SEARCHCORE, INC.
a Nevada corporation

Quarterly Report
For the Quarter ended March 31, 2012

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.

QUARTERLY 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”).

Item 1 The exact name of Issuer and the address of its principal executive offices.

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.

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www.searchcore.com
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 (888) 693-5219, or to:

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

Item 2 Shares outstanding.

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 quarter ended March 31, 2012, 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 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 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 3 Interim financial statements.

Attached hereto as Exhibit A, and incorporated herein by reference, is an unaudited balance sheet as of March 31, 2012, an audited restated balance sheet as of December 31, 2011, and unaudited statements of operations and cash flows for the three months ended March 31, 2012 and March 31, 2011.

Item 4 Management's discussion and analysis or plan of operation.

Disclaimer Regarding Forward Looking Statements

Our Management's Discussion and Analysis contains not only statements that are historical facts, but also statements that are forward-looking (within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934). Forward-looking statements are, by their very nature, uncertain and risky. These risks and uncertainties include international, national and local general economic and market conditions; demographic changes; our ability to sustain, manage, or forecast growth; our ability to successfully make and integrate acquisitions; raw material costs and availability; new product development and introduction; existing government regulations and changes in, or the failure to comply with, government regulations; adverse publicity; competition; the loss of significant customers or suppliers; fluctuations and difficulty in forecasting operating results; changes in business strategy or development plans; business disruptions; the ability to attract and retain qualified personnel; the ability to protect technology; and other risks that might be detailed from time to time in our filings with the Securities and Exchange Commission.

Although the forward-looking statements in this Quarterly 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.

The following discussion and analysis of financial condition and results of operations of the Company is based upon, and should be read in conjunction with, its unaudited financial statements and related notes elsewhere in this Quarterly Report, which have been prepared in accordance with accounting principles generally accepted in the United States.

Summary Overview

We are a technology service provider, at this time 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 through our various finder websites, software applications and programs, and other media. Our expanded direction is to provide finder site and search capabilities to non-cannabis related industries. All of our operations are conducted through our wholly-owned subsidiaries.

100% of our revenue during the quarter ending March 31, 2012 was generated by our wholly-owned subsidiary, WeedMaps Media, Inc., which operates 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.

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 our expanded direction, which is to provide finder site and search capabilities to non-cannabis related industries, is the most prudent direction for our company and shareholders.

Quarter Ended March 31, 2012 compared to Quarter Ended March 31, 2011

Recent Developments

MMJMenu, LLC

On January 5, 2012, WeedMaps Media, Inc. acquired substantially all the assets of MMJMenu, LLC ("MMJ" or "MMJMenu"). 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.

The MMJMenu LLC assets were placed in WeedMaps Media, Inc., our wholly owned subsidiary.

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., our wholly-owned subsidiary. 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 ended September 30, 2011, neither James Johnson nor David Johnson was 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 three months ended March 31, 2012, compared to the three months ended March 31, 2011, were as follows:

	Quarter ended March 31, 2012	**Quarter ended March 31, 2011**	**Percent Change**
Sales	$ 3,613,339	$ 2,032,005	78%
Total revenue	3,613,339	2,032,005	78%
Total operating expenses	2,864,585	2,210,081	30%
Operating income	$ 748,754	$ (178,076)	-

The increase in sales from $2.0 million for the three months ended March 31, 2011 to $3.6 million for the three months ended March 31, 2012, an increase of 78%, is exclusively attributable to an 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 $3.6 million and $2.0 million for the three months ended March 31, 2012 and 2011, respectively. The increase in revenues for the three months ended March 31, 2012 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 three months ended March 31, 2011, and an increase in the number of different ‘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 quarter ended March 31, 2011 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 quarter ended March 31, 2012 where the same listing packages in the same region would cost \$10,000, \$7,500 and \$5,000, respectively.

During the quarter ended March 31, 2012 and 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 started offering our listing packages in new states such as Washington, Oregon and Michigan, 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 quarters ended March 31, 2012 and 2011, as well as those outstanding at the end of each period:

	Quarter ended March 31, 2012	**Quarter ended March 31, 2011**
Average number of clients	2,049	1,137
Total clients at the end of the period	2,154	1,271

Below is a summary presentation of the revenue generated by each of our listing packages and the associated number of paying clients during the three months ended March 31, 2012 and 2011.

All Listing Packages	Quarter Ended March 31, 2012 No. of Paying Clients	Quarter Ended March 31, 2012 Total Revenue from Listing Packages	Quarter Ended March 31, 2011 No. of Paying Clients	Quarter Ended March 31, 2011 Total Revenue from Listing Packages
(Revenues in ,000's)				
Listing Fee Revenue:				
Gold	132	$ 744	97	$ 513
Silver	121	441	72	166
Bronze	137	413	76	149
Copper	183	450	96	174
Listing Deluxe	-	-	-	-
Listing Plus	665	600	724	679
Nickel	117	115	-	-
Growshops	15	5	-	-
Delivery Plus	718	421	391	132
Medbox	-	-	1	35
Dr. Listing	69	30	-	-
	2,157	$ 3,219	1,457	$ 1,848
Ad Revenue:				
Daily Deals	215	$ 279	84	$ 104
Email Text	9	3	8	5
Spring Gathering	-	-	-	-
Texting	59	19	20	14
Weed Freebies	3	9	3	24
Marijuana.com	15	46	-	-
	301	$ 356	115	$ 147
Content Production:				
Photos	5	$ 3	4	$ 3
Video Strain Review	51	21	8	10
Weed TV	8	12	-	-
	64	$ 36	12	$ 13
Total	2,522	$ 3,611	1,584	$ 2,008

Although the number of paying clients has been increasing in total, there also have been a number of our customers who decided to terminate their listing packages. The reasons why our customers elected to terminate vary and may include typical business cycles and/or 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. Even forced dispensary closures by municipalities or governmental agencies, which usually only result in a temporary downward sales revenue trend in that geographical area, do not have a material impact because the dispensaries often re-open nearby. We have not been able to determine any material trends related to the terminations.

Listings

We operate 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 fees charged to clients in which the clients advertise or 'list' their location, products and services on one or more of our websites. We recognize as revenue the fees we charge customers that advertise or 'list' their related company on our website.

