution technology mandated or to be mandated by many of these states, and, in management's opinion, the best solution for providers in all states. The Issuer is expanding the legitimate market for medicinal cannabis, and serving all market participants with an integrated, one-stop solution that will document and assure compliance with all applicable regulations that producers and distributors must follow under their respective state laws. Our S2S Seed-to-Sale integrated solution is intended to be a turn-key, management and compliance technology for growers, caregivers, and dispensaries in this rapidly expanding market.

S2S provides grow house tracking, inventory control, patient management, accounting and compliance services to the medical marijuana industry. Our Ghost mobile apps comprise a potent marketing tool for dispensaries. Since most medical marijuana regulations limit grows in accordance with the number of a dispensaries' patients, expanding the number of patients is critical to growth.

The Issuer has also developed software and a related payment system for medical marijuana consumers and dispensaries, to assist in state tracking of sales, collection of tax, and supervision of sales to consumers. This product is being marketed through a new subsidiary, StateSourced.

We also have developed a customized VOIP telephone system for the industry.

The Issuer also works with public officials and government agencies to expand the acceptance of medicinal cannabis, and the adoption of a legal framework where maximum market expansion is possible. The Issuer believes that it is also positioned to lead the entire market in payment and transaction services as a result of its fast-moving efforts to change the legal and financial landscape of the medicinal cannabis marketplace.

Since commencing operations in July 2013, the Issuer has invested significant time and resources into product development, market research and brand strategy in preparation for the growing market in state-legalized cannabis. This approach has put the Issuer, it is believed, in a unique position to service the industry and emerging economy.

Federal Regulation and Our Business

Cannabis is currently a Schedule I controlled substance and is therefore illegal under federal law. Even in those states in which the use of cannabis has been legalized, its use, possession, or cultivation remains a violation of federal laws. A Schedule I controlled substance is defined as one that has no currently accepted medical use in the United States, a lack of safety for use under medical supervision and a high potential for abuse. The U.S. Department of Justice (the "DOJ") defines Schedule I controlled substances as "the most dangerous drugs of all the drug schedules with potentially severe psychological or physical dependence." If the federal government decides to enforce the Controlled Substances Act with respect to cannabis, persons that are charged with distributing, possessing with intent to distribute, or growing cannabis could be subject to fines and terms of imprisonment, the maximum being life imprisonment and a \$50 million fine.

As of the date of this filing, 23 states and the District of Columbia allow their residents to use medical cannabis. The state laws are in conflict with the federal Controlled Substances Act (the “CSA”), which makes cannabis use and possession illegal on a national level. The Obama administration has effectively stated that it is not an efficient use of resources to direct law federal law enforcement agencies to prosecute those lawfully abiding by state-designated laws allowing the use and distribution of medical cannabis. In March 2015, legislation was introduced in the U.S. Senate proposing to change federal law such that states could regulate medical use of cannabis without risk of prosecution. A key component of the proposed Compassionate Access, Research Expansion, and Respect States Act (the “CARERS Act”) is to reclassify cannabis under the Controlled Substances Act to Schedule II, thereby changing the plant from a federally-criminalized substance to one that has recognized medical uses. There is no guarantee that the administration will not change its stated policy regarding the low-priority enforcement of federal laws. Additionally, any new administration could change this policy and decide to enforce the federal laws strongly. Any such change in the federal government’s enforcement of current federal laws could cause significant financial damage to us. While we do not intend to harvest, distribute or sell cannabis, we may be irreparably harmed by a change in enforcement by the federal government.

The Issuer does not grow or distribute cannabis. However, our providing of software and payment systems to state-approved cannabis cultivators and dispensary facilities could be deemed to be aiding and abetting illegal activities, a violation of federal law. We intend to remain within the guidelines outlined in the Cole Memo (see “The Cole Memo”), however, we cannot provide assurance that the Issuer is in full compliance with the Cole Memo or any other federal laws or regulations.

The Cole Memo

We intend to conduct rigorous due diligence to verify the legality of all activities that we engage in. We realize that there is a discrepancy between the laws in some states, which permit the distribution and sale of medical and recreational cannabis, from federal law that prohibits any such activities. The CSA makes it illegal under federal law to manufacture, distribute, or dispense cannabis. Many states impose and enforce similar prohibitions. Notwithstanding the federal ban, as of the date of this filing, twenty-three states and the District of Columbia have legalized certain cannabis-related activity.

In light of these developments, DOJ Deputy Attorney General James M. Cole issued a memorandum (the “Cole Memo”) to all United States Attorneys providing updated guidance to federal prosecutors concerning cannabis enforcement under the CSA. The Cole Memo guidance applies to all of DOJ’s federal enforcement activity, including civil enforcement and criminal investigations and prosecutions, concerning cannabis in all states.

