



SEARCHCORE, INC.

a Nevada corporation

f/k/a General Cannabis, Inc.

Annual Report

For the Year Ended December 31, 2011

**Information Provided Pursuant to
Rule 15c2-11 of the Securities and
Exchange Act of 1934, as Amended**

We previously were a shell company, therefore the exemption offered pursuant to Rule 144 is not available. Anyone who purchased securities directly or indirectly from us or any of our affiliates in a transaction or chain of transactions not involving a public offering cannot sell such securities in an open market transaction unless and until such time as the resale of such securities is included in an effective registration statement.

ANNUAL REPORT

Current Information Regarding

SEARCHCORE, INC.

The following information is provided as to SearchCore, Inc. (referred to as “we,” “us,” “our,” the “Issuer” or the “Company”). This information is provided pursuant to the Guidelines for Providing Adequate Current Information created by OTC Markets Group, Inc., and is intended by the Issuer to be in compliance with Rules 10b-5 and 15c2-11 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Rule 144 of the Securities Act of 1933 (the “Securities Act”).

Part A General Company Information

Item I The exact name of the issuer and its predecessor (if any).

Issuer: SearchCore, Inc.

Predecessor Entities: General Cannabis, Inc. – from November 5, 2010 to January 5, 2012.

LC Luxuries Limited – from January 29, 2010 to November 5, 2010.

Makeup.com Limited – from November 21, 2006 to January 29, 2010.

Tora Technologies Inc. – from Inception (July 14, 2003) to November 21, 2006.

Item II The address of the issuer’s principal executive offices.

1300 Dove Street, Suite 100
Newport Beach, CA 92660
Phone (855) 420-2262
Facsimile (949) 423-1304
www.generalcannabis.com
www.weedmaps.com
www.cannacenters.com
www.safeaccessmd.com
www.cannabiscenters.com
www.mmjmenu.com

Investor relations inquiries should be addressed to the issuer at the address above, or telephone (855) 420-2262, or to:

Financial Profiles, Inc.
11601 Wilshire Boulevard, Suite 1920
Los Angeles, CA 90025
Phone (310) 478-2700
Attn: Kristen McNally / Noelle Amos
KMcnally@finprofiles.com

Item III The jurisdiction(s) and date of the issuer's incorporation or organization.

SearchCore, Inc. was incorporated in the State of Nevada on July 14, 2003.

Part B Share Structure

Item IV The exact title and class of securities outstanding.

Our authorized capital stock consists of 200,000,000 shares of common stock, par value \$0.001, and 20,000,000 shares of preferred stock, par value \$0.001. As of the date of this Annual Report, there are 83,340,256 shares of our common stock issued and outstanding, and no shares of preferred stock issued or outstanding.

Our common stock currently trades on the OTCQX tier of the marketplace maintained by OTC Markets Group, Inc. under the symbol "SRER." Our CUSIP number is **81222V 10 3**.

Item V Par or stated value and description of the security.

The par value of both our common and preferred stock is \$0.001 per share.

Common Stock. Each shareholder of our common stock is entitled to a pro rata share of cash distributions made to shareholders, including dividend payments. The holders of our common stock are entitled to one vote for each share of record on all matters to be voted on by shareholders. There is no cumulative voting with respect to the election of our directors or any other matter. Therefore, the holders of more than 50% of the shares voted for the election of those directors can elect all of the directors. The holders of our common stock are entitled to receive dividends when and if declared by our Board of Directors from funds legally available therefore. Cash dividends are at the sole discretion of our Board of Directors. In the event of our liquidation, dissolution or winding up, the holders of common stock are entitled to share ratably in all assets remaining available for distribution to them after payment of our liabilities and after provision has been made for each class of stock, if any, having any preference in relation to our common stock. Holders of shares of our common stock have no conversion, preemptive or other subscription rights, and there are no redemption provisions applicable to our common stock.

Preferred Stock. We are authorized to issue 20,000,000 shares of preferred stock. The rights, privileges, and preferences of our preferred stock can be set by our Board of Directors without further shareholder approval. We have not authorized or established any series' of preferred stock, and none are anticipated. There are no shares of preferred stock issued or outstanding. The availability or issuance of these shares could delay, defer, discourage or prevent a change in control.

Dividend Policy. We have not declared or paid a cash dividend on our capital stock in our last two fiscal years and we do not expect to pay cash dividends on our common stock in the foreseeable future. We currently intend to retain our earnings, if any, for use in our business. Any dividends declared in the future will be at the discretion of our Board of Directors and subject to any restrictions that may be imposed by our lenders.

Item VI The number of shares or total amount of the securities outstanding for each class of securities authorized.

Common Stock

At all times below, our authorized common stock was 200,000,000 shares, par value \$0.001.

As of the end of our most recent fiscal year ended December 31, 2011, we had 83,340,256 shares of common stock issued and outstanding, held by 53 shareholders, beneficially and of record. Of those 83,340,256 shares of common stock, 4,726,442 were free trading.

As of the end of our most recent fiscal quarter ended September 30, 2011, we had 83,140,256 shares of common stock issued and outstanding, held by 53 shareholders, beneficially and of record. Of those 83,140,256 shares of common stock, 4,726,442 were free trading.

As of the end of our most recent fiscal year ended December 31, 2010, we had 82,640,256 shares of common stock issued and outstanding, held by 38 shareholders, beneficially and of record. Of those 82,640,256 shares of common stock, 4,726,442 were free trading.

Preferred Stock

Beginning on November 19, 2010, we were authorized to issue 20,000,000 shares of preferred stock, par value \$0.001. No shares of preferred stock are or have been issued or outstanding.

Item VII The name and address of the transfer agent.

Our transfer agent is:

Empire Stock Transfer Inc.
1859 Whitney Mesa Drive
Henderson, NV 89014
Phone (702) 818-5898
www.empirestock.com

Empire Stock Transfer Inc. is registered under the Securities Exchange Act of 1934.

Item VIII The nature of the issuer's business.

Business Development

SearchCore, Inc. was formed on July 14, 2003 in the State of Nevada as Tora Technologies, Inc. On November 21, 2006, it changed its name to Makeup.com Limited, on January 29, 2010, it changed its name to LC Luxuries Limited, on November 5, 2010, it changes its name again to General Cannabis, Inc., and finally, on January 6, 2012, the company changed its name to SearchCore, Inc.

Our fiscal year end is December 31. We have never been in bankruptcy, receivership or any similar proceeding. We have completed several acquisitions, which are described more fully below.

Recent Name Change

Effective on January 6, 2012, we changed our name from General Cannabis, Inc. to SearchCore, Inc. This change was to more accurately highlight the technology aspect of our business, and our intentions to expand into lines of business outside of the medicinal cannabis industry. Our core service is to help businesses (currently dispensaries) connect with consumers and businesses in their internet searches. Currently, when a consumer or business utilizes our technological platform, they are searching primarily for dispensaries, dispensary related items, social engagement and/or reviews. We believe that the success of our technology enables us to expand to non-cannabis related industries and provide comparable features. The company has not yet identified the specific industries in which it will offer our technological services. However, once we identify a viable industry, we will then apply the same technological methodology that we apply to the medicinal cannabis industry. Specifically, retaining a sales team to contact stores in that industry and offer our finder site and search engine optimization services. The stores will pay a fee to us, and we then will market and promote their products and services on a custom website. The end result is increased traffic to the stores, and increased revenue to us. Therefore, our business model is being modified in the sense that we are intending to expand our technology based services to a larger audience.

We provide a focused variety of services to the medicinal cannabis industry. We are not engaged in the growing, harvesting, cultivation, possession, or distribution of cannabis. Instead, we assist the physicians, dispensaries, and end-users in the medicinal cannabis industry in finding each other and in advertising their businesses. We were incorporated in the State of Nevada in 2003.

Risk Factors

Any investment in our common stock involves a high degree of risk. You should consider carefully the following information, together with the other information contained in this Annual Report, before you decide to buy our common stock. If one or more of the following events actually occurs, our business will suffer, and as a result our financial condition or results of operations will be adversely affected. In this case, the market price, if any, of our common stock could decline, and you could lose all or part of your investment in our common stock.

We face risks in developing our products and services and eventually bringing them to market. We also face risks that we will lose some, or all of our market share in existing businesses to competition, or we risk that our business model becomes obsolete. The following risks are material risks that we face. If any of these risks occur, our business, our ability to achieve revenues, our operating results and our financial condition could be seriously harmed. We are not engaged in the growing, harvesting, cultivation, possession, or distribution of cannabis. Instead, we assist the physicians, dispensaries, and end-users within the medicinal cannabis industry in finding each other. The physicians and medical clinics are our direct clients. However, other entities in the medicinal cannabis industry, such as dispensaries, may and do utilize our internet finder sites in order to procure business.

Risk Factors Related to the Business of the Company

Some of the business activities of some of our customers, while believed to be compliant with applicable state law, are illegal under federal law because they violate the Federal Controlled Substances Act. If our customers are closed by law enforcement authorities, it will materially and adversely affect our business.

The medicinal cannabis industry is currently conducted in the 16 states, plus the District of Columbia, that have passed laws either decriminalizing or legalizing the medicinal use of cannabis. However, under United States federal law, and more specifically the Federal Controlled Substances Act, the possession, use, cultivation, and transfer of cannabis is illegal. Most of our customers are dispensaries that possess and transfer cannabis which we believe are for medical purposes, and we manage physician offices where patients, if warranted, receive a letter of recommendation from a physician permitting them to enter a dispensary and acquire medicinal cannabis, both of which are considered to be illegal under the Controlled Substances Act. We do have customers that are not involved in the medicinal cannabis industry, although they are not material to our overall business. The federal, and in some cases state, law enforcement authorities have frequently closed down dispensaries and investigated and/or closed physician offices that provide medicinal cannabis recommendations. To the extent that an affected dispensary or physician office is a customer of ours, and that dispensary or physician office is closed, it will negatively affect our revenue, and to the extent that it prevents or discourages new dispensaries and physician offices from entering the medicinal cannabis industry, we will have fewer customers and thus it would have a material negative affect on our business and operations.

Recently, the U.S. Attorney's Office in California has publicized their intent to pursue not only growers and sellers of medicinal cannabis, but also newspapers, radio stations, and other outlets that run advertisements for medicinal cannabis dispensaries. Dispensaries constitute a material percentage of our revenue stream, and if they were prevented from advertising and thus growing their business, it could have a material adverse effect on ours. In addition, while not specifically identified in the publicized statements, our websites could be considered an outlet that runs advertisements for the medicinal cannabis industry. Legal action by the U.S. Attorney's Office against outlets that run advertisements for dispensaries may have a material effect on our business. Predicated on the legal action taken, it may cause a decrease in sales to the point where we are unable to continue as a going concern.

Because the business activities of some of our customers is illegal under the Federal Controlled Substances Act, we may be deemed to be aiding and abetting illegal activities through the services that we provide to those customers. As a result, we may be subject to

enforcement actions by law enforcement authorities, which would materially and adversely affect our business.

Under United States federal law, and more specifically the Federal Controlled Substances Act, the possession, use, cultivation, and transfer of cannabis is illegal. We provide services to customers that are engaged in those illegal businesses. As a result, law enforcement authorities, in their attempt to regulate the illegal use of cannabis, may seek to bring an action or actions against us, including, but not limited, to a claim of aiding and abetting another's criminal activities. The federal aiding and abetting statute provides that anyone who "commits an offense against the United States or aids, abets, counsels, commands, induces or procures its commission, is punishable as a principal." 18 U.S.C. §2(a).

Our business, and specifically the advertisements we sell for activities that may be deemed to be illegal under federal law, may be found to be in violation of this law, and the federal government could decide to bring an action against us. As a result of such an action, we may be forced to cease operations and our investors could lose their entire investment. Such an action would have a material negative effect on our business and operations.

We face various risks related to our restatements.

On December 19, 2011, we announced in a current report filed with OTC Markets that management believes our acquisition of WeedMaps, LLC in November, 2010 may be more accurately reflected if it was accounted for as a reverse acquisition accompanied by a recapitalization (a capital transaction in substance) with no goodwill being recorded. Likewise, our acquisition of Synergistic Resources, LLC in December, 2010 may be more accurately reflected if it is accounted for as a business combination using the acquisition method (fair value), where the excess of the fair value of consideration transferred is considered to be goodwill. Following consultation with our auditors, on February 28, 2012 we restated our financial statements for the fiscal quarters ended March 31, 2011, June 30, 2011, and September 30, 2011, and for the year ended December 31, 2010.

In connection with the restatement of the financial statements, if a material weakness existed as it relates to reporting complex, non-routine transactions with various interpretations and opinions, then we believe the restatement may remedy such weakness. If weaknesses existed that were not successfully remediated, such weaknesses may diminish our ability to accurately report results of operations or financial positions and to meet financial reporting obligations in a timely manner. Subsequently, this may cause the price of our common stock to decline.

Additionally, the restatement of these financial statements may lead to legal and regulatory issues. If such issues were to arise, the defense of any such issues may cause the diversion of management's attention and resources, and may require the payment of damages if any such claims or proceedings are not resolved in our favor. Even if resolved favorably, there could be significant expenses. This may also affect our ability to raise capital or obtain financing. Additionally this may result in the resignation of our auditors which may, among other things, cause a delay in the preparation of future financial statements and increase expenditures related to the retention of new auditors. The process of retaining new auditors may limit our access to the capital markets for an extended period of time. Moreover, the potential negative publicity focusing on the restatement and negative reactions from stockholders, creditors or others with whom business is conducted, in conjunction with or separately from, the occurrence of any of the foregoing, could harm our business and reputation and cause the price of our common stock to decline.

We have a limited operating history and limited historical financial information upon which you may evaluate our performance.

You should consider, among other factors, our prospects for success in light of the risks and uncertainties encountered by companies that, like us, are in their early stages of operations. We may not successfully address all of the risks and uncertainties or successfully implement our existing and new products and services. If we fail to do so, it could materially harm our business and impair the value of our common stock, resulting in a loss to shareholders. Even if we accomplish these objectives, we may not generate the positive cash flows or profits we anticipate. Although we were incorporated in Nevada in 2003, the vast majority of the business that we conduct now was started or acquired in 2010. Unanticipated problems, expenses and delays are frequently encountered in establishing a new business and developing new products and services. These include, but are not limited to, inadequate funding, lack of consumer acceptance, competition, product development, the inability to employ or retain talent, inadequate sales and marketing, and regulatory concerns. The failure by us to meet any of these conditions would have a materially adverse effect upon us and may force us to reduce, curtail, or discontinue operations. No assurance can be given that we can or will ever be successful in our operations and operate profitably.

Approximately 14% of our gross revenue in 2011 came from a single contractual arrangement with a professional medical corporation that owns medicinal cannabis clinics. During February 2012, we committed to a definitive plan to terminate the management agreement and services associated with the agreement, which resulted in our Medical Clinic Management segment being reported as discontinued operations. As a result, we will lose significant revenue.

We have decided to terminate our management agreement resulting in the closure of General Health Solutions, Inc., which constitutes our entire Medical Clinic Management segment. During February 2012, we committed to a definitive plan to terminate the management agreement and services associated with the agreement, which resulted in General Health Solutions, Inc., our Medical Clinic Management segment being reported as discontinued operations. We anticipate being fully divested of all management responsibilities as per the management agreement by the close of the first quarter of 2012. For comparative purposes, all prior periods presented have been restated to reflect the reclassification of this segment to discontinued operations on a consistent basis. As a result, we did not record approximately \$2 million in revenues for the fiscal year ended December 31, 2011. See Note 9. Discontinued Operations.

If we are unable to meet our future capital needs, we may be required to reduce or curtail operations, or shut down completely.

To date we have relied on cash flow from operations and funding from a small group of individual investors, including James Pakulis, to fund operations. We have limited cash liquidity and capital resources. Our cash on hand as of December 31, 2011, was approximately \$1.51 million. For the year ended December 31, 2011, our total revenue was approximately \$11.92 million, our operating income was \$1.45 million, and our net income from continuing operations was approximately \$1.02 million.

Our future capital requirements will depend on many factors, including our ability to market our products successfully, cash flow from operations, locating and retaining talent, and competing market developments. Our business model requires that we spend money (primarily

on advertising and marketing) in order to generate revenue. Based on our current financial situation we may have difficulty continuing our operations at their current level, or at all, if we do not raise additional financing in the near future. Additionally, we would like to continue to acquire assets and operating businesses, which will likely require additional cash. Although we currently have no specific plans or arrangements for acquisitions or financing, we intend to raise funds through private placements, public offerings or other financings. Any equity financings would result in dilution to our then-existing stockholders. Sources of debt financing may result in higher interest expense. Any financing, if available, may be on unfavorable terms. If adequate funds are not obtained, we may be required to reduce, curtail, or discontinue operations. There is no assurance that our existing cash flow will be adequate to satisfy our existing operating expenses and capital requirements.

Because we face intense competition, we may not be able to operate profitably in our markets.

The market for the services that we offer is highly competitive. The competition will most likely increase if more states permit the use of medicinal cannabis. The increased competition may hinder our ability to successfully market our products and services. We may not have the resources, expertise or other competitive factors to compete successfully in the future. We expect to face additional competition from existing competitors and new market entrants in the future. Some of our competitors will have greater resources than we do. As a result, these competitors may be able to:

- develop and expand their product and service offerings more rapidly;
- adapt to new or emerging changes in customer requirements more quickly;
- take advantage of acquisition and other opportunities more readily; and
- devote greater resources to the marketing and sale of their products and adopt more aggressive pricing policies than we can. See “The Company - Competition.”

If no additional states allow the medicinal use of cannabis, or if one or more states that currently allow it reverse their position, we may not be able to continue our growth, or the market for our products and services may decline.

Currently, sixteen states and the District of Columbia allow the use of medicinal cannabis. There can be no assurance that the number of states that allow the use of medicinal cannabis will grow, and if it does not, there can be no assurance that the sixteen existing states and/or the District of Columbia won’t reverse their position and disallow it. If either of these things happens, then not only will the growth of our business be materially impacted, we may experience declining revenue as the market for our products and services declines.

If we are unable to attract and retain key personnel, we may not be able to compete effectively in our market.

Our success will depend, in part, on our ability to attract and retain key management, including primarily James Pakulis and Douglas Francis, but also our technical experts and sales and marketing personnel. We attempt to enhance our management and technical expertise by recruiting qualified individuals who possess desired skills and experience in certain targeted areas. We have also employed management from companies that we have acquired. Our inability to retain employees and attract and retain sufficient additional employees, and

information technology, engineering and technical support resources, could have a material adverse effect on our business, financial condition, results of operations and cash flows. The loss of key personnel could limit our ability to develop and market our products.

Because our officers and directors control a large percentage of our common stock, they have the ability to influence matters affecting our shareholders.

Our officers and directors beneficially own over 68% of our outstanding common stock. As a result, they have the ability to influence matters affecting our shareholders, including the election of our directors, the acquisition or disposition of our assets, and the future issuance of our shares. Because they control such shares, investors may find it difficult to replace our directors and management if they disagree with the way our business is being operated. Because the influence by these insiders could result in management making decisions that are in the best interest of those insiders and not in the best interest of the investors, you may lose some or all of the value of your investment in our common stock. See “Principal Shareholders.”

We may not be able to effectively manage our growth and operations, which could materially and adversely affect our business.

We have, and may in the future, experience rapid growth and development in a relatively short period of time. The management of this growth will require, among other things, continued development of our financial and management controls and management information systems, stringent control of costs, increased marketing activities, the ability to attract and retain qualified management personnel and the training of new personnel. We intend to utilize outsourced resources, and hire additional personnel, in order to manage our expected growth and expansion. Failure to successfully manage our possible growth and development could have a material adverse effect on our business and the value of our common stock.

In the states where medicinal cannabis is permitted, local laws and regulations could adversely affect our clients, including causing some of them to close, which would materially and adversely affect our business.

Even in areas where the medicinal use of cannabis is legal under state law, there are also local laws and regulations that affect our clients. For example, in some cities or counties a medical cannabis dispensary is prohibited from being located within a certain distance from schools or churches. These local laws and regulations may cause some of our customers to close, impacting our revenue and having a material effect on our business and operations. In addition, the enforcement of identical rules or regulations as it pertains to medicinal cannabis may vary from municipality to municipality, or city to city.

Our websites are visible in jurisdictions where medicinal use of cannabis is not permitted, and as a result we may be found to be violating the laws of those jurisdictions.

Internet websites are visible by people everywhere, not just in jurisdictions where the activities described therein are considered legal. As a result, we may face legal action from a state or other jurisdiction against us for engaging in activity illegal in that state or jurisdiction.

Our industry is experiencing rapid growth and consolidation that may cause us to lose key relationships and intensify competition.

The medicinal cannabis industry is undergoing rapid growth and substantial change. This includes new states that may allow medicinal use of marijuana. This has resulted in increasing consolidation and formation of strategic relationships. For example, we have already consolidated several businesses in the medicinal cannabis industry, and we have entered into strategic advertising relationships with a laboratory that tests cannabis. A cancellation of our relationship with this group or any group that we form a relationship in the future may have a negative impact on the company because it could limit our advertising exposure or the number of customers that use our websites. We make no assurance that any relationship we have established will continue.

Acquisitions or other consolidating transactions that don't involve us could nevertheless harm us in a number of ways, including:

- we could lose strategic relationships if our strategic partners are acquired by or enter into relationships with a competitor (which could cause us to lose access to distribution, content, technology and other resources);
- The relationship between us and the strategic partner may deteriorate and cause an adverse effect on our business;
- we could lose customers if competitors or users of competing technologies consolidate with our current or potential customers; and
- our current competitors could become stronger, or new competitors could form, from consolidations.

Any of these events could put us at a competitive disadvantage, which could cause us to lose customers, revenue and market share. Consolidation could also force us to expend greater resources to meet new or additional competitive threats, which could also harm our operating results.

We rely on the continued reliable operation of third parties' systems and networks and, if these systems and networks fail to operate or operate poorly, our business and operating results will be harmed.

Our operations are in part dependent upon the continued reliable operation of the information systems and networks of third parties. These include a variety of service providers including web browsers sites such as Google or MSN in which the majority of our customers locate us, internet and telephone providers or other communication providers such as for cell phone and texting. If these third parties do not provide reliable operation, our ability to service our customers will be impaired and our business, reputation and operating results could be harmed.

The Internet and our network are subject to security risks that could harm our business and reputation and expose us to litigation or liability.

Online commerce and communications depend on the ability to transmit confidential information and licensed intellectual property securely over private and public networks. Any compromise of our ability to transmit and store such information and data securely, and any costs associated with preventing or eliminating such problems, could damage our business, hurt our ability to distribute products and services and collect revenue, threaten the proprietary or

confidential nature of our technology, harm our reputation, and expose us to litigation or liability. We also may be required to expend significant capital or other resources to protect against the threat of security breaches or hacker attacks or to alleviate problems caused by such breaches or attacks. Any successful attack or breach of our security could hurt consumer demand for our products and services, and expose us to consumer class action lawsuits and harm our business.

We may be unable to adequately protect our proprietary rights.

Our ability to compete partly depends on the superiority, uniqueness and value of our intellectual property and technology, including both internally developed technology and technology licensed from third parties. To the extent we are able to do so, in order to protect our proprietary rights, we will rely on a combination of trademark, copyright and trade secret laws, confidentiality agreements with our employees and third parties, and protective contractual provisions. Despite these efforts, any of the following occurrences may reduce the value of our intellectual property:

- Our applications for trademarks and copyrights relating to our business may not be granted and, if granted, may be challenged or invalidated;
- Issued trademarks and registered copyrights may not provide us with any competitive advantages;
- Our efforts to protect our intellectual property rights may not be effective in preventing misappropriation of our technology;
- Our efforts may not prevent the development and design by others of products or technologies similar to or competitive with, or superior to those we develop; or
- Another party may obtain a blocking patent and we would need to either obtain a license or design around the patent in order to continue to offer the contested feature or service in our products.

We may be forced to litigate to defend our intellectual property rights, or to defend against claims by third parties against us relating to intellectual property rights.

We may be forced to litigate to enforce or defend our intellectual property rights, to protect our trade secrets or to determine the validity and scope of other parties' proprietary rights. Any such litigation could be very costly and could distract our management from focusing on operating our business. The existence and/or outcome of any such litigation could harm our business.

Further, because the content of much of our intellectual property concerns cannabis and other activities that are not legal in some state jurisdictions, we may face additional difficulties in defending our intellectual property rights.

Interpretation of existing laws that did not originally contemplate the Internet could harm our business and operating results.