Our listing packages are made up of two groups, Premium Listings and Standard Listings. The Premium Listings include our Gold, Silver, Bronze, Copper and Nickel listing packages. The Standard Listings include our Listing Plus, Listing Deluxe, Delivery Plus, Dr. Listing and Medbox listing packages. Both Premium Listing and Standard Listing Packages are considered Listing Fee Revenue pursuant to our revenue recognition policy.

The most important distinction between the Premium Listings and Standard Listing packages is positioning on our websites, since whichever business appears first, or at the top of the website, has an increased likelihood of a website visitor clicking on that business and thus "converting" the website visitor to a potential customer. In general, being in the top five search results on our website for a given geographical region is deemed preferable because of the increased conversion rates (or click-through rates) associated with those top five search results on our website in that given geographical region. As a result, we charge the client a premium dollar amount on those top five search results for a given region.

The Gold Listing is the first listing on the Google Map, first on the Regional Listing Page, first on the Featured Five Slide Bar, and also has a large distinctive red icon on the Google map, all of which, when 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.

Below is a detailed presentation of the similarities and differences in services provided for each of the listing packages for both the Premium Listing and Standard Listing packages:

	Premium Listing Packages				
Listing Package	**Gold**	**Silver**	**Bronze**	**Copper**	**Nickel**
Unlimited listing updates allowed	Yes	Yes	Yes	Yes	Yes
Unlimited text and photos on listing	Yes	Yes	Yes	Yes	Yes
Priority listing placement in regional listing	Yes	Yes	Yes	Yes	Yes
Access to WeedMaps "Weed Menu"	Yes	Yes	Yes	Yes	Yes
Visibility on strain finder	Yes	Yes	Yes	Yes	Yes
Summary content on the regional dispensary listing page	Yes	Yes	Yes	Yes	Yes
Phone support for customer service	Yes	Yes	Yes	Yes	Yes
Ability to type an official club response to any customer reviews	Yes	Yes	Yes	Yes	Yes
Activity highlights on community activity stream	Yes	Yes	Yes	Yes	Yes
Text coupon blasts	Scheduled	Limited	Limited	-	-
Placement on map	First	Second	Third	Fourth	Fifth
Placement on regional listing page	First	Second	Third	Fourth	Fifth
Placement on featured five slide bar	First	Second	Third	Fourth	Fifth
Regional sub-heading listing	Yes	-	-	-	-
Listing icon	Red Magnifying Glass	Blue Magnifying Glass	Purple Magnifying Glass	Purple Magnifying Glass	Purple Magnifying Glass
Eligibility for WeedPhotos.com monthly strain highlight	-	-	-	-	-

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.

Gold Listing is a Premium Listing package which includes everything that we offer in our Listing Plus package. They can also respond to customer reviews and update live community streams, and receive unlimited customer support. Further, the Gold Listing provides other features such as the big Gold Icon on the results map, which is the large Google map that is displayed on WeedMaps.com when a website user visits the website, first listing position on the map in a customer's given geographical region, first position on the Feature Five Slide bar, and first position on their regional listing page.

Silver Listing is a Premium package which includes everything that we offer in our Listing Plus package. They can also respond to customer reviews and update live community streams, and receive unlimited customer support. Further, the Silver Listing provides other features such as the big Blue Icon on the results map, second listing position on the map in a customer's given region, second position on the Feature Five Slide bar, and second position on their regional listing page.

Bronze Listing is a Premium package which includes everything that we offer in our Listing Plus package. They can also respond to customer reviews and update live community streams, and receive unlimited customer support. Further, the Bronze Listing provides other features such as third listing position on the map in a customer's given region, third position on the Feature Five Slide bar, and third position on their regional listing page.

Copper Listing is a Premium package which includes everything that we offer in our Listing Plus package. They can also respond to customer reviews and update live community streams, and receive unlimited customer support. Further, the Copper Listing provides other features such as fourth listing position on the map in a customer's given region, fourth position on the Feature Five Slide bar, and fourth position on their regional listing page.

Nickel Listing is a premium package which includes everything that we offer in our Listing Plus package. They can also respond to customer reviews and update live community streams, and receive unlimited customer support. Further, the Nickel Listing provides other features such as fifth listing position on the map in a customer's given region, fifth position on the Feature Five Slide bar, and fifth position on their regional listing page.

Listing Package	Standard Listing Packages				
	Listing Plus	**Listing Deluxe**	**Delivery Plus**	**Medbox**	**Dr. Listing**
Unlimited listing updates allowed	Yes	Yes	Yes	Yes	Yes
Unlimited text and photos on listing	Yes	Yes	Yes	Yes	Yes
Priority listing placement in regional listing	Yes	Yes	Yes	Yes	Yes
Access to WeedMaps “Weed Menu”	Yes	Yes	Yes	Yes	Yes
Visibility on strain finder	Yes	Yes	Yes	Yes	Yes
Summary content on the regional dispensary listing page	Yes	Yes	Yes	Yes	Yes
Phone support for customer service	Yes	Yes	Yes	Yes	Yes
Ability to type an official club response to any customer reviews	Yes	Yes	Yes	Yes	Yes
Activity highlights on community activity stream	Yes	Yes	Yes	Yes	Yes
Text coupon blasts	-	Scheduled	-	-	-
Placement on map	-	-	-	-	-
Placement on regional listing page	-	-	-	-	-
Placement on featured five slide bar	-	-	-	-	-
Regional sub-heading listing	-	-	-	-	-
Listing icon	Purple Magnifying Glass	Purple Magnifying Glass	Purple Magnifying Glass with Truck Icon	Purple Magnifying Glass with Vending Machine Icon	Blue Magnifying Glass with Rx Icon
Eligibility for WeedPhotos.com monthly strain highlight	-	Yes	-	-	-

Listing Deluxe includes everything from the Listing Plus package with the added features of having a monthly marijuana strain highlighted on WeedPhotos.com, text (SMS) based coupons and enhanced positioning on the regional listing page.

Delivery Plus is the basic package offered for those dispensaries that offer their customers delivery services as part of their product/service offerings. Delivery Plus 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 can also respond to customer reviews, and update our live community stream, and receive unlimited customer support.

Medbox is the basic package offered for those dispensaries that serve their customers via a vending machine or ‘medical marijuana box’. Medbox 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 can also respond to customer reviews, and update our live community stream, and receive unlimited customer support.

