



## QUARTERLY REPORT

---

Pursuant to Rule 15c2-(11)(a)(5)

For

**SCNA**

**SMART CANNABIS CORP.**

---

**For the Period Ending September 30, 2017**

**Dated: November 14, 2017**

# SMART CANNABIS CORP.

---

## Table of Contents

Item 1. The exact name of the Issuer and its predecessors	3
Item 2. Address of the Issuer's principal executive offices	3
Item 3. Security Information	3
Item 4. Issuance History	4
Item 5. Financial Statements	7
<i>Unaudited Balance Sheet as of September 30, 2017 and 2016</i>	
<i>Unaudited Statement of Operations for three months as of September 30, 2017 and 2016</i>	
<i>Unaudited Statement of Cash Flows for the the period ended September 30, 2017 and 2016</i>	
<i>Notes to Consolidated Financial Statements</i>	
Item 6. Issuer's Business, Products, and Services	13
Item 7. Issuer's Facilities	15
Item 8. Officers, Directors, and, Control Persons	15
Item 9. Third Party Providers	16
Item 10. Issuer Certification	16
Item 11. Supplemental Events	17

## **SMART CANNABIS CORP.**

### **QUARTERLY REPORT**

All information contained in this Initial Information and Disclosure Statement has been compiled to fulfill the disclosure requirements of Rule 15c2-11 (a)(5) promulgated under the Securities and Exchange Act of 1934, as amended. The enumerated captions contained herein correspond to the sequential format as set forth in the rule.

No dealer, salesman or any other person has been authorized to give any information or to make any representations not contained herein in connection with the Issuer. Any representations not contained herein must not be relied upon as having been made or authorized by the Issuer.

Delivery of this information does not imply that the information contained herein is correct as of any time subsequent to the date of this Issuer Quarterly Report.

### **ITEM 1. THE EXACT NAME OF THE ISSUER AND ITS PREDECESSORS**

The name of the Issuer is Smart Cannabis Corp.

The name of its predecessor is Zerez Holdings Corp., and prior to that, Definitive Rest Mattress Company. The equity interest, i.e. shares of stock were previously held in the name of Zerez Holdings., an Oklahoma corporation, prior to the Issuer completing a statutory reorganization pursuant to Section 1081(a) of the Oklahoma General Corporation Laws.

### **ITEM 2. ADDRESS OF THE ISSUER'S PRINCIPAL EXECUTIVE OFFICES**

Company Headquarters:

3017 Douglas Blvd, Suite 300  
Roseville, CA 95661

<http://smartcannabis.com>      <http://nextgen.farm>

Investor Relations Firm:

None

### **ITEM 3. SECURITY INFORMATION**

Trading symbol:              The Company's trading symbol is SCNA.

The Company's CUSIP

The Company's CUSIP is 83186E101

Par or Stated Value:

The Company's Common Stock has a par value of \$0.00001. Each holder of Common Stock has full voting rights at the rate of one (1) vote for each share owned. There are no preemptive rights or cumulative rights. 440,000 shares of Preferred Stock have been issued, and each share has 5000 to 1 voting rights.

Shares Authorized:

As of September 30, 2017 the issuer has two classes of securities outstanding, Common Stock and Preferred Stock.

The Company is authorized to issue (10,000,000,000) shares of common stock, of which 5,574,659,739 with par value \$0.00001 per share, are currently outstanding as of September 30, 2017.

The Company is authorized to issue fifty million (50,000,000) shares of Preferred Stock, par value \$0.00001, of which there are 440,000 shares issued and outstanding.

Shares Outstanding:

**As of September 30, 2017:**

<u>Class</u>	<u>Shares Authorized</u>	<u>Shares Outstanding</u>	<u>Freely Tradable Shares</u>	<u>Shareholders of Record</u>
			<u>(Float)</u>	
Common	10,000,000,000	5,574,659,739	1,383,336,622	58
Preferred	50,000,000	440,000	0	2

**Transfer Agent**

Action Stock Transfer <sup>(1)</sup>

2469 E Fort Union Blvd., Suite 214 Salt Lake City, UT 841221

Tel: 801-274-1088 Fax: 801-274-1099 <http://www.actionstocktransfer.com>

<sup>(1)</sup> In February of 2014, the Company's Board of directors appointed Action Stock Transfer to act as the Company's transfer agent. Action Stock Transfer is registered under the Exchange Act.