The application of existing laws governing issues such as property ownership, copyright and other intellectual property issues to the Internet is not clear. Many of these laws were adopted before the advent of the Internet and do not address the unique issues associated with the Internet and related technologies. In many cases, the relationship of these laws to the Internet has not yet been interpreted. New interpretations of existing laws may increase our costs, require us to change business practices or otherwise harm our business.

It is not yet clear how laws designed to protect children that use the Internet may be interpreted, and such laws may apply to our business in ways that may harm our business.

The Child Online Protection Act and the Child Online Privacy Protection Act impose civil and criminal penalties on persons distributing material harmful to minors (e.g., obscene material) over the Internet to persons under the age of 17, or collecting personal information from children under the age of 13. We do not knowingly distribute harmful materials to minors or collect personal information from children under the age of 13. The manner in which these Acts may be interpreted and enforced cannot be fully determined, and future legislation similar to these Acts could subject us to potential liability if we were deemed to be non-compliant with such rules and regulations, which in turn could harm our business.

We may be subject to market risk and legal liability in connection with the data collection capabilities of our products and services.

Many of our products are interactive Internet applications that by their very nature require communication between a client and server to operate. To provide better consumer experiences and to operate effectively, our products send information to our servers. Many of the services we provide also require that a user provide certain information to us. We post an extensive privacy policy concerning the collection, use and disclosure of user data involved in interactions between our client and server products.

Because we are in the cannabis industry, we have a difficult time obtaining the various insurances that are desired to operate our business, which may expose us to additional risk and financial liabilities.

Insurance that is otherwise readily available, such as workers compensation, general liability, and directors and officers insurance, is more difficult for us to find, and more expensive, because we engaged in the medicinal cannabis industry. Thus far, we have been successful in finding such policies, however it is at a cost that is higher than other businesses. There are no guarantees that we will be able to find such insurances in the future, or that the cost will be affordable to us. If we are forced to go without such insurances, it may prevent us from entering into certain business sectors, may inhibit our growth, and may expose us to additional risk and financial liabilities.

Risks Related To Our Common Stock

Our common stock is listed for quotation on the OTCQX tier of the marketplace maintained by OTC Markets Group, Inc., which may make it more difficult for investors to resell their shares due to suitability requirements.

Our common stock is currently quoted on the OTCQX tier of the marketplace maintained by OTC Markets Group, Inc. Broker-dealers often decline to trade in over the counter stocks given the market for such securities are often limited, the stocks are more volatile, and the risk to investors is greater. These factors may reduce the potential market for our common stock by reducing the number of potential investors. This may make it more difficult for investors in our common stock to sell shares to third parties or to otherwise dispose of their shares. This could cause our stock price to decline.

If we are unable to pay the costs associated with being a public, reporting company, we may not be able to continue trading on the OTCQX and/or we may be forced to discontinue operations.

We expect to have significant costs associated with being a public, reporting company, which may raise substantial doubt about our ability to continue trading on the OTCQX and/or continue as a going concern. These costs include compliance with the Sarbanes-Oxley Act of 2002, which will be difficult given the limited size of our management, and we will have to rely on outside consultants. Accounting controls, in particular, are difficult and can be expensive to comply with.

Our ability to continue trading on the OTCQX and/or continue as a going concern will depend on positive cash flow, if any, from future operations and on our ability to raise additional funds through equity or debt financing. If we are unable to achieve the necessary product sales or raise or obtain needed funding to cover the costs of operating as a public, reporting company, our common stock may be deleted from the OTCQX and/or we may be forced to discontinue operations.

We do not intend to pay dividends in the foreseeable future.

We do not intend to pay any dividends in the foreseeable future. We do not plan on making any cash distributions in the manner of a dividend or otherwise. Our Board presently intends to follow a policy of retaining earnings, if any.

We have the right to issue additional common stock and preferred stock without consent of stockholders. This would have the effect of diluting investors' ownership and could decrease the value of their investment.

We have additional authorized, but unissued shares of our common stock that may be issued by us for any purpose without the consent or vote of our stockholders that would dilute stockholders' percentage ownership of our company.

In addition, our certificate of incorporation authorizes the issuance of shares of preferred stock, the rights, preferences, designations and limitations of which may be set by the Board of Directors. Our certificate of incorporation has authorized issuance of up to 20,000,000 shares of preferred stock in the discretion of our Board. The shares of authorized but undesignated preferred stock may be issued upon filing of an amended certificate of incorporation and the payment of required fees; no further stockholder action is required. If issued, the rights, preferences, designations and limitations of such preferred stock would be set by our Board and could operate to the disadvantage of the outstanding common stock. Such terms could include, among others, preferences as to dividends and distributions on liquidation.

Our President and Chief Executive Officer will eventually be permitted to sell some of their stock, which may have a negative effect on our stock price and ability to raise additional capital, and may make it difficult for investors to sell their stock at any price.

Douglas Francis and James Pakulis, our President and Chief Executive Officer, respectively, are the owners of an aggregate of 57,804,579 shares of our common stock, representing over 68% of our total issued shares. On October 17, 2011, we entered into a Lock-Up Agreement with each of them that prevents them from selling any of their securities until the earlier to occur of (i) three months after effectiveness of a pending registration statement, (b) we

are no longer selling our securities in a primary sale pursuant to the registration statement, or (c) the closing sale price for our common stock is over \$3.00 for twenty (20) consecutive trading days. Once one or more of these conditions are satisfied, either of them may be able to sell up to 1% of our outstanding stock (currently approximately 831,000 shares) every 90 days in the open market pursuant to Rule 144, which may have a negative effect on our stock price and may prevent us from obtaining additional capital. In addition, if either of them are selling their stock into the open market, it may make it difficult or impossible for investors to sell their stock at any price.

Our common stock is governed under The Securities Enforcement and Penny Stock Reform Act of 1990.

The Securities Enforcement and Penny Stock Reform Act of 1990 requires additional disclosure relating to the market for penny stocks in connection with trades in any stock defined as a penny stock. The Commission has adopted regulations that generally define a penny stock to be any equity security that has a market price of less than \$5.00 per share, subject to certain exceptions. Such exceptions include any equity security listed on NASDAQ and any equity security issued by an issuer that has (i) net tangible assets of at least \$2,000,000, if such issuer has been in continuous operation for three years, (ii) net tangible assets of at least \$5,000,000, if such issuer has been in continuous operation for less than three years, or (iii) average annual revenue of at least \$6,000,000, if such issuer has been in continuous operation for less than three years. Unless an exception is available, the regulations require the delivery, prior to any transaction involving a penny stock, of a disclosure schedule explaining the penny stock market and the risks associated therewith.

Special Note about Forward Looking Statements

We have made forward-looking statements in this annual report, including the sections entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business,” that are based on our management’s beliefs and assumptions and on information currently available to our management. Forward-looking statements include the information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities, the effects of future regulation, and the effects of competition. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate” or similar expressions. These statements are only predictions and involve known and unknown risks and uncertainties, including the risks outlined under “Risk Factors” and elsewhere in this annual report.

Although we believe that the expectations reflected in our forward-looking statements are reasonable, we cannot guarantee future results, events, levels of activity, performance or achievement. We are not under any duty to update any of the forward-looking statements after the date of this annual report to conform these statements to actual results, unless required by law.

Legal Proceedings

We are not a party to or involved in any legal proceedings.

In the ordinary course of business, we are from time to time involved in various pending or threatened legal actions. The litigation process is inherently uncertain and it is possible that the resolution of such matters might have a material adverse effect upon our financial condition and/or results of operations. However, in the opinion of our management, other than as set forth herein, matters currently pending or threatened against us are not expected to have a material adverse effect on our financial position or results of operations.

Business of the Issuer

Our primary SIC code is 8741 – Management Services.

The Medicinal Cannabis Industry

Sixteen states, plus the District of Columbia, have adopted laws that exempt patients from state criminal penalties who use medicinal cannabis under a physician's supervision. These are collectively generally referred to as the states that have de-criminalized medicinal cannabis, although there is a subtle difference between de-criminalization and legalization, and each state's laws are different. The states are as follows (in alphabetical order):

- Alaska,
- Arizona,
- California,
- Colorado,
- Delaware
- District of Columbia,
- Hawaii,
- Maine,
- Michigan,
- Montana,
- Nevada,
- New Jersey,
- New Mexico,
- Oregon,
- Rhode Island,
- Vermont, and
- Washington.

As of March 2012, eighteen states have pending legislation or ballot measures to legalize medical marijuana. The states are as follows (in alphabetical order):

- Alabama,
- Connecticut,
- Idaho,
- Illinois,
- Indiana,

- Iowa,
- Kansas,
- Maryland,
- Massachusetts,
- Mississippi,
- Missouri,
- New Hampshire,
- New York,
- Ohio,
- Oklahoma,
- Pennsylvania,
- West Virginia, and
- Wisconsin.

Medical cannabis decriminalization is generally referred to as the removal of all criminal penalties for the private possession and use of cannabis by adults, including cultivation for personal use and casual, nonprofit transfers of small amounts. Legalization is generally referred to as the development of a legally controlled market for cannabis, where consumers purchase from a safe, legal, and regulated source.

The United States federal government regulates drugs through the Controlled Substances Act (21 U.S.C. § 811), which places controlled substances, including cannabis, in a schedule. Cannabis is classified as a Schedule I drug, which is viewed as highly addictive and having no medical value. Doctors may not prescribe cannabis for medical use under federal law, however, they can recommend its use under the First Amendment. In 2010, the United States Veterans Affairs Department clarified that veterans using medicinal cannabis will not be denied services or other medications that are denied to those using illegal drugs.

Our Principal Services

Our principal services are offered through the following wholly owned subsidiaries.

WeedMaps Media, Inc.

WeedMaps Media, Inc. is our wholly-owned subsidiary, and its primary operation is the Internet website, www.weedmaps.com. WeedMaps.com is an online finder site service that allows patients to find local medical cannabis dispensaries, which are also referred to as collectives. Dispensaries are locations where patients who have received letters of recommendation from a health care provider can purchase medicinal cannabis, as well as a variety of other non-cannabis related items including, but not limited to, apparel accessories, posters, bumper stickers, concert tickets, books and musical CD's.

WeedMaps.com specializes in search engine optimization (SEO) for widely used medical cannabis industry search terms. The dispensaries pay a fee to WeedMaps in order to subscribe to the various services available. WeedMaps.com has an estimated six million page views per month. WeedMaps.com generates income by providing the dispensary owner a variety of advertising choices, including gold, silver and bronze advertising packages. The Gold Listing comes up first on the Google Map, first on the Regional Listing Page, and first on the Featured Five Slide Bar and also has a large distinctive red icon on the Google map all of which, taken together, allow for heightened visibility. The Silver Listing comes up second on the Regional

listing Page, second on the Featured Five Slide Bar and has a large distinctive blue icon on the Google map allowing for heightened visibility. The Bronze listing comes up third on the Regional Listing Page and third on the Featured Five Slide Bar. The preferred positions convert at higher click through rate to the customer's actual listing page. On average, the click through rate for a premium listing compared to a standard listing in their geographical regions is 4-to-1 for a Gold, 3-to-1 for a Silver and 2-to-1 for a Bronze. Predicated on the select package, WeedMaps markets the respective dispensary online, and advertises their products.

The range of prices charged for each advertising package tier differs per region, and per each tier package. We currently market to 140 regions. Regions are internally created based on geographic location and demographics. The smallest number and the highest number of regions over the past six months is 130 and 150, respectively. The complete range of pricing includes the following: Gold packages range from \$700 to \$10,000 per month; the Silver Package range is from \$500 to \$6,000 per month; the Bronze Package range is from \$500 to \$5,000 per month; the Copper Package range is from \$500 to \$4,000 per month; and the Nickel Package range is from \$500 to \$3,000 per month. Listing costs vary per region based on site traffic, number of page views received per region, geographical demographics, and patient demand.

The cost per featured listing, which includes Gold, Silver, Bronze, Copper and Nickel Packages, vary per region and remain in place for a minimum of 90 days (3 months). In addition, the cost per each featured listing per each geographical area varies which is predicated on site traffic, number of page views received per region, geographical demographics, and patient demand. Note, in regions where there is a significant number of dispensaries and therefore demand, then Copper and Nickel packages are available. A Copper listing is displayed 4th on a Regional Listing Page and a Nickel listing is displayed 5th on a Regional Listing Page. However, in regions in which there is a smaller client count, the Copper and Nickel packages are not available as a result of limited demand.

In general, clients begin in a lower advertising tier and move up advertising tiers, typically to premium tiers, as their exposure and associated foot traffic increase. On average, clients typically remain clients of our site for seven months. In a small percentage of cases the client will get to maximum patient capacity in terms of foot traffic at their location, then they downgrade to an advertising tier with less exposure on our website.

User search results are populated on a regional listing page and then displayed in order of program sponsorship (aka Gold displays 1st, Silver 2nd, etc.). In regions where the client count is minimal then less preferred placement packages are available. For example, if there are only 3 clubs in a Region then the Silver and Bronze packages may not be available. However as regions grow in client count then premium positions then become available, and consequently, the value per each tier may increase.

One of the primary methods for us to convert clients to a "paying" status is to allow clients to list and have minimal exposure on our site without paying a fee. It is customary that once a client is represented on our site with an icon, then that client begins to increase traffic. As a result, the client typically desires to convert into a paying customer, increasing their exposure on our site, and increasing their traffic to their location. As an example, a regional listing page can display up to 40 sponsored (paying) locations and an unlimited amount of non-paying listing. Sponsored (paying) clients, in most cases, are provided page 1 placement. So at the end of a given month, if the sponsor count is above 40 then the regional listing page is typically divided into smaller regions, provided it does not detract from the user experience.

Paying clients are clients that are not on our free listing advertising tier and are in essence, paying clients. The number of clients refers to the number of paying clients we have at any one point in time.

The terms for advertising on the site are month to month. On average, clients typically remain clients of our site for seven months. In a small percentage of cases the client will get to maximum patient capacity and downgrade to an advertising tier with less exposure on our website.

We do not receive varying revenue amounts based on our three advertising package tiers. In general, customers typically remain in the same advertising tier month-to-month. The revenue, or the price of each advertising package tier, is predicated on several internal factors that taken together determine the price of the three tiers within a certain region, which for example include, but are not limited to, a certain region's population, site traffic, listing density, and reasonable distances of travel for consumers. Said differently, advertising package tier pricing differs from region to region (i.e. Gold tier in Region A will differ to Region B), but does not typically vary within the same region (i.e. Gold tier in Region A typically remains the same month-to-month).

On a daily basis WeedMaps also promotes "WeedFreebies" on the website. This is a form of advertising in which a dispensary pays a fee and is allowed to donate a product from their dispensary which is advertised on the WeedMaps website. The dispensary receives additional promotion on the website in the form of banner advertising. The donated products are delivered to the recipients in one of two methods depending on the geographic location of the recipient. If the recipient is located near the retail establishment of the donor sponsor, then the recipient will pick up the donated product directly from the sponsor. If the recipient is not located near the retail establishment of the donor sponsor, then the donated product is sent via a third party courier service.

We take possession of the donated product only if we need to photograph the product for the WeedFreebies display, or if it is to be shipped. For our customers to participate in this promotion they must pay a fee in order to be allowed to donate a product, each of our customers that have donated a product has delivered the product to the winning recipient. However, should one of our customers fail to deliver the prize to the winning recipient, the winning recipient is supplied with a gift card from us in the amount of the value of the prize.

WeedMaps has a variety of other income streams including providing video content to the dispensary, and photo packages.

MMJMenu

On January 5, 2012, WeedMaps acquired substantially all the assets of MMJMenu, LLC. The assets consist primarily of the intellectual property associated with MMJMENU, including its website (www.mmjmenu.com), a variety of related websites, and its customers.

General Marketing Solutions, Inc.

General Marketing Solutions, Inc. is our wholly-owned subsidiary, and its primary operation is the Internet website, www.cannabiscenters.com. Though primarily in the development stage, the website aids prospective patients in finding physicians across the country that support and recommend medicinal cannabis. There is a patient verification system which verifies the authenticity of the patient's Letter Of Recommendation. This is an internal control

system designed to validate the status of a patient to law enforcement, dispensaries and other interested parties, as well as a social media platform for users.

General Merchant Solutions, Inc.

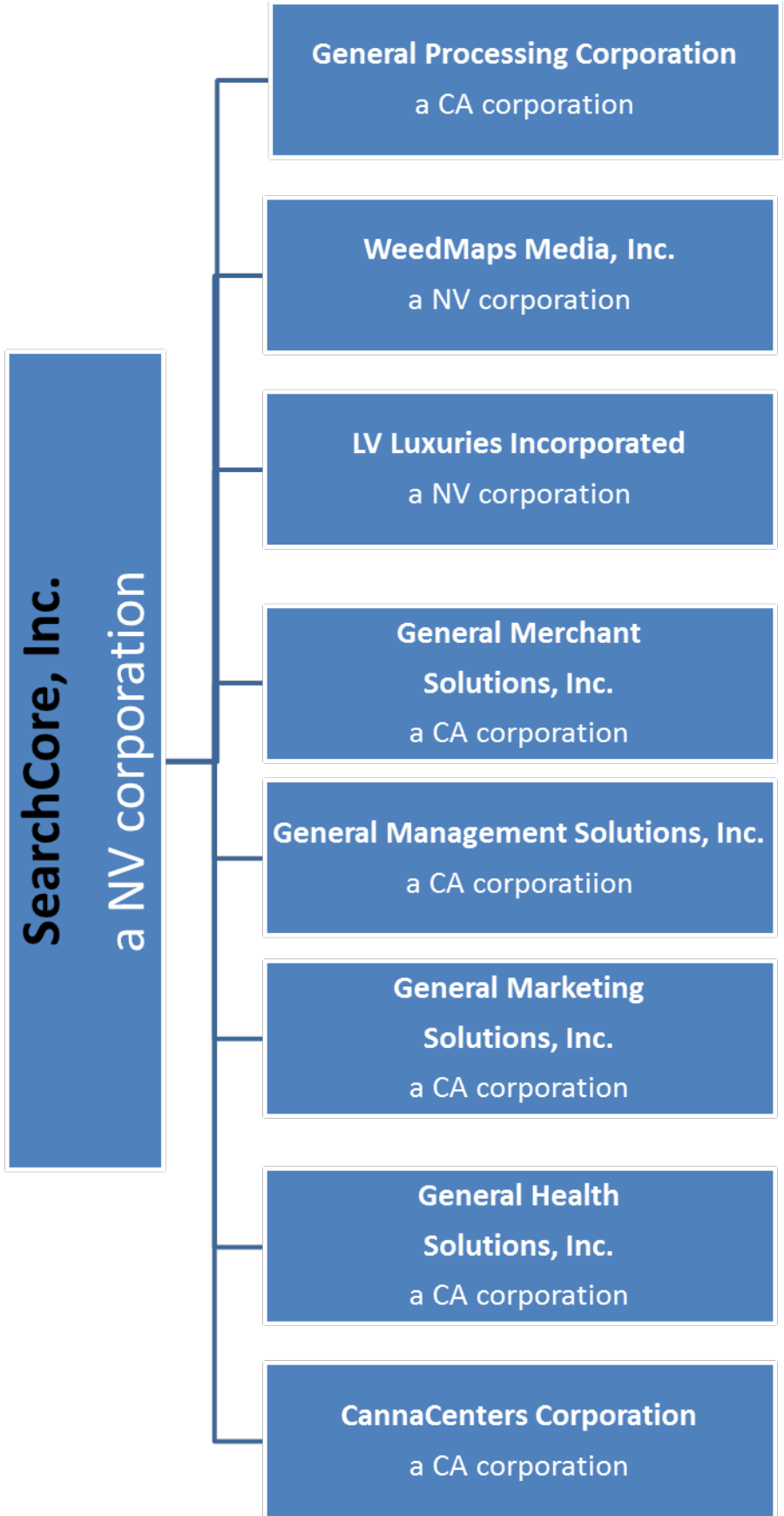
Prior to August 1, 2011, General Merchant Solutions supplied dispensaries with credit card processing services, however, due to market conditions (specifically lack of reliable financing) we felt it to be in our best interests to discontinue providing merchant services to dispensaries. The remaining credit card processing business proved to be only nominally profitable, and on October 31, 2011, General Merchant Solutions discontinued all retail credit card processing operations. The entity is held as an entity in good standing with no operations.

General Management Solutions, Inc.

General Management Solutions, Inc., is our wholly-owned subsidiary that oversees and provides all of the human resources issues for employees including hiring, terminating, and employee benefits.

Other Subsidiaries

We have two additional wholly-owned subsidiaries whose operations are relatively inactive at this time, namely *General Processing Corporation*, *CannaCenters Corporation* (dba CannaCenters), and two subsidiaries, namely *LV Luxuries Incorporated* (which operated as makeup.com) and *General Health Solutions, Inc.* (dba CannaCenters.com), whose operations have been discontinued. As of right now we have no imminent or specific plans for either of the entities and they are held as corporations in good standing with no operations.



Recent Acquisitions

WeedMaps, LLC

On November 19, 2010, we entered into an Agreement and Plan of Reorganization and Merger (the “WeedMaps Purchase Agreement”) pursuant to which we acquired 100% of the membership interests of WeedMaps, LLC, a Nevada limited liability company (“WeedMaps”), pursuant to the terms of which WeedMaps was merged with and into WeedMaps Media, Inc. (“Merger Sub”), our wholly-owned subsidiary (the “Merger”). Prior to the Merger, SearchCore (formerly General Cannabis, Inc.) was deemed to be a non-operating public shell corporation with nominal net assets and WeedMaps was a private operating company with significant operations. For accounting purposes the transaction is considered to be a reverse merger treated as a recapitalization of SearchCore where SearchCore is the surviving legal entity and the accounting acquiree, and WeedMaps is considered to be the accounting acquirer and the legal acquiree. The assets and liabilities of WeedMaps are recorded at their historical cost with the equity structure of SearchCore. No goodwill was recorded in the transaction. SearchCore was deemed a continuation of the business of WeedMaps and the historical financial statements of WeedMaps became the historical financial statements of SearchCore.

See *Note 22 Recapitalization* in the financials statements filed herewith for a discussion regarding the elimination of the historical results of operation and the accumulated deficit of SearchCore including its wholly owned subsidiary, LV Luxuries Incorporated, as a result of the Merger and the associated reverse merger accounting and recapitalization of SearchCore (formerly General Cannabis, Inc.).

The total purchase price was \$54,962,269, which pursuant to the WeedMaps Purchase Agreement consisted of:

- i. the issuance of 16,400,000 shares of common stock to two individuals, Justin Hartfield (“Hartfield”) and Keith Hoerling (“Hoerling”) (“Hartfield” and “Hoerling” together as “Sellers”), which shares were issued on January 20, 2011;
- ii. the issuance of Secured Promissory Notes with the aggregate principal amount of \$3,600,000, in the form of four \$900,000 principal amount 0.35% Secured Promissory Notes, two issued to each of the Sellers, half of which principal matures on June 30, 2012, and half of which principal matures on January 10, 2013; and
- iii. up to an aggregate of 16,000,000 additional shares of common stock pursuant to certain Earn-out Provisions in the WeedMaps Purchase Agreement (which earn-out provisions have been satisfied for the first year; we correspondingly expect to issue 6,000,000 shares in the first quarter of 2012).

Pursuant to the WeedMaps Purchase Agreement, the Earn-out Provisions provide that for a period of three years following the acquisition of WeedMaps, each of the Sellers will be eligible to earn and be issued a certain number of shares of common stock based upon the following formula as follows:

- i. In year one following the acquisition of WeedMaps each of the Sellers will be eligible to earn and be issued 3,000,000 shares of common stock on January 31, 2012, if the gross revenues of Merger Sub (WeedMaps, LLC was merged with

and into WeedMaps Media, Inc. (“Merger Sub”)), for the fiscal year ended December 31, 2011 are at least 20% higher than they were for the fiscal year ended December 31, 2010. If the 2011 gross revenues of Merger Sub are at least 10%, but less than 20%, higher than the 2010 gross revenues, then the number of shares to be issued shall be reduced to 1,250,000 shares to each of the Sellers. If the 2011 gross revenues of Merger Sub are less than 10% higher than the 2010 gross revenues, then no shares shall be issued hereunder. (The earn-out provisions have been satisfied for the first year; we correspondingly expect to issue 6,000,000 shares in the first quarter of 2012)

- ii. In year two following the acquisition of WeedMaps each of the Sellers will be eligible to earn and be issued 3,000,000 shares of common stock on January 31, 2013, if the gross revenues of Merger Sub for the fiscal year ended December 31, 2012 are at least 20% higher than they were for the fiscal year ended December 31, 2011. If the 2012 gross revenues of Merger Sub are at least 10%, but less than 20%, higher than the 2011 gross revenues, then the number of shares to be issued shall be reduced to 1,250,000 shares to each of the Sellers. If the 2012 gross revenues of Merger Sub are less than 10% higher than the 2011 gross revenues, then no shares shall be issued.
- iii. In year three following the acquisition of WeedMaps each of the Sellers will be eligible to earn and be issued 2,000,000 shares of common stock on January 31, 2014, if the gross revenues of Merger Sub for the fiscal year ended December 31, 2013 are at least 20% higher than they were for the fiscal year ended December 31, 2012. If the 2013 gross revenues of Merger Sub are at least 10%, but less than 20%, higher than the 2012 gross revenues, then the number of shares to be issued shall be reduced to 1,250,000 shares to each of the Sellers. If the 2013 gross revenues of Merger Sub are less than 10% higher than the 2012 gross revenues, then no shares shall be issued.