Dr. Listing is the basic package offered to medical doctors offering medicinal cannabis recommendation letters as part of their medical practice offerings. Dr. Listings allows a doctor to edit their listing on WeedMaps.com with unlimited updates and pictures. They can also respond to customer reviews, update our live community stream, and receive unlimited customer support.

Advertising

We generate revenues from fees we charge customers for placing ads for their related companies on our websites. Our advertising packages include our Daily Deals, Email Text, Spring Gathering, Texting, and WeedFreebies packages. All of our Advertising Packages are considered Ad Revenue pursuant to our revenue recognition policy.

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 coupon's secret code to redeem at the dispensary.

Email Text is a text-based coupon that is emailed to our website visitors that have indicated their desire to receive coupons on a daily basis.

Spring Gathering is a 'background takeover' of the WeedMaps.com website. A 'background takeover' is an advertising campaign which replaces a website's default background. The website instead displays an image or images outside of the defined container area of the website. The entire area outside of the container becomes a clickable area which opens a specified URL to the advertiser's respective website.

Texting is an SMS text that is sent to website visitors that have indicated their desire to receive coupons on a daily basis. Texting in most cases is included with a premium package (Gold, Silver, and Bronze) as they provide captivating and engaging content for our user base. In some cases they are offered individually.

WeedFreebies is a package we offer to our customers. "Freebie" is a product that is paid for by our client. A "freebie" is placed on the WeedMaps.com homepage and on WeedFreebies.com. Registered users of WeedMaps.com receive 5 clicks at a chance to win the "Freebie" of the day. Website visitors wait each day to use their clicks to win the daily "freebie". During this idle time patients have a tendency to look at the sponsor link during which time they are more likely to "browse around" and click the sponsored link directly. By clicking on the sponsored link, the patient will be directed to our customer's product website or our client's listing page.

Content Production

We generate revenues from photo and video production of content, which is displayed on our 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. All of our Content Production services are considered Content Production Revenue pursuant to our revenue recognition policy.

Photos is a service we offer our customers whereby a WeedMaps Media, Inc. photographer captures photos of the dispensary's establishment and of their products. Photos of our customer's products are labeled by strain and placed on our customer's respective WeedMaps.com listing page.

Video Strain Review is a service offered to our customers whereby a video is captured of the dispensary's products and posted on their respective WeedMaps.com listing page.

WeedTV is a service we offer to our customers whereby a dispensary's Video Strain Review is placed on WeedMaps.tv.

Operating Expenses

Operating Expenses – Our operating expenses as a percentage of sales experienced a decrease from 109% for the three months ended March 31, 2011, to 79% for the three months ended March 31, 2012. The increase in operating expenses, from $2.2 million for the three months ended March 31, 2011, to $2.9 million for the three months ended March 31, 2012, an increase of 32%, is attributable to our efforts to expand our operations during the three months ended March 31, 2012 as compared to the three months ended March 31, 2011. In particular, during the quarter ended March 31, 2012, we hired technology specialists for our research and development department. 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, and increases in general and administrative expenses primarily attributable to non-cash amortization expense associated with our recent acquisitions.

Salaries And Employee Benefits – During the three months ended March 31, 2012 and 2011, salaries and employee benefits were $1.6 million and $1.2 million, respectively. The increase in salaries and employee benefits during the quarter ended March 31, 2012 as compared to the quarter ended March 31, 2011, is primarily attributed to our increasing 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 quarters ended March 31, 2012 and 2011, professional fees were $403,000 and $552,000, respectively. This decrease of $149,000 was a result of our spending less during the quarter ending March 31, 2012 on accounting and legal expenses related to our SEC filings, less on investor relations, and less on sales and marketing contract work as compared to thequarter ending March 31, 2011. During the quarter ended March 31, 2012, professional fees included 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 Commission 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.

General And Administrative Expenses – During the quarters ended March 31, 2012 and 2011, general and administrative expenses were $300,000 and $283,000, respectively. The increase in general and administrative expenses is primarily attributable to increases in computer and internet expenses and to a lesser extent on a slight increase in depreciation expense during the quarter ended March 31, 2012 as compared to the quarter ended March 31, 2011.

Gain On Change In Fair Value Of Earn-Out Liability – During the quarter ended March 31, 2012, we recorded a non-cash gain on change in fair value of earn-out liability of $2.96 million as a result of remeasuring to fair value at March 31, 2012.

Liquidity and Capital Resources

Our cash, current assets, intangible assets, total assets, current liabilities, and total liabilities as of March 31, 2012 and December 31, 2011 were as follows:

	March 31, 2012 (unaudited)	December 31, 2011 (audited)	Percentage Change
Cash	$ 1,432,841	$ 1,512,590	(5.3%)
Total current assets	2,219,879	2,160,166	2.8%
Intangible assets:			
Domain names	4,474,888	4,364,119	2.5%
Web software	804,370	501,343	60.4%
Goodwill	505,132	486,403	3.9%
Total intangible assets	5,784,390	5,351,865	8.1%
Total assets	8,532,306	8,076,380	5.6%
Total current liabilities	13,326,314	2,891,862	(360.8%)
Total long term liabilities	10,256,056	23,938,347	(57.2%)
Total liabilities	$ 23,582,370	$ 26,830,209	(12.1%)

We had a slight decrease in cash from $1.5 million at December 31, 2011 to $1.4 million at March 31, 2012, a decrease of $80,000.

Our intangible assets at March 31, 2012 consist almost entirely of assets acquired in the WeedMaps Media, Inc., Revyv, LLC, and MMJMenu acquisitions as well as the domain name acquisition of marijuana.com. We believe these assets are necessary for our growth. The balance is goodwill which represents the premium paid for the acquisitions.

Our current liabilities increased from $2.9 million at December 31, 2011 to $13.3 million at March 31, 2012, an increase of $10.4 million and is as a result of reclassing from a long term liability to a current liability the $1.8 million notes payable related to the WeedMaps acquisition and from reclassing from a long term liability to a current liability $9.1 million in non-cash earn-out liability related to the WeedMaps acquisition, both of which were slightly offset by our making payments on the notes pursuant to the WeedMaps and Marijuana.com acquisitions. Further we had an increase in accrued liabilities arising from non-cash accrual of a $186,000 tax provision during the quarter ended March 31, 2012.