The Cole Memo reiterates Congress’s determination that cannabis is a dangerous drug and that the illegal distribution and sale of cannabis is a serious crime that provides a significant source of revenue to large-scale criminal enterprises, gangs, and cartels. The

Cole Memo notes that DOJ is committed to enforcement of the CSA consistent with those determinations. It also notes that DOJ is committed to using its investigative and prosecutorial resources to address the most significant threats in the most effective, consistent, and rational way. In furtherance of those objectives, the Cole Memo provides guidance to DOJ attorneys and law enforcement to focus their enforcement resources on persons or organizations whose conduct interferes with any one or more of the following important priorities (the “Enforcement Priorities”): (a) preventing distribution of cannabis to minors; (b) preventing revenue from cannabis from going to gangs, cartels and other illegal participants; (c) preventing the diversion of cannabis from states where it is legal to states where it is illegal; (d) preventing state-authorized cannabis activity from being a cover or pretext for the trafficking of other illegal drugs; (e) preventing violence and the use of firearms in the cultivation and distribution of cannabis; (f) preventing drugged driving and the exacerbation of other adverse public health consequences associated with cannabis use; and (g) preventing the growing of cannabis on public lands and its use or possession on Federal property.

We understand that the Justice Department is issuing supplemental guidance directing that prosecutors also consider the Enforcement Priorities with respect to federal money laundering, unlicensed money transmitter, and BSA offenses predicated on cannabis-related violations of the CSA.

Other Matters

We have declared a dividend to our shareholders of our formerly wholly-owned subsidiary, Refill Energy, and intend to spin it off to our shareholders pending regulatory approval. In July, 2013, we formed a new Oklahoma subsidiary to hold these assets. Historically, Refill was engaged in the business of developing patent rights represented by patent application 12170421, Parallel Path, Downdraft Gasifier Apparatus and Method, which was assigned to Refill pursuant to an assignment recorded on October 20, 2011.

To the knowledge of management, the Company has never been a “shell company” since its incorporation.

Risk Factors

This section of this Quarterly Disclosure Statement discloses material risks known to us. We do not make, nor have we authorized any other person to make, any representation about the future market value of our common stock. In addition to the other information contained in this Quarterly Disclosure Statement, the following factors should be considered carefully in evaluating an investment in our securities. If any of the risks discussed below materialize, our common stock could decline in value or become worthless. The risks and uncertainties described below are not the only ones facing the Issuer. Additional risks and uncertainties not presently known to the Issuer or that the Issuer currently believes are immaterial may also impair the Issuer’s business operations.

Limited Operating History. We have a limited operating history and may never be profitable. Since we have a limited operating history, it is difficult for potential investors to evaluate our business. We expect that we will continue to need to raise additional capital in order to fund our operations. There can be no assurance that such additional capital will be available to us on favorable terms or at all. There can be no assurance that we will be profitable.

No Dividends. A return on investment may be limited to the value of our common stock. We do not currently anticipate paying cash dividends in the foreseeable future. The payment of dividends on our common stock will depend on earnings, financial condition and other business and economic factors affecting it at such time as the Board may consider relevant. Our current intention is to apply net earnings, if any, in the foreseeable future to increasing our capital base and development and marketing efforts. There can be no assurance that the Issuer will ever have sufficient earnings to declare and pay dividends to the holders of our common stock, and in any event, a decision to declare and pay dividends is at the sole discretion of the Board. If we do not pay dividends, our common stock may be less valuable because a return on your investment would only occur if the Issuer's stock price appreciates.

Going Concern. There is substantial doubt about our ability to continue as a going concern. Our financial statements have been prepared on a going concern basis, which assumes we will be able to realize our assets and discharge our liabilities in the normal course of business for the foreseeable future. We have incurred a loss since May 17, 2013 (Inception) resulting in an accumulated deficit of approximately \$959,658 as of March 31, 2016 and further losses are anticipated in the development of our business.

Our ability to continue as a going concern is dependent upon our becoming profitable in the future and, or, obtaining the necessary financing to meet our obligations and repay our liabilities arising from normal business operations when they come due. There is no guarantee that we will be successful in achieving these objectives.

Software Risks. As a software company, we are subject to special risks. The success of our business will be dependent on developing and marketing proprietary software for the medical cannabis industry. We may not be able to adequately protect our intellectual property rights. Protecting intellectual property rights and combating unlicensed copying and use of our software and other intellectual property is difficult. Others may claim we infringe their intellectual property rights. To resolve these claims we may enter into royalty and licensing agreements on terms that are less favorable than currently available, stop selling or redesign affected products or services, or be required to pay damages. Besides money damages, in some jurisdictions plaintiffs can seek injunctive relief that may limit or prevent importing, marketing, and selling our products or services that have infringing technologies. Source code, the detailed program commands for our software programs, is critical to our business. If a significant portion of our source code leaks, we might lose future trade secret protection for that source code. It may become easier for third parties to compete with our products by copying functionality, which could adversely affect our revenue and operating margins.