To date the payments made to Mr. Hartfield and Mr. Hoerling total \$995,000, combined. We are confident that we will continue to pay no less than \$100,000 per month over the next four months to Mr. Hartfield and Mr. Hoerling thereby paying down \$1,395,000 of the \$1,800,000 owed on June 30, 2012 as per the original Note date November 19th, 2010, as amended. Thereafter, the balance owed on June 30th, 2012 will be \$405,000. Historically we have maintained an ongoing cash balance of no less than \$1,000,000, and on most occasions approximately \$1,200,000. We believe we will not be adversely affected should we need to pay \$405,000 to the noteholders on or before June 30th, 2012. Alternatively, we believe we may be able to raise capital from the sale of securities included in a registration statement, or raise funds via a private placement. Finally, the noteholders have verbally agreed to negotiate an extension on the notes, or in the alternative to accept payments of \$100,000 per month until the notes are paid in full, if necessary. However, there can be no assurance that we will be able to continue to make payments, that we will be able to pay off the notes, or that the noteholders will uphold their agreement to extend the notes. If we are unable to satisfy our obligations under the notes, it will have a material negative effect on our cash flow, operations, profitability, and we could be forced to return WeedMaps to Mr. Hartfield and Mr. Hoerling.

All of the shares of common stock issued or to be issued to Hartfield and Hoerling are subject to the terms of a Lock-Up Agreement whereby none of the shares may be sold prior to June 30, 2011, up to twenty five percent (25%) of the shares may be sold beginning on June 30, 2011, and the remaining shares may be sold beginning on November 30, 2011.

Also on November 19, 2010, we entered into at-will employment agreements with each of Hartfield and Hoerling, with compensation to each of Thirty Thousand Dollars (\$30,000) per month.

This business is now operated as WeedMaps Media, Inc.

Synergistic Resources, LLC

On December 3, 2010, we entered into a Reorganization and Asset Acquisition Agreement pursuant to which we acquired substantially all the assets of Synergistic Resources, LLC, a California limited liability company. The assets consisted primarily of the intellectual property and established marketing associated with the name Marijuana Medicine Evaluation Centers, including its website (www.marijuanamedicine.com), and the assignment of a Management Services Agreement pursuant to which we initially managed twelve (12) medicinal cannabis clinics. As consideration for the purchase, we issued an aggregate of Two Million (2,000,000) shares of our common stock, and paid Fifty Thousand Dollars (\$50,000) cash, to Synergistic Resources. Also effective on December 3, 2010, we entered into an at-will employment agreement with Brent Inzer, the sole manager and member of Synergistic Resources, with compensation of Fifteen Thousand Dollars (\$15,000) per month.

This business was operated as General Health Solutions, Inc. At one time, General Health Solutions managed 14 clinics, but in the fourth quarter of 2011 we terminated our arrangement at four of the clinics as a result of underperformance as compared to our original projections.

We have decided to terminate our management agreement resulting in the closure of General Health Solutions, Inc., which constitutes our entire Medical Clinic Management segment. During February 2012, we committed to a definitive plan to terminate the management agreement and services associated with the agreement, which resulted in General Health Solutions, Inc., our Medical Clinic Management segment being reported as discontinued operations. We anticipate being fully divested of all management responsibilities as per the management agreement by the close of the first quarter of 2012. For comparative purposes, all prior periods presented have been restated to reflect the reclassification of this segment to discontinued operations on a consistent basis.

Revyv, LLC

On January 11, 2011, we entered into a Reorganization and Asset Acquisition Agreement pursuant to which we acquired substantially all the assets of Revyv, LLC. The assets consisted primarily of the intellectual property associated with the name CannabisCenters, including its website (www.cannabiscenters.com), its related physician software and patient verification system, and numerous existing contracts. As consideration for the purchase, which closed on January 13, 2011, we issued an aggregate of Five Hundred Thousand (500,000) shares of our common stock to Revyv, LLC or its assigns. Effective on January 10, 2011, we entered into an at-will employment agreement with each of James Johnson and David Johnson, each of which are members of Revyv, LLC. The compensation due to each was \$12,500 per month. Neither James Johnson nor David Johnson are currently employed by us.

This business is now operated as General Marketing Solutions, Inc.

Marijuana.com

On November 18, 2011, we entered into a Domain Name Purchase Agreement with an unrelated party for the purchase of “marijuana.com.” Pursuant to the terms of the Agreement, the purchase price was \$4,250,000, payable \$125,000 on the date of execution of the Agreement, and the remaining balance over sixty nine (69) consecutive months at the fixed and equal amount of \$60,659 per month, beginning on January 18, 2012, pursuant to a Non-Recourse Secured Promissory Note of the same date. In addition to the purchase price, beginning on the tenth (10th) business day of the month immediately following the first full month after the Transfer Date, we will pay to the Seller, or its assigns, an amount equal to ten percent (10%) of the gross revenue generated by the Domain Name (the “Revenue Payment”) until such time as the Note is paid in full (the “Revenue Obligation Period”). The Revenue Payment will be accounted for pursuant to ASC 805-10-55-25 as a separate transaction. Since the Revenue Payments formula is a specified percentage of earnings (i.e. 10%), it is a profit-sharing arrangement and will be expensed as it is paid. The operations and/or revenues generated from marijuana.com were not part of the URL purchase. The domain name www.marijuana.com is considered a premium domain name due to its level of monthly page views. We intend to increase our brand recognition by utilizing marijuana.com as a referral page to WeedMaps.com, and selling advertising banner space on the site. There can be no assurance that we will be able to make the payments or that we will be able to pay off the notes. If we are unable to satisfy our obligations under the notes, it will have a material negative effect on our cash flow, operations, profitability, and we could be forced to return marijuana.com to the seller.

MMJMenu

On January 5, 2012, WeedMaps acquired substantially all the assets of MMJMenu, LLC. The assets consist primarily of the intellectual property associated with MMJMENU, including its website (www.mmjmenu.com), a variety of related websites, and its customers. As consideration for the purchase, we issued an aggregate of Two Hundred Thousand (200,000) shares of our common stock to MMJMenu, LLC. In addition, we have agreed to issue up to an additional One Hundred Thousand (100,000) shares of our common stock if certain revenue milestones are met in 2012 and 2013.

Effective on January 4, 2012, we entered into an at-will employment agreement with each of Alex Weidmann and Justin Weidmann, each of which are members of MMJMenu, LLC.

NORML

In the second quarter of 2011, we entered into a verbal agreement with the National Organization for the Reform of Marijuana Laws (NORML) in which we agreed to have our technology department redesign the NORML website. In exchange we receive discounted banner advertising space on the newly designed website, and radio promotions. We completed the redesign in October, 2011 and entered into an Advertising and Promotion Agreement at that time.

Divestitures

On February 1, 2010, we sold the domain name makeup.com, its associated domain names and certain intellectual property rights associated with these domain names for \$2,000,000, of which we paid \$200,000 in fees related to the sale, which resulted in proceeds to us of \$1,800,000. We were in the business of selling beauty products, such as makeup and perfume, on the internet through the makeup.com website.

Intellectual Property

Our intellectual property portfolio is an important part of our business. We currently own over 250 Internet domain names, the majority of which are related to the cannabis industry. We currently have one trademark. We use a combination of trademark, copyright, trade secret and other intellectual property laws, and confidentiality agreements to protect our intellectual property. Our employees and independent contractors are required to sign agreements acknowledging that all inventions, trade secrets, works of authorship, developments and other processes generated by them on our behalf are our property, and assigning to us any ownership that they may claim in those works. Despite our precautions, it may be possible for third parties to obtain and use without consent intellectual property that we own. Unauthorized use of our intellectual property by third parties, and the expenses incurred in protecting our intellectual property rights, may adversely affect our business.

From time to time, we may encounter disputes over rights and obligations concerning intellectual property. While we believe that our product and service offerings do not infringe the intellectual property rights of any third party, we cannot assure you that we will prevail in any intellectual property dispute. If we do not prevail in such disputes, we may lose some or all of our intellectual property protection, be enjoined from further sales of the applications determined to infringe the rights of others, and/or be forced to pay substantial royalties to a third party.

Competition

We know that there is intense competition in the medicinal cannabis industry. However, because of the conflict of federal laws and state laws, and because most of the participants in the industry are privately held, publicly available information is difficult to find. A CNBC article¹ estimated the total cannabis market at between \$35 and \$45 billion. There are over 1,200 cannabis dispensaries in California alone, and over 200 medical clinics that will issue a medical cannabis recommendation.

The following is a list of known competitive referral websites for either dispensaries or clinics:

- Pot Locator (<http://www.potlocator.com/>)
- THC Finder (<http://www.thcfinder.com/>)
- GPS 420 (<http://www.gps420.com/>)
- Marijuana Dispensaries 411 (<http://www.gps420.com/>)
- WeedTracker (<http://weedtracker.com/cannabis/>)
- Los Angeles Cannabis Clubs (<http://www.losangelescannabisclubs.com/>)
- Leaf Ly (<http://www.leafly.com/explore>)
- Sticky Guide (<http://www.stickyguide.com/>)
- LA Weed Maps (<http://caweedmaps.com/>)
- Cannagen (<http://cannagen.com/>)
- Dispensary Finder (<http://www.dispensaryfinder.com/>)
- Herban Tracker (<http://herbantracker.com/>)
- Roll it Up (<http://www.rollitup.org/colorado-patients/334363-new-dispensary-finder-website.html>)

¹ How Big Is The Marijuana Market?
http://www.cnbc.com/id/36179677?_source=usatoday/marijuana&par=usatoday&loc=interstitialskip

- Daily Buds (<http://www.dailybuds.com/>)
- Kush Pages (<http://kushpages.com/>)

Research and Development

We have not spent a material amount on research and development activities.

Our Employees

We have 67 full-time employees and/or contractors working in our office, three of which are our officers, 54 of which are engaged in marketing, publishing and development, and 13 of which are engaged in administrative functions.

Change of Control

On August 18, 2010, a total of \$1,609,704 in our convertible debt was assigned by various parties to James Pakulis. On that same date, Mr. Pakulis converted the debt into an aggregate of 53,656,814 shares of our common stock, representing (as of October 29, 2010) 84.5% of our issued and outstanding common stock. Mr. Pakulis subsequently sold 29,328,407 of the shares to Douglas Francis, another of our officers and directors.

Also on August 18, 2010, James Pakulis purchased 5,000,000 shares of our common stock from a former affiliate shareholder, representing (as of October 29, 2010) 7.8% of our issued and outstanding common stock.

Item IX The nature of products or services offered.

See Business of Issuer, above.

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

Our executive offices are located in Newport Beach, California, at 1300 Dove Street, Newport Beach, CA 92660. Our office space is approximately 20,332 square feet pursuant to a three year lease that began in March 2011 and ends on January 31, 2014. The lease is at a rate of \$39,647.40 per month with payments beginning in August 2011, with standard increases annually.

Part D Management Structure and Financial Information

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

The following table sets forth the names, ages, and biographical information of each of our current directors and executive officers, and the positions with us held by each person, and the date such person became a director or executive officer. Our executive officers are elected annually by the Board of Directors. The directors serve one-year terms until their successors are elected. The executive officers serve terms of one year or until their death, resignation or removal by the Board of Directors. Family relationships among any of the directors and officers are described below.

<u>Name</u>	<u>Age</u>	<u>Position</u>
James Pakulis	48	Chairman of the Board of Directors and Chief Executive Officer
Douglas Francis	33	President, Chief Strategy Officer, Director
Munjit Johal	56	Chief Financial Officer, Secretary, Treasurer, and Director
Bonni Goldstein	47	Director
Justin Hartfield	27	Chief Web Officer
Keith Hoerling	30	Chief Technology Officer

James Pakulis, age 48, has been one of our directors since August 2010, our Chief Executive Officer since November 2010, and our Chairman of the Board since January 2011. He served as our Chairman of the Board, President and COO from August 2010 to November 2010. Mr. Pakulis was an advisor to Synergistic Resources, LLC from January 2010 until the time of our acquisition of its assets in December 2010. Mr. Pakulis was made a director at the time of his acquisition of control of the company in August 2010.

Mr. Pakulis' has extensive experience successfully negotiating business acquisitions, real estate and financial transactions (see below). His negotiation skills have been materially beneficial for us as Mr. Pakulis has successfully lead, in part with Mr. Francis, the negotiations to acquire four separate entities and a premium domain in the course of approximately eighteen months. In addition to negotiating the transaction, and as a result of Mr. Pakulis' history in operations and management, he has been instrumental in incorporating the operations of our four acquired entities. Mr. Pakulis' attributes in management have also proven beneficial as he has overseen our consistent growth since inception in August 2010.

Mr. Pakulis has considerable experience working in industries in which there is an uncertain or changing regulatory environment, similar to the medicinal cannabis industry today. Mr. Pakulis was material in assisting with the national growth strategies and acquisitions on behalf of CliniCorp, Inc. during the transitory period in which the healthcare system experienced a paradigm shift as to how it operated when it converted from a "pay for fee" system to a

healthcare managed system. And he was successful in leading his mortgage company during the financially challenging years of 2007 and 2008.

At Synergistic Resources, Mr. Pakulis was instrumental in enhancing the operations of the company. He provided keen leadership in upgrading the accounting department as well as streamlining the operations, including but not limited, to better call retention, and higher patient conversion rate. Mr. Pakulis organized and oversaw, with legal counsel, the upgrade of legal documentation being used by the company, and assisted in the review and implementation of contracts and agreements. Mr. Pakulis was also responsible for the due diligence and analysis in order to determine the viability of expanding the company's operations outside the state of California.

Since 1995, Mr. Pakulis has also been an owner and/or consultant in start-up companies in various industries including internet, finance, real estate and insurance. From 2003 through 2009 Mr. Pakulis was President of Pacific West Funding Corporation. Mr. Pakulis oversaw the operations at both locations of Pacific West Funding Corporation (California and Utah) including the financing, accounting, hiring and legal compliance issues. Mr. Pakulis also structured non-residential real estate transactions as well as sourced and allocated funds for various real estate projects. Mr. Pakulis obtained his insurance license in 2009.

From 1995 to 2003 Mr. Pakulis acted as a financial consultant to several privately held entities located in California, as well as performed mortgage brokerage services for several firms including BrooksAmerica, a mortgage and wholesale lender located in Santa Ana, California. From 1990 to 1995, Mr. Pakulis oversaw all mergers and acquisitions in the western United States for CliniCorp, Inc., a publicly traded entity that had specialized in healthcare clinic management and operations. Mr. Pakulis' role entailed sourcing, negotiation and acquiring, on behalf of CliniCorp, the assets of healthcare facilities located in California, New Mexico, Colorado and Arizona. Mr. Pakulis also acted as the conduit between senior management at CliniCorp and the acquiring entities. In this role Mr. Pakulis assisted management with forming stock option plans, projecting clinic revenues and negotiating key person contracts. From 1987 to 1990, Mr. Pakulis was involved in the healthcare industry overseeing day-to-day operations for several privately held multi-disciplinary clinics in the Los Angeles area. Mr. Pakulis primary responsibilities at these facilities included managing, staffing and training office personnel, as well establish additional locations for future medical offices. Mr. Pakulis received his BA in English from The Ohio State University in 1987.

Douglas Francis, age 33, has been one of our directors and our Chief Strategy Officer since August 2010, our President since November 2010, and was our CEO from August 2010 to November 2010 and our Chairman of the Board from November 2010 to January 2011. From 2008 until the time of our acquisition of its assets in December 2010, Mr. Francis was the CEO of Synergistic Resources, LLC, an entity specializing in the management of physician owned healthcare facilities which issued Letters Of Recommendation for patients that warrant them in the medicinal cannabis medical industry throughout California.

Mr. Francis demonstrated exceptional skills in developing operational and marketing plans for the management of the above referenced clinics. As a result of his insight and leadership skills, he was able to expand the number of clinics under management from one to ten facilities over the course of two years. Mr. Francis was instrumental in the creation and design of Synergistic Resources custom design marketing campaigns which was primarily based on the development of software and the implementation of technology. Specifically, the technology methodology included leveraging search engine optimization, social media outlets and corporate

branding via the web. Mr. Francis has been able to apply these traits and attributes in assisting with the growth of our technology department. As a result of his experience in technology, communications, healthcare, and real estate, Mr. Francis has applied his skill set and has proven himself as a valuable asset in strategizing our direction and overall business goals.

In addition to the above, Mr. Francis's responsibilities also included the integration and monitoring of web based communication and telephone systems, as well as redundant systems, which prevented minimal communication interruptions in a high call volume environment. Mr. Francis has applied these skills and experience to improve and enhance the flow of calls and overseeing our communications systems.

Separately, Mr. Francis spearheaded the original expansion of the management of health care facilities at Synergistic Resources from one to ten facilities over the course of two years.

Mr. Francis' expertise in the medicinal cannabis industry made him attractive as one of our directors. In November 2009 Mr. Francis also became COO of WeedMaps, LLC, which owns the domain weedmaps.com. Mr. Francis, having significant sales experience, was instrumental in combining state-of-the-art internet technology with conventional sales methodologies. As a result, WeedMaps.com has become the largest internet finder site in the country for medical dispensaries.

Mr. Francis was an independent mortgage broker for all of 2007. From October 2005 through the end of 2006, Mr. Francis served as the CEO of Embark Lending Corporation, a mortgage firm. Mr. Francis hired and trained mortgage brokers, oversaw operations and administrations, and assisted in organizing and monitoring various lines of credits originating from financing institutions. From November 2003 to August 2005, Mr. Francis served as the CEO of Home Advantage Funding, under NovaStar Home Mortgage, also a mortgage firm. During that time Mr. Francis provided a similar leadership role that he performed at Embark Lending Corporation. Mr. Francis received his BA in Finance from Chapman University in 2001.

Munjit Johal, age 56, has been a director and our Chief Financial Officer since October 20, 2006. Additionally, Mr. Johal serves as the Controller of High Tower Capital, Inc., where he has served since January 2007. Prior to that, Mr. Johal was the Chief Financial Officer of Secured Diversified Investment, Ltd from 2002 to January 2009 and Davi Skin, Inc. from March 2007 to May 2010. Since 1990, Mr. Johal has served as a financial officer of various companies including Pacific Heritage Bank as Executive Vice President. From 1981 to 1987 Mr. Johal was a Senior Analytical Manager for Office of Thrift Supervision, Department of the Treasury (formerly Federal Home Loan Bank Board, the 11th District). Mr. Johal oversaw a staff of seventeen people and was responsible for, among other things, monitoring banking activities and enforcement actions for lending institutions and holding companies valued at \$500 million or less. Mr. Johal's skill set at researching, reviewing, analyzing, managing and overseeing entities from a financial prospective has provided SearchCore (formerly General Cannabis, Inc.) with valuable direction and guidance as it relates to our reporting procedures. Mr. Johal's extensive financial expertise has also played a material role in providing management and the Board of Directors of SearchCore with sound financial counsel as it relates to analyzing potential acquisition targets. In addition, Mr. Johal's regulatory experience and other prior experience with public companies and banks as a compliance officer, in addition to being a CFO, is beneficial to the company with respect to internal controls, disclosures, and complying with necessary regulatory requirements.

In total, Mr. Johal has over 28 years of broad experience in banking, accounting, finance, and management in the private and public sector. Mr. Johal earned his MBA from the University of San Francisco in 1980. He received his BS degree in History from the University of California, Los Angeles, in 1978.

Bonni Goldstein, M.D., age 47, has been one of our directors since August 2010. She has been the Medical Director at Synergistic Resources, LLC since 2008. Dr. Goldstein has performed extensive independent medical research in the medicinal cannabis industry. Dr. Goldstein's overall working knowledge of the medicinal cannabis industry and her medical background combined with the entrepreneurial skills necessary to own and operate a business made Dr. Goldstein an attractive candidate for the Board of Directors at SearchCore (formerly General Cannabis, Inc.). Another positive attribute of Dr. Goldstein is her ability to clearly and easily communicate cannabis related medical information as it periodically applies to our operations and management.

Prior to joining Synergistic Resources, from 2006 to 2008, Ms. Goldstein was the owner and founder of Brainiacs Science Discover Center in Redondo Beach, California. From 2002 to 2006, Ms. Goldstein was a Pediatric Emergency Medicine Physician at the Little Company of Mary Hospital in Torrance, California. Ms. Goldstein attended Rutgers College where she majored in Biology and graduated in 1986, and then attended University of Medicine and Dentistry of New Jersey (Robert Wood Johnson Medical School) where she received her M.D. in 1990. After an internship and residency at Children's Hospital Los Angeles, she was chosen to be the Chief Resident of the program. She worked in the Community Health Center evaluating low-income pediatric patients while also acting as Clinical Instructor for USC School of Medicine. She became an Attending Physician in the LAC-USC Pediatric Emergency Department, handling complex emergencies and instructing medical students and residents in the art of assessing pediatric illness. Dr. Goldstein is also a published medical author, creating questions for ExamMaster, a Board Preparation Program. Ms. Goldstein is a Member of the International Association of Cannabis as Medicine and a Member of the International Cannabinoid Research Society.

Justin Hartfield, age 27, has been our Chief Web Officer since November 2010, when we acquired his company, WeedMaps, LLC. Mr. Hartfield was the founder and Chief Executive Officer of WeedMaps, LLC beginning in July 2008. Mr. Hartfield's expertise in the medicinal cannabis industry made him attractive as one of our significant employees. Mr. Hartfield also serves as an Executive Vice President for The Prometheus Institute, a think tank in Orange County focused on technology and Internet issues, where he has been since December 2003. From October 2004 through October 2007, Mr. Hartfield was a Content Manager at Innovative Media Solutions, where he was responsible for licensing, receiving, maintaining, billing, and supplying metadata for all content used in the PEA (Portable Entertainment Appliance) in-flight entertainment system, including music, games, movies, TV shows, music videos, and newspapers. Mr. Hartfield has a Bachelor of Science in Information and Computer Science from the University of California, Irvine.

Keith Hoerling, age 30, has served as our Chief Technology Officer since November 2010. From October 1, 2009 through November 1, 2009, Mr. Hoerling was the Chief Technology Officer and co-founder of WeedMaps, LLC. Mr. Hoerling's expertise in the medicinal cannabis industry made him attractive as one of our significant employees. From March 1, 2008 through October 1, 2009, Mr. Hoerling worked at Internet Brands in El Segundo, CA. Mr. Hoerling was a Senior Software Engineer who worked across all verticals, responsible for managing a team of developers that improved public-facing web properties and for building internal workflow

efficiency tools to gain competitive advantage against competitors in similar spaces. From January 1, 2008 through March 1, 2008, Mr. Hoerling worked at Opposing Views, Los Angeles CA as part of a small team of three (3) Ruby on Rails engineers responsible for launching a modern website startup that helps people make educated life decisions. From 2006 through 2007, he worked at Dynamic Concepts, Aliso Viejo CA, where he worked with a team of engineers to architect modern Apple XNU/Unix solutions for transitioning clients from legacy SCO/Unix. Keith was also responsible for maintaining technical customer relationships and writing both high-level web-based software interfaces for DynamicXport, a secure software transport layer, and low-level business logic in C. Mr. Hoerling received his BS in Information Technology from Chapman University in 2003.

Family Relationships

There are no family relationships among any of our officers, directors, or greater-than-10% shareholders.

Executive Compensation

We currently have written employment agreements with James Pakulis and Douglas Francis. All of our executives are at-will employees or consultants whose compensation is set forth in the Summary Compensation Table below.