Restrictions on the transfer of any security:

None

Describe any trading suspension orders issued by the SEC in the past 12 months: None

**ITEM 4. ISSUANCE HISTORY**

Events by the Issuer Resulting in Changes in Total Outstanding Shares for the Past Two Fiscal Years.

To the best knowledge of the present management of the Company, the list identified below identifies all events, in chronological order, that resulted in changes in total shares outstanding by the Company (1) within the two year period ending on the last day of the Company's most recent fiscal year and (2) since the last day of the Company's most recent fiscal year.

- (1) **During the year ended December 31, 2014**, a total of 380,500,000 shares of the Company's common stock were issued. The following is a breakdown of the issuance(s):

Details of issuance available upon request for 2014

- (2) **During the year ended December 31, 2015**, a total of 539,000,000 shares of the Company's common stock were issued. The following is a breakdown of the issuance(s):

Details of Issuance available upon request for 2016

**ITEM 4.1 Post Reverse**

On February 2, 2016: Authorized Shares 1,025,000,000

On February 11, 2016 the company issued CEO, Juan Carlos Murga 200,000 DRMC Preferred Shares, as affiliate (director) and board member.

On February 11, 2016 the company issued Secretary, Claudia Lima 200,000 DRMC Preferred Shares, as affiliate (director) and board member.

On February 19, 2016 DRMC files Amendment to increase Authorized 10,000,000,000 Common and 50,000,000 Preferred Series.

On March 3, 2016 DRMC issued 4,000,000,000 of company common stock as debt payment of \$40,000, detailed in company books and records to Juan Carlos Murga, this amount would be converted in voting common stock, this stock value changed to 4,000,000 after conversion ratio 100:1

On March 15, 2016 the company issued 40,000 shares of preferred series stock to Pinnacle Projects as payment for consulting services at a value of \$100,000.00.

On March 3, 2016 Share structure: Authorized Shares	10,000,000,000
Issued and Out Shares	4,962,586,210

#### **ITEM 4.2 Reverse Split Issuance Details April 12, 2016 100:1 Ratio**

On April 12, 2016: Authorized Shares: 10,000,000,000

Issued and Out Shares: 49,625,865

Preferred Series: 440,000

**(5) During the quarter ended March 31, 2016** at total of 83,710,760 shares of ZEREZ Holdings stock was issued, 49,625,865 were undesignated DRMC stock due to reverse filing. Total I&O 133,336,622

As of June 30<sup>th</sup> 2016 Share structure:

- Authorized 10,000,000,000
- Outstanding 324,659,739

4,150,000,000 issued to officers directors (ZRZH Certificates)

41,323,117 issued by DRMC to officers prior to reverse (DRMC certificates Control Block) 4,191,323,117

#### **Officer Compensation with Restricted Common Stock**

On April 26, 2016, the Company issued 100,000,000 shares of its common stock to Juan Carlos Murga as debt payment detailed in company books and records, the debt shall be converted to one hundred million shares.

On April 26, 2016, the Company issued 50,000,000 shares of its common stock to Claudia Lima as debt payment detailed in company books and records, the debt shall be converted to fifty million shares.

#### **Free Trading stock issued**

On March 14, 2016, the Company issued 49,447,134 shares of its common stock as partial assignment, pursuant to a Convertible Promissory Note dated April 20, 2015, for the conversion of \$35000 of debt owed by the Company, at a conversion price of \$0.0001 per share

On June 29, 2016, the Company issued 75,586,853 shares of its common stock as partial assignment, pursuant to a Convertible Promissory Note dated July 28, 2014, for the conversion of \$15000 of debt owed by the Company, at a conversion price of \$0.0001 per share

On July 11, 2016, the Company issued 1,700,000,000 shares of its common stock as partial assignment, pursuant to a Convertible Promissory Note dated July 11, 2014, for the conversion of \$15000 of debt owed by the Company, at a conversion price of \$0.00001 per share

On August 5, 2016 the company requested the return of 40,000 preferred series shares from Pinnacle Projects, based on the term of the agreement which past the grace period of performance. These shares were returned to the company.

