

**ANNUAL REPORT FOR YEAR ENDED DECEMBER 31, 2016**

**POTNETWORK HOLDING, INC.**

**3531 Griffin Road  
Fort Lauderdale FL 33312  
Tel: 213-381-7450  
Federal I.D. No CUSIP No.  
32-0149818 913106100**

**ISSUER'S EQUITY SECURITIES  
COMMON STOCK**

**\$0.00001 Par Value  
500 million Common Shares Authorized  
139,597,871 Shares issued and Outstanding as of December 31, 2016**

# POTNETWORK HOLDING, INC.

## PART A GENERAL COMPANY INFORMATION

### **Item I. The exact name of the issuer and its predecessors (if any):**

PotNetwork Holding, Inc., a Colorado corporation [subsequent events – this change occurring after The year-end]

PotNetwork Holdings Inc., a Wyoming corporation  
f/k/a SND Auto Group, Inc., a Wyoming Corporation  
f/k/a PotNetwork Holdings Inc., a Wyoming corporation  
F/k/a United Treatment Centers, Inc., a Wyoming corporation  
f/k/a Element Trading holdings, Inc., a Wyoming corporation  
F/k/a United Treatment Centers, Inc., a Wyoming corporation  
f/k/a MyMedical CD Ltd., a Wyoming corporation  
f/k/a MyMedical CD Ltd., a Colorado corporation  
f/k/a Interactive Solutions Corporation., a Nevada corporation

### **Item II. The address of its principal executive office:**

3531 Griffin Road  
Fort Lauderdale FL 33312  
Telephone: 213-381-7450

### **Item III. The jurisdiction(s) and date of the issuer's incorporation:**

Wyoming  
November 22, 2004

However, as a material post year-end, subsequent event, the issuer has now reincorporated in Colorado, as of March 3, 2017.

## PART B SHARE STRUCTURE

### Item IV. The exact title of securities outstanding:

Common Stock, \$.00001 par value per share  
Preferred Stock, \$.00001 par value per share (Series A Preferred Stock being the only remaining series of preferred stock)  
Cusip Number 737836100  
Trading Symbol POTN.PK

### **Item V. Par or stated and description of the security:**

\$.00001 par value- Common Stock (139,597,871 outstanding as of December 31, 2016)

**The Company decreased its shares, preferred and common, by a 1 for 1000 split. Pay date March 21, 2016.**

A. Each holder of Common Stock is entitled to one vote for each share held of record on each matter submitted to vote to stockholders, including election of directors. Stockholders do not have any right to cumulate votes on the election of directors. Each holder of Common Stock is entitled to share ratably in distributions to stockholders and to receive ratably such dividends as may be declared by the Board of Directors out of funds legally available therefore. In the event of our liquidation, dissolution or winding up, the holders of Common Stock will be entitled to receive, after payment of all of our debts and

liabilities and of all sums to which holders of any outstanding preferred stock, if any, maybe entitled, the distribution of any of our remaining assets. Holders of our Common Stock have no conversion, exchange, sinking fund, redemption or appraisal rights(other than such as may be determined by the Board of Directors in its sole discretion) and have no preemptive rights to subscribe for any of our securities. There are no provisions in our Articles of Incorporation or By-Laws that would delay, defer or prevent a change of control of the Company.

B. As a material post year-end, subsequent event, the Company eliminated all preferred stock, A, B, C, D and E, replacing it with a single Class A Preferred Stock of which 10,000 shares have been authorized and designated. Another 10,000 shares remain undesignated but authorized. No other shares of preferred stock are authorized or designated. In each case, the par value was and is \$.00001. As of December 31, 2016, no preferred shares were outstanding except for a fractional interest (.460 of one shares), of Preferred Stock D, with no other outstanding Preferred Stock.

The preferred stock have and had designations, rights and preferences determined from time to time by our Board of Directors. Accordingly, our Board of Directors is empowered without stockholder approval, to issue preferred stock with dividend, liquidation, conversion, voting, or other rights that could adversely affect the voting power or other rights of the holders of our common stock. In the event of issuance, the preferred stock could be utilized, under certain circumstances, as method of discouraging, delaying or preventing a change in control of the Company.

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

- (i) As of the end of its two most recent fiscal years December 31, 2016 and 2015 the Company had 139,597,871 and 7,621,650,326 shares of its Common Stock outstanding. As of March 10, 2017, the Company had 145,920,485 shares of Common Stock issued and outstanding. The Company decreased its shares, common and preferred, by a 1 for 1000 split. Pay date March 21, 2016.

The Company had no Preferred Stock Series A outstanding at December 31, 2016 or on December 31, 2015 respectively. The Company had .46 Preferred Stock Series D outstanding as of December 31, 2016 and 760 Preferred Stock Series D outstanding at December 31, 2015 respectively. The Company had no Preferred Stock Series E outstanding as of December 31, 2016 and no Preferred Stock Series E outstanding at December 31, 2015 respectively.

- (ii) The number of Common stock authorized is 500,000,000. As of December 31, 2016, the number of Preferred Stock Series A authorized is 20,000, Preferred Stock Series D authorized is 6 and Preferred Series E authorized is 20,000. However, as noted above, these classes have since been extinguished, replaced by Class A Preferred Stock.
- (iii) As of December 31, 2016 there are 139,597,871 shares of common Stock issued and outstanding. As of March 10, 2017 there are 50,000 .46 shares of Class A Preferred Stock issued and outstanding and no other preferred shares issued and outstanding.

- (iv) As of March 10, 2017, the Company had 40,849,050 common shares in the float. As of the end of its two most recent fiscal years December 31, 2016 and 2015, the Company had 10,849,050 and 6,797,571,520, respectively, common shares in the float.
- (v) As of December 31, 2016, the Company had 2,266 share holders of record. As of December 31, 2015, the Company had 2,258 shareholders of record. As of March 10, 2017 the Company had 2,266 shareholders of record.

## **PART CBUSINESS INFORMATION**

### **Item VII. The name and address of the transfer agent:**

Our transfer agent is:

Jersey Stock Transfer LLC  
PO Box 606  
Mount Freedom, NJ 07970  
Tel: 973-814-7004

Jersey Stock Transfer LLC is registered under the Exchange Act and its regulatory authority is the Securities & Exchange Commission.

### **Item VIII. The nature of the issuer's business:**

#### **A. Business Development:**

As a material post year-end, subsequent event, the issuer has now reincorporated in Colorado, as of March 3, 2017, following its acquisition of First Capital Venture Holdings