We previously entered into a three-year Consulting Agreement for mergers and acquisition services with Douglas Francis, our President. The Consulting Agreement provided him with a cash consulting fee of One Million Eight Hundred Thousand Dollars (\$1,800,000) payable to Francis, one-half on June 30, 2012 (per an Amendment to the agreement) and the other half on January 10, 2013. The merger and acquisition services provided by Mr. Francis pursuant to the consulting agreement were for formulating corporate strategy, financing and the targeting of candidate companies that we could acquire or merge with in order to grow and significantly expand our business operations during the term of the agreement. The purpose of entering into this agreement, at the time, was to properly incentivize and retain Mr. Francis on a long-term basis.

On August 1, 2011, we entered into a Termination of Consulting Agreement with Mr. Francis, which terminated, effective as of April 1, 2011, his Consulting Agreement with us dated as of November 19, 2010. During 2011 and prior to Termination of the Consulting Agreement on August 1, 2011, Mr. Francis received a total of \$150,000 in payments pursuant to the Consulting Agreement. Mr. Francis is no longer entitled to the \$1,800,000 as a result of the Termination of the Consulting Agreement.

On August 1, 2011, we entered into an at-will Employment Agreement with Mr. Francis. Mr. Francis' employment is effective as of April 1, 2011. Under the terms of the agreement, his compensation is thirty thousand dollars (\$30,000) per month. In the event of termination of the agreement for a reason other than for cause, Mr. Francis will be entitled to severance equal to eighteen (18) months of compensation.

On August 1, 2011, we entered into an at-will Employment Agreement with James Pakulis, our Chief Executive Officer and Chairman of our Board of Directors. Mr. Pakulis' employment is effective as of August 1, 2011. Under the terms of the agreement, his compensation is thirty thousand dollars (\$30,000) per month. In the event of termination of the

agreement for a reason other than for cause, Mr. Pakulis will be entitled to severance equal to eighteen (18) months of compensation.

Summary Compensation Table

The following table sets forth information with respect to compensation earned by our Chief Executive Officer, President, and Chief Financial Officer for the fiscal years ended December 31, 2011, 2010 and 2009.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation (\$)	All Other Compensation (\$)	Total (\$)
James Pakulis (1) CEO	2011	30,000	-0-	-0-	-0-	-0-	-0-	-0-	360,000
	2010	30,000	-0-	-0-	-0-	-0-	-0-	-0-	30,000
	2009	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Douglas Francis (2) President	2011	30,000	518,000	-0-	-0-	-0-	-0-	150,000	1,028,000
	2010	30,000	-0-	-0-	-0-	-0-	-0-	-0-	30,000
	2009	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Munjit Johal (3) CFO	2011	4,000	-0-	-0-	-0-	-0-	-0-	-0-	48,000
	2010	4,000	-0-	-0-	-0-	-0-	-0-	-0-	4,000
	2009	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

- (1) Mr. Pakulis' annual salary, beginning in December 2010, is \$360,000.
- (2) Mr. Francis' annual consulting compensation, beginning in December 2010, was \$360,000. Effective August 1, 2011, he entered into an employment agreement and his consulting agreement was terminated. During 2011 and prior to Termination of the Consulting Agreement on August 1, 2011, Mr. Francis received a total of \$150,000 in payments pursuant to the Consulting Agreement. Mr. Francis is no longer entitled to the \$1,800,000 as a result of the Termination of the Consulting Agreement.
- (3) Mr. Johal's receives \$4,000 per month, beginning in December 2010, for his services as Chief Financial Officer. At December 31, 2010 the \$4,000 represents accrued amounts due to Mr. Johal.

Director Compensation

For the years ended December 31, 2011 and 2010, none of the members of our Board of Directors received compensation for his or her service as a director. We do not currently have an established policy to provide compensation to members of our Board of Directors for their services in that capacity. We intend to develop such a policy in the near future.

Outstanding Equity Awards at Fiscal Year-End

We do not currently have a stock option or grant plan.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth, as of the date of this Annual Report, certain information with respect to our equity securities owned of record or beneficially by (i) each Officer and Director; (ii) each person who owns beneficially more than 10% of each class of our outstanding equity securities; and (iii) all Directors and Executive Officers as a group.

Title of Class	Name and Address of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership	Percent of Class Before Offering (2)	Percent of Class After Offering (3)
Common Stock	James Pakulis (4)(5)	28,327,290	34.0%	32.1%
Common Stock	Douglas Francis (4)(5)	28,827,289	34.5%	32.6%
Common Stock	Munjit Johal (4)	-0-	-0-	-0-
Common Stock	Bonni Goldstein (4)	-0-	-0-	-0-
Common Stock	Justin Hartfield	8,200,000 (6)	9.8% (6)	9.3% (6)
Common Stock	Keith Hoerling	8,200,000 (6)	9.8% (6)	9.3% (6)
Common Stock	All Directors and Officers As a Group (4 persons)	57,154,579	68.6%	64.7%

- (1) Unless indicated otherwise, the address of the shareholder is c/o SearchCore, Inc. (formerly General Cannabis, Inc.), 1300 Dove Street, Suite 100, Newport Beach, California 92660.
- (2) Unless otherwise indicated, based on 83,340,256 shares of common stock issued and outstanding. Shares of common stock subject to options or warrants currently exercisable, or exercisable within 60 days, are deemed outstanding for purposes of computing the percentage of the person holding such options or warrants, but are not deemed outstanding for the purposes of computing the percentage of any other person.
- (3) Based on 88,340,256 shares of common stock outstanding if all 5,000,000 shares offered by us are sold.
- (4) Indicates one of our officers or directors.
- (5) The shares held by Mr. Pakulis and Mr. Francis are held of record by R.H. Daignault Law Corporation, In Trust, pursuant to an escrow agreement between them and the parties who assigned certain debts to Pakulis prior to its conversion into the shares. Mr. Pakulis and Mr. Francis maintain investment control, including the power of disposition and voting, over the shares.
- (6) Each of Mr. Hartfield and Mr. Hoerling own 8,200,000 shares. The shares held by each of Mr. Hartfield and Mr. Hoerling does not include an additional 8,000,000 shares each that may be earned pursuant to earn-out provisions set forth in the agreement whereby they sold WeedMaps, LLC to us (which earn-out provisions have been satisfied for the first year; we correspondingly expect to issue 6,000,000 shares in the first quarter of 2012). If the additional 8,000,000 shares was included in the ownership of each of Mr. Hartfield and Mr. Hoerling, their percentage ownership before the offering would be 16.3% each, and their percentage ownership after the offering would be 15.5% each.

The issuer is not aware of any person who owns of record, or is known to own beneficially, ten percent or more of the outstanding securities of any class of the issuer, other than as set forth above. The issuer is not aware of any person who controls the issuer as specified in Section 2(a)(1) of the 1940 Act. There are no classes of stock other than common stock issued or outstanding. We do not have an investment advisor.

There are no current arrangements which will result in a change in control.

Certain Relationships and Related Transactions

On October 17, 2011, we entered into a Lock-Up Agreement with James Pakulis and Douglas Francis that prevents them from selling any of their securities until the earlier to occur of (i) three months after effectiveness of a pending registration statement, (b) we are no longer selling our securities in a primary sale pursuant to the registration statement, or (c) the closing sale price for our common stock is over \$3.00 for twenty (20) consecutive trading days.

We currently have written employment agreements with James Pakulis and Douglas Francis. All of our executives are at-will employees or consultants whose compensation is set forth in the Summary Compensation Table below.

We previously entered into a three-year Consulting Agreement for mergers and acquisition services with Douglas Francis, our President. The Consulting Agreement provided him with a cash consulting fee of One Million Eight Hundred Thousand Dollars (\$1,800,000) payable to Francis, one-half on June 30, 2012 (per an Amendment to the agreement) and the other half on January 10, 2013. The merger and acquisition services provided by Mr. Francis pursuant to the consulting agreement were for formulating corporate strategy, financing and the targeting of candidate companies that we could acquire or merge with in order to grow and significantly expand our business operations during the term of the agreement. The purpose of entering into this agreement, at the time, was to properly incentivize and retain Mr. Francis on a long-term basis.

On August 1, 2011, we entered into a Termination of Consulting Agreement with Mr. Francis, which terminated, effective as of April 1, 2011, his Consulting Agreement with us dated as of November 19, 2010, with no further amounts due under the Consulting Agreement.

On August 1, 2011, we entered into an at-will Employment Agreement with Mr. Francis. Mr. Francis' employment is effective as of April 1, 2011. Under the terms of the agreement, his compensation is thirty thousand dollars (\$30,000) per month. In the event of termination of the agreement for a reason other than for cause, Mr. Francis will be entitled to severance equal to eighteen (18) months of compensation.

On August 1, 2011, we entered into an at-will Employment Agreement with James Pakulis, our Chief Executive Officer and Chairman of our Board of Directors. Mr. Pakulis' employment is effective as of August 1, 2011. Under the terms of the agreement, his compensation is thirty thousand dollars (\$30,000) per month. In the event of termination of the agreement for a reason other than for cause, Mr. Pakulis will be entitled to severance equal to eighteen (18) months of compensation.

On November 23, 2010, we sold an aggregate of 825,000 shares of our common stock, restricted in accordance with Rule 144 and containing an appropriate restrictive legend, to four

shareholders at a purchase price of \$2.00 per share, for aggregate cash consideration of \$1,650,000. One of the four shareholders was James Pakulis, our Chief Executive Officer and a member of our Board of Directors, who purchased 150,000 shares for aggregate cash consideration of \$300,000.

On November 19, 2010, we entered into an Agreement and Plan of Reorganization and Merger pursuant to which we acquired 100% of the membership interests of WeedMaps, LLC, Nevada limited liability company. As consideration for the purchase, we issued an aggregate of Sixteen Million Four Hundred Thousand (16,400,000) shares of our common stock to two individuals, Justin Hartfield and Keith Hoerling. As further consideration for the purchase, we issued four (4) Secured Promissory Notes, two (2) to each of Hartfield and Hoerling. The total principal amount of the notes is Three Million Six Hundred Thousand Dollars (\$3,600,000), one half of which is due on June 30, 2012 (per an Amendment to the Notes), and the other half of which is due on January 10, 2013. The notes pay interest at the rate of 0.35% per annum. Pursuant to a three-year Consulting Agreement for mergers and acquisition services with Douglas Francis, one of our officers and directors, a cash consulting fee of One Million Eight Hundred Thousand Dollars (\$1,800,000) is payable to Francis, one-half on June 30, 2012 (per an Amendment to the agreement) and the other half on January 10, 2013. Hartfield and Hoerling can collectively earn up to an aggregate of Sixteen Million (16,000,000) additional shares of our common stock pursuant to certain earn-out provisions in the Purchase Agreement (which earn-out provisions have been satisfied for the first year; we correspondingly expect to issue 6,000,000 shares in the first quarter of 2012). All of the shares of common stock issued or to be issued to Hartfield and Hoerling are subject to the terms of a Lock-Up Agreement whereby none of the shares may be sold prior to June 30, 2011, up to twenty five percent (25%) of the shares may be sold beginning on June 30, 2011, and the remaining shares may be sold beginning on November 30, 2011.

On August 18, 2010, a total of \$1,609,704 in our convertible debt was assigned by various parties to James Pakulis. On that same date, Mr. Pakulis converted the debt into an aggregate of 53,656,814 shares of our common stock, representing (as of October 29, 2010) 84.5% of our issued and outstanding common stock, which were issued on August 24, 2010. Mr. Pakulis subsequently sold one-half (1/2) of the shares to Douglas Francis, another of our officers and directors. Also on August 18, 2010, James Pakulis purchased 5,000,000 shares of our common stock from a former affiliate shareholder, representing (as of October 29, 2010) 7.8% of our issued and outstanding common stock. The shares held by Mr. Pakulis and Mr. Francis are held of record by R.H. Daignault Law Corporation, In Trust, pursuant to an escrow agreement between them and the parties who assigned the debts to Pakulis prior to its conversion into the shares.

Item XII Financial information for the issuer’s most recent fiscal period.

The audited financial statements of SearchCore, Inc. (formerly General Cannabis, Inc.) as of December 31, 2011 and 2010 and for the years then ended appearing in this Annual Report have been so included in reliance on the report of Tarvaran, Askelson & Company, LLC, given on the authority of such firm as experts in accounting and auditing. The following financial statements are hereby incorporated by reference.

INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm.....	F-1
Consolidated Balance Sheets as of December 31, 2011 and 2010	F-2
Consolidated Statements of Operations for the Years Ended December 31, 2011 and 2010	F-3
Consolidated Statements of Cash Flows for the Years Ended December 31, 2011 and 2010	F-4
Consolidated Statements of Stockholders’ Equity (Deficit) for the Years Ended December 31, 2011 and 2010.....	F-5
Notes to Financial Statements	F-6

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

See our response to Item XII, above.

Item XIV Beneficial Owners.

See Security Ownership of Certain Beneficial Owners and Management in response to Item XI, above.

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

1. Investment Banker;

None.

2. Promoters;

None.

3. Counsel;

The Lebrecht Group, APLC
9900 Research Drive
Irvine, CA 92618
Telephone No: (949) 635-1240
blebrecht@thelebrechtgroup.com

4. Accountant or Auditor;

Tavaran, Askelson & Company, LLC
23974 Aliso Creek Road Suite 395
Laguna Niguel, CA 92677

5. Public Relations Consultant;

None.

6. Investor Relations Consultant; and

Financial Profiles, Inc.
11601 Wilshire Boulevard, Suite 1920
Los Angeles, CA 90025
Phone (310) 478-2700
Attn: Kristen McNally / Noelle Amos

7. Any Other Advisor(s) that Assisted, Advised, Prepared or Provided Information With Respect to this Disclosure Documentation.

None.

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

Disclaimer Regarding Forward Looking Statements

You should read the following discussion in conjunction with our financial statements and the related notes and other financial information included in this Annual Report. In addition to historical financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Annual Report, particularly in the Section titled Risk Factors.

Although the forward-looking statements in this Annual Report reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by them. Consequently, and because forward-looking statements are inherently subject to risks and uncertainties, the actual results and outcomes may differ materially from the results and outcomes discussed in the forward-looking statements. You are urged to carefully review and consider the various disclosures made by us in this report and in our other reports as we attempt to advise interested parties of the risks and factors that may affect our business, financial condition, and results of operations and prospects.

Summary Overview

We are a technology service provider, currently primarily involved in the medicinal cannabis industry. We are not engaged in the growing, harvesting, cultivation, possession, or distribution of cannabis. Instead, we assist the physicians, dispensaries, and end-users within the medicinal cannabis industry in finding each other and in advertising their businesses. All of our operations are conducted through our wholly-owned subsidiaries.

Approximately 99.5% of our 2011 revenue was generated by WeedMaps Media, Inc., which is a finder website that aids consumers in finding medicinal cannabis dispensaries. The dispensaries pay a fee to WeedMaps Media in order to post, on WeedMaps.com, their dispensary information.

In February 2010, we sold most of our then-existing domain names and intellectual property (the makeup.com business) to a third party, although we did continue to manage our third-party merchant card services.

Restatement and Recapitalization

We have restated our financial statements for the years ended December 31, 2010 and 2009 and for each of the three, six, and nine months ended September 30, 2011. During December 2011 we determined that the method we previously used to account for the merger with WeedMaps, LLC did not accurately reflect the transaction and that the transaction would be better reflected by being accounted for as a reverse acquisition accompanied by a recapitalization (a capital transaction in substance) with no goodwill being recorded. Likewise, our acquisition of Synergistic Resources, LLC in December, 2010 may be more accurately reflected if it is accounted for as a business combination using the acquisition method (fair value), where the excess of the fair value of consideration transferred is considered to be goodwill. We have restated our financial statements to reflect this basis of accounting.

Please see *Note 1 General* in the footnotes to the financial statements for a summary that reflects the conversion of the membership interest of WeedMaps into shares of our common stock, the elimination of our accumulated deficit including our wholly owned subsidiary LV Luxuries, and for a comparative summary of the consolidated balance sheets, consolidated statements of operations, and statements of cash flows for the year ended December 31, 2011.

Discontinued Operations of General Health Solutions, Inc.

We have decided to terminate our management agreement resulting in the closure of General Health Solutions, Inc., which constitutes our entire Medical Clinic Management segment. During February 2012, we committed to a definitive plan to terminate the management agreement and services associated with the agreement, which resulted in General Health Solutions, Inc., our Medical Clinic Management segment being reported as discontinued operations. We anticipate being fully divested of all management responsibilities as per the management agreement by the close of the first quarter of 2012. For comparative purposes, all prior periods presented have been restated to reflect the reclassification of this segment to discontinued operations on a consistent basis.

Reliance on Strategic Partners

The medicinal cannabis industry is undergoing rapid growth and substantial change, such as new states that are allowing medicinal use of marijuana, and an increase in businesses servicing the industry, which has resulted in increasing consolidation and formation of strategic relationships. A cancellation of our relationship with one or more of these groups may have a negative impact on the company. We expect this consolidation and strategic partnering to continue. Acquisitions or other consolidating transactions could harm us in a number of ways, including:

- we could lose strategic relationships if our strategic partners are acquired by or enter into relationships with a competitor (which could cause us to lose access to distribution, content, technology and other resources);
- The relationship between us and the strategic partner may deteriorate and cause an adverse effect on our business;
- we could lose customers if competitors or users of competing technologies consolidate with our current or potential customers; and
- our current competitors could become stronger, or new competitors could form, from consolidations.

Any of these events could put us at a competitive disadvantage, which could cause us to lose customers, revenue and market share. Consolidation could also force us to expend greater resources to meet new or additional competitive threats, which could also harm our operating results.

Our operations are in part dependent upon the continued reliable operation of the information systems and networks of third parties. If these third parties do not provide reliable operation, our ability to service our customers will be impaired and our business, reputation and operating results could be harmed.

Recent Law Enforcement Public Statements

Recently, the U.S. Attorney's Office in California has publicized their intent to pursue not only growers and sellers of medicinal cannabis, but also newspapers, radio stations, and other outlets that run advertisements for medicinal cannabis dispensaries. Dispensaries constitute a material percentage of our revenue stream, and if they were prevented from advertising and thus growing their business, it could have a material adverse effect on ours. In addition, while not specifically identified in the publicized statements, our websites could be considered an outlet that runs advertisements for the medicinal cannabis industry. Legal action by the U.S. Attorney's Office against outlets that run advertisements for dispensaries may have a material effect on our business. Predicated on the legal action taken, it may cause a decrease in sales to the point where we are unable to continue as a going concern. Consequently, we believe that the expanded direction of the company, which is to provide finder site and search capabilities to non-cannabis related industries, is the most prudent direction for our company and shareholders.

Year Ended December 31, 2011 compared to Year Ended December 31, 2010

Our revenue growth is primarily a result of three acquisitions, two of which occurred in the fourth quarter of 2010, now operated as WeedMaps Media, Inc. and General Health Solutions, Inc., and one of which occurred in the first quarter of 2011, now operated as General Marketing Solutions, Inc. The impact and timing of these acquisitions is referenced below.

WeedMaps, LLC

On November 19, 2010, we entered into an Agreement and Plan of Reorganization and Merger (the "WeedMaps Purchase Agreement") pursuant to which we acquired 100% of the membership interests of WeedMaps, LLC, a Nevada limited liability company ("WeedMaps"), pursuant to the terms of which WeedMaps, LLC was merged with and into WeedMaps Media, Inc., our wholly-owned subsidiary. Prior to the Merger, SearchCore (formerly General Cannabis, Inc.) was deemed to be a non-operating public shell corporation with nominal net assets and WeedMaps was a private operating company with significant operations. For accounting purposes the transaction is considered to be a reverse merger treated as a recapitalization of SearchCore where SearchCore is the surviving legal entity and the accounting acquiree, and WeedMaps is considered to be the accounting acquirer and the legal acquiree. The assets and liabilities of WeedMaps are recorded at their historical cost with the equity structure of SearchCore. No goodwill was recorded in the transaction. SearchCore was deemed a continuation of the business of WeedMaps and the historical financial statements of WeedMaps became the historical financial statements of SearchCore.

See *Note 22. Recapitalization* in the footnotes to the financial statements filed herewith for a discussion regarding the elimination of the historical results of operation and our accumulated deficit including our wholly owned subsidiary, LV Luxuries Incorporated, as a result of the acquisition and the associated reverse merger accounting and recapitalization of SearchCore.

The total purchase price was \$54,962,269, which pursuant to the WeedMaps Purchase Agreement consisted of i) the issuance of 16,400,000 shares of common stock to two individuals, Justin Hartfield and Keith Hoerling ("Hartfield" and "Hoerling" together as "Sellers"), which shares were issued on January 20, 2011; ii) the issuance of Secured Promissory Notes with the aggregate principal amount of \$3,600,000, in the form of four \$900,000 principal amount 0.35%

Secured Promissory Notes, two issued to each of the Sellers, half of which principal matures on June 30, 2012, and half of which principal matures on January 10, 2013; and iii) up to an aggregate of 16,000,000 additional shares of common stock pursuant to certain Earn-out Provisions in the WeedMaps Purchase Agreement.

WeedMaps, LLC is now operated as WeedMaps Media, Inc., our wholly owned subsidiary.

Synergistic Resources, LLC

On December 3, 2010, we entered into a Reorganization and Asset Acquisition Agreement pursuant to which we acquired substantially all the assets of Synergistic Resources, LLC, a California limited liability company. The assets were placed into General Health Solutions, Inc., a wholly-owned subsidiary of the Company. The assets consisted primarily of the assignment of a Management Services Agreement pursuant to which we previously managed medicinal cannabis clinics. As consideration for the purchase, we issued an aggregate of Two Million (2,000,000) shares of our common stock, and paid Fifty Thousand Dollars (\$50,000) cash, to Synergistic Resources. Also effective on December 3, 2010, we entered into an at-will employment agreement with Brent Inzer, the sole manager and member of Synergistic Resources, with compensation of Fifteen Thousand Dollars (\$15,000) per month.

We have decided to terminate our management agreement resulting in the closure of General Health Solutions, Inc., which constitutes our entire Medical Clinic Management segment. During February 2012, we committed to a definitive plan to terminate the management agreement and services associated with the agreement, which resulted in General Health Solutions, Inc., our Medical Clinic Management segment being reported as discontinued operations. We anticipate being fully divested of all management responsibilities as per the management agreement by the close of the first quarter of 2012. For comparative purposes, all prior periods presented have been restated to reflect the reclassification of this segment to discontinued operations on a consistent basis. See *Note 9. Discontinued Operations* in the Notes to the Financial Statements for further details.

Revyv, LLC

On January 10, 2011, we entered into a Reorganization and Asset Acquisition Agreement pursuant to which we acquired substantially all the assets of Revyv, LLC. The assets were placed into General Marketing Solutions, Inc., a wholly-owned subsidiary of the Company. The assets consisted primarily of the intellectual property associated with the name CannabisCenters, including its website (www.cannabiscenters.com), its related physician software and patient verification system, and numerous existing contracts. As consideration for the purchase, which closed on January 13, 2011, we issued an aggregate of Five Hundred Thousand (500,000) shares of our common stock to Revyv, LLC or its assigns. Effective on January 10, 2011, we entered into an at-will employment agreement with each of James Johnson and David Johnson, each of which are members of Revyv, LLC. The compensation due to each is \$12,500 per month. As of the quarter ending September 30, 2011, neither James Johnson nor David Johnson were employed by us.

Revyv, LLC is now operated as General Marketing Solutions, Inc., our wholly owned subsidiary.

Results of Operations

Revenue

Our sales, total revenue, total operating expenses and operating income for the twelve months ended December 31, 2011, compared to the twelve months ended December 31, 2010, were as follows:

	Year ended December 31, 2011	Year ended December 31, 2010	Percentage Change
Sales	\$ 11,928,932	\$ 3,355,878	255%
Total revenue	11,928,932	3,355,878	255%
Total operating expenses	<u>10,478,752</u>	<u>2,899,361</u>	261%
Operating income	<u>\$ 1,450,180</u>	<u>\$ 456,517</u>	218%

The increase in sales from \$3.3 million for the twelve months ended December 31, 2010 to \$11.9 million for the twelve months ended December 31, 2011, an increase of 255% is almost exclusively attributable to a significant increase in the revenue generated by our subsidiary, WeedMaps Media, Inc.

WeedMaps Media, Inc., which is a medical-cannabis industry-focused, marketing and media company, had revenues of \$11.87 million and \$3.36 million for the twelve months ended December 31, 2011 and 2010, respectively. The increase in revenues is a result of an increase in the fees we charge for our listing packages, an increase in the number of customers as compared to the previous year, and an increase in the number of 'listing packages' we offer to our customers.