Note:

Company issued 8,302,755 free trading common shares that remain in the open market, these shares were issued prior to DRMC and ZRZH.

#### **Officer Compensation with Restricted Common Stock**

On July 18, 2016, the Company issued 2,500,000,000 shares of its common stock (**restricted**) to Juan Carlos Murga as compensation to hold the position of President. Removing Note Payable from company financials.

On July 18, 2016, the Company issued 1,500,000,000 shares of its common stock (**restricted**) to Claudia Lima as compensation to hold the position of Secretary. Removing Note Payable from company financials.

As of December 31<sup>st</sup> 2016 Share structure:

- Authorized 10,000,000,000
- Outstanding 6,024,659,739
- Restricted 4,191,323,117
- F/T 1,833,336,622

Restricted (ZRZH)

4,150,000,000 issued to officers directors

41,323,117 issued by DRMC to officers prior to reverse (Control Block, Restricted Shares)  
4,191,323,117

## **ITEM 5. FINANCIAL STATEMENTS**

The Company does not have audited financial statements and does not have financial statements for any historical periods prior to 2010.

Unaudited financial statements for the Company for the quarter ended September 30, 2017, are included herein. Management of the Company internally prepared these financial statements.

**Smart Cannabis Corp**  
**Consolidated Balance Sheet**  
**As of September 30, 2017**  
**Internally Prepared By Management**

Balance Sheet	July 1 - Sept 30, 2017	July 1 - Sept 30, 2016
<b>ASSETS</b>		
WELLS FARGO BANK	\$ 376,410	\$ (42,043)
WELLS FARGO SAVINGS	\$ 500	
Other Assets		\$ 475,201
Total Accounts Receivable	\$ 1,328,287	\$ 14,741
<b>TOTAL ASSETS</b>	\$ 1,705,197	\$ 447,899
<b>LIABILITIES &amp; EQUITY</b>		
Accounts Payable	\$ 40,000	\$ 466,056
Loans Payable - CZA	\$ 10,000	
Loans Payable - Smith	\$ (500)	
Sales Tax Payable	\$ 40,310	
Long Term Liabilities	\$ 348,292	\$ 70,153
<b>Total Liabilities</b>	\$ 438,102	\$ 536,209
<b>Equity</b>		
Capital Stock	\$ 60,246	
Opening Balance Equity	\$ (408,538)	\$ 510
Retained Earnings	\$ 44,845	\$ (58,056)
Net Income	\$ 1,570,542	\$ 5,550



Total Equity	\$ 1,267,095	\$ (51,996)
<b>TOTAL LIABILITIES &amp; EQUITY</b>	\$ 1,705,197	\$ (447,899)

INCOME STATEMENT	July 1 - Sept 30, 2017	July 1 - Sept 30, 2016
<b>Income</b>		
Products	\$ 25,000	
Services	\$ 676,903	
<b>Total Income</b>	\$ 701,903	\$ 4,653
<b>Cost of Goods Sold</b>		
Outside Labor	\$ 174,422	
Cost of Goods Sold - Other	\$ 172,324	
<b>Total COGS</b>	\$ 346,746	\$ 1,847
<b>Gross Profit</b>	\$ 355,157	\$ 6,500
<b>Expense</b>		
Advertising and Promotion	\$ 6,897	
Automobile Expense	\$ 1,818	
Bank Service Charges	\$ 15	
Business Licenses and Permits	\$ 99,478	
Computer and Internet Expenses	\$ 19,286	
Continuing Education	\$ 1,275	
Dues and Subscriptions	\$ 13	
Equipment Rental	\$ 5,207	
Interest Expense	\$ 333	
Internet Expense	\$ 5,998	
Land Lease Expense	\$ 10,000	
Legal Fees	\$ 3,052	
Licenses	\$ 30	
Meals and Entertainment	\$ 686	
Outside Services	\$ 4,750	
Postage and Delivery	\$ 51	
Rent Expense	\$ 29,893	
Repairs and Maintenance	\$ 16,252	
Sales Tax	\$ 11,830	
Telephone Expense	\$ 88	
Travel Expense	\$ 899	
	10	
<b>Total Expense</b>	\$ 217,852	\$ 6,971
<b>Net Ordinary Income</b>	\$ 137,305	\$ (1,403)