Our total long term liabilities decreased from $23.9 million at December 31, 2011 to $10.3 million at March 31, 2012, a decrease of $13.6 million and is as a result of our reclassing from a long term liability to a current liability $9.1 million in non-cash earn-out liability related to the WeedMaps acquisition and from our remeasuring to fair value the earn-out provisions related to the WeedMaps acquisition. During the quarter ended March 31, 2012, we recognized a non-cash gain of $2.96 million on change in fair value of earn-out liability.

Cash Requirements

We had approximately $1.4 million in cash and cash equivalents as of March 31, 2012. Our operating income for the quarter ended March 31, 2012 was $749,000. We had a working capital deficit of approximately $11.1 million at March 31, 2012. During the quarter ended March 31, 2012, our principal source of liquidity was cash generated from our current operations. However, there can be no assurance that a sufficient level of revenue from sales will be maintained to continue to fund our operations. Future events, which include, but are not limited to, operational problems, delays and unforeseen expenses, may prevent us from meeting our day-to-day financial obligations. In addition, regulatory issues related to our principal operations may cause some or all of our clients to close and/or cause our operations to discontinue. In either situation, it may have a materially adverse effect on our operations and may either impair our ability to operate or force us to discontinue operations. We may have difficulties, be prevented from, or be unsuccessful in obtaining debt financing or raising capital through the sale of equity in order to maintain and potentially expand our operations and to fund our debt obligations. If we are not able to maintain or increase revenues, or we are unable to secure any additional method of financing, we may be forced to terminate employees, downsize our operations and/or discontinue our operations.

Sources and Uses of Cash

Operations

We had net cash from operating activities of $725,000 for the quarter ended March 31, 2012, as compared to net cash used in operating activities of $186,000 for the quarter ended March 31, 2011. For the quarter ended March 31, 2012, the net cash provided by operating activities consisted primarily of net income of $3.4 million (including discontinued operations) which included a non-cash $2.96 million gain on change in fair value of earn-outs, which was slightly offset by a $98,000 loss related to the discontinued operations of General Health Solutions, and to a lesser extent, an increase in accounts payable and accrued liabilities of $132,000, an increase in prepaid expenses and deposits of $138,000, plus non-cash amortization and depreciation expense of $44,000 and $98,000, respectively. For the quarter ended March 31, 2011, the net cash used by operating activities consisted primarily of net loss (including discontinued operations) of $52,000, an increase in accounts payable and accrued liabilities of $212,000, a increase in prepaid expenses and deposits of $8,000, and a decrease in accounts receivable of $409,000, plus non-cash amortization and depreciation expense of $85,000 and $17,000, respectively.

Investments

We had net cash used in investing activities of $303,000 for the quarter ended March 31, 2012, as compared to $270,000 for the quarter ended March 31, 2011. For the quarter ended March 31, 2012, the net cash used in investing activities was primarily related to purchases of furniture and computers and other equipment of $106,000, plus purchases of intangible assets of $197,000. For the quarter ended March 31, 2011, the net cash from investment activities was primarily a result of purchases of furniture and computers and other equipment of $258,000, plus purchases of intangible assets of $12,000.

Financing

We had net cash used in financing activities of $502,000 for the quarter ended March 31, 2012, as compared to net cash used in financing activities of $20,000 for the quarter ended March 31, 2011. For the quarter ended March 31, 2012, our net cash used in financing activities consisted solely of payments on note payables. For the quarter ended March 31, 2011, our net cash used in financing activities consisted of $20,000 of payment on notes payables.

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. No goodwill impairment was recognized during the three months ended March 31, 2012 and 2011, respectively.

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. No impairment of intangible assets was recognized during the three months ended March 31, 2012. No impairment of long-lived assets was recognized during the three months ended March 31, 2011.

Contingent Consideration – Earn-outs

Contingent consideration, the earn-out provisions, which are classified as a liability, pursuant to ASC 805, are required to be remeasured to fair value at each reporting date and any changes in fair value subsequent to the acquisition date are recognized in earnings which could cause a material impact to, and volatility in, our operating results. The primary inputs in determining the fair value of the earn-outs that are remeasured to fair value are the quoted price of the underlying shares of our common stock and the probabilities for the three different scenarios in determining the likelihood of common share payouts. The net effect of the changes to our cash flow model as a result of remeasuring the earn-out liability to fair value was $2.96 million and, as such, a change in the fair value of the earn-out liability was recorded at March 31, 2012. At March 31, 2012, the fair value of the earn-out liability was $15.7 million as compared to $18.6 million at December 31, 2011. At March 31, 2012, we recorded a non-cash gain on change in fair value of the earn-out liability of $2.96 million.

Net Income

For the quarters ended March 31, 2012 and 2011, we had net income of $3.4 million and net loss of $52,000, respectively. The net income we experience during the quarter ended March 31, 2012 is primarily attributed to the $2.96 million non-cash gain on change in fair value of the earn-our liability.

Item 5 Legal proceedings.

We are not a party to or otherwise involved in any pending or threatened legal proceedings that management considers to have a material adverse effect on our financial condition or results of operations.

In the ordinary course of business, we may from time to time be 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.

Item 6 Defaults upon senior securities.

We are not in default on any note, loan, lease, or other indebtedness or financing arrangements requiring us to make payments.

Item 7 Other information.

1. Entry into a Material Definitive Agreement.

On December 19, 2011, we entered into a Reorganization and Asset Purchase Agreement with MMJMenu, LLC, an unrelated Colorado limited liability company, for the purchase of substantially all of its assets. 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 Wedimann, each of which are members of MMJMenu, LLC.

The closing took place on January 5, 2012.

2. Termination of a Material Definitive Agreement.

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.

3. Completion of Acquisition or Disposition of Assets, Including but not Limited to Mergers.

See the disclosure in connection with Item 1, above.

4. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of an Issuer.

There have been no events which are required to be reported under this Item.

5. Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement.

There have been no events which are required to be reported under this Item.

6. Costs Associated with Exit or Disposal Activities.

There have been no events which are required to be reported under this Item.

7. Material Impairments.

There have been no events which are required to be reported under this Item.

8. Sales of Equity Securities.

On January 5, 2012, WeedMaps acquired substantially all the assets of MMJMenu, LLC ("MMJ"). 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. 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.

9. Material Modification to Rights of Security Holders.

There have been no events which are required to be reported under this Item.

10. Changes in Issuer's Certifying Accountant.

There have been no events which are required to be reported under this Item.

11. Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review.

There have been no events which are required to be reported under this Item.

12. Changes in Control of Issuer.

There have been no events which are required to be reported under this Item.

13. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

There have been no events which are required to be reported under this Item.

14. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

Effective on January 6, 2012, an Amendment to our Articles of Incorporation was effective that changed the name of the Company from General Cannabis, Inc. to SearchCore, Inc.

The Amendment was unanimously approved by our Board of Directors on October 14, 2011, and a majority of our outstanding shares of common stock on October 14, 2011.

Simultaneous with the change in our name, our common stock trading symbol was changed to "SRER.'

15. Amendments to the Issuer's Code of Ethics, or Waiver of a Provision of the Code of Ethics.

There have been no events which are required to be reported under this Item.

Item 8 Exhibits.

Material Contracts.

None.

Articles of Incorporation and Bylaws:

There are no exhibits of this type that have not already been described or attached in a prior disclosure statement.

Item 9 Issuer's Certifications:

Exhibit No.	Description
C-1	Chief Executive Officer Certification
C-2	Chief Financial Officer Certification

Dated this 17th day of May, 2012, at Newport Beach, California.

SearchCore, Inc.,
a Nevada corporation

By: James Pakulis
Its: Chief Executive Officer

Exhibit A

Financial Statements

Condensed Consolidated Balance Sheets

	March 31, 2012 (Unaudited)	December 31, 2011 (Audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 1,432,841	$ 1,512,590
Accounts receivable	217,252	206,091
Inventory	—	9,830
Other current assets	444,024	379,860
Current assets - discontinued operations	125,762	51,795
TOTAL CURRENT ASSETS	$ 2,219,879	$ 2,160,166
Property and equipment, net	437,705	430,041
Intangible assets:		
Domain names	226,970	114,119
Domain name - Marijuana.com, net	4,247,918	4,250,000
Web software, net	804,370	501,343
Goodwill	505,132	486,403
Other assets	90,332	82,332
Other assets - discontinued operations	—	51,976
TOTAL ASSETS	$ 8,532,306	$ 8,076,380
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	$ 188,787	$ 50,632
Accrued liabilities	578,091	759,312
Note payable	708,901	708,901
Note payable - related party	2,605,000	1,130,000
Earn-out provisions	9,120,000	—
Current liabilities - discontinued operations	125,535	243,017
TOTAL CURRENT LIABILITIES	$ 13,326,314	$ 2,891,862
LONG TERM LIABILITIES		
Other accrued liabilities	447,700	155,025
Note payable	3,239,206	3,416,099
Note payable - related party	-	1,800,000
Earn-out provisions	6,569,150	18,567,223
TOTAL LONG TERM LIABILITIES	10,256,056	23,938,347
TOTAL LIABILITIES	$ 23,582,370	$ 26,830,209
STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred stock, $0.001 par value: 20,000,000 shares authorized; zero shares issued and outstanding at March 31, 2012; zero shares issued and outstanding at December 31, 2011;	—	—
Common stock, $0.001 par value: 200,000,000 shares authorized; 83,340,256 shares issued and outstanding at March 31, 2012; 83,140,256 shares issued and outstanding at December 31, 2011;	83,340	83,140
Paid-in capital	(15,685,244)	(15,965,044)
Retained earnings (accumulated deficit)	551,840	(2,871,925)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	(15,050,064)	(18,753,829)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 8,532,306	$ 8,076,380

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

Condensed Consolidated Statements of Operations (Unaudited)

	Three Months Ended	
	March 31, 2012	March 31, 2011
REVENUE		
Sales	$ 3,613,339	$ 2,032,005
Total revenue	3,613,339	2,032,005
OPERATING EXPENSES		
Cost of sales	184,955	47,795
Selling, general and administrative expenses	2,679,630	2,162,286
Total operating expenses	2,864,585	2,210,081
Operating Income (loss)	748,754	(178,076)
Other Income (Expense)		
Gain on change in fair value of earn-out liability	2,964,115	—
Interest income	—	178
Interest expense	(13,245)	—
Total other income	2,950,870	178
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	3,699,624	(177,898)
Provision for Income Taxes	217,000	—
INCOME (LOSS) FROM CONTINUING OPERATIONS	3,482,624	(177,898)
(Loss) income from discontinued operations, net of $39,000 and zero tax benefit for the quarters ended March 31, 2012 and 2011, respectively	(58,859)	126,107
NET INCOME (LOSS)	$ 3,423,765	$ (51,791)
Income (loss) per share, Basic and Diluted		
Income (loss) from continuing operations	$ 0.04	$ (0.00)
Income (loss) from discontinued operations	(0.00)	0.00
Total income (loss) per share	$ 0.04	$ (0.00)
WEIGHTED AVERAGE COMMON SHARES	83,331,465	83,068,034

The accompanying notes are an integral part of these condensed consolidated financial statem

Condensed Consolidated Statements of Cash Flows (Unaudited)

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
Cash flows from operating activities:		
Net (loss) income	$ 3,423,765	$ (51,791)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation	98,467	17,301
Amortization	44,418	84,581
Gain on change in fair value of earn-out liability	(2,878,073)	—
Changes in operating assets and liabilities:		
Accounts receivable	(11,161)	(409,331)
Inventories	9,830	(3,401)
Prepaid expenses and deposits	(138,131)	(8,300)
Other assets	43,976	(26,734)
Accounts payable and accrued liabilities	132,127	211,501
Net cash provided by (used in) operating activities	725,218	(186,174)
Cash flows from investing activities:		
Purchases of property and equipment	(106,131)	(258,166)
Purchases of intangible assets	(196,943)	(11,596)
Net cash used in investing activities	(303,074)	(269,762)
Cash flows from financing activities:		
Payments on note payable	(176,893)	—
Payments on note payable - related party	(325,000)	(20,000)
Net cash used in financing activities	(501,893)	(20,000)
Net decrease in cash and cash equivalents	(79,749)	(475,936)
Cash and cash equivalents at beginning of period	1,512,590	1,388,574
Cash and cash equivalents at end of period	$ 1,432,841	$ 912,638
Non-cash investing and financing activity:		
Shares issued pursuant to Revyv acquisition	—	500,000
Shares issued pursuant to MMJMenu acquisition	200,000	—

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

Condensed Consolidated Statements of Stockholders' Equity (Deficit)

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Shareholders' Equity (Deficit)
	Shares	Amount	Shares	Amount			
BALANCES, December 31, 2010	—	—	82,640,256	$ 82,640	$ (16,964,444)	$ 372,374	$ (16,509,430)
Issuance of common stock			500,000	500	999,500		1,000,000
Paid in capital, Revyv, LLC acquisition					(100)		(100)
Net income (loss) from continuing operations						(3,244,299)	(3,244,299)
BALANCES, December 31, 2011	—	—	83,140,256	$ 83,140	$ (15,965,044)	$ (2,871,925)	$ (18,753,829)
Issuance of common stock, MMJmenu			200,000	200	279,800		280,000 -
Net income (loss) from continuing operations						3,423,765	3,423,765
BALANCES, March 31, 2012	—	—	83,340,256	$ 83,340	$ (15,685,244)	$ 551,840	$ (15,050,064)

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

SEARCHCORE, INC.
(Formally General Cannabis, Inc.)
Notes to the Condensed Consolidated Financial Statements
March 31, 2012
Unaudited

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 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 28 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 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.