Software is subject to security risks (cyber security) and the potential loss of confidential customer data. There have recently been a number of high – profile data breaches. Such data breaches could result in serious liability by the Issuer.

Changing and evolving governmental regulation may affect our business. The medical cannabis industry is subject to governmental regulation, including Federal law.

Risks of New Business. We may be unable to expand into new markets. We intend to continue to pursue our aggressive growth strategy for the foreseeable future. Our continued growth and profitability depend on our ability to successfully realize our growth strategy by expanding our product offerings. We cannot assure that our efforts to market our software nor to expand into new markets will succeed. In order to operate in new markets, we may need to modify our existing business model and cost structure to comply with local regulatory or other requirements, which may expose us to new operational, regulatory or legal risks. In addition, new markets may have competitive conditions, consumer preferences and spending patterns that are more difficult to predict or satisfy than our existing markets.

Our future success depends on our ability to obtain customers. Our success and the planned growth and expansion of our business depend on us being able to find customers for our products. There can be no assurance that customers will purchase our products and/or services. If we are unable to effectively market or expand our product and/or service offerings, we will be unable to grow and expand our business or implement our business strategy, which could materially impair our ability to obtain sales and revenue.

Our failure to obtain capital may significantly restrict our proposed operations. We need capital to operate and fund our business plan. We do not know what the terms of any future capital raising may be but any future sale of our equity securities will dilute the ownership of existing stockholders and could be at prices substantially below the price of the shares of common stock sold in this offering. Our failure to obtain the capital, which we require, may result in the slower implementation or curtailment of our business plan.

Governmental Regulation. Our proposed business is dependent on state laws pertaining to the cannabis industry. Continued development of the cannabis industry is dependent upon continued legislative authorization of cannabis at the state level. Any number of factors could slow or halt progress in this area. Further, progress, while encouraging, is not assured. While there may be ample public support for legislative action, numerous factors impact the legislative process. Any one of these factors could slow or halt use of cannabis, which would negatively impact our proposed business.

As of the date of this filing, twenty-three states and the District of Columbia allow their residents to use medical cannabis. Voters in the states of Alaska, Colorado, Oregon and Washington approved and implemented, or are implementing, regulations to legalize cannabis for adult use. The state laws are in conflict with the federal Controlled Substances Act, which makes cannabis use and possession illegal on a national level. The

Obama administration has made numerous statements indicating that it is not an efficient use of resources to direct federal law enforcement agencies to prosecute those lawfully abiding by state-designated laws allowing the use and distribution of medical cannabis. However, there is no guarantee that the administration will not change its stated policy regarding the low-priority enforcement of federal laws. Additionally, any new administration that follows could change this policy and decide to stringently enforce the federal laws. Any such change in the federal government's enforcement of current federal laws could cause significant financial damage to the Issuer and its stockholders.

Cannabis remains illegal under federal law. Despite the development of a legal cannabis industry under the laws of certain states, these state laws legalizing medical and adult cannabis use are in conflict with the Federal Controlled Substances Act, which classifies cannabis as a Schedule-I controlled substance and makes cannabis use and possession illegal on a national level. The United States Supreme Court has ruled that it is the federal government that has the right to regulate and criminalize cannabis, even for medical purposes, and thus federal law criminalizing the use of cannabis preempts state laws that legalize its use. In March 2015, bipartisan legislation was introduced in the U.S. Senate proposing to change federal law such that states could regulate medical use of cannabis without fear of prosecution. A key component of the proposed Compassionate Access, Research Expansion, and Respect States Act (the "CARERS Act") is to reclassify cannabis under the Controlled Substances Act to Schedule II, thereby changing the plant from a federally-criminalized substance to one that has recognized medical uses.

The cannabis industry faces significant opposition. It is believed by many that large well-funded businesses may have a strong economic opposition to the cannabis industry. For example, medical cannabis will likely adversely impact the existing market for the current "cannabis pill" sold by mainstream pharmaceutical companies. Further, the medical cannabis industry could face a material threat from the pharmaceutical industry, should cannabis displace other drugs or encroach upon the pharmaceutical industry's products. The pharmaceutical industry is well funded with a strong and experienced lobby that eclipses the funding of the medical cannabis industry. Any inroads the pharmaceutical industry could make in halting or impeding the cannabis industry could have a detrimental impact on our proposed business.

Potential customers of the Issuer have difficulty accessing the service of banks, which may make it difficult for them to operate. Since the use of cannabis is illegal under federal law, many banks will not accept for deposit funds from businesses involved with cannabis. Consequently, businesses involved in the cannabis industry often have trouble finding a bank willing to accept their business. The inability to open bank accounts may make it difficult for potential customers, clients and tenants of the Issuer to operate.