The fees we charge for listing packages, in general, has increased from the previous year primarily as a result of the increasing number of dispensaries in any given region which has the effect of bidding up the price of premium listing packages. For example, during the year ended December 31, 2010 an average Gold, Silver and Bronze listing package in a given region would cost \$3,500, \$2,500 and \$500 respectively, as compared to the during the year ended December 31, 2011 for the same listing packages in the same region an average Gold, Silver and Bronze listing package would cost \$10,000, \$7,500 and \$5,000, respectively.

During the year ended December 31, 2011, we experienced a significant growth in the number of our customers which is attributable to an increase in the number of dispensaries that purchase our listing package and to a lesser extent because we begun offering our listing packages in Washington, Oregon and Michigan states in addition to our existing offerings in California and Colorado. Below is a summary presentation of the average number of clients during each of the years ended December 31, 2011 and 2010, as well as those outstanding at the end of each period:

	Year ended December 31, 2011	Year ended December 31, 2010
Average number of clients	1,559	573
Total clients at the end of the period	1,827	930

Below is a summary presentation of the revenue generated by each of our listing packages and the associated number of paying clients during the twelve months ended December 31, 2011 and 2010.

All listing Packages (Revenue in ,000's)	Year Ended December 31, 2011		Year Ended December 31, 2010	
	No. of Paying Clients	Total Revenue from Listing Package	No. of Paying Clients	Total Revenue from Listing Package
Bronze	303	\$ 1,255	90	\$ 259
Copper	365	1,363	-	-
Daily Deals	348	934	-	-
Delivery Plus	1,007	977	-	-
Dr. Listing	87	87	-	-
Email Text	29	25	-	-
Gold	233	2,527	120	924
Listing Deluxe	34	76	-	-
Listing Plus	1,936	2,883	713	1,746
Medbox	1	65	1	2
Photos	15	14	1	-
Silver	204	1,239	105	415
Spring Gathering	29	156	-	-
Texting	153	111	30	10
Video Strain Review	63	56	-	-
Weed Freebies	7	75	-	-
Weed TV	15	31	-	-
	4,829	\$ 11,874	1,060	\$ 3,356

Although the number of paying clients has been increasing in total, there also has been a number of our customers which chose to terminate their listing packages. The reasons why our customers chose to terminate vary and may include typical business cycles, internal business decisions made by our customers as to their marketing and advertising budgets as it relates to the complex nature of the medicinal cannabis industry. Excluding forced dispensary closures by municipalities or governmental agencies, which usually results in a temporary downward sales revenue trend in that geographical area, we have not been able to determine any other trends related to the terminations.

During the year ended December 31, 2011 we increased the number of listing packages we offer to our customers as compared to the year ended December 31, 2010.

The Gold Listing comes up first on the Google Map, first on the Regional Listing Page, and first on the Featured Five Slide Bar and also has a large distinctive red icon on the Google map all of which, taken together, allow for heightened visibility. The Silver Listing comes up second on the Regional listing Page, second on the Featured Five Slide Bar and has a large distinctive blue icon on the Google map allowing for heightened visibility. The Bronze listing comes up third on the Regional Listing Page and third on the Featured Five Slide Bar. The preferred positions convert at higher click through rate to the customer's actual listing page. On average, the click through rate for a premium listing compared to a standard listing in their geographical regions is 4-to-1 for a Gold, 3-to-1 for a Silver and 2-to-1 for a Bronze. Predicated on the select package, WeedMaps markets the respective dispensary online, and advertises their products.

Texting, photos, and video are in most cases included with a premium package (Gold, Silver, Bronze, Copper) as they provide captivating and engaging content for our user base. In some cases they are offered individually.

Listing Plus is the basic package which allows a customer to fully edit their listing on WeedMaps.com with unlimited updates and pictures. Customers can add photos, create a menu, and get visibility on the product finder section. They also can respond to customer reviews and update live community streams, and receive unlimited customer support.

Daily Deals are coupons that are displayed on the geo-targeted Main Page and on the Regional Listing Page for users to view and redeem at their convenience. The dispensary provides us the information they wish to have on the coupon, and the customer then uses the coupons secret code to redeem at the dispensary.

Delivery Plus is the basic package for delivery services and allows a customer to fully edit their listing on WeedMaps.com with unlimited updates and pictures. Customer can add photos, create a menu, and get visibility on the product finder section. They also can respond to customer reviews, and update our live community stream, and receive unlimited customer support.

Operating Expenses

Operating Expenses – Our operating expenses as a percentage of sales experienced a slight increase from 86% for the twelve months ended December 31, 2010, to 88% for the twelve months ended December 31, 2011. The increase in operating expenses from \$2.9 million for the twelve months ended December 31, 2010 to \$10.5 million for the twelve months ended December 31, 2011, an increase of 261% is attributable to support our efforts to expand our operations during the twelve months ended December 31, 2011 as compared to the twelve months ended December 31, 2010. In particular, during the year ended December 31, 2011, we hired technology specialists. Specifically, this includes the retention of additional coders, programmers and engineers whose responsibilities include, but are not limited, to developing software and additional finder sites. In addition, we have recently hired media related personnel for the creation of pre and post video production. This was accompanied by increases in salaries and employee benefits, increases in professional fees which included fees for legal and accounting work as well as expenses related to our Securities and Exchange Commission filings and for fees

paid to consultants related to business development, investor relations, sales contract work, increases in general and administrative expenses primarily attributable to non-cash amortization expense associated with our recent acquisitions, and expenses associated with moving into our new offices and the associated leasehold improvements and purchases of office furniture and equipment.

Salaries And Employee Benefits – During the years ended December 31, 2011 and December 31, 2010, salaries and employee benefits were \$5.1 million and \$1.2 million, respectively. The significant increase in salaries and employee benefits during the year ended December 31, 2011 as compared to the year ended December 31, 2010, is primarily attributed to our substantially increasing our operations and hiring various employees which resulted in increases in associated salaries and employee benefits as well as increases in general and administrative costs.

Professional Fees – During the years ended December 31, 2011 and December 31, 2010, professional fees were \$2.3 million and \$873,000, respectively. The significant increase in professional fees includes fees for legal and accounting work as well as our year end audit for the years ending December 31, 2011 and December 31, 2010, for Securities and Exchange filing related matters and for fees paid to consultants related to business development, investor relations, sales contract work and to support our efforts to expand our operations during the year ended December 31, 2011.

General And Administrative Expenses – During the years ended December 31, 2011 and December 31, 2010, general and administrative expenses were \$1.3 million and \$422,000, respectively. The increase in general and administrative expenses is primarily attributable to significant increases in advertising and marketing expense during the year ended December 31, 2011 as compared to the year ended December 31, 2010. Advertising expense during the years ended December 31, 2011 and December 31, 2010, were \$714,000 and \$216,000, respectively.

Liquidity and Capital Resources

Our cash, current assets, intangible assets, total assets, current liabilities, and total liabilities as of December 31, 2011 and December 31, 2010 were as follows:

	December 31, 2011 (audited)	December 31, 2010 (audited)	Percentage Change
Cash	\$ 1,512,590	\$ 1,388,574	9%
Total current assets	2,160,166	2,492,911	-13%
Intangible assets:			
Domain names	4,364,119	9,076	47984%
Web software	501,343	0	-
Goodwill	486,403	0	-
Total intangible assets	5,351,865	4,165,911	28%
Total assets	8,076,380	7,639,862	6%

Total current liabilities	2,891,862	1,287,023	125%
Total long term liabilities	23,733,393	22,862,269	4%
Total liabilities	\$ 26,625,255	\$ 24,149,292	10%

We had an increase in cash from \$1.3 million at December 31, 2010 to \$1.5 million at December 31, 2011, an increase of \$124,000.

Our intangible assets at December 31, 2011 consist almost entirely of assets acquired in the WeedMaps and Revyv acquisitions as well as the domain name acquisition of marijuana.com. These assets are necessary for our growth. The balance is goodwill which represents the premium paid for the acquisitions.

Our current liabilities increased from \$1.2 million at December 31, 2010 to \$2.9 million at December 31, 2011, an increase of \$1.6 million and is as a result of the reclassification of the current portion of the note payable to the Sellers of WeedMaps of \$1.1 million from a long term liability, the \$700,000 current portion of the note payable related to the acquisition of the domain name marijuana.com, an increase in accrued liabilities arising from non-cash accrual of a \$361,000 tax provision during the year ended December 31, 2011 all of which was partially offset by a decrease arising from the termination of the three-year Consulting Agreement entered into by us and Douglas Francis, our President. See *Note 5 Other Current Assets* in the footnotes to the financial statements for information regarding the Employment Agreement entered into by Mr. Francis and us contemporaneously with the Termination Agreement.

Our total long term liabilities increased from \$22.8 million at December 31, 2010 to \$23.7 million at December 31, 2011, an increase of \$870,000 and is primarily as a result of an increase in long term note payable of \$3.4 million related to the acquisition of the domain name marijuana.com which was partially offset by payments we made on notes payables to related parties and the termination of the three-year Consulting Agreement entered into by us and Douglas Francis, our President. See *Note 5. Other Current Assets* in the Footnotes to the Financial Statements for information regarding the Employment Agreement entered into by Mr. Francis and us contemporaneously with the Termination Agreement.

Cash Requirements

We had approximately \$1.5 million in cash and cash equivalents as of December 31, 2011. Our operating income for the year ended December 31, 2011 was \$1.45 million. We anticipate that our revenues will continue to increase and that our revenues will continue to be enough to fund our existing operations. However, there is no assurance that our existing cash flow will continue to be adequate to satisfy our operating expenses and capital requirements.

Sources and Uses of Cash

Operations

We had net cash from operating activities of \$1.74 million for the year ended December 31, 2011, as compared to \$1.37 million for the year ended December 31, 2010. For the year ended December 31, 2011, the net cash provided by operating activities consisted primarily of net loss of \$3.0 million (including discontinued operations) which was offset by a \$4.1 million non-cash loss on abandonment related to the discontinued operations of General Health Solutions and

the associated impairment of the management contract and goodwill, and to a lesser extent, an increase in accounts payable and accrued liabilities of \$12,000, an increase in prepaid expenses and deposits of \$673,000, plus non-cash amortization and depreciation expense of \$285,000 and 71,000, respectively. For the year ended December 31, 2010, the net cash provided by operating activities consisted primarily of net income (including discontinued operations) of \$350,000, an increase in accounts payable and accrued liabilities of \$62,000, a increase in prepaid expenses and deposits of \$879,000, plus non-cash depreciation expense of \$115,000.

Investments

We had net cash used in investing activities of \$943,000 for the year ended December 31, 2011, as compared to \$540,000 for the year ended December 31, 2010. For the year ended December 31, 2011, the net cash used in investing activities was primarily related to purchases of furniture and computers and other equipment of \$454,000, plus purchases of intangible assets of \$489,000. For the year ended December 31, 2010, the net cash from investment activities was primarily a result of purchases of furniture and computers and other equipment of \$212,000, plus purchases of intangible assets of \$328,000.

Financing

We had net cash used in financing activities of \$670,000 for the year ended December 31, 2011, as compared to net cash from financing activities of \$542,000 for the year ended December 31, 2010. For the year ended December 31, 2011, our net cash used in financing activities consisted solely of payments on note payable to related parties. For the year ended December 31, 2010, our net cash from financing activities consisted of \$1.65 million in proceeds from the issuance of shares of our common stock which was partially offset by payments on notes payable of \$1.1 million.

Debt Instruments, Guarantees, and Related Covenants

We have no disclosure required by this Item.

Critical Accounting Estimates

Goodwill

In accordance with Goodwill and Other Intangible Assets, goodwill is defined as the excess of the purchase price over the fair value assigned to individual assets acquired and liabilities assumed and is tested for impairment at the reporting unit level (operating segment or one level below an operating segment) on an annual basis in our fourth fiscal quarter or more frequently if indicators of impairment exist. The performance of the test involves a two-step process. The first step of the impairment test involves comparing the fair value of our reporting units with each respective reporting unit's carrying amount, including goodwill. The fair value of reporting units is generally determined using the income approach. If the carrying amount of a reporting unit exceeds the reporting unit's fair value, the second step of the goodwill impairment test is performed to determine the amount of any impairment loss. The second step of the goodwill impairment test involves comparing the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. No amortization is recorded for goodwill with indefinite useful life. Goodwill impairment of \$2,718,538 and zero was recognized during the twelve months ended December 31, 2011 and 2010, respectively. See *Note 9. Discontinued*

Operations in the notes to the financial statements for information regarding the goodwill impairment during the year ended December 31, 2011.

Intangible Assets

In accordance with Goodwill and Other Intangible Assets, intangible assets that are determined not to have an indefinite useful life are subject to amortization. The Company amortizes intangible assets using the straight-line method over their estimated useful lives.

Impairment of Long-Lived and Intangible Assets

In accordance with Accounting for the Impairment or Disposal of Long-Lived Assets, we review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. The Company assesses the recoverability of the long-lived and intangible assets by comparing the carrying amount to the estimated future undiscounted cash flow associated with the related assets. Impairment of intangible assets related to General Health Solutions, Inc. being recorded as discontinued operations of \$1,438,297 was recognized during the twelve months ended December 31, 2011. No impairment of long-lived assets was recognized during the twelve months ended December 31, 2010. See *Note 9. Discontinued Operations* in the notes to the financial statements for information regarding the intangible asset impairment during the year ended December 31, 2011.

Net Income

For the years ended December 31, 2011 and 2010, we had net loss of \$3.0 million and net income of approximately \$350,000, respectively. The net loss we experience during the year ended December 31, 2011 is primarily attributed to the \$4.1 million non-cash loss on abandonment related to the discontinued operations of General Health Solutions and the associated impairment of the management contract and goodwill. Net income during the year ended December 31, 2010 is primarily attributed to our efforts to expand our operations during the year ended December 31, 2010 and the associated growth that we experienced which resulted in significant increases in our operating expenses.

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

On December 19, 2011, we entered into a Reorganization and Asset Purchase Agreement pursuant to which we acquired substantially all the assets of MMJMenu, LLC, an unrelated Colorado limited liability company. As consideration for the purchase, we issued an aggregate of Two Hundred Thousand (200,000) shares of our common stock to MMJMenu, LLC. The issuance was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, and the investor was accredited and had access to information necessary to make an investment decision, and there was no solicitation. The shares were restricted securities as described in Rule 144 pursuant to the Securities Act of 1933.

On January 10, 2011, we entered into a Reorganization and Asset Acquisition Agreement pursuant to which we acquired substantially all the assets of Revyv, LLC. As consideration for the purchase, we issued an aggregate of Five Hundred Thousand (500,000) shares of our common stock to Revyv. The issuance was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, and the investor was accredited and had access to information necessary to make an investment decision, and there was no solicitation. The shares were restricted securities as described in Rule 144 pursuant to the Securities Act of 1933.

On December 15, 2010, we issued Twenty Five Thousand (25,000) shares of common stock, restricted in accordance with Rule 144, to The Lebrecht Group, APLC, our legal counsel, in exchange for services rendered. The issuance was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, and the investor was accredited and had access to information necessary to make an investment decision, and there was no solicitation.

On December 3, 2010, we entered into a Reorganization and Asset Acquisition Agreement pursuant to which we acquired substantially all the assets of Synergistic Resources, LLC. As consideration for the purchase, we issued an aggregate of Two Million (2,000,000) shares of our common stock to Synergistic Resources. The issuance was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, and the investor was accredited and had access to information necessary to make an investment decision, and there was no solicitation. The shares were restricted securities as described in Rule 144 pursuant to the Securities Act of 1933.

On November 23, 2010, we sold an aggregate of 825,000 shares of our common stock, restricted in accordance with Rule 144 and containing an appropriate restrictive legend, to four shareholders at a purchase price of \$2.00 per share, for aggregate cash consideration of \$1,650,000. One of the four shareholders was James Pakulis, our Chief Executive Officer and a member of our Board of Directors, who purchased 150,000 shares for aggregate cash consideration of \$300,000. The issuances were exempt from registration pursuant to Rule 506 of Regulation D promulgated under the Securities Act of 1933, each investor was accredited, and there was no solicitation.

On November 19, 2010, we entered into an Agreement and Plan of Reorganization and Merger pursuant to which we acquired 100% of the membership interests of WeedMaps, LLC, a Nevada limited liability company. As consideration for the purchase, we issued an aggregate of Sixteen Million Four Hundred Thousand (16,400,000) shares of our common stock to two individuals, Justin Hartfield and Keith Hoerling. Hartfield and Hoerling can collectively earn up

to an aggregate of Sixteen Million (16,000,000) additional shares of our common stock pursuant to certain earn-out provisions in the purchase agreement. Each of the issuances was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, and each of the investors was accredited and had access to information necessary to make an investment decision, and there was no solicitation. The shares were all restricted securities as described in Rule 144 pursuant to the Securities Act of 1933.

On October 5, 2010, pursuant to the terms of a marketing services agreement of the same date, we issued four-year warrants to acquire 250,000 shares of our common stock at \$4.00 per share. The issuance was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, and each of the investors was accredited and had access to information necessary to make an investment decision, and there was no solicitation.

On August 18, 2010, we issued 53,656,814 shares of our common stock to James Pakulis, one of our officers and directors, in exchange for the cancellation of \$1,609,704 in convertible debt at \$0.03 per share. The issuance was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, Mr. Pakulis was accredited and had access to information necessary to make an investment decision, and there was no solicitation. Mr. Pakulis subsequently sold one-half (1/2) of the shares to Douglas Francis, another of our officers and directors in a private sale exempt from registration pursuant to the "Section 4(1 1/2)" exemption.

Part F Exhibits

Item XVIII Material Contracts

- 3.1 (1) Amended and Restated Articles of Incorporation of General Cannabis, Inc.
- 3.2 (5) Certificate of Amendment to Articles of Incorporation
- 3.3 (1) Bylaws of General Cannabis, Inc.
- 10.1 (1) Agreement and Plan of Reorganization and Merger dated November 19, 2010
- 10.2 (3) First Amendment to Agreement and Plan of Reorganization and Merger dated November 19, 2010.
- 10.3 (1) Secured Promissory Note issued to Justin Hartfield in the Principal Amount of \$900,000 dated November 19, 2010 and due January 10, 2012
- 10.4 (1) First Amendment to Secured Promissory Note issued to Justin Hartfield dated February 22, 2011
- 10.5 (1) Secured Promissory Note issued to Justin Hartfield in the Principal Amount of \$900,000 dated November 19, 2010 and due January 10, 2013
- 10.6 (1) Secured Promissory Note issued to Keith Hoerling in the Principal Amount of \$900,000 dated November 19, 2010 and due January 10, 2012

- 10.7 (1) First Amendment to Secured Promissory Note issued to Keith Hoerling dated February 22, 2011
- 10.8 (1) Secured Promissory Note issued to Keith Hoerling in the Principal Amount of \$900,000 dated November 19, 2010 and due January 10, 2013
- 10.9 (1) Security Agreement dated November 19, 2010
- 10.10 (1) Lock-Up Agreement dated November 19, 2010
- 10.11 (1) Employment Agreement with Justin Hartfield dated November 19, 2010
- 10.12 (1) Employment Agreement with Keith Hoerling dated November 19, 2010
- 10.13 (1) Consulting Agreement with Douglas Francis dated November 19, 2010
- 10.14 (1) First Amendment to Consulting Agreement with Douglas Francis dated February 22, 2011
- 10.15 (1) Reorganization and Asset Acquisition Agreement dated December 3, 2010
- 10.16 (1) Assignment of Management Services Agreement dated December 3, 2010
- 10.17 (1) Management Services Agreement dated March 1, 2008
- 10.18 (1) Employment Agreement with Brent Inzer dated December 1, 2010
- 10.19 (1) Reorganization and Asset Acquisition Agreement dated January 11, 2011.
- 10.20 (1) Employment Agreement with David Johnson dated January 10, 2011.
- 10.21 (1) Employment Agreement with James Johnson dated January 10, 2011.
- 10.22 (2) Common Stock Purchase Warrant issued to Crystal Research Associates, LLC dated April 13, 2011.
- 10.23 (4) Marketing Service Agreement with Crystal Research Associates, LLC dated October 5, 2010.
- 10.24 (3) Termination of Consulting Agreement with Douglas Francis dated August 1, 2011
- 10.25 (3) Employment Agreement with Douglas Francis dated August 1, 2011
- 10.26 (3) Employment Agreement with James Pakulis dated August 1, 2011
- 10.27 (4) Lock-Up Agreement dated October 17, 2011
- 10.28 (4) Domain Name Purchase Agreement dated November 18, 2011
- 10.29 (4) Non-Recourse Secured Promissory Note dated November 18, 2011

- 10.30 (5) Reorganization and Asset Purchase Agreement dated December 19, 2011.
- 10.31 (5) Employment Agreement with Alex Weidmann dated January 4, 2012.
- 10.32 (5) Employment Agreement with Justin Weidmann dated January 4, 2012.
- 10.33 (5) Advertising and Promotion Agreement with NORML
- 16.1 (2) Letter from Mendoza Berger & Company, LLP
- 16.2 (2) Letter from Dale Matheson Carr-Hilton Labonte, LLP
- 99.1 (5) Pro Forma Financial Information
- 99.2 (4) Financial Statements of Synergistic Resources, LLC

- (1) Incorporated by reference from our Registration Statement on Form S-1 dated February 28, 2011, filed with the Commission on March 1, 2011.
- (2) Incorporated by reference from our Second Amended Registration Statement on Form S-1 dated June 21, 2011, filed with the Commission on June 22, 2011.
- (3) Incorporated by reference from our Third Amended Registration Statement on Form S-1 dated August 26, 2011, filed with the Commission on August 29, 2011.
- (4) Incorporated by reference from our Fourth Amended Registration Statement on Form S-1, dated December 20, 2011, filed with the Commission on December 21, 2011.
- (5) Incorporated by reference from our Fifth Amended Registration Statement on Form S-1, dated and filed with the Commission on January 23, 2012.

Item XIX Articles of Incorporation and Bylaws.

See response to Item XVIII, above.

Item XX Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

There is no disclosure required by this item.

Item XXI Issuer's Certifications:

<u>Exhibit No.</u>	<u>Description</u>
C-1	Chief Executive Officer Certification
C-2	Chief Financial Officer Certification

Dated this 27th day of March, 2012, at Newport Beach, California.

SearchCore, Inc.,
a Nevada corporation

By: James Pakulis
Its: Chief Executive Officer

Dated this 27th day of March, 2012, at Newport Beach, California.

SearchCore, Inc.,
a Nevada corporation

By: James Pakulis
Its: Chief Executive Officer

SEARCHCORE, INC.
CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, James Pakulis, certify that:

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

March 27, 2012

James Pakulis
Chief Executive Officer

SEARCHCORE, INC.
CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Munjit Johal, certify that:

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

March 27, 2012



Munjit Johal
Chief Financial Officer

INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm	F-1
Consolidated Balance Sheets as of December 31, 2011 and 2010	F-2
Consolidated Statements of Operations for the Years Ended December 31, 2011 and 2010	F-3
Consolidated Statements of Cash Flows for the Years Ended December 31, 2011 and 2010	F-4
Consolidated Statements of Stockholders' Equity (Deficit) for the Years Ended December 31, 2011 and 2010	F-5
Notes to Financial Statements	F-6 to F-35

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

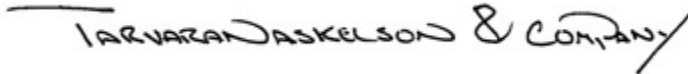
To the Board of Directors and
Stockholders of SearchCore, Inc.

We have audited the accompanying consolidated balance sheets of SearchCore, Inc. as of December 31, 2011 and 2010, and the related consolidated statements of operations, stockholders' equity (deficit), and cash flows for each of the years in the two-year period ended December 31, 2011. SearchCore, Inc.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SearchCore, Inc. as of December 31, 2011 and 2010, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America.

Tarvaran, Askelson & Company, LLP



Laguna Niguel, CA
March 20, 2012

SEARCHCORE, INC.