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

Alabama,
Connecticut,
Idaho,
Illinois,
Kansas,
Maryland,
Massachusetts,
Missouri,
New Hampshire,
New York,
Ohio, and
Pennsylvania,

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

MMJMenu

On January 5, 2012, WeedMaps Media, Inc. acquired substantially all the assets of MMJMenu, LLC ("MMJ"). The assets consist primarily of the intellectual property associated with MMJ, 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 MMJ. 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 8. 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.

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.

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 three months ended March 31, 2012 and 2011 was $51,000 and $201,000, 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.

Inventory

The Inventory balance at December 31, 2011 consisted of credit card terminals which were stated at the lower of cost (average) or market. We previously supplied dispensaries with credit card processing services. On October 31, 2011, General Merchant Solutions, our wholly owned subsidiary, discontinued all retail credit card processing operations.

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 March 31, 2012 and 2011 are presented net of accumulated depreciation of $98,000 and $17,000, 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. No goodwill impairment was recognized during the three months ended March 31, 2012 and 2011, respectively.

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. No impairment of intangible assets was recognized during the three months ended March 31, 2012 and 2011, respectively.

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 three months ended March 31, 2012 and 2011, the Company had no stock-based compensation expense related to issuances of shares of the Company's common stock to consultants.

Contingent Consideration – Earn-outs

Contingent consideration, the earn-out provisions, which are classified as a liability, pursuant to ASC 805, are required to be remeasured to fair value at each reporting date and any changes in fair value subsequent to the acquisition date are recognized in earnings which could cause a material impact to, and volatility in, our operating results. The primary inputs in determining the fair value of the earn-outs that are remeasured to fair value are the quoted price of the underlying shares of our common stock and the probabilities for the three different scenarios in determining the likelihood of common share payouts.

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.

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 three months ended March 31, 2012 and 2011, the Company recorded $217,000 and zero 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.

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 did not have a material impact on our financial statements.

FASB issued an accounting standards update amending ASC 820, which is effective for interim and annual periods beginning after December 31, 2011, 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. The adoption of this amendment did not have a material impact on our financial statements.

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 did 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.

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.

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 31, 2012 financial statements for subsequent events through May 14, 2012, the date the financial statements were available to be issued. Other than the events in *Note 21. 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

MMJMenu, LLC

On January 5, 2012, WeedMaps Media, Inc. acquired substantially all the assets of MMJMenu, LLC ("MMJ") including its website (www.mmjmenu.com). MMJ is a dispensary point-of-service and collective management software system that gives customers inventory tracking, patient management and a point-of-sales system. The MMJMenu is being integrated with WeedMaps, so that our customers can have their inventory updated in real-time on their respective WeedMaps.com listing page. The acquisition of MMJ 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. 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.

The Significance test pursuant to Rule 8-04(b) of Regulation S-X was used to determine that the acquisition of MMJMenu, LLC was not significant to our financial statements for the fiscal year ended December 31, 2011 and as such, the financial statements of MMJ were not required pursuant to Rule 3-05(b)(2)(i) and Rule 8-04(c)(1).

The following table summarizes the acquisition with a total purchase price of $280,000:

Current assets	$	—
Domains		1,950
Software		345,363
Goodwill		18,729
Total assets acquired	$	366,042
Earn-out provision		(86,042)
Total purchase price	$	280,000

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

Earn out provisions, MMJ

Pursuant to the earn out provisions of the MMJMenu Purchase Agreement, in year one following the acquisition of MMJ each of the Sellers will be eligible to earn and be issued 50,000 shares of the Company's common stock, if the gross revenues of SearchCore for the fiscal year ended December 31, 2012 are at least 50% higher than they were for the fiscal year ended December 31, 2011. Further, in year two following the acquisition of MMJ each of the Sellers will be eligible to earn and be issued 50,000 shares of the Company's common stock, if the gross revenues of SearchCore for the fiscal year ended December 31, 2013 are at least 50% higher than they were for the fiscal year ended December 31, 2012.

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 $112,000 and the present value of the contingent consideration liability was $86,000. The Company thus recognized at the acquisition date an $86,000 Earn-out Provisions Liability amount associated with the Earn-out Provisions as part of the consideration transferred in the MMJMenu Purchase Agreement.

The probabilities for the two different scenarios in determining the likelihood of payouts related to the earn-out provisions, as well as the discount rate used in our calculations were based on internal Company projections which were vetted by senior management. Below is a summary presentation of the earn-outs on January 5, 2012, the date of the acquisition:

Year one of the cash flow model:

Scenarios	# of Shares Earn-Out	Probability	Probability-Weighted Shares
Upside **Gross Revenue 50% higher than previous year**	**50,000**	**85%**	42,500
Base **Gross Revenue not 50% higher than previous year**	**0**	**15%**	0
	Expected Earn-Out Shares		**42,500**
	$/Share		**$1.40**
	rate		20%
	nper		1.00
	pmt		$-
	fv		$59,500
	PV factor at 20% for 12 months		0.83333
	Fair Value of Liability		**$49,583**

Year two of the cash flow model:

Scenarios	# of Shares Earn-Out	Probability	Probability-Weighted Shares
Upside **Gross Revenue 50% higher than previous year**	**50,000**	**75%**	37,500
Base **Gross Revenue not 50% higher than previous year**	**0**	**25%**	0
	Expected Earn-Out Shares		**37,500**
	$/Share		**$1.40**
	rate		20%
	nper		2.00
	pmt		$-
	fv		$52,500

PV factor at 20% for 24 months	0.69444
Fair Value of Liability	**$36,458**

Contingent consideration, the earn-out provisions, which are classified as a liability are required to be remeasured to fair value at each reporting date and any changes in fair value subsequent to the acquisition date are recognized in earnings. The primary inputs in determining the fair value of the earn-outs that were remeasured to fair value at March 31, 2012 were i) the quoted price of the underlying shares of our common stock and ii) the probabilities for the two year scenarios in determining the likelihood of common share payouts.