Laws and regulations affecting the medical cannabis industry are constantly changing, which could detrimentally affect our proposed operations. Local, state and federal medical cannabis laws and regulations are broad in scope and subject to evolving interpretations, which could require us to incur substantial costs associated with compliance or alter our business plan. In addition, violations of these laws, or allegations

of such violations, could disrupt our business and result in a material adverse effect on our operations. Furthermore, it is possible that regulations may be enacted in the future that will be directly applicable to our proposed business. We cannot predict the nature of any future laws, regulations, interpretations or applications, nor can we determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on our business.

Competition. We operate in a highly competitive industry and potential competitors could duplicate our business model. We are involved in a highly competitive industry where we compete with numerous other companies who offer products and services similar to those we offer. There is no aspect of our business, which is protected by patents; we rely on trade secret protection, copyrights, trademarks, and trade names. As a result, potential competitors will likely attempt to duplicate our business model. Some of our potential competitors may have significantly greater resources than we have, which may make it difficult for us to compete. There can be no assurance that we will be able to successfully compete against these other entities.

Dependence on Management. We are dependent on our management and members of the Board and the loss of any of our officers or directors could harm our business. Our future success depends largely upon the experience, skill, and contacts of our officers and directors. The loss of the services of these officers or directors may have a material adverse effect upon our business.

We will be required to attract and retain top quality talent to compete in the marketplace. We believe our future growth and success will depend in part on our ability to attract and retain highly skilled managerial, sales and marketing, security and finance personnel. There can be no assurance of success in attracting and retaining such personnel. Shortages in qualified personnel could limit our ability to successfully build our real estate, wholesale, security and consulting offerings.

Risks Related to the Market for the Issuer's Stock. Since the market price for our common stock is volatile, investors may not be able to sell any of their shares. The market price of our common stock has been highly volatile and the market has from time to time experienced significant price and volume fluctuations that are unrelated to our operating performance. Factors such as government regulation may have a significant effect on the future market price of our common stock.

Trading Price of Common Stock. A small number of stockholders own a majority of our public float. As of the date of this Quarterly Disclosure Statement, a limited number (less than 10) persons beneficially own and control a significant portion of the public float of the Issuer, consisting of more than 100 million shares. The Issuer has no control over the decisions of any of these stockholders to retain ownership of their shares. The trading price of the Issuer's common stock could be adversely affected or be subject to volatility if one or more of these stockholders should determine to sell their shares.

Furthermore, the Issuer has outstanding 35,000 shares of Series A Convertible Preferred Stock. If all of the Series A Convertible Preferred Stock is converted at the current conversion rate, an additional 87,500,000 shares of common stock could be issued to the holders thereof. During the year ended December 31, 2015, management negotiated a 12.5% increase in the conversion rate with several holders, but there can be no assurance that it will be able to re-negotiate the conversion rate in the future. There are also promissory notes outstanding in the amount of \$137,500, plus accrued interest. These promissory notes are not convertible by their terms, but we may agree to convert them into common stock if management believes it can do so at a favorable price. The conversion price could be at some unknown discount to the public market. The sale of shares by converting holders of preferred stock, or noteholders, could adversely affect the trading price of our common stock.

Dilution. Our stockholders may experience significant dilution. The Issuer has warrants and convertible stock outstanding, which could be dilutive to stockholders. In addition, if our future operations or acquisitions are financed through the issuance of equity securities, our stockholders could experience significant dilution. In addition, securities issued in connection with future financing activities or potential acquisitions may have rights and preferences senior to the rights and preferences of our common stock. We may grant options to purchase shares of our common stock to our directors, employees and consultants. The issuance of shares of our common stock upon the exercise of these options may result in dilution to our stockholders.

Penny Stock Market. Disclosure requirements pertaining to penny stocks may reduce the level of trading activity in the market for our common stock and investors may find it difficult to sell their shares. Trades of our common stock will be subject to Rule 15c-9 of the SEC which rule imposes certain requirements on broker/dealers who sell securities subject to the rule to persons other than established customers and accredited investors. For transactions covered by the rule, brokers/dealers must make a special suitability determination for purchasers of the securities and receive the purchaser's written agreement to the transaction prior to sale. The SEC also has rules that regulate broker/dealer practices in connection with transactions in "penny stocks". Penny stocks generally are equity securities with a price of less than \$5.00 (other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in that security is provided by the exchange or system). The penny stock rules require a broker/dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document prepared by the SEC that provides information about penny stocks and the nature and level of risks in the penny stock market. The broker/dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker/dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker/dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation.

Our primary SIC code is 7371, Software Programming. We have no secondary SIC code as of March 31, 2015. We have a subsidiary State Sourced, through which we operate our payment system operations, and another subsidiary for our software applications.

Item 7. Describe the Issuer's Facilities.

We rent office space on a month to month basis in Cheyenne, Wyoming.

Item 8. Officer, Directors and Control Persons.

All of our officers and directors were appointed in July 2013.