Consolidated Balance Sheets (Audited)

	<u>December 31,</u> <u>2011</u>	<u>December 31,</u> <u>2010</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,512,590	\$ 1,388,574
Accounts receivable	206,091	—
Inventory	9,830	—
Other current assets	379,860	1,104,337
Current assets - discontinued operations	51,795	—
TOTAL CURRENT ASSETS	\$ 2,160,166	\$ 2,492,911
Property and equipment, net	430,041	2,202
Property and equipment - discontinued operations	—	44,966
Intangible assets:		
Domain names	114,119	9,076
Domain name - Marijuana.com	4,250,000	—
Web software	501,343	—
Goodwill	486,403	—
Intangible assets - discontinued operations	—	4,156,835
Other assets	82,332	900,000
Other assets - discontinued operations	51,976	33,872
TOTAL ASSETS	\$ 8,076,380	\$ 7,639,862
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	\$ 50,632	\$ 46,757
Accrued liabilities	759,312	1,037,670
Note payable	708,901	—
Note payable - related party	1,130,000	—
Current liabilities - discontinued operations	243,017	202,596
TOTAL CURRENT LIABILITIES	\$ 2,891,862	\$ 1,287,023
LONG TERM LIABILITIES		
Other accrued liabilities	155,025	900,000
Note payable	3,416,099	—
Note payable - related party	1,800,000	3,600,000
Earn-out provisions, WeedMaps	18,362,269	18,362,269
TOTAL LONG TERM LIABILITIES	23,733,393	22,862,269
TOTAL LIABILITIES	\$ 26,625,255	\$ 24,149,292
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.001 par value: 20,000,000 shares authorized; zero shares issued and outstanding at December 31, 2011; zero shares issued and outstanding at December 31, 2010;	—	—
Common stock, \$0.001 par value: 200,000,000 shares authorized; 83,140,256 shares issued and outstanding at December 31, 2011; 82,640,256 shares issued and outstanding at December 31, 2010;	83,140	82,640
Paid-in capital	(15,965,044)	(16,964,444)
Retained earnings (accumulated deficit)	(2,666,971)	372,374
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	(18,548,875)	(16,509,430)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 8,076,380	\$ 7,639,862

The accompanying notes are an integral part of these consolidated financial statements.

SEARCHCORE, INC.

Consolidated Statements of Operations (Audited)

	Years Ended	
	December 31, 2011	December 31, 2010
REVENUE		
Sales	\$ 11,928,932	\$ 3,355,878
Total revenue	<u>11,928,932</u>	<u>3,355,878</u>
OPERATING EXPENSES		
Cost of sales	793,789	365,702
Selling, general and administrative expenses	9,684,963	2,533,659
Total operating expenses	<u>10,478,752</u>	<u>2,899,361</u>
Operating Income	1,450,180	456,517
Other Income (Expense)		
Interest income	213	66
Interest expense	(13,241)	—
Total other income (expense)	<u>(13,028)</u>	<u>66</u>
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	1,437,152	456,583
Provision for Income Taxes	416,130	80,914
INCOME FROM CONTINUING OPERATIONS	<u>1,021,022</u>	<u>375,669</u>
Loss from discontinued operations, net of \$133,500 and \$18,100 tax benefit for the years ended December 31, 2011 and 2010, respectively	(4,060,367)	(25,174)
NET (LOSS) INCOME	<u>\$ (3,039,345)</u>	<u>\$ 350,495</u>
Income (loss) per share, Basic and Diluted		
Income from continuing operations	\$ 0.012	\$ 0.013
Loss from discontinued operations	(0.049)	(0.001)
Total income (loss) per share	<u>\$ (0.037)</u>	<u>\$ 0.012</u>
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	<u>83,140,256</u>	<u>28,868,864</u>

The accompanying notes are an integral part of these consolidated financial statements.

SEARCHCORE, INC.

Consolidated Statements of Cash Flows (Audited)

	Years Ended	
	December 31, 2011	December 31, 2010
Cash flows from operating activities:		
Net income from continuing operations	\$ (3,039,345)	\$ 350,495
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation	71,295	115,319
Amortization	284,856	—
Stock-based compensation	—	87,777
Loss on abandonment	4,142,835	—
Changes in operating assets and liabilities:		
Accounts receivable	(206,091)	—
Inventories	(9,830)	—
Prepaid expenses and deposits	672,682	878,670
Other assets	54,589	—
Accounts payable and accrued liabilities	(234,062)	(62,161)
Net cash provided by operating activities	1,736,929	1,370,100
Cash flows from investing activities:		
Purchases of property and equipment	(454,168)	(211,781)
Purchases of intangible assets	(488,746)	(327,834)
Net cash used in investing activities	(942,913)	(539,615)
Cash flows from financing activities:		
Proceeds from issuance of common stock	—	1,650,000
Payments from note payable	—	(40,000)
Payments from convertible notes	—	(419,392)
Convertible note related party	—	(211,489)
Payments on note payable - related party	(670,000)	(437,543)
Net cash used by financing activities	(670,000)	541,576
Net increase (decrease) in cash and cash equivalents	124,016	1,372,061
Cash and cash equivalents at beginning of period	1,388,574	16,513
Cash and cash equivalents at end of period	\$ 1,512,590	\$ 1,388,574
Non-cash investing and financing activity:		
Issuance of warrants to consultants	—	250,000
Shares issued pursuant to Revyv acquisition	\$ 500,000	\$ —
Shares issued pursuant to consulting agreement	\$ —	\$ 50,000

The accompanying notes are an integral part of these consolidated financial statements.

SEARCHCORE, INC.

Consolidated Statements of Stockholders' Equity (Deficit)

	<u>Preferred Stock</u>		<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Accumulated Deficit</u>	<u>Total Shareholders' Equity (Deficit)</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			
BALANCES, December 31, 2009	—	—	9,733,442	\$ 9,733	\$ (9,733)	\$ 21,879	\$ 21,879
Issuance of common stock, convertible debt			53,656,814	53,657	1,493,839		1,547,496
Issuance of common stock, private placements			825,000	825	1,649,175		1,650,000
Issuance of common stock, acquisition			2,000,000	2,000	3,998,000		4,000,000
Stock based compensation			25,000	25	49,975		50,000
Recapitalization			16,400,000	16,400	(24,145,700)		(24,129,300)
Net income (loss) from continuing operations						350,495	350,495
BALANCES, December 31, 2010	—	—	82,640,256	\$ 82,640	\$ (16,964,444)	\$ 372,374	\$ (16,509,430)
Issuance of common stock Paid in capital, Revyv, LLC acquisition			500,000	500	999,500		1,000,000
					(100)		(100)
Net income (loss) from continuing operations						(3,039,345)	(3,039,345)
BALANCES, December 31, 2011	—	—	83,140,256	83,140	\$ (15,965,044)	\$ (2,666,971)	\$ (18,548,875)

The accompanying notes are an integral part of these consolidated financial statements.

SEARCHCORE, INC.
(Formerly General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

Note 1. General

Nature of Business

SearchCore, Inc., together with its wholly owned subsidiaries (hereinafter collectively referred to as the “Company,” “we,” “us,” and “our”) is engaged in providing a technology services to the medicinal cannabis industry. The Company provides services in three different sectors: media, technology and marketing. The Company is not engaged in the growing, harvesting, cultivation, possession, or distribution of cannabis. Instead, the Company assists the physicians, dispensaries, and end-users within the medicinal cannabis industry in finding each other.

SearchCore, Inc. was formed on July 14, 2003 in the State of Nevada as Tora Technologies, Inc. On November 21, 2006, we changed our name to Makeup.com Limited, on January 29, 2010, we changed our name to LC Luxuries Limited, on November 5, 2010, we changed our name to General Cannabis, Inc. Finally, on January 6, 2012, we changed our name to SearchCore, Inc.

All of our operations are conducted through our wholly-owned subsidiaries, each of which is incorporated or qualified to do business in the states in which it does so.

The Medicinal Cannabis Industry

There are a total of 34 states, plus the District of Columbia with legislation either passed or pending as it relates to medicinal cannabis.

Sixteen states, plus the District of Columbia, have adopted laws that exempt patients from state criminal penalties who use medicinal cannabis under a physician’s supervision. These are collectively generally referred to as the states that have de-criminalized medicinal cannabis, although there is a subtle difference between de-criminalization and legalization, and each state’s laws are different. The states that have legalized medicinal cannabis are as follows (in alphabetical order):

Alaska,
Arizona,
California,
Colorado,
Delaware
District of Columbia,
Hawaii,
Maine,
Michigan,
Montana,
Nevada,
New Jersey,
New Mexico,
Oregon,
Rhode Island,
Vermont, and
Washington.

SEARCHCORE, INC.
(Formerly General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

As of March 2012, eighteen states have pending legislation or ballot measures to legalize medical marijuana. The states are as follows (in alphabetical order):

Alabama,
Connecticut,
Idaho,
Illinois,
Indiana,
Iowa,
Kansas,
Maryland,
Massachusetts,
Mississippi,
Missouri,
New Hampshire,
New York,
Ohio,
Oklahoma,
Pennsylvania,
West Virginia, and
Wisconsin.

Medical cannabis decriminalization is generally referred to as the removal of all criminal penalties for the private possession and use of cannabis by adults, including cultivation for personal use and casual, nonprofit transfers of small amounts. Legalization is generally referred to as the development of a legally controlled market for cannabis, where consumers purchase from a safe, legal, and regulated source.

The United States federal government regulates drugs through the Controlled Substances Act (21 U.S.C. § 811), which places controlled substances, including cannabis, in a schedule. Cannabis is classified as a Schedule I drug, which is viewed as highly addictive and having no medical value. Under the First Amendment, doctors may recommend cannabis for medical use; however, under federal law, they may not prescribe cannabis for medical use. In 2010, the United States Veterans Affairs Department clarified that veterans using medicinal cannabis will not be denied services or other medications that are denied to those using illegal drugs.

Recent Developments

Discontinued Operations of General Health Solutions, Inc.

On December 3, 2010, we entered into a Reorganization and Asset Acquisition Agreement pursuant to which we acquired substantially all the assets of Synergistic Resources, LLC, a California limited liability company. The assets were placed into General Health Solutions, Inc., a wholly-owned subsidiary of the Company. The assets consisted primarily of the assignment of a Management Services Agreement pursuant to which we previously managed medicinal cannabis clinics. As consideration for the purchase, we issued an aggregate of Two Million (2,000,000) shares of our common stock, and paid Fifty Thousand Dollars (\$50,000) cash, to Synergistic Resources. Also effective on December 3, 2010, we entered into an at-will employment agreement with Brent Inzer, the sole manager and member of Synergistic Resources, with compensation of Fifteen Thousand Dollars (\$15,000) per month.

SEARCHCORE, INC.
(Formerly General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

We have decided to shut down General Health Solutions, Inc., which constitutes our entire Medical Clinic Management segment. During February 2012, we committed to a definitive plan to terminate the management agreement and services associated with the agreement, which resulted in General Health Solutions, Inc., our Medical Clinic Management segment being reported as discontinued operations. We anticipate being fully divested of all management responsibilities as per the management agreement by the close of the first quarter of 2012. For comparative purposes, all prior periods presented have been restated to reflect the reclassification of this segment to discontinued operations on a consistent basis. See *Note 9. Discontinued Operations* for further details.

WeedMaps Acquisition and Recapitalization of the Company

On November 19, 2010, SearchCore, Inc. entered into an Agreement and Plan of Reorganization and Merger with WeedMaps Media, Inc., a wholly owned subsidiary of SearchCore and WeedMaps, LLC (“WeedMaps”) (the “Merger Agreement”) (the “Merger”). Prior to the Merger, SearchCore was deemed to be a non-operating public shell corporation with nominal net assets and WeedMaps was a private operating company with significant operations. For accounting purposes the transaction is considered to be a reverse merger treated as a recapitalization of SearchCore where SearchCore is the surviving legal entity and the accounting acquiree, and WeedMaps is considered to be the accounting acquirer and the legal acquiree. The assets and liabilities of WeedMaps are recorded at their historical cost with the equity structure of SearchCore. No goodwill was recorded in the transaction. SearchCore was deemed a continuation of the business of WeedMaps and the historical financial statements of WeedMaps became the historical financial statements of SearchCore.

See *Note 22. Recapitalization* for a discussion regarding the elimination of the historical results of operation and the accumulated deficit of SearchCore including its wholly owned subsidiary, LV Luxuries Incorporated, as a result of the Merger and the associated reverse merger accounting and recapitalization of SearchCore.

Revyv, LLC

On January 10, 2011, we entered into a Reorganization and Asset Acquisition Agreement pursuant to which we acquired substantially all the assets of Revyv, LLC. The assets were placed into General Marketing Solutions, Inc., a wholly-owned subsidiary of the Company. The assets consisted primarily of the intellectual property associated with the name CannabisCenters, including its website (www.cannabiscenters.com), its related physician software and patient verification system, and numerous existing contracts. As consideration for the purchase, which closed on January 13, 2011, we issued an aggregate of Five Hundred Thousand (500,000) shares of our common stock to Revyv, LLC or its assigns. Effective on January 10, 2011, we entered into an at-will employment agreement with each of James Johnson and David Johnson, each of which are members of Revyv, LLC. The compensation due to each is \$12,500 per month. As of the quarter ending September 30, 2011, neither James Johnson nor David Johnson were employed by us.

Marijuana.com

On November 18, 2011, we entered into a Domain Name Purchase Agreement with an unrelated party for the purchase of “marijuana.com.” Pursuant to the terms of the Agreement, the purchase price was \$4,250,000, payable \$125,000 on the date of execution of the Agreement, and the remaining balance over sixty nine (69) consecutive months beginning on January 18, 2012 pursuant to a Non-Recourse Secured Promissory Note of the same date (the “Note”).

SEARCHCORE, INC.
(Formerly General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

MMJMenu

On January 5, 2012, WeedMaps acquired substantially all the assets of MMJMenu, LLC (“MMJ”). The assets consist primarily of the intellectual property associated with MMJMENU, including its website (www.mmjmenu.com). As consideration for the purchase we issued an aggregate of Two Hundred Thousand (200,000) shares of our common stock to MMJ or its assigns. Effective on January 4, 2012, we entered into an at-will employment agreement with each of Justin Weidmann and Alex Weidmann, each of which are members of MMJMenu, LLC. The compensation due to each is \$10,000 per month.

Principal Services

The Company’s principal services are offered through the following wholly owned subsidiaries.

WeedMaps Media, Inc.

WeedMaps Media, Inc. is our wholly-owned subsidiary, and its primary operation is the internet website, www.weedmaps.com. Weedmaps.com is an online finder site service that allows patients to find local medical cannabis dispensaries, which are also referred to as collectives. Dispensaries are locations where patients who have received letters of recommendation from a health care provider can purchase medicinal cannabis, as well as a variety of other non-cannabis related items including, but not limited to, apparel accessories, posters, bumper stickers, concert tickets, books and musical CD’s.

General Marketing Solutions, Inc.

General Marketing Solutions, Inc. is our wholly-owned subsidiary, and its primary operation is the internet website, www.cannabiscenters.com. Though primarily in the development stage, the website aids prospective patients in finding physicians across the country that support and recommend medicinal cannabis. There is a patient verification system which verifies the authenticity of the patient’s Letter Of Recommendation. This is an internal control system designed to validate the status of a patient to law enforcement, dispensaries and other interested parties, as well as a social media platform for users.

General Merchant Solutions, Inc.

Prior to August 1, 2011, General Merchant Solutions supplied dispensaries with credit card processing services, however, due to market conditions (specifically lack of reliable financing) we felt it to be in our best interests to discontinue providing merchant services to dispensaries. The remaining credit card processing business proved to be only nominally profitable, and on October 31, 2011, General Merchant Solutions discontinued all retail credit card processing operations. The entity is held as an entity in good standing with no operations.

General Management Solutions, Inc.

General Management Solutions, Inc., is our wholly-owned subsidiary that oversees and provides all of the human resource issues for employees including hiring, terminating, and employee benefits.

General Health Solutions, Inc.

See *Note 9. Discontinued Operations* for further details of our decision to terminate the management agreement and services associated with the agreement which constitutes our entire Medical Clinic Management segment. During February 2012, we committed to a plan to terminate the management agreement and services associated with the agreement which resulted in General Health Solutions, Inc., our Medical Clinic Management segment being reported as discontinued operations. For comparative purposes, all prior periods presented have been restated to reflect the reclassification of this segment to discontinued operations on a consistent basis.

SEARCHCORE, INC.
(Formerly General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

Other Subsidiaries

We have two additional wholly-owned subsidiaries whose operations are relatively inactive at this time, namely *General Processing Corporation*, *CannaCenters Corporation* (dba CannaCenters), and a third subsidiary, *LV Luxuries Incorporated* (which operated as makeup.com), whose operations have been discontinued. As of right now we have no imminent or specific plans for either of the entities and they are held as corporations in good standing with no operations.

Note 2. Basis Of Presentation And Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries and have been prepared in accordance with accounting principles generally accepted in the United States of America.

Reclassifications

Certain prior year amounts in the accompanying consolidated financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the consolidated results of operations or financial position for any years presented.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates are based on knowledge of current events and anticipated future events and accordingly, actual results may differ from those estimates.

Risks related to cash

The Company maintains cash in bank and deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Cash and Cash equivalents

The Company considers only highly liquid investments such as money market funds and commercial paper with maturities of 90 days or less at the date of their acquisition as cash and cash equivalents.

SEARCHCORE, INC.
(Formerly General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

Fair Value of Financial Instruments

The accounting standards regarding disclosures about fair value of financial instruments defines financial instruments and required fair value disclosure of those instruments. This accounting standard defines fair value, establishes a three-level valuation hierarchy for disclosures of fair value measurement and enhances disclosure requirements for fair value measures. Receivables, investments, payables, short and long term debt and warrant liabilities qualified as financial instruments. Management believes the carrying amounts of receivables, payables and debt are a reasonable estimate of fair value because of the short period of time between the origination of such instruments, their expected realization, and if applicable, their stated interest rate is equivalent to interest rates currently available. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the financial instruments.
- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value.

The Company analyzes all financial instruments with features of both liabilities and equity under the accounting standards regarding accounting for certain financial instruments with characteristics of both liabilities and equity, accounting for derivative instruments and hedging activities, accounting for derivative financial instruments indexed to, and potentially settled in, a company's own stock, and the accounting standard regarding determining whether an instrument (or embedded feature) is indexed to an entity's own stock. The accounting standard specifies that a contract that would otherwise meet the definition of a derivative but is both (a) indexed to the Company's own stock and (b) classified in stockholders' equity in the statement of financial position would not be considered a derivative financial instrument. This standard provides a two-step model to be applied in determining whether a financial instrument or an embedded feature is indexed to an issuer's own stock and thus able to qualify for this accounting standard scope exception. All warrants issued by the Company are denominated in U.S. dollars.

Accounts Receivable

Accounts receivable are recorded at the invoice amount and do not bear interest.

Advertising Cost

The Company expenses advertising costs when incurred. Advertising expense for the twelve months ended December 31, 2011 and 2010 was \$714,000 and \$216,000, respectively.

Allowance for Doubtful Accounts

Allowance for doubtful accounts is defined as a Company's estimate of the amount of probable credit losses in the Company's existing accounts receivable. The Company does not maintain an allowance for doubtful account based upon management's review of the Company's revenue structure whereby substantially all receivables are confirmed before they are booked as revenue. The Company reviews its allowance for doubtful accounts policy periodically. The Company does not have any off-balance-sheet exposure related to its customers.

SEARCHCORE, INC.
(Formally General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

Inventory

Inventories consisting of credit card terminals are stated at the lower of cost (average) or market.

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over the useful lives of the assets, generally from three to seven years. Property and equipment at December 31, 2011 and December 31, 2010 are presented net of accumulated depreciation of \$71,000 and \$55,000, respectfully.

Goodwill

In accordance with *Goodwill and Other Intangible Assets*, goodwill is defined as the excess of the purchase price over the fair value assigned to individual assets acquired and liabilities assumed and is tested for impairment at the reporting unit level (operating segment or one level below an operating segment) on an annual basis in the Company's fourth fiscal quarter or more frequently if indicators of impairment exist. The performance of the test involves a two-step process. The first step of the impairment test involves comparing the fair value of the Company's reporting units with each respective reporting unit's carrying amount, including goodwill. The fair value of reporting units is generally determined using the income approach. If the carrying amount of a reporting unit exceeds the reporting unit's fair value, the second step of the goodwill impairment test is performed to determine the amount of any impairment loss. The second step of the goodwill impairment test involves comparing the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. No amortization is recorded for goodwill with indefinite useful life. Goodwill impairment of \$2,718,538 and zero was recognized during the twelve months ended December 31, 2011 and 2010, respectively. See *Note 9. Discontinued Operations* for information regarding the goodwill impairment.

Intangible Assets

In accordance with *Goodwill and Other Intangible Assets*, intangible assets that are determined not to have an indefinite useful life are subject to amortization. The Company amortizes intangible assets using the straight-line method over their estimated useful lives.

Impairment of Long-Lived and Intangible Assets

In accordance with *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. The Company assesses the recoverability of the long-lived and intangible assets by comparing the carrying amount to the estimated future undiscounted cash flow associated with the related assets. Impairment of intangible assets related to General Health Solutions, Inc. being recorded as discontinued operations of \$1,438,297 was recognized during the twelve months ended December 31, 2011. No impairment of long-lived assets was recognized during the twelve months ended December 31, 2010. See *Note 9. Discontinued Operations* for information regarding the intangible asset impairment.

SEARCHCORE, INC.
(Formerly General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with the provisions of *Share-Based Payment*, which addresses the accounting for equity-based compensation and which requires that the cost of all equity-based compensation arrangements, be reflected in the financial statements over the vesting period based on the estimated fair value of the awards. During the twelve months ended December 31, 2011 and 2010, the Company had stock-based compensation expense related to issuances of shares of the Company's common stock to consultants of zero and \$88,000, respectively.

Revenue Recognition

We recognize revenue in accordance with ASC 605, "*Revenue Recognition*," we recognize as revenue the fees we charge customers as referenced below because persuasive evidence of an arrangement exists, the fees we charge are substantially fixed or determinable during the period that we provide the services, we and our customers understand the specific nature and terms of the agreed upon transactions, collectability is reasonable assured and services have been rendered.

The Company and its wholly owned subsidiaries recognize revenue as follows:

Listing Fee Revenue – The Company operates WeedMaps.com and several associated websites, together composing a large scale, medical-cannabis industry focused internet media portal that targets dispensaries, advertisers and consumers. The Company generates revenues from listings on the Company's website. We recognize as revenue the fees we charge customers for listing their related company on our website. The terms of the listing arrangements with our customers are pursuant to a marketing agreement entered into with each customer pursuant to the terms of which the listing period is on a month-to-month term, listings are prepaid monthly and we do not offer returns, as such, our policy is to recognize revenues on a per-listing fee basis in the month that we provide the listing service.

Ad Revenue – The Company generates revenues from advertising on the Company's websites. We recognize as revenue the fees we charge customers for placing ads for their related company on our websites. The terms of the advertising arrangements with our customers are pursuant to an advertising agreement entered into with each customer pursuant to the terms of which the advertising period is on a month-to-month term, ads are prepaid monthly and we do not offer returns, as such, our policy is to recognize revenues on a per-ad fee basis in the month that we provide the advertising service.

Content Production Revenue – The Company generates revenues from photo and video production of content, which is displayed on the Company's websites. We recognize as revenue the fees we charge customers for photo and video production services pursuant to which we create virtual tours of their establishments and products, which are then displayed on our websites. The terms of the production services with our customers are pursuant to an agreement entered into with each customer pursuant to the terms of which the production services are on a one-time basis and our policy is to recognize revenues on a per-production basis in the month that we provide the production services.

Software Product Revenue – The Company generates revenues from the delivery of our software products via the cloud. We recognize as revenue the fees we charge customers for a software subscription service. The terms of the software subscription arrangements with our customers are pursuant to an agreement entered into with each customer pursuant to the terms of which the subscription period is on a month-to-month term, subscriptions are prepaid monthly and we do not offer returns, as such, our policy is to recognize revenues on a per-subscription fee basis in the month that we provide the software subscription service.

SEARCHCORE, INC.
(Formerly General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

Management Fee Revenue – In the past, the Company managed medical cannabis clinics throughout California pursuant to a contractual arrangement with a professional medical corporation. We recognized as revenue the fees we charged the professional medical corporation for providing administrative, marketing and human resources services. Our policy was to recognize revenues during the period that the services were rendered and we did not offer returns. See *Note 9. Discontinued Operations* for more information.

Income Taxes

The Company follows *Accounting for Income Taxes* that requires recognition of deferred income tax liabilities and assets for the expected future tax consequences of temporary differences between the income tax basis and financial reporting basis of assets and liabilities. Provision for income taxes consists of taxes currently due plus deferred taxes. During the twelve months ended December 31, 2011 and 2010, the Company recorded \$283,000 and \$62,800 provision for US income taxes, respectively.