The price of our common stock was reduced to $0.90 from $1.40 of our cash flow model because the price of our common stock as quoted on the OTCQX on March 31, 2012, the balance sheet date, was $0.90.

The upside probability rates in year one and two of our cash flow model have been increased to 90% and 80%, respectively, from 85% and 75%, respectively, which resulted in a decrease in the fair value of the earn-out liability. The net effect of the changes to our cash flow model as a result of remeasuring the earn-out liability to fair value was a decrease of $25,000 and as such, a change in the fair value of the earn-out liability was recorded at March 31, 2012. At March 31, 2012, the fair value of the earn-out liability was $61,000. At March 31, 2012, we recorded a gain on change in fair value of the earn-our liability of $25,000.

Below is a summary presentation of the earn-outs as remeasured to fair value at March 31, 2012, the balance sheet date.

Year one of the cash flow model:

Scenarios	# of Shares Earn-Out	Probability	Probability-Weighted Shares
Upside Gross Revenue 50% higher than previous year	**50,000**	**90%**	45,000
Base Gross Revenue not 50% higher than previous year	**0**	**10%**	0

Expected Earn-Out Shares	**45,000**
$/Share	**$0.90**
rate	20%
nper	0.75
pmt	$-
fv	$40,500
PV factor at 20% for 9 months	0.87220
Fair Value of Liability	**$35,324**

Year two of the cash flow model:

Scenarios	# of Shares Earn-Out	Probability	Probability-Weighted Shares
Upside Gross Revenue 50% higher than previous year	**50,000**	**80%**	40,000
Base Gross Revenue not 50% higher than previous year	**0**	**20%**	0
	Expected Earn-Out Shares		**40,000**
	$/Share		**$0.90**
	rate		20%
	nper		1.75
	pmt		$-
	fv		$36,000
	PV factor at 20% for 21 months		0.72683
	Fair Value of Liability		**$26,166**

Note 4. Other Current Assets

At March 31, 2012, the Company had recorded $84,000 in marketing services agreements with third party firms, which terms are from one to two years and are amortized on a straight-line basis over the term of the respective marketing agreement.

At March 31, 2012, the Company had $137,000 in current deferred tax assets, $116,000 in payroll and commission advance to employees or consultants, $56,000 in prepaid insurance and $51,000 in other prepaid services such as legal and advertising.

Note 5. 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 March 31, 2012 and December 31, 2011 consist of the following:

Property and Equipment	**March 31, 2012**	**December 31, 2011**
Furniture and Computer Equipment	$ 536,172	$ 501,336
Less: Accumulated Depreciation	(98,467)	(71,295)
Property and Equipment, net	$ 437,705	$ 430,041

For the three months ended March 31, 2012 and for the twelve months ended December 31, 2011, depreciation expense totaled $29,000 and $71,000, respectively.

Note 6. 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 our recent acquisitions.

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.

Marijuana.com - The domain name www.marijuana.com is considered a premium domain name for a variety of reasons, including, but not limited to, its level of monthly page views, unique visitors, search engine optimization results, industry strength, sales value history, market potential, linguistical viability, brand recognition and recall value. The domain name Marijuana.com has an indefinite life subject to annual renewal fees of approximately $10 per year. We fully intend and believe that we will have the financial wherewithal to renew Marijuana.com indefinitely. The domain name Marijuana.com has worldwide recognition and presumably will be able to generate advertising revenue regardless of the stability and/or stage of the medical marijuana industry in the United States. We believe Marijuana.com will maintain its value principally because of its broad worldwide appeal. The recognition of Marijuana.com in the United States only represents a portion of its potential brand identity and marketing potential. The brand recognition of the domain name Marijuana.com transcends both the medicinal dispensary industry as well as the more established industries, such as the pharmaceutical industry. Medicinal cannabis is approved in sixteen states, plus the District of Columbia. Further, as of April 1st, 2012, there are twelve states with pending legislation to legalize medical marijuana. Though the medicinal cannabis industry may be compliant with applicable state laws, it is deemed illegal under federal law. However, to date, the federal government has concentrated their efforts on actions against suppliers, growers or sellers of marijuana, and not pursued, to our knowledge, actions against entities that provide marketing or advertising. As a result, at this point in time, we believe that the asset Marijuana.com has an indefinite useful life. Consequently, we currently are not aware of any legal, regulatory, or contractual provisions that would limit our use of the domain name or our ability to renew it as needed.

Pursuant to the Marijuana.com Purchase Agreement, during the Revenue Obligation Period (69 months during which we are making payments on the promissory note), 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).

Intangible asset amounts at March 31, 2012 and December 31, 2011 are as follows:

Intangible Assets	March 31, 2012	December 31, 2011
Domain names	$ 4,476,970	$ 4,364,119
Web software	846,706	501,343.00
Goodwill	505,132	486,403
Subtotal	$ 5,828,808	$ $5,351,865
Accumulated amortization	(44,418)	—
Total intangible Assets	$ 5,784,390	$ $5,351,865

Intangible assets subject to amortization:	Amount	Useful life	Weighted-average amortization period
Advertising rights	$47,886	5.5	0.29
Web software	$846,706	4.75	4.50
Total intangible assets subject to amortization	$894,592		4.79

Intangible assets not subject to amortization	Amount
Domain Names	$4,429,084
Goodwill	505,132
Total intangible assets not subject to amortization	$4,934,216

Note 7. Other Assets

The balance of other assets at March 31, 2012 includes $54,000 in rent deposits and $36,000 in noncurrent deferred tax assets.

Note 8. Discontinued Operations

General Health Solutions, Inc.

We discontinued the operations of General Health Solutions, Inc., which constitutes our entire Medical Clinic Management segment. We discontinued 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.

During February 2012, we committed to a definitive plan to terminate the Management Agreement ("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.

The assets and liabilities of our discontinued operations are as follows:

Current assets – discontinued operations at March 31, 2012 consists of $32,000 in accounts receivable and $95,000 note receivable.