Jeremy Roberts	Chief Executive and Financial Officer and Director
Tyler Young	Chief Technology Officer
Sean Hullinger	Corporate Counsel and Secretary

Jeremy Roberts has over 10 years' experience in brand management and strategic communications. He studied Spanish and political science at the University of Utah and then founded a marketing and strategic communications boutique. He later started a political campaign consultancy, and his clients have won every campaign to which he consulted.

Tyler Young holds a BSCS and an MBA, and taught software engineering at Neumont University. He has designed genomic and proteomic databases for leaders in healthcare informatics. Mr. Young's breadth and depth of experience sets him apart as an expert in software architecture and business process modeling.

Sean Hullinger has been an attorney in private practice in Utah since 2009, specializing in criminal defense, appellate practice, corporate law, and ethics. He as also a 2010 candidate for County Attorney in Utah County. Mr. Hullinger was prievioulsy an office in the Central Intelligence Agency and then continued his service as a senior intelligence analyst and program manager with SAIC, Inc., He received a BA from Old Dominion University in 1994 and a JD from the J. Reuben Clark Law School in 1997/

During the past five years, none of the above named officers and directors has been the subject of a conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses); 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; a finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the

Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or 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.

Advisory Board

We have an advisory board. The Advisory Board provides guidance and strategic decision-making for the rollout of payment solution for the medical marijuana industry.

Curt Bramble, appointed in February 2014, is a CPA and is the chairman of the Advisory Board. He was elected as Vice President of the National Conference of State Legislatures in August 2013. His NCSL activities include: Co-Chair of the NCSL Standing Committees 2012-2013; State and Local Taxation Task Force, Immigration and the States Task Force, and the International Affairs Task Force. An elected state senator, he is a member of the American Institute of Certified Public Accountants and the Utah Association of Certified Public Accountants.

G. Richard Kasteler was appointed in April, 2014. Mr. Kasteler is the Chief Executive Officer of Insure-Rite, Inc. Based in Salt Lake City, Utah, Insure-Rite provides information technology services to state insurance regulators in determining motorists' insurance coverage, and provides real-time insurance coverage data to law enforcement officers during traffic stops. Insure-Rite's complex yet efficient real-time data management has drastically reduced the incidence of uninsured drivers in the markets where the company operates.

Gary Johnson, appointed in July 2014, was a two-term governor of New Mexico from 1995 to 2003, and was a candidate for President of the United States in the 2012 election. He has written extensively about governmental and regulatory issues. Prior to running for office, Johnson started his own mechanical contracting business, growing it from a one-person venture to a multimillion dollar enterprise with over 1,000 employees.

James P. "Jim" Gray was appointed in August, 2014. Mr. Gray served as a Judge Advocate General in the United States Navy, and was a Superior Court judge in Orange County, California until his retirement in 2009 after over 20 years on the bench of both the Superior Court and the Santa Ana, California municipal court. He has written numerous works and articles on drug policy and regulation, and has sat on the advisory board of the California Department of Alcohol and Drug Programs and the Alcohol Advisory Board to the Orange County (California) Board of Supervisors. In addition to being on the board of councilors of the University of Southern California Law School, Gray was the Libertarian candidate for Vice President of the United States in the 2012 election.

No other person beneficially owns more than 5% of the issuer's common stock.

The following table sets forth, as of the date of this disclosure statement, the outstanding common stock of the Company owned of record or beneficially by each person who owned of record, or was known by the Company to own beneficially, more than 5% of the Issuer's 169,380,251 shares of common stock issued and outstanding as of March 31, 2016, and the name and shareholdings of each director and all of the executive officers and directors as a group:

<u>Name of Stockholder</u>	<u>Number of Shares Owned</u>	<u>Percentage of Outstanding Common Stock</u>
Jeremy Roberts (1)	60,000,000	35.4%
Sean Hullinger(1)(2)	2,000,000	1.2%
All executive officers and directors as a group (2 persons)	62,000,000	36.6%

(1) The address of this person is c/o the Company.

(2) Includes 2,000,000 shares issuable upon exercise of warrants.

Item 9. Third Party Providers.

1. Investment Banker

None

2. Promoters

None

3. Counsel

Sean Hullinger, 458 South 2970 West, Lehi, Utah, 84043, telephone (540) 841-3886, is our counsel.

4. Accountant or Auditor

We have no outside accountant or auditor that has reviewed or audited our financial statements.

5. Public Relations Consultant(s)

None.

6. Investor Relations Consultant

None.

7. 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 10. Issuer's Certifications.

I, Jeremy Roberts, certify that:

1. I have reviewed this Quarterly Disclosure Statement of Medical Cannabis Payment Solutions;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations, and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

May 10, 2016

/s/ Jeremy Roberts

Jeremy Roberts, President.