The charge for taxation is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of assessable tax profit. In principle, deferred tax liabilities are recognized for all taxable temporary differences, and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also recorded in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Uncertain tax positions

The Company recognizes uncertain tax positions based on a benefit recognition model. Provided that the tax position is deemed more likely than not of being sustained, the Company recognizes the largest amount of tax benefit that is greater than 50 percent likely of being ultimately realized upon settlement. The tax position is derecognized when it is no longer more likely than not of being sustained. The Company classifies income tax-related interest and penalties as interest expense and SGA expense, respectively, on the Consolidated Statement of Operations.

Subsequent Events

During May 2009 and February 2010, the FASB issued new authoritative pronouncement regarding recognized and non-recognized subsequent events. This guidance establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before the financial statements are issued or are available to be issued. The Company adopted this guidance and it had no impact on the Company's results of operations or financial position.

SEARCHCORE, INC.
(Formerly General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

Recent Accounting Pronouncements

FASB issued an accounting standards update amending ASC 220 to improve the comparability, consistency and transparency of reporting of comprehensive income. It amends existing guidance by allowing only two options for presenting the components of net income and other comprehensive income: (1) in a single continuous financial statement, statement of comprehensive income or (2) in two separate but consecutive financial statements, consisting of an income statement followed by a separate statement of other comprehensive income. Also, items that are reclassified from other comprehensive income to net income must be presented on the face of the financial statements. ASU No. 2011-05 requires retrospective application, and it is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011, with early adoption permitted. In December 2011, FASB issued ASU 2011-12. ASU 2011-12 indefinitely deferred the provisions of ASU 2011-05 requiring the presentation of reclassification adjustments on the face of the financial statements for items reclassified from other comprehensive income to net income. The adoption of this standard will not have a material impact on our financial statements.

FASB issued an accounting standards update amending ASC 820 to achieve common fair value measurement and disclosure requirements between GAAP and IFRS. This amendment changes the wording used to describe fair value and requires additional disclosures. We do not expect this amendment, which is effective for interim and annual periods beginning after December 31, 2011, to have an impact on our financial position, results of operations, or cash flows.

In September 2011, the FASB issued an amendment to an existing accounting standard, which provides an option to perform a qualitative assessment to determine whether further impairment testing on goodwill is necessary. Specifically, an entity has the option to first assess qualitative factors to determine whether it is necessary to perform the current two-step test. If an entity believes, as a result of its qualitative assessment, that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is required. Otherwise, no further testing is required. This standard is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. The adoption of this standard will not have a material impact on our financial statements.

In January 2010, FASB issued ASU No. 2010-01- *Accounting for Distributions to Shareholders with Components of Stock and Cash*. The amendments in this Update clarify that the stock portion of a distribution to shareholders that allows them to elect to receive cash or stock with a potential limitation on the total amount of cash that all shareholders can elect to receive in the aggregate is considered a share issuance that is reflected in EPS prospectively and is not a stock dividend for purposes of applying Topics 505 and 260 (Equity and Earnings Per Share). The amendments in this update are effective for interim and annual periods ending on or after December 15, 2009, and should be applied on a retrospective basis. The adoption of this ASU did not have a material impact on our consolidated financial statements.

In January 2010, FASB issued ASU No. 2010-02 - *Accounting and Reporting for Decreases in Ownership of a Subsidiary - a Scope Clarification*. The amendments in this Update affect accounting and reporting by an entity that experiences a decrease in ownership in a subsidiary that is a business or nonprofit activity. The amendments also affect accounting and reporting by an entity that exchanges a group of assets that constitutes a business or nonprofit activity for an equity interest in another entity. The amendments in this update are effective beginning in the period that an entity adopts *Non-controlling Interests in Consolidated Financial Statements*. If an entity has previously adopted *Non-controlling Interests in Consolidated Financial Statements* as of the date the amendments in this update are included in the Accounting Standards Codification, the amendments in this update are effective beginning in the first interim or annual reporting period ending on or after December 15, 2009. The amendments in this update should be applied retrospectively to the first period that an entity adopted *Non-controlling Interests in Consolidated Financial Statements*. The adoption of this ASU did not have a material impact on our consolidated financial statements.

SEARCHCORE, INC.
(Formerly General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

In January 2010, FASB issued ASU No. 2010-06 - *Improving Disclosures about Fair Value Measurements*. This update provides amendments to Subtopic 820-10 that requires new disclosure as follows: 1) Transfers in and out of Levels 1 and 2. A reporting entity should disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and describe the reasons for the transfers. 2) Activity in Level 3 fair value measurements. In the reconciliation for fair value measurements using significant unobservable inputs (Level 3), a reporting entity should present separately information about purchases, sales, issuances, and settlements (that is, on a gross basis rather than as one net number). This update provides amendments to Subtopic 820-10 that clarify existing disclosures as follows: 1) Level of disaggregation. A reporting entity should provide fair value measurement disclosures for each class of assets and liabilities. A class is often a subset of assets or liabilities within a line item in the statement of financial position. A reporting entity needs to use judgment in determining the appropriate classes of assets and liabilities. 2) Disclosures about inputs and valuation techniques. A reporting entity should provide disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements. Those disclosures are required for fair value measurements that fall in either Level 2 or Level 3. The new disclosures and clarifications of existing disclosures are effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements. These disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The adoption of this ASU did not have a material impact on our consolidated financial statements.

In September 2009, the FASB issued Accounting Standards Update No. 2009-08 *Earnings Per Share - Amendments to Section 260-10-S99*, which represents technical corrections to topic 260-10-S99 *Earnings per share*, based on EITF Topic D-53 *Computation of Earnings Per Share for a Period that includes a Redemption or an Induced Conversion of a Portion of a Class of Preferred Stock* and EITF Topic D-42 *The Effect of the Calculation of Earnings per Share for the Redemption or Induced Conversion of Preferred Stock*. The adoption of this ASU did not have a material impact on our consolidated financial statements, results of operations or cash flows.

In August 2009, the FASB issued Accounting Standards Update No. 2009-05 *Fair Value Measurement and Disclosures Topic 820 - Measuring Liabilities at Fair Value*, which provides amendments to subtopic 820-10 *Fair Value Measurements and Disclosures - Overall* for the fair value measurement of liabilities. This update provides clarification that in circumstances in which a quoted price in an active market for the identical liability is not available, a reporting entity is required to measure fair value using one or more of the following techniques: 1. A valuation technique that uses: a) the quoted price of the identical liability when traded as an asset b) quoted prices for similar liabilities or similar liabilities when traded as assets. 2. Another valuation technique that is consistent with the principles of topic 820; two examples would be an income approach, such as a present value technique, or a market approach, such as a technique that is based on the amount at the measurement date that the reporting entity would pay to transfer the identical liability or would receive to enter into the identical liability. The amendments in this update also clarify that when estimating the fair value of a liability, a reporting entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of the liability. The amendments in this update also clarify that both a quoted price in an active market for the identical liability when traded as an asset in an active market when no adjustments to the quoted price of the asset are required are Level 1 fair value measurements. The adoption of this ASU did not have a material impact on our consolidated financial statements, results of operations or cash flows.

In June 2009, the FASB issued standards that establish only two levels of U.S. GAAP, authoritative and nonauthoritative. The FASB Accounting Standards Codification (the "Codification") became the source of authoritative, nongovernmental GAAP, except for rules and interpretive releases of the SEC, which are sources of authoritative GAAP for SEC registrants. All other non-grandfathered, non-SEC accounting literature not included in the Codification became nonauthoritative. This standard is effective for financial statements for interim or annual reporting periods ending after September 15, 2009. We use the new guidelines and numbering system prescribed by the Codification when referring to GAAP. As the Codification was not intended to change or alter existing GAAP, it did not have a material impact on our consolidated financial statements.

SEARCHCORE, INC.
(Formerly General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

In April 2009, the FASB issued standards that require disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. This standard also requires those disclosures in summarized financial information at interim reporting periods. This standard applies to all financial instruments within the scope of Statement 107 held by publicly traded companies, as defined by APB 28, and requires that a publicly traded company include disclosures about the fair value of its financial instruments whenever it issues summarized financial information for interim reporting periods. This standard is effective for interim reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. The adoption of this standard did not have a material impact on our consolidated financial statements, results of operations or cash flows.

In April 2009, the FASB issued standards that provide additional guidance for estimating fair value when the volume and level of activity for the asset or liability have significantly decreased and also includes guidance on identifying circumstances that indicate a transaction is not orderly for fair value measurements. This standard is effective for interim and annual periods ending after June 15, 2009. The adoption of this standard did not have a material impact on our consolidated financial statements, results of operations or cash flows.

In May 2009, the FASB issued standards that require management to evaluate subsequent events through the date the financial statements are either issued, or available to be issued. Companies are required to disclose the date through which subsequent events have been evaluated. This standard is effective for interim or annual financial periods ending after June 15, 2009. The Company evaluated its March 19, 2012 financial statements for subsequent events through March 19, 2012, the date the financial statements were available to be issued. Other than the events in *Note 24. Subsequent Events*, the Company is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

Note 3. Business Combinations

Revyv, LLC

On January 11, 2011, we entered into a Reorganization and Asset Acquisition Agreement pursuant to which we acquired substantially all the assets of Revyv, LLC. The assets consisted primarily of the intellectual property associated with the name CannabisCenters, including its website (www.cannabiscenters.com), its related physician software and patient verification system. As consideration for the purchase, which closed on January 13, 2011, we issued an aggregate of Five Hundred Thousand (500,000) shares of our common stock to Revyv, LLC or its assigns. Effective on January 10, 2011, we entered into an at-will employment agreement with each of James Johnson and David Johnson, each of which are members of Revyv, LLC. The compensation due to each is \$12,500 per month. This business is now operated as General Marketing Solutions, Inc. Neither James Johnson nor David Johnson are currently employed by us.

The purchase price was \$1,000,000, which pursuant to the Revyv Purchase Agreement consisted of the issuance of 500,000 shares of the Company's common stock. The purchase price was determined based on the value of the associated underlying shares of the Company's common stock, which value of \$2.00 per share, represented the offering price of the Company's Common Stock used in its most recently completed equity transactions prior to the date of the acquisitions in accordance with the following FASB ASC 820-10-35-5, Principal Market or Most Advantageous Market guidance.

SEARCHCORE, INC.
(Formally General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

In addition to the Purchase Price, beginning on the tenth (10th) business day of the month immediately following the first full month after the Transfer Date, we will pay to the Seller, or its assigns, an amount equal to ten percent (10%) of the gross revenue generated by the Domain Name (the "Revenue Payment") until such time as the Note is paid in full (the "Revenue Obligation Period"). The Revenue Payment will be accounted for pursuant to ASC 805-10-55-25 as a separate transaction. Since the Revenue Payments formula is a specified percentage of earnings (i.e. 10%), it is a profit-sharing arrangement and will be expensed as it is paid.

The following table summarizes the acquisition with a total purchase price of \$1,000,000:

Current assets	\$	—
Domains		18,500
Software		501,343
Goodwill		486,403
Total assets acquired		1,006,246
Accrued liabilities assumed		(6,246)
Total purchase price	\$	<u>1,000,000</u>

The Software will be amortized over a period of five years.

Synergistic Resources, LLC

On December 3, 2010, we entered into a Reorganization and Asset Acquisition Agreement (the "Synergistic Purchase Agreement") pursuant to which we acquired substantially all the assets of Synergistic Resources, LLC, a California limited liability company ("Synergistic Resources"). Pursuant to the terms of the Synergistic Purchase Agreement, the Synergistic Resources assets were placed into General Health Solutions, Inc., a wholly-owned subsidiary of the Company. See *Note 9. Discontinued Operations* for details on the discontinuation of operations of General Health Solutions, Inc.

The acquisition of Synergistic Resources was accounted for in accordance with the authoritative literature described in ASC 805-10 Business Combinations. Pursuant to ASC 805-10 Business Combinations only the acquisition method may be applied to account for a business combination. The assets consisted primarily of the intellectual property and established marketing associated with the name Marijuana Medicine Evaluation Centers, including its website www.marijuanamedicine.com, and the assignment of a Management Services Agreement. Pursuant to the terms of the Management Services Agreement (the "Management Contract") entered into by Synergistic Resources, LLC and a private medical corporation, we managed medicinal cannabis clinics. The terms of the Management Contract provide that Synergistic Resources will provide administrative, management and development services and to supervise and manage the day-to-day operations of the medicinal cannabis clinics for a term of ten (10) years with an automatic renewal period of five (5) years for a total term of fifteen (15) years.

The purchase price was \$4,050,000, which pursuant to the Synergistic Purchase Agreement consisted of the issuance of 2,000,000 shares of the Company's common stock, and a payment in the agreement amount of \$50,000 to Synergistic Resources.

SEARCHCORE, INC.
(Formerly General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

The following table summarizes the acquisition with a total purchase price of \$4,050,000:

Domain Name	\$ 14,000
Management Contract	1,424,297
Goodwill	2,718,538
Furniture, Equipment & Software	75,985
Accumulated Depreciation	(42,383)
Leasehold Improvements	11,364
Rent Deposits	33,872
Accounts Payable	(60,674)
Note Payables	(125,000)
Net Assets	<u>\$ 4,050,000</u>

See *Note 9. Discontinued Operations* for details on the discontinuation of operations of General Health Solutions, Inc.

WeedMaps, LLC

On November 19, 2010, SearchCore, Inc. entered into an Agreement and Plan of Reorganization and Merger with WeedMaps Media, Inc., a wholly owned subsidiary of SearchCore and WeedMaps, LLC (“WeedMaps”) (the “Merger Agreement”) (the “Merger”). Prior to the Merger, SearchCore was deemed to be a non-operating public shell corporation with nominal net assets and WeedMaps was a private operating company with significant operations. For accounting purposes the transaction is considered to be a reverse merger treated as a recapitalization of SearchCore where SearchCore is the surviving legal entity and the accounting acquiree, and WeedMaps is considered to be the accounting acquirer and the legal acquiree. The assets and liabilities of WeedMaps are recorded at their historical cost with the equity structure of SearchCore. No goodwill was recorded in the transaction. SearchCore was deemed a continuation of the business of WeedMaps and the historical financial statements of WeedMaps became the historical financial statements of SearchCore.

See *Note 22. Recapitalization* for a discussion regarding the elimination of the historical results of operation and the accumulated deficit of SearchCore including its wholly owned subsidiary, LV Luxuries Incorporated, as a result of the Merger and the associated reverse merger accounting and recapitalization of SearchCore.

Note 4. Asset Acquisitions

Marijuana.com

On November 18, 2011, we entered into a Domain Name Purchase Agreement with an unrelated party for the purchase of the domain name “marijuana.com.” Pursuant to the terms of the Agreement, the purchase price was \$4,250,000, payable \$125,000 on the date of execution of the Agreement, and the remaining balance over sixty nine (69) consecutive months beginning on January 18, 2012 pursuant to a Non-Recourse Secured Promissory Note of the same date (the “Note”).

SEARCHCORE, INC.
(Formally General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

In addition to the purchase price, beginning on the tenth (10th) business day of the month immediately following the first full month after the Transfer Date, we will pay to the Seller, or its assigns, an amount equal to ten percent (10%) of the gross revenue generated by the Domain Name (the "Revenue Payment") until such time as the Note is paid in full (the "Revenue Obligation Period"). The Revenue Payment will be accounted for pursuant to ASC 805-10-55-25 as a separate transaction. Since the Revenue Payments formula is a specified percentage of earnings (i.e. 10%), it is a profit-sharing arrangement and will be expensed as it is paid.

Furthermore, during the Revenue Obligation Period (69 months during which we are making payments on the promissory note), pursuant to the terms of the Agreement, the Seller shall be entitled to two text links on marijuana.com, as well as two banner ads (of average size based on the site) that are static (non rotational) (the "Advertising Rights"). The Seller is responsible for providing all necessary graphics and text, which are subject to final approval by us in our sole discretion.

The fair value of the Advertising Rights were determined to be \$47,886 over the Revenue Obligation Period based upon an analysis composed of twelve comparable websites and the average ad rates they charge for banner ads and text links which average monthly rates were \$249.50 for banner ads and \$97.50 for text links. We recorded a \$47,886 Advertising Rights intangible asset associated with the Advertising Rights which will be amortized over the term of the Revenue Obligation Period (beginning in January 2012—the month we took possession of the domain name). A summary of the Marijuana.com Asset Acquisition is presented below.

Domain name - marijuana.com *	\$ 4,250,000
Cash payment	(125,000)
Non-Recourse Secured Promissory Note	\$ (4,125,000)

* Included in Domain name – marijuana.com is \$47,886 in advertising rights.

The operations and/or revenues generated from marijuana.com prior to the acquisition were not part of the domain name purchase. The domain name www.marijuana.com is considered a premium domain name due to its level of monthly page views. We intend to increase our brand recognition by utilizing marijuana.com as a referral page to WeedMaps.com, and selling advertising banner space on the site. There can be no assurance that we will be able to make the payments or that we will be able to pay off the notes. If we are unable to satisfy our obligations under the notes, it will have a material negative effect on our cash flow, operations, profitability, and we could be forced to return marijuana.com to the seller.

We did not hire any of the Sellers of the domain name marijuana.com.

Note 5. Other Current Assets

Marketing Agreements

During April 2011, the Company entered into a marketing services agreement with a third-party firm (the "Marketing Agreement") pursuant to the terms of which, the Company would receive marketing services for a term of one year. Pursuant to the terms of the Marketing Agreement, consideration consisted of a cash payment of \$100,000 which cash payment portion will be amortized on a straight-line basis over the term of the Marketing Agreement. At December 31, 2011, the Company has recorded a prepaid expense balance of \$29,000.

During November 2010, the Company entered into a marketing services agreement with a third-party firm (the "Marketing Agreement") pursuant to the terms of which, the Company would receive marketing services for a term of two years. Pursuant to the terms of the Marketing Agreement, consideration consisted of a cash payment of \$115,000 and 250,000 Common Stock purchase warrants with a four-year contractual term and with each warrant entitling the holder thereof to purchase one share of common stock at a price of \$4.00. The Company valued the agreement at \$115,000 and will be amortized on a straight-line basis over the term of the Marketing Agreement. At December 31, 2011, the Company has recorded a prepaid expense balance of \$67,000.

SEARCHCORE, INC.
(Formerly General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

Credit Card Processing

During the normal course of business, the Company processes customer payments using a third-party merchant credit card processing system, which payments normally take one to three days to “clear.” At December 31, 2011, the Company had \$124,000 in merchant processing.

Consulting Agreement and Employment Agreement

During November 2010, the Company entered into a three-year Consulting Agreement with Douglas Francis, our President, pursuant to the terms of which the Company would receive merger and acquisition consulting services for a term of three years. The Company valued the agreement at \$1,850,000 which consisted of a cash payment of \$50,000 and a consulting fee of One Million Eight Hundred Thousand Dollars (\$1,800,000) payable, one-half on June 30, 2012 (per an Amendment to the agreement) and the other half on January 10, 2013. Subsequent to the Consulting Agreement being executed, it was contemplated that the Company would consummate an employment agreement with Mr. Francis, pursuant to the terms of which the services received and consideration given pursuant to the Consulting Agreement would be included in the employment agreement such that the employment agreement would supersede the Consulting Agreement.

On August 1, 2011, we entered into a Termination of Consulting Agreement with Douglas Francis, our President and a member of our Board of Directors, which terminated, effective as of April 1, 2011, his Consulting Agreement with us dated as of November 19, 2010, with no further amounts due under the Consulting Agreement.

On August 1, 2011, we entered into an at-will Employment Agreement with Douglas Francis, our President and a member of our Board of Directors. Mr. Francis’ employment is effective as of April 1, 2011. Under the terms of the agreement, his compensation is thirty thousand dollars (\$30,000) per month. In the event of termination of the agreement for a reason other than for cause, Mr. Francis will be entitled to severance equal to eighteen (18) months of compensation.

The balance of other current assets is attributable to \$137,000 in current deferred tax assets.

Note 6. Property And Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over the useful lives of the assets, generally from three to seven years. Property and equipment at December 31, 2011 and December 31, 2010 consist of the following:

Property and Equipment	December 31, 2011	December 31, 2010
Furniture and Computer Equipment	\$ 501,336	\$ 2,269
Less: Accumulated Depreciation	(71,295)	(67)
Property and Equipment, net	<u>\$ 430,041</u>	<u>\$ 2,202</u>

Property and equipment amounts at December 31, 2011 and 2010 do not include the accumulated depreciation amounts attributed to discontinued operations.

For the twelve months ended December 31, 2011 and 2010, depreciation expense totaled \$71,000 and \$67, respectively.

SEARCHCORE, INC.
(Formerly General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

Note 7. Intangible Assets

Intangible assets consists of a suite of domain names, including our recent acquisition of the domain name marijuana.com, web software (Product Software to be sold or marketed to third parties and not for internal use) and goodwill associated with the Revyv, LLC. acquisition.

The domain names have been determined to have an indefinite useful life based primarily on the renewability of the domain name. Intangible assets with an indefinite life are not subject to amortization, but will be subject to periodic evaluation for impairment.

To determine the fair value of the software, the company used the Income Approach valuation method. The company used a 5-year discounted cash flow model which cash flows were based on current and recent period actual results, had an assumed flat growth rate of 5% over the 5 year period, and a discount rate of 25%. The software acquired from Revyv, LLC is a comprehensive application suite that is designed for the complete management of alternative healthcare practices. The software is a comprehensive physician software suite which provides healthcare practices with a patient verification system as well as the ability to manage appointments, including automated voice, email and SMS patient reminders and appointment confirmations, easy website integration, and the ability to create management reports. The amortization period for the software is 5 years.

Intangible assets acquisitions and impairments as a result of discontinued operations during the year ended December 31, 2011 are summarized in the following table.

Asset Description	Balance December 31, 2010	General Marketing	WeedMaps	General Processing	General Health Discontinued Operations	Balance December 31, 2011
Management Contract	\$ 1,424,297	\$ -	\$ -	\$ -	\$ (1,424,297)	\$ -
Domain Names	23,076	18,500	80,839	5,704	(14,000)	114,119
Domain Name - Marijuana.com	-	-	4,250,000	-	-	4,250,000
Web Software	-	501,343	-	-	-	501,343
Goodwill	<u>2,718,538</u>	<u>486,403</u>	<u>-</u>	<u>-</u>	<u>(2,718,538)</u>	<u>486,403</u>
Total intangible Assets	<u>\$ 4,165,911</u>	<u>\$ 1,006,246</u>	<u>\$ 4,330,839</u>	<u>\$ 5,704</u>	<u>\$ (4,156,835)</u>	<u>\$ 5,351,865</u>

Intangible assets and accumulated amortization at December 31, 2011 and December 31, 2010 are comprised of the following:

Intangible Assets	December 31, 2011	December 31, 2010
Management contract	\$ —	\$ 1,424,297
Domain names	4,364,119	23,076
Web software	501,343	—
Goodwill	486,403	2,718,538
Subtotal	<u>\$ 5,351,865</u>	<u>\$ 4,165,911</u>
Accumulated amortization	—	—
Total intangible Assets	<u>\$ 5,351,865</u>	<u>\$ 4,165,911</u>

SEARCHCORE, INC.
(Formerly General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

Intangible asset amounts at December 31, 2011 and 2010 do not include the accumulated amortization amount attributed to discontinued operations, specifically amortization of the management contract.

Intangible assets subject to amortization	Amount	Useful life	Weighted-average amortization period
Advertising rights	\$ 47,886	5.75	0.50
Web software	\$ 501,343	5	4.56
Total intangible assets subject to amortization	\$ 549,229		5.07

Intangible assets not subject to amortization	Amount
Domain Names	\$ 4,316,233
Goodwill	486,403
Total intangible assets not subject to amortization	\$ 4,802,636

Note 8. Other Assets

The balance of other assets includes \$54,000 in rent deposits and \$28,000 in noncurrent deferred tax assets.

Note 9. Discontinued Operations

General Health Solutions, Inc.

We have decided to discontinue the operations of General Health Solutions, Inc., which constitutes our entire Medical Clinic Management segment. During the years ended December 31, 2011 and 2010, General Health Solutions had net operating losses of \$336,000 and \$43,000, respectively. We decided to discontinue the operations of General Health Solutions because of increasing costs associated with managing the clinics and the recent increased competition in the medicinal cannabis clinic industry. A major factor in the success of managing the medicinal cannabis clinics is running successful online Pay Per Click ("PPC") advertising campaigns. In PPC campaigns targeting is key, and factors that determine the pricing pertaining to certain key words depend heavily on the number of advertisers bidding on those certain key words. Taken together, i) our increasing success with our technology in our Marketing and Media Segment and ii) the increasing costs of PPC campaigns coupled with the increasing number of sole-practitioner doctors now offering medicinal cannabis recommendation letters as part of their medical practice offerings which places downward pressure on pricing, led us to decide to discontinue the operations of General Health Solutions, which composes our entire Medical Clinic Management Segment, and focus our efforts instead on our technology in our Marketing and Media Segment.