Current liabilities – discontinued operations at March 31, 2012 consists of $10,000 in accounts payable and $115,000 in notes payable.

Note 9. Accounts Payable

Accounts payable at March 31, 2012 included amounts owed to certain vendors related to the ongoing normal course of the Company's operations.

Note 10. Accrued Liabilities

Accrued liabilities at March 31, 2012 and December 31, 2011 are comprised of the following:

Accrued liabilities	March 31, 2012	December 31, 2011
Obligations on marketing agreements	$ 27,000	$ 42,000
Tax provision	248,000	361,300
Deferred rent	165,000	183,000
Insurance	58,000	—
Payroll liabilities	59,000	166,000
Interest	21,000	7,000
Total accrued liabilities	$ 578,000	$ 759,300

Note 11. Note Payable

Pursuant to our acquisition of the domain name marijuana.com on November 18, 2011, 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	March 31, 2012	December 31, 2011
Current portion	$ 708,901	$ 708,901
Long term portion	3,239,206	3,416,099
	$ 3,948,107	$ 4,125,000

Note 12. 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 which correspond to the WeedMaps acquisition and the associated accrued interest.

Notes payable - related party	March 31, 2012		December 31, 2011	
Current portion	$	2,605,000	$	1,130,000
Long term portion		—		1,800,000
	$	2,605,000	$	2,930,000
Accrued interest	$	16,000	$	13,241

Note 13. Other Long Term Accrued Liabilities

At March 31, 2012, we had a balance of $448,000 in deferred tax liability.

***Note 14.* 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 lest 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 June 30, 2012.

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.

The probabilities for the three different scenarios in determining the likelihood of payouts related to the earn-out provisions, 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.

Contingent consideration, the earn-out provisions, which are classified as a liability are required to be remeasured to fair value at each reporting date and any changes in fair value subsequent to the acquisition date are recognized in earnings. The primary inputs in determining the fair value of the earn-outs that were remeasured to fair value at March 31, 2012 were i) the quoted price of the underlying shares of our common stock and ii) the probabilities for the remaining two year scenarios in determining the likelihood of common share payouts.

The price of our common stock was reduced to $0.90 from $1.52 in year two and year three of our cash flow model because the price of our common stock as quoted on the OTCQX on March 31, 2012, the balance sheet date, was $0.90. The upside scenario of the earn-outs for year one has been met. The value of the earn-out liability for year one is $9,120,000 ($1.52 x 6 million shares). The cash flow model for year one of the earn-outs is not presented.

The upside probability rates in year two and year three of our cash flow model have been increased to 80% and 70%, respectively, from 75% and 65%, respectively, which resulted in a decrease in the fair value of the earn-out liability. The net effect of the changes to our cash flow model as a result of remeasuring the earn-out liability to fair value was a decrease of $2.9 million and as such, a change in the fair value of the earn-out liability was recorded at March 31, 2012. At March 31, 2012, the fair value of the earn-out liability was $15.7 million, of which $9.1 million was recorded as the current portion of the fair value of the earn-out liability.

At March 31, 2012, we recorded a gain on change in fair value of the earn-out liability of $2.96 million.

Note 15. 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 March 31, 2012, 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.

Note 16. Income Taxes

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 March 31, 2012 and December 31, 2011 are as follows:

The components of tax provision:

	March 31, 2012	December 31, 2011
Current		
Federal	$ 169,000	$ 268,000
State	17,000	31,700
	186,000	299,700
Deferred		
Federal	(1,000)	(16,000)
State	-	19,000
	(1,000)	3,000
Change in valuation allowance	(7,000)	(20,000)
Total provision	$ 178,000	$ 282,700

The components of deferred tax asset:

	March 31, 2012	December 31, 2011
Deferred income tax assets:		
State taxes	$ 40,000	$ 40,000
Net operating losses	461,000	468,000
Accruals and other	97,000	97,000
	598,000	605,000
Deferred income tax liabilities:		
Depreciation and amortization	(140,000)	(148,000)
	458,000	457,000
Valuation allowance	(433,000)	(440,000)
Net deferred tax assets	$ 25,000	$ 17,000

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 income for the quarter ended March 31, 2012, the Company has provided a valuation allowance in the amount of $443,000 against our future net operating losses. The amount of deferred tax assets considered realizable could change if future taxable income is realized.

At March 31, 2012 and December 31, 2011, the Company had U.S. federal tax net operating loss carryforwards ("NOLs") of approximately $1.3 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").

Earn-out Provisions, WeedMaps Tax Effects - The WeedMaps acquisition was a tax-free reorganization and as such, the tax effect of the earn-outs is recorded as a permanent difference between the carrying amount of the earn-out liability for financial reporting purposes and the amount used for tax purposes.

Note 17. Related Party Transactions

All material intercompany transactions have been eliminated upon consolidation of our entities. During the three months ended March 31, 2012, cash transfers, equity and accounts between the Company and its subsidiaries have been eliminated upon consolidation.

Note 18. 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.

Set forth below is a summary of our current obligations as of March 31, 2012 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
April - December 2012	$371,466	$41,274
2013	$514,806	$42,901
2014	$42,901	$42,901

Note 19. Equity Transactions

On January 5, 2012, WeedMaps acquired substantially all the assets of MMJMenu, LLC (“MMJ”). 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. 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.

Note 20. Warrants

As of March 31, 2012, there were outstanding 250,000 common stock purchase warrants. The following table summarizes information about common stock warrants outstanding at March 31, 2012.

Outstanding				Exercisable	
Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life (years)	Weighted Exercise Price Average	Number Exercisable	Weighted Average Exercise Price
$ 4	250,000	2.62	$ 4	250,000	$ 4
$ 4	250,000	2.62	$ 4	250,000	$ 4

Note 21. Subsequent Events

The Company evaluated its March 31, 2012 financial statements for subsequent events through May 14, 2012, the date the financial statements were available to be issued. There were no other events.

Exhibit C-1

SEARCHCORE, INC.
CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, James Pakulis, certify that:

1. I have reviewed this Quarterly 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.

May 17, 2012

James Pakulis
Chief Executive Officer

Exhibit C-2

SEARCHCORE, INC.
CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Munjit Johal, certify that:

1. I have reviewed this Quarterly 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.

May 17, 2012

Munjit Johal
Chief Financial Officer