**Smart Cannabis Corp**  
**Statement of Cash Flows**  
**July 1 – September 30, 2017**  
**Internally Prepared By Management**

<b>CASH FLOWS FROM</b>	<b>Jul - Sep 17</b>	<b>July - Sept 2016</b>
<b>OPERATING ACTIVITIES</b>		
Net Income	\$ 137,305	
Adjustments to reconcile Net Income		
to net cash provided by operations:		
Accounts Receivable	\$ (13,778)	
Accounts Payable	\$ 10,000	
Loans Payable - CZA	\$ 10,000	
Loans Payable - Smith	\$ (10,500)	
Sales Tax Payable	\$ 1,875	
Net cash provided by Operating Activities	\$ 134,902	
Net cash increase for period	\$ 134,902	\$ (80)
Cash at beginning of period	\$ 242,007	\$ -
Cash at end of period	\$ 376,910	\$ (41,504)

**Smart Cannabis Corp.**  
**Notes to Financial Statements**  
**July 1 – September 30, 2017**  
**Internally Prepared By Management**

**Note 1. Nature of Operations and Business Activity**

**Business Activity**

Smart Cannabis Corp, an Oklahoma Corporation, is also registered in California. The company majority control block changed hands on October 21, 2016 and new management took over. The company acquired Next Generation Farming, Inc., a Nevada Corporation also registered in California, which operates as a wholly owned subsidiary.

In approximately April 2017, the company filed documents with FINRA for name and symbol change approval. Such approval was granted and became active on September 5, 2017.

The company's target market for its advanced automated greenhouse systems are commercial cultivators and processors for the explosive cannabis market. In addition, the company's product lines are ideally suited for transitional organic agriculture producers, specifically food - vegetables and leafy greens. The company's business plan is to promote the sales of products and services through its subsidiary, Next Generation Farming Inc., and to pursue other business opportunities in these market segments by introducing its own intellectual property inventions, strategic alliances, and by making key acquisitions that provide the company revenue and strategic positioning to be a highly respected and dominating company in its target markets.

**Revenue Results**

The Company reports a dramatic turnaround in annual net profit since its fiscal year ending 2016. For the quarter ending September 30, 2017 company revenue is up to \$701,903 compared to \$4,653 for the same quarter in 2016, under previous business operations and management.

Next Generation Farming Inc., contributed the majority of revenues through sales of products, consulting and installation services, and subscription services. The company has self-financed its growth to date by making profitable sales, controlling costs, and negotiating favorable payment terms into its sales contracts.

**Inventory & Costs of Goods Sold**

The company signed a strategic manufacturing agreement with a Northern California company in the first quarter and made the necessary investments to set up two in-house manufacturing lines for certain components. This was considered this a mission critical decision due to continued delivery problems from key suppliers. The newly operating manufacturing capacity has reduced delivery times, expanded production and sales capacity, and increased profit margins by more than 100% on certain components. As of September 30, 2017, the company's manufacturing capacity is approximately \$500 million per year and delivery times are 4-6 weeks faster than any identified market competitor.

### Accounts Receivable

Company accounts receivable are derived from current customer invoice balances on current sales.

## **Note 2. Summary of Significant Accounting Principles**

### Basis of Presentation and Principles of Consolidation

These financial statements are prepared in conformity with accounting principles generally accepted in the United States and are presented in US dollars, unless otherwise notes. The Company's fiscal year end is December 31.

### Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (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. The Company bases its estimates on historical experience, management expectations for future performance, and other assumptions as appropriate. The Company re-evaluates its estimates on an ongoing basis. Actual results may vary from those estimates.

### Recent Accounting Pronouncements

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial statements.

## **Note 3. Common Stock/Preferred Stock**

As of September 30, 2017, the Company has shares authorized: 10,000,000,000 shares of common stock, par value \$0.00001 and 50,000,000 shares of preferred stock.

As of September 30, 2017, the Company has 5,574,659,739 shares of common stock issued and outstanding including restricted stock and 440,000 shares of preferred stock issued and outstanding.