SEARCHCORE, INC.
(Formally General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

During February 2012, we committed to a definitive plan to terminate the management agreement and services associated with the agreement, which resulted in General Health Solutions, Inc., our Medical Clinic Management segment being reported as discontinued operations. For comparative purposes, all prior periods presented have been restated to reflect the reclassification of this segment to discontinued operations on a consistent basis.

General Health Solutions comprised the entirety of our Medical Clinic Management segment and as such, the entire segment was reported in discontinued operations.

Following the closure of the clinics during the first quarter 2012, we do not expect any continuing cash flows from discontinued operations.

At December 31, 2011, we recorded a \$30,000 liability related to one-time employee termination benefits and a \$71,000 liability related to contract termination costs.

The amounts of revenue, pretax loss as well as impairment of long-lived assets and goodwill reported in discontinued operations are as follows:

	Years ended	
	December 31,	
	2011	2010
Net revenue	\$ 2,065,622	\$ 220,540
Loss before impairment and taxes	(36,962)	(43,288)
Impairment of intangible assets	(1,438,297)	-
Impairment of goodwill	(2,718,538)	-
Income tax benefit	133,430	18,114
Loss from discontinued operations	\$ (4,060,367)	\$ (25,174)

Current assets – discontinued operations at December 31, 2011 consists of \$48,000 in accounts receivable, \$3,000 in inventory and \$800 in prepaid expense.

Other assets – discontinued operations at December 31, 2011 consists of \$52,000 note receivable which includes accrued interest receivable of \$43.

Current liabilities – discontinued operations at December 31, 2011 consists of \$17,000 in accounts payable, \$115,000 notes payable, a \$30,000 liability related to one-time employee termination benefits, a \$71,000 liability related to contract termination costs and \$10,000 in accrued interest.

Note 10. Accounts Payable

Accounts payable at December 31, 2011 included amounts owed to certain vendors related to the ongoing normal course of the Company's operations.

SEARCHCORE, INC.
(Formerly General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

Note 11. Accrued Liabilities

Accrued liabilities at December 31, 2011 and December 31, 2010 are comprised of the following:

Accrued liabilities	December 31, 2011	December 31, 2010
Obligations on consulting agreements	\$ —	\$ 900,000
Obligations on marketing agreements	42,000	73,000
Tax provision	361,300	62,000
Deferred rent	183,000	3,000
Payroll liabilities	166,000	—
Other	7,000	—
Total accrued liabilities	\$ 759,300	\$ 1,038,000

Note 12. Note Payable

See *Note 4. Asset Acquisitions* for details of our acquisition of the domain name marijuana.com on November 18, 2011, pursuant to which we issued a Non-Recourse Secured Promissory Note with a principal amount of \$4,150,000, payable over sixty nine (69) consecutive months beginning on January 18, 2012.

Below is a summary of the note payable related to the domain name marijuana.com acquisition.

Notes payable	December 31, 2011	December 31, 2010
Current portion	\$ 708,901	\$ -
Long term portion	3,416,099	-
	\$ 4,125,000	\$ -
Accrued interest	\$ -	\$ -

Interest begins to accrue in January 2012, the month in which we took possession of the domain name.

Note 13. Note Payable – Related Party

During November 2010 we acquired 100% of the membership interests of WeedMaps, LLC, a Nevada limited liability Company, pursuant to which we issued Secured Promissory Notes with the aggregate principal amount of \$3,600,000, in the form of four \$900,000 principal amount 0.35% Secured Promissory Notes, two issued to each of the Sellers, half of which principal matures on June 30, 2012, and half of which principal matures on January 10, 2013.

Below is a summary of the notes payable – related party related to the WeedMaps acquisition and the associated accrued interest.

Notes payable - related party	December 31, 2011	December 31, 2010
Current portion	\$ 1,130,000	\$ -
Long term portion	1,800,000	3,600,000
	\$ 2,930,000	\$ 3,600,000
Accrued interest	\$ 13,241	\$ 1,450

SEARCHCORE, INC.
(Formally General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

Note 14. Other Long Term Accrued Liabilities

See Note 13. *Note Payable – Related Party* for information on the promissory notes issued as part of the WeedMaps acquisition of which \$7,025 represents the accrued interest of the long-term portion of the note payable.

At December 31, 2011, we had a balance of \$148,000 in deferred tax liability.

Note 15. Earn out provisions, WeedMaps

Pursuant to the earn out provisions of the WeedMaps Purchase Agreement, in year one following the acquisition of WeedMaps, LLC each of the Sellers will be eligible to earn and be issued 3,000,000 shares of the Company's common stock on January 31, 2012, if the gross revenues of WeedMaps for the fiscal year ended December 31, 2011 are at least 20% higher than they were for the fiscal year ended December 31, 2010, which such gross revenues for the fiscal year ended December 31, 2011 were at least 20% higher than they were in the previous year and as such have each become eligible to be issued 3,000,000 shares of the Company's common stock for a total of 6,000,000 shares of our common stock. We expect to issue the shares to each of the Sellers during the quarter ending March 31, 2012.

See Note 22. *Recapitalization* for a discussion regarding the recapitalization of SearchCore as a result of the merger with WeedMaps, LLC. In part, and as further consideration for the purchase, the sellers of WeedMaps, LLC can collectively earn up to an aggregate of Sixteen Million (16,000,000) additional shares of our common stock pursuant to certain earn-out provisions (the "Earn-out Provisions") in the Purchase Agreement.

The Company accounts for Contingent Consideration according to FASB ASC 805 *Business Combinations*. Contingent consideration typically represents the acquirer's obligation to transfer additional assets or equity interests to the former owners of the acquiree if specified future events occur or conditions are met. FASB ASC 805 requires that contingent consideration be recognized at acquisition-date fair value as part of the consideration transferred in the transaction. FASB ASC 805 uses the fair value definition in *Fair Value Measurements*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As defined in FASB ASC 805, contingent consideration is (i) an obligation of the acquirer to transfer additional assets or equity interests to the former owners of an acquiree as part of the exchange for control of the acquiree if specified future events occur or conditions are met or (ii) the right of the acquirer to the return of previously transferred consideration if specified conditions are met.

Accordingly, the Company valued the Earn-out Provisions based on an analysis using a cash flow model (a "decision tree") to determine the Expected Earn-Out Payment, which model determined that the aggregate Expected Earn-out Payment was \$25,450,000 and the present value of the contingent consideration liability was \$18,362,269. The Company thus recognized at the acquisition date an \$18,362,269 Earn-out Provisions Liability amount associated with the Earn-out Provisions as part of the consideration transferred in the WeedMaps Purchase Agreement.

SEARCHCORE, INC.
(Formally General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

The probabilities for the three different scenarios in determining the likelihood of payouts related to the earn-out provisions (e.g., 75% probability that upside scenario will be achieved in year 1), as well as the discount rate used in our calculations were based on internal Company projections which were vetted by senior management, which probability rate for year 1 has, to date, already been exceeded, and as such, each of Mr. Hartfield and Mr. Hoerling will earn their respective earn-out provisions for year 1.

Pursuant to the WeedMaps Purchase Agreement, the Earn-out Provisions provide that for a period of three years following the acquisition of WeedMaps, LLC, each of the Sellers will be eligible to earn and be issued a certain number of shares of the Company's common stock based upon the following formula as follows:

- i. In year one following the acquisition of WeedMaps, LLC each of the Sellers will be eligible to earn and be issued 3,000,000 shares of the Company's common stock on January 31, 2012, if the gross revenues of Merger Sub [WeedMaps, LLC was merged with and into WeedMaps Media, Inc. ("Merger Sub")], for the fiscal year ended December 31, 2011 are at least 20% higher than they were for the fiscal year ended December 31, 2010. If the 2011 gross revenues of Merger Sub are at least 10%, but less than 20%, higher than the 2010 gross revenues, then the number of shares to be issued shall be reduced to 1,250,000 shares to each of the Sellers. If the 2011 gross revenues of Merger Sub are less than 10% higher than the 2010 gross revenues, then no shares shall be issued hereunder.

Year 1 Scenarios	<u># of Shares Earn-Out</u>	<u>Probability</u>	<u>Probability-Weighted Shares</u>
Upside	6,000,000	75 %	4,500,000
Gross Revenue 20% higher than previous year			
Mid	2,500,000	20 %	500,000
Gross Revenue higher than 10% but less than 20% of previous year			
Downside			
Gross Revenue 10% or lower than previous year	0	5 %	0
	Expected Earn-Out Shares		5,000,000
	Price per common share	\$	2.00
	Discount rate		20%
	No. of Years (nper)		1.00
	Payments (pmt)	\$	-
	Fair value (fv)	\$	10,000,000
	Present value factor at 20% discount rate for 12 months		<u>0.83333</u>
	Year 1: Present Value of Liability	\$	<u>8,333,333</u>

SEARCHCORE, INC.
(Formally General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

- ii. In year two following the acquisition of WeedMaps, LLC each of the Sellers will be eligible to earn and be issued 3,000,000 shares of the Company's common stock on January 31, 2013, if the gross revenues of Merger Sub for the fiscal year ended December 31, 2012 are at least 20% higher than they were for the fiscal year ended December 31, 2011. If the 2012 gross revenues of Merger Sub are at least 10%, but less than 20%, higher than the 2011 gross revenues, then the number of shares to be issued shall be reduced to 1,250,000 shares to each of the Sellers. If the 2012 gross revenues of Merger Sub are less than 10% higher than the 2011 gross revenues, then no shares shall be issued.

Year 2 Scenarios	# of Shares Earn-Out	Probability	Probability-Weighted Shares
Upside	6,000,000	70 %	4,200,000
Gross Revenue 20% higher than previous year			
Mid	2,500,000	20 %	500,000
Gross Revenue higher than 10% but less than 20% of previous year			
Downside			
Gross Revenue 10% or lower than previous year	0	10 %	0
	Expected Earn-Out Shares		4,700,000
	Price per common share	\$	2.00
	Discount rate		20%
	No. of Years (nper)		2.00
	Payments (pmt)	\$	-
	Fair value (fv)	\$	9,400,000
	Present value factor at 20% discount rate for 24 months		0.69444
	Year 2 Present value of liability	\$	6,527,778

SEARCHCORE, INC.
(Formally General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

iii. In year three following the acquisition of WeedMaps, LLC each of the Sellers will be eligible to earn and be issued 2,000,000 shares of the Company's common stock on January 31, 2014, if the gross revenues of Merger Sub for the fiscal year ended December 31, 2013 are at least 20% higher than they were for the fiscal year ended December 31, 2012. If the 2012 gross revenues of Merger Sub are at least 10%, but less than 20%, higher than the 2013 gross revenues, then the number of shares to be issued shall be reduced to 1,250,000 shares to each of the Sellers. If the 2013 gross revenues of Merger Sub are less than 10% higher than the 2012 gross revenues, then no shares shall be issued.

Year 3 Scenarios	# of Shares Earn-Out	Probability	Probability-Weighted Shares
Upside	4,000,000	60 %	2,400,000
Gross Revenue 20% higher than previous year			
Mid	2,500,000	25 %	625,000
Gross Revenue higher than 10% but less than 20% of previous year			
Downside			
Gross Revenue 10% or lower than previous year	0	15 %	0
	Expected Earn-Out Shares		3,025,000
	Price per common share	\$	2.00
	Discount rate		20%
	No. of Years (nper)		3.00
	Payments (pmt)	\$	-
	Fair value (fv)	\$	6,050,000
	Present value factor at 20% discount rate for 36 months		<u>0.57870</u>
	Year 3 Present Value of Liability	\$	<u>3,501,157</u>

SEARCHCORE, INC.
(Formerly General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

Note 16. Income Per Common Share

Income per common share is based on the weighted average number of common shares outstanding. The Company complies with *Earnings Per Share*, which requires dual presentation of basic and diluted earnings per share on the face of the statements of operations. Basic per share earnings or loss excludes dilution and is computed by dividing income (loss) available to common stockholders by the weighted-average common shares outstanding for the period. Diluted per share earnings or loss reflect the potential dilution that could occur if convertible preferred stock or debentures, options and warrants were to be exercised or converted or otherwise result in the issuance of common stock that is then shared in the earnings of the entity.

As of December 31, 2011, there were outstanding 250,000 common stock purchase warrants that were not included in the computation of diluted EPS because to do so would have been antidilutive for the period presented. *See Note 5. Other Current Assets* for information on the warrants.

Note 17. Income Taxes

As described in *Note 22. Recapitalization*, the Company completed a Merger with WeedMaps, LLC. in November 2010 and for accounting purposes the transaction is considered to be a reverse merger treated as a recapitalization of SearchCore where SearchCore is the surviving legal entity and the accounting acquiree, and WeedMaps is considered to be the accounting acquirer and the legal acquiree. The assets and liabilities of WeedMaps are recorded at their historical cost with the equity structure of SearchCore. No goodwill was recorded in the transaction. SearchCore was deemed a continuation of the business of WeedMaps and the historical financial statements of WeedMaps became the historical financial statements of SearchCore. Prior to the Merger, WeedMaps, LLC was not a tax paying entity for federal and state income tax purposes. Income from WeedMaps prior to the Merger was taxed at the members' level.

As described in *Note 3. Business Combinations*, the Company acquired substantially all the assets of Synergistic Resources, LLC during December 2010. Synergistic Resources, LLC is not a tax paying entity for federal and state income tax purposes. Income from Synergistic Resources, LLC is taxed at the members' level. Further, the results of operations of Synergistic Resources, LLC prior to the date of acquisition, the year ended December 31, 2009 and the period ended December 2, 2010, were attributed to the single member of the LLC. Accordingly, the Company has not provided a provision for income taxes from operations of Synergistic Resources, LLC prior to its acquisition. Effective the date of the acquisition, Synergistic Resources, LLC converted to a C-corp.

The components of net loss before income tax (benefit) consist of approximately the following:

	Years Ended December 31,	
	2011	2010
Operating income from continuing operations	\$ 1,437,152	\$ 456,583
Loss from discontinued operations	(4,193,797)	(25,174)
	<u>\$ (2,756,645)</u>	<u>\$ 431,409</u>

SEARCHCORE, INC.
(Formerly General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

Deferred income taxes reflect the net tax effects of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Significant components of the Company's tax provision and deferred tax assets as of December 31, 2011 and 2010 are as follows:

The components of tax provision (benefit)	December 31,	
	2011	2010
Current		
Federal	\$ 268,000	\$ -
State	31,700	62,800
	<u>299,700</u>	<u>62,800</u>
Deferred		
Federal	\$ (16,000)	\$ (429,000)
State	19,000	(31,000)
	<u>3,000</u>	<u>(460,000)</u>
Change in valuation allowance	(20,000)	460,000
Total tax (benefit) provision	<u>\$ 282,700</u>	<u>\$ 62,800</u>

The components of deferred tax asset (liability)	December 31,	
	2011	2010
Deferred income tax assets:		
State taxes	\$ 40,000	\$ -
Net operating losses	468,000	460,000
Accruals and other	97,000	-
	<u>605,000</u>	<u>460,000</u>
Deferred income tax liabilities:		
Depreciation and amortization	\$ (148,000)	\$ -
	<u>457,000</u>	<u>460,000</u>
Valuation allowance	(440,000)	(460,000)
Net deferred tax assets/(liabilities)	<u>\$ 17,000</u>	<u>\$ -</u>

SEARCHCORE, INC.
(Formally General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

For the years ended December 31, 2011 and 2010, a reconciliation of the federal statutory tax rate to the Company's effective tax rate is as follows:

Effective Tax Rate	December 31,	
	2011	2010
Federal statutory tax rate	34.00%	34.00%
State and local income taxes, net of federal tax benefit	-4.59%	15.19%
Permanent items	-36.35%	0.00%
Return to provision	-1.72%	0.00%
Valuation allowance	-0.55%	-34.00%
Total effective tax rate	-9.21%	15.19%

The ultimate realization of deferred tax assets depends upon the generation of future taxable income during the periods in which those temporary differences become deductible. Based upon the Company's loss for the year ended December 31, 2011, the Company has provided a valuation allowance in the amount of \$440,000 against our future net operating losses. The amount of deferred tax assets considered realizable could change if future taxable income is realized.

At December 31, 2011 and December 31, 2010, the Company had U.S. federal tax net operating loss carryforwards ("NOLs") of approximately \$1.4 million and \$1.4 million, respectively, which begin to expire in 2021. We do not have any State NOLs. The NOLs are subject to limitations under IRC Section 382 of the Internal Revenue Code ("Section 382").

Note 18. Related Party Transactions

All material intercompany transactions have been eliminated upon consolidation of our entities. During the twelve months ended December 31, 2011, cash transfers, equity and accounts between the Company and its subsidiaries have been eliminated upon consolidation.

Note 19. Commitment And Contingencies

On January 27, 2011, the Company entered into a commercial lease agreement for approximately 20,332 square feet of office space in Newport Beach, California. The lease expires on January 31, 2014 and requires monthly payments of \$39,647. The Company is confident that this commercial space will provide adequate space to meet our needs and provide for future growth.

SEARCHCORE, INC.
(Formerly General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

Set forth below is a summary of our current obligations as of December 31, 2011 comprised exclusively of a rental lease obligation to make future payments due by the period indicated below:

Operating lease payments	Minimum Payments	Monthly Base Rent
FYE 2012	\$ 495,288	\$ 41,274
FYE 2013	\$ 514,806	\$ 42,901
2014	\$ 42,901	\$ 42,901

Note 20. Equity Transactions

On January 11, 2011, we entered into a Reorganization and Asset Acquisition Agreement pursuant to which we acquired substantially all the assets of Revyv, LLC. As consideration for the purchase, we issued an aggregate of Five Hundred Thousand (500,000) shares of our common stock to Revyv. The issuance was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, and the investor was accredited and had access to information necessary to make an investment decision. The shares were restricted securities as described in Rule 144 pursuant to the Securities Act of 1933.

On December 15, 2010, we issued Twenty Five Thousand (25,000) shares of common stock, restricted in accordance with Rule 144, to The Lebrecht Group, APLC, our legal counsel, in exchange for services rendered. The issuance was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, and the investor was accredited and had access to information necessary to make an investment decision.

On December 3, 2010, we entered into a Reorganization and Asset Acquisition Agreement pursuant to which we acquired substantially all the assets of Synergistic Resources, LLC. As consideration for the purchase, we issued an aggregate of Two Million (2,000,000) shares of our common stock to Synergistic Resources. The issuance was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, and the investor was accredited and had access to information necessary to make an investment decision. The shares were restricted securities as described in Rule 144 pursuant to the Securities Act of 1933.

On November 23, 2010, we sold an aggregate of 825,000 shares of our common stock, restricted in accordance with Rule 144 and containing an appropriate restrictive legend, to four shareholders at a purchase price of \$2.00 per share, for aggregate cash consideration of \$1,650,000. One of the four shareholders was James Pakulis, our Chief Executive Officer and a member of our Board of Directors, who purchased 150,000 shares for aggregate cash consideration of \$300,000. The issuances were exempt from registration pursuant to Rule 506 of Regulation D promulgated under the Securities Act of 1933, and each investor was accredited.

On November 19, 2010, we entered into an Agreement and Plan of Reorganization and Merger pursuant to which we acquired 100% of the membership interests of WeedMaps, LLC, Nevada limited liability company. As consideration for the purchase, we issued an aggregate of Sixteen Million Four Hundred Thousand (16,400,000) shares of our common stock to two individuals, Justin Hartfield and Keith Hoerling. Hartfield and Hoerling can collectively earn up to an aggregate of Sixteen Million (16,000,000) additional shares of our common stock pursuant to certain earn-out provisions in the purchase agreement. Each of the issuances was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, and each of the investors was accredited and had access to information necessary to make an investment decision. The shares were all restricted securities as described in Rule 144 pursuant to the Securities Act of 1933.

On August 24, 2010, we issued 53,656,814 shares of our common stock to James Pakulis, one of our officers and directors, in exchange for the cancellation of \$1,609,704 in convertible debt at \$0.03 per share. The issuance was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933. Mr. Pakulis subsequently sold one-half (1/2) of the shares to Douglas Francis, another of our officers and directors.

SEARCHCORE, INC.
(Formerly General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

Note 21. Warrants

As of December 31, 2011, there were outstanding 250,000 common stock purchase warrants. See Note 5. Other Current Assets for information on the warrants.

The following table summarizes information about common stock warrants outstanding at December 31, 2011.

Outstanding			Exercisable		
Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
\$ 4.00	250,000	2.87	\$ 4.00	250,000	\$ 4.00
\$ 4.00	250,000	2.87	\$ 4.00	250,000	\$ 4.00

Note 22. Recapitalization

On November 19, 2010, SearchCore, Inc. entered into an Agreement and Plan of Reorganization and Merger with WeedMaps Media, Inc., a wholly owned subsidiary of SearchCore (“Merger Sub”) and WeedMaps, LLC (“WeedMaps”) (the “Merger Agreement”). WeedMaps was a privately held medical-cannabis industry-focused, marketing and media company, whose business plan was to monetize industry related information and to provide advertisers and industry professionals a direct and accessible platform via the internet. Pursuant to the terms of the Merger Agreement, Merger Sub merged with and into WeedMaps and WeedMaps is the surviving corporation and a wholly owned subsidiary of SearchCore (the “Merger”).

Prior to the Merger, SearchCore was deemed to be a non-operating public shell corporation with nominal net assets and WeedMaps was a private operating company with significant operations. After the completion of the Merger, assuming the issuance of shares pursuant to certain earn-out provisions, SearchCore’s previous shareholders owned 64,215,256 shares of common stock and WeedMaps shareholders owned 32,400,000, or approximately 34% of the outstanding shares of SearchCore’s common stock and as such, for accounting purposes the transaction is considered to be a reverse merger treated as a recapitalization of SearchCore where SearchCore is the surviving legal entity and the accounting acquiree, and WeedMaps is considered to be the accounting acquirer and the legal acquiree. The assets and liabilities of WeedMaps are recorded at their historical cost with the equity structure of SearchCore. No goodwill was recorded in the transaction. SearchCore was deemed a continuation of the business of WeedMaps and the historical financial statements of WeedMaps became the historical financial statements of SearchCore.

The following summary reflects the conversion of 100% membership interest of WeedMaps into 16,400,000 shares of SearchCore common stock, the additional 16,000,000 shares of common stock pursuant to the Earn-out provisions and the elimination of the accumulated deficit of SearchCore including its wholly owned subsidiary LV Luxuries:

Recapitalization Adjustment

Issuance of SearchCore’s common stock—16,400,000 shares at \$.001 par value	\$ 16,400
Earn-out provisions liability, WeedMaps	18,362,269
Elimination of SearchCore’s accumulated deficit	5,625,522
Elimination of LV Luxuries’ accumulated deficit	141,509
Recapitalization adjustment to additional-paid-in capital	<u>\$ 24,145,700</u>

SEARCHCORE, INC.
(Formally General Cannabis, Inc.)
Notes to the Consolidated Financial Statements
December 31, 2011
Audited

Note 23. Operating Segments

In the past, our operations contained two identifiable segments, the media and marketing segment and the medical clinic management segment. The factors that the Company considered when identifying our reportable segments were primarily the products and services which were offered by each segment. Based on the reporting of our entire Medical Clinic Management Segment as discontinued operations, we determined that we now have one reportable segment and accordingly we will no longer report on a segment basis. Further prior year segment information is no longer reported as well. See *Note 9. Discontinued Operations* for further information on the discontinuation of our medical clinic management segment.

Note 24. Subsequent Events

The Company evaluated its December 31, 2011 financial statements for subsequent events through March 19, 2012, the date the financial statements were available to be issued.

MMJMenu

On January 5, 2012, WeedMaps acquired substantially all the assets of MMJMenu, LLC (“MMJ”). The assets consist primarily of the intellectual property associated with MMJMENU, including its website (www.mmjmenu.com). As consideration for the purchase we issued an aggregate of Two Hundred Thousand (200,000) shares of our common stock to MMJ or its assigns. Effective on January 4, 2012, we entered into an at-will employment agreement with each of Justin Weidmann and Alex Weidmann, each of which are members of MMJMenu, LLC. The compensation due to each is \$10,000 per month.