MEDICAL CANNABIS PAYMENT SOLUTIONS
CONSOLIDATED BALANCE SHEETS

ASSETS

	March 31, <u>2016</u>	December 31, <u>2015</u>
<u>Current Assets</u>		
Cash in Bank	\$ 64,336	\$ 167,058
Total Current Assets	<u>64,336</u>	<u>167,058</u>
<u>Furniture and Equipment, Net</u>	<u>2,427</u>	<u>2,687</u>
 TOTAL ASSETS	 <u>\$ 66,763</u>	 <u>\$ 169,745</u>

LIABILITIES & STOCKHOLDER'S EQUITY

<u>Current Liabilities</u>		
Promissory Notes	\$ 137,500	\$ 137,500
Accounts Payable and accrued expenses	<u>25,575</u>	<u>24,203</u>
Total Current Liabilities	163,078	161,703
 <u>Stockholder's Equity</u>		
Preferred Stock - 10,000,000 shares authorized; Par value of \$.0001 per share; 43,200 and 43,200 shares issued and outstanding	 3	 3
Common Stock - 490,000,000 shares authorized; Par value of \$.0001 per share; 169,380,251 and 165,339,887 shares issued and outstanding	 16,938	 16,534
Additional Paid in Capital	846,402	780,140
Deficit accumulated during the development stage	<u>(959,658)</u>	<u>(788,140)</u>
Total Stockholders' Equity	<u>(96,315)</u>	<u>8,042</u>
 TOTAL LIABILITIES & STOCKHOLDER'S EQUITY	 <u>\$ 66,763</u>	 <u>\$ 169,745</u>

See notes to consolidated financial statements

MEDICAL CANNABIS PAYMENT SOLUTIONS
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Revenues		
Sales	\$ -	\$ --
Expenses		
Research and Development	-	--
General & Administrative Expenses	<u>169,648</u>	<u>114,578</u>
Net Loss from Operations	(169,648)	(114,578)
Other Income (Expense) - Interest Expense	<u>(1,375)</u>	<u>(1,375)</u>
Net Loss	<u>\$ (171,023)</u>	<u>\$ (115,953)</u>
Net Loss per Share	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Weighted Average Shares Outstanding	<u>167,959,464</u>	<u>131,178,431</u>

·
·
·
·
·

See notes to consolidated financial statements

MEDICAL CANNABIS PAYMENT SOLUTIONS
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
<u>Cash Flows from Operating Activities</u>		
Net Loss	\$ (171,023)	\$ 115,953)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation	260	260
Increase (decrease) in accounts payable	-	--
Increase (decrease) in accrued interest	1,375	1,375
Net Cash Used by Operating Activities	(169,388)	(114,318)
<u>Cash Flow from Investing Activities</u>		
Purchase of furniture and equipment	-	-
Net Cash Used by Investing Activities	-	-
<u>Cash Flow from Financing Activities</u>		
Issuance of shares for cash	66,666	-
Net Cash Provided by Financing Activities	-	-
Net Increase (Decrease) in Cash	(102,722)	(114,318)
Beginning Cash Balance	\$ 167,058	\$ 284,327
Ending Cash Balance	\$ 64,336	\$ 107,004

See notes to consolidated financial statements

MEDICAL CANNABIS PAYMENT SOLUTIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Medical Cannabis Payment Solutions (formerly Medical Cannabis Payment Systems) was incorporated in the State of Nevada on May 17, 2013 and is the result of a reverse merger effected through a holding company reorganization with Refill Energy, Inc. Refill Energy formerly operated in the oil and gas exploration and production industry, with primary assets and operations in Nevada, Utah, Oklahoma and Texas and then until after the reverse merger, developed rights to gasifier technology. The shares of Refill Energy, Inc. have been set aside as a dividend to the Company's shareholders and Refill Energy, Inc. is no longer treated as a subsidiary. State Sourced, a newly-formed subsidiary, holds our payment and processing systems which we are developing and marketing. Another subsidiary operates our software division. All intercompany transactions have been eliminated.

Unaudited Financial Statements.- These financial statements have been prepared by management and have not been reviewed or audited by any outside accounting firm.

Fiscal Year - The Company's fiscal year-end is December 31.

Cash and Cash Equivalents - The Company considers all highly liquid debt investments purchased with a maturity of three months or less to be cash equivalents.

Basis of Presentation - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Management further acknowledges that it is solely responsible for adopting sound accounting practices, establishing and maintaining a system of internal accounting control and preventing and detecting fraud. The Company's system of internal accounting control is designed to assure, among other items, that (1) recorded transactions are valid; (2) all valid transactions are recorded and (3) transactions are recorded in the period in a timely manner to produce financial statements which present fairly the financial condition, results of operations and cash flows of the company for the respective periods being presented.

Use of Estimates - The preparation of financial statements in accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. A change in managements' estimates or assumptions could have a material impact on the Company's financial condition and results of operations during the period in which such changes occurred.

MEDICAL CANNABIS PAYMENT SOLUTIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [Continued]

Actual results could differ from those estimates. The Company's financial statements reflect all adjustments that management believes are necessary for the fair presentation of their financial condition and results of operations for the periods presented.