## **Note 4. Property and Equipment**

Property and equipment are carried at cost. Depreciation of property and equipment is provided using the straight-line method for financial reporting purposes at rates based on the following estimated useful lives: 5-7 years.

## **Note 5. Promissory Note Payable**

Reflected in the 2016 Annual report, the company took several steps to consolidate its liabilities and notes payable. As of year ending 2015, the company reported \$736,435 in outstanding liabilities and notes payable. As of year ending 2016, the company reported \$302,995 in notes payable. The other liabilities totaling \$651,848 consisted of a long term lease in the amount of \$600,000 associated with offsetting revenue commitments of \$900,000. Additional liabilities consisted of current accounts payable for materials and inventory and a loan of \$10,000 from company officers. The \$10,000 loan due company officers was repaid in Q3, 2017.

As of September 30, 2017, convertible promissory notes payable are \$348,292, including a disputed note in the amount of \$25,000 that the company has filed legal action to resolve.

## **Note 6. Revenue Recognition**

Revenue is recognized in accordance with SEC Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements". The Company recognizes revenue when the significant risks and rewards of ownership have been transferred to the customer pursuant to applicable laws and regulations, including factors such as when there has been evidence of a sales arrangement, delivery has occurred, or service have been rendered, the price to the buyer is fixed or determinable.

## **Note 7. Going Concern**

The Company's concern is to increase revenue and profits and pursue business opportunities to maximize shareholder value.

## **Note 8. Other Notes to Financial Statements**

The company has continued to conduct internal due diligence on previous operations and financial statements. In the financial statements dated June 30, 2017, the following items have been changed to properly reflect current financial status:

- The five year land lease has been removed as an asset and a liability on the balance sheet. Under advisement, the company has elected to report the long term lease income and expense as an ordinary item in the profit and loss statements.
- The current financial statements do not reflect an allowance for income tax expense, as the company does not yet know what the fiscal year results will be and what effect the net operating loss will have on income tax liabilities.
- An internal audit of convertible promissory notes has been conducted and the correct amount updated as of June 30, 2017.
- The company added \$60,246 as the capital stock value to reflect the value of shares outstanding at par value.
- The company corrected the balance sheet to reflect the net operating loss carryforward available to it through the majority acquisition of previous management.
- The company entered employment agreements and stock grants with key personnel as of November 1, 2016. The company recorded board resolutions at that time, but has not issued restricted stock due to pending request for name and symbol change with FINRA.

Notes to the Financial Statements dated September 30, 2017. The company's FINRA review was completed and the company's name and symbol change became effective September 5, 2017. After the FINRA change, the company, correct values to the share structure associated with the takeover by new management in October 2016. As a result,

- 450,000,000 shares of common stock have been cancelled and returned to the treasury, thus affecting the share structure to be as follows:
- Common Stock – Issued and Outstanding: 5,574,659,739
- Common Stock – Float: 1,383,336,622

- Preferred Stock – No change – 440,000 shares outstanding

## **END NOTES TO FINANCIALS**

### **ITEM 6. ISSUER’S BUSINESS, PRODUCTS, AND SERVICES**

#### **Date of Incorporation and Corporate History**

The Company was incorporated in the State of Georgia on August 2, 2005 under the name Nano FM, Inc. On August 24, 2005, Nano FM, Inc. filed Articles of Amendment with the Secretary of State of Georgia changing its corporate name to Crescent Hill Capital Corporation (“CHCC”).

On November 5, 2013, CHCC implemented a domicile change from Georgia to Oklahoma by merging into Crescent Hill Capital Corporation, an Oklahoma corporation. On November 5, 2013, CHCC completed the domicile change from Georgia to Oklahoma by filing a Certificate of Merger with the Oklahoma Secretary of State.