Property, Plant and Equipment - Property and equipment are carried at cost. Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of the assets are capitalized. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period.

Depreciation is computed for financial statement purposes on a straight-line basis over estimated useful lives of the related assets. The estimated useful lives of depreciable assets are:

Estimated Useful Lives	
Office Equipment	5-10 years
Copier	5-7 years
Vehicles	5-10 years
Website / Software	3-5 years

For federal income tax purposes, depreciation is computed under the modified accelerated cost recovery system. For financial statements purposes, depreciation is computed under the straight-line method. Since the refinery and engineering investment has not yet been placed in service, no depreciation has commenced.

Advertising - Advertising expenses are recorded as general and administrative expenses when they are incurred. There was no advertising expense for the periods presented.

Research and Development - All research and development costs and software development costs are expensed as incurred. There was no research and development expense for the periods presented.

Income tax- We are subject to income taxes in the U.S. Significant judgment is required in evaluating our uncertain tax positions and determining our provision for income taxes. In accordance with FASB ASC Topic 740, "Income Taxes," we provide for the recognition of deferred tax assets if realization of such assets is more likely than not.

Non-Cash Equity Transactions - Shares of equity instruments issued for non-cash consideration are recorded at the fair value of the consideration received based on the market value of services to be rendered, or at the value of the stock given, considered in reference to contemporaneous cash sale of stock.

Fair Value Measurements - Effective beginning second quarter 2010, the FASB ASC Topic 825, Financial Instruments, requires disclosures about fair value of financial instruments in quarterly reports as well as in annual reports. For the Company, this statement applies to certain investments and long-term debt. Also, the FASB ASC Topic 820, Fair Value Measurements and Disclosures, clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of fair value measurements.

Various inputs are considered when determining the value of the Company's investments and long-term debt. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in these securities. These inputs are summarized in the three broad levels listed below.

MEDICAL CANNABIS PAYMENT SOLUTIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [Continued]

- Level 1 – observable market inputs that are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, credit risk, etc.).
- Level 3 – significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments).

The Company's adoption of FASB ASC Topic 825 did not have a material impact on the Company's consolidated financial statements.

The carrying value of financial assets and liabilities recorded at fair value is measured on a recurring or nonrecurring basis. Financial assets and liabilities measured on a non-recurring basis are those that are adjusted to fair value when a significant event occurs. The Company had no financial assets or liabilities carried and measured on a nonrecurring basis during the reporting periods. Financial assets and liabilities measured on a recurring basis are those that are adjusted to fair value each time a financial statement is prepared. The Company had no financial assets and/or liabilities carried at fair value on a recurring basis at March 31, 2016.

The availability of inputs observable in the market varies from instrument to instrument and depends on a variety of factors including the type of instrument, whether the instrument is actively traded, and other characteristics particular to the transaction. For many financial instruments, pricing inputs are readily observable in the market, the valuation methodology used is widely accepted by market participants, and the valuation does not require significant management discretion. For other financial instruments, pricing inputs are less observable in the market and may require management judgment. As of December 31, 2012, the Company had no assets other than cash, fixed assets.

Basic and diluted earnings per share - Basic earnings per share are based on the weighted-average number of shares of common stock outstanding. Diluted Earnings per share is based on the weighted-average number of shares of common stock outstanding adjusted for the effects of common stock that may be issued as a result of the following types of potentially dilutive instruments:

- Warrants,
- Employee stock options, and
- Other equity awards, which include long-term incentive awards.

The FASB ASC Topic 260, Earnings Per Share, requires the Company to include additional shares in the computation of earnings per share, assuming dilution.

Diluted earnings per share is based on the assumption that all dilutive options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options are assumed to be exercised at the time of issuance, and as if funds obtained thereby were used to purchase common stock at the average market price during the period.

MEDICAL CANNABIS PAYMENT SOLUTIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [Continued]

Basic and diluted earnings per share are the same as there were no potentially dilutive instruments for the period presented.

Concentrations, Risks, and Uncertainties - The Company did not have a concentration of business with suppliers or customers constituting greater than 10% of the Company's gross sales during the period presented.

Stock Based Compensation - For purposes of determining the variables used in the calculation of stock compensation expense under the provisions of FASB ASC Topic 505, "Equity" and FASB ASC Topic 718, "Compensation — Stock Compensation," we perform an analysis of current market data and historical company data to calculate an estimate of implied volatility, the expected term of the option and the expected forfeiture rate. With the exception of the expected forfeiture rate, which is not an input, we use these estimates as variables in the Black-Scholes option pricing model. Depending upon the number of stock options granted, any fluctuations in these calculations could have a material effect on the results presented in our Consolidated Statement of Income. In addition, any differences between estimated forfeitures and actual forfeitures could also have a material impact on our financial statements.