On November 5, 2013, the Company underwent a Statutory A Reorganization in compliance with Section 368(a)(1)(B) of the Internal Revenue Code of 1986, as amended, and pursuant to Section 1081(g) of the Oklahoma General Corporation Act, as a tax-free reorganization. Pursuant to the reorganization, on November 5, 2013, CHCC caused Definitive Rest Mattress Company (“Definitive Rest (OK)”) to be incorporated in the state of Oklahoma, as a direct wholly-owned subsidiary. Concurrently, Definitive Rest (OK) caused Crescent Hill Capital Merger Corp. (“CHCMC (OK)”) to be incorporated, as a direct wholly-owned subsidiary. Under the terms of the Reorganization, Crescent Hill Capital Corporation was merged with and into CHCMC (OK). Upon consummation of the Reorganization, Definitive Rest (OK) was the surviving corporation, and Crescent Hill Capital Corporation ceased to exist. Additionally, each issued and outstanding equity of Crescent Hill was exchanged for an equivalent equity of Definitive Rest (OK) on a one for one basis. The issued and outstanding shares of Definitive Rest (OK) have the same designations, rights, powers and preferences, and qualifications, limitations and restrictions as the equities of Crescent Hill being converted. The existing shares of CHCMC (OK) were cancelled on November 5, 2013.

On November 5, 2013, Definitive Rest Mattress Company, a California corporation, and the owners of 100% of its issued and outstanding stock, and Definitive Rest (OK), entered into a Share Exchange Agreement, wherein all the shares of Definitive Rest (CA) were exchanged for 45,780,000 restricted shares of Definitive Rest (OK). As a part of the transaction, the shareholders of Definitive Rest (CA) acquired a controlling interest in the Company. For accounting purposes, the transaction is accounted for as a recapitalization of Definitive Rest (CA) pursuant to which Definitive Rest (CA) is treated as the surviving and continuing entity although Definitive Rest (OK) is the legal acquirer rather than a reverse acquisition. Accordingly, the Company’s historical financial statements are those of Definitive Rest (CA) immediately following the consummation of the acquisition. Definitive Rest (OK) concurrently determined and that its ownership of CHCMC (OK) was of no further value and returned the newly issued shares evidencing its ownership in CHCMC (OK) to the Board of Directors of CHCMC (OK) for cancellation. Definitive Rest (OK) has no ownership, interests, or control over CHCMC (OK) and never managed, controlled or capitalized CHCMC (OK).

On February 28, 2014, the Company filed Articles of Amendment with the State of Oklahoma to increase the authorized capital stock of the Company from 200,000,000 shares of common stock to 975,000,000 shares of common stock. Thus, the Company now has 1,025,000,000 total shares authorized; 975,000,000 shares of common stock, par value \$0.0001 and 50,000,000 shares of preferred stock.

On December 31<sup>st</sup> 2014 Definitive Rest Mattress Company officially closed all operations, announcing the Company's new direction and new corporate name by the end of the second quarter 2015.

On April 12, 2016, the Company was approved for a reverse split, name change and new ticker symbol at a 100:1 ratio with Finra. The company also filed an Amendment with the State of Oklahoma to increase the authorized capital stock of the Company from 1,025,000,000 shares of common stock to 10,000,000,000 shares of common stock. Thus, the Company now has 10,000,000,000 total shares authorized, par value 0.00001 and 50,000,000 shares of preferred stock par value .00001.

### **Business Operations**

The Company has maintained its public disclosure on OTC Markets by remaining current in its reporting obligations. Corporately, SCNA has also amended its Articles of Incorporation and Corporate Bylaws to create various series of Anti-Dilutive Convertible Preferred Shares to protect its majority stakeholders.

The Company's executive offices are located in Roseville, California and manufacturing, assembly, and demonstration facilities are located in Lincoln, California. For more information about the company, its management and its products, please visit <http://nextgen.farm>, <http://smartcannabis.com> or see the social media pages listed below. The company has an ongoing coverage contract with [www.moneytv.com](http://www.moneytv.com). The show airs weekly and the company will continue to have regular television coverage on the show through December 2017.

### **SOCIAL MEDIA CHANNELS:**

<https://www.facebook.com/ngfarming/>  
<https://twitter.com/ngfarming>  
<https://www.instagram.com/ngfarming/>

### **Primary and Secondary SIC Codes**

Primary SIC Code: 6719

### **Issuer's Fiscal Year End Date**

The Issuer's fiscal year end is December 31.

### **Principal Products or Services, and Their Markets**

## **ITEM 7. ISSUER'S FACILITIES**

See above under Operations.