NOTE 2 - RECENTLY ENACTED ACCOUNTING STANDARDS

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers. ASU 2014-09 is a comprehensive revenue recognition standard that will supersede nearly all existing revenue recognition guidance under current U.S. GAAP and replace it with a principle based approach for determining revenue recognition. ASU 2014-09 will require that companies recognize revenue based on the value of transferred goods or services as they occur in the contract. The ASU also will require additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. ASU 2014-09 is effective for interim and annual periods beginning after December 15, 2016, however, the FASB has proposed a one-year deferral. Early adoption is not permitted, and either full retrospective adoption or modified retrospective adoption is permitted. The Company is in the process of evaluating the impact of ASU 2014-09 on the Company's financial statements and disclosures.

In August 2014, the FASB issued ASU No. 2014-15 (ASU 2014-15), *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, which provides guidance on determining when and how to disclose going-concern uncertainties in the financial statements. The new standard requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date the financial statements are issued. An entity must provide certain disclosures if conditions or events raise substantial doubt about the entity's ability to continue as a going concern. The ASU applies to all entities and is effective for annual periods ending after December 15, 2016, and interim periods thereafter, with early adoption permitted. The Company is currently evaluating the impact the adoption of ASU 2014-15 on the Company's financial statement presentation and disclosures.

In February, 2015, the FASB issued ASU No. 2015-02 (ASU 2015-02), *Consolidation (Topic 810): Amendments to the Consolidation Analysis*. ASU 2015-02 provides guidance on the consolidation evaluation for reporting organizations that are required to evaluate whether they should consolidate certain legal entities such as limited partnerships, limited liability corporations, and securitization structures (collateralized debt obligations, collateralized loan obligations, and mortgage-backed security transactions). ASU 2015-02 is effective for periods beginning after December 15, 2015. Early adoption is permitted. The adoption of ASU 2015-02 is not expected to have a material effect on the Company's consolidated financial statements.

MEDICAL CANNABIS PAYMENT SOLUTIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statements.

NOTE 3 - GOING CONCERN

The Company's financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, the Company does not have significant cash or other current assets, nor does it have an established source of revenues sufficient to cover its operating costs and to allow it to continue as a going concern.

Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading, or seeking protection from creditors pursuant to laws or regulations. Accordingly, assets and liabilities are recorded on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish its business plan and eventually attain profitable operations. The accompanying financial statements do not include any adjustments that may be necessary if the Company is unable to continue as a going concern.

During the next year, the Company's foreseeable cash requirements will relate to continual development of the operations of its business, maintaining its good standing and making the requisite filings with OTC Markets, and the payment of expenses associated with software development. The Company may experience a cash shortfall and be required to raise additional capital.

Historically, the Company has relied upon internally generated funds and funds from the sale of securities to finance its operations and growth. Management may raise additional capital through future public or private offerings of the Company's stock or through loans from private investors, although there can be no assurance that it will be able to obtain such financing. The Company's failure to do so could have a material and adverse affect upon its and its shareholders.

NOTE 4 – NOTE PAYABLE

The Company received a \$35,000 loan at the end of the September 30, 2013 quarter due in one year and bearing interest at 4%, a \$40,000 loan on the same terms on October 31, 2013, and also agreed to assume a \$25,000 loan due April 12, 2014 bearing 5% interest which represented costs of the holding company reorganization. The Company received an additional \$25,000 loan in February 2014, also bearing 4% and due in one year, and a loan of \$12,500 at the end of the June 30, 2014 quarter on the same terms. The Company is in discussions to extend the loans currently due.

NOTE 5 - RELATED PARTY TRANSACTIONS

None.

MEDICAL CANNABIS PAYMENT SOLUTIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 - CAPITAL STOCK AND SECURITIES

The Company has authorized 490 million shares of \$.0001 par value common stock and 10 million shares of preferred stock. During the three months ended March 31, 2016. There were 4,040,364 shares issued to one party for cash of \$66,666. As a result there are 169,380,251 and 165,178,431 common shares outstanding as of March 31, 2016 and December 31, 2015, respectively. In addition, there are 35,000 shares of Series A Convertible Preferred Stock outstanding as of March 31, 2016 and December 31, 2015. The Company issued 12,500,000 warrants to purchase its common stock to nine employees and service consultants at a price of \$.14 per share exercisable until December 18, 2015. This includes 1,000,000 warrants issued to the each of the two members of the Advisory Board and 2,000,000 to an officer. Warrants to purchase an additional 1,000,000 shares of common stock at \$.04 per share were issued in February 2015 to a marketing consultant.

NOTE 7 - INCOME TAXES

The Company has available at March 31, 2016 unused operating loss carryforwards of approximately \$960,000.

NOTE 8 -- LOSS PER SHARE

Net loss per share is computed by dividing the loss from operations available to common shareholders by the weighted average number of shares outstanding for the period.

Dilutive loss per share was not presented, as the Company had no common stock equivalent shares for all periods presented that would affect the computation of diluted loss per share.