## **ITEM 8. OFFICERS, DIRECTORS, AND CONTROL PERSONS**

### **A. Officers and Directors**

John P. Taylor President, Chief Executive Officer, and Director

Donald D. Smith Vice President, Chief Operating Officer and Director

#### **<sup>1</sup>Involvement in Certain Legal Proceedings**

None of the officers, directors, promoters or control persons of the Issuer have been involved in the past five (5) years in any of the following:

- (1) A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and minor offenses);
- (2) The entry of an order, judgment, or decree, not subsequently reverse, 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 bank activities;
- (3) A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or
- (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.

### **C. Beneficial Shareholders**

The name, address, and shareholdings of all persons beneficially owning ten percent (10%) or more of any class of the Company's equity securities and officers and directors of the Company as of September 30, 2017 based on 5,574,659,739 shares issued and outstanding, are:

	Common Directly Owned	% of Ownership
John P. Taylor (issuance order at transfer agent)	1,000,000,000	18%
Donald D. Smith (issuance order at transfer agent)	1,000,000,000	18%

	Preferred Directly Owned	
John P. Taylor	400,000	90%
Donald D. Smith	40,000	10%

## **ITEM 9. THIRD PARTY PROVIDERS**

### Legal Counsel

Austin Legal Group

3990 Old Town Ave # A112, San Diego, CA 92110

(619) 924-9600

### Accountant or Auditor

None

### Investor Relations Consultant:

None

### Other Advisors:

## **ITEM 10. ISSUER CERTIFICATION**

I, John P. Taylor, President and Chief Executive Officer, certify that:

1. I have reviewed this annual disclosure statement of Smart Cannabis Corp.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of 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: September 30, 2017

Signature: /s/ John P. Taylor

Title: President and Chief Executive Officer

## **SUPPLEMENTAL EVENTS:**

In October, 2016, after closing the 3<sup>rd</sup> quarter, but prior to filing of the Q3 2016 financials, the company and its officers entered an agreement to sell majority control. On October 21, 2016 the transaction completed and new majority owners and officers took over operations of the company. All financial statements provided in the September 30, 2016 report were provided by previous management and the new majority owners and officers were indemnified and held harmless for all previous actions and reports of the company and its officers prior to the purchase.

Although many of the following disclosures will be finalized and reported in the December 31, 2016 financial disclosure report, the company has made public press releases and company officers felt it appropriate to detail certain supplemental events to support public business activity after October 21, 2016.

Appointment of New Officers and Directors:

John P. Taylor – President and CEO

Donald D. Smith (Don) – Vice President, Secretary, and Chief Operating Officer

### **Board/Company Actions and Additional Disclosures:**

- The company made a public announcement of new ownership, new officers and directors, and new strategic business direction to focus Zerez Holdings Inc., to acquire assets, intellectual property, companies, and to form strategic alliances in the organic agriculture, smart greenhouse technology and cannabis industries.
- The company acquired Next Generation Farming, Inc., a Northern California based provider of smart greenhouse systems and software technologies focused on Zerez Holdings new business direction.
- The company moved its headquarters to a new executive office location at 3017 Douglas Blvd, Suite 300, Roseville, CA 95661.
- The company retained additional corporate counsel, and voted to retain its existing stock transfer agent and other outside service providers.
- The company implemented financial accounting systems and launched new social media platforms.
- The company is in the process of cancelling approximately 400,000,000 shares of its common stock and 440,000 shares of its preferred stock. The company has provided its transfer agent issuance orders to re-issue 440,000 shares of preferred shares to John Taylor and Don Smith. This information has been updated and posted by OTCMARKETS.COM.
- The company, thru its wholly owned subsidiary Next Generation Farming, Inc., issued a press release on November 10, 2016 that it had delivered its first smart greenhouse system in Northern California for \$900,000 in gross revenues through the lease contract term.
- The company has filed the necessary paperwork with FINRA and the SEC to change its name to SMART CANNABIS INC., to better reflect its target market. The name change and symbol change is subject to approval and is pending. There is no anticipated change to shareholder positions or conversions.
- The company received final approval from FINRA and the name and symbol change became effective as of September 5, 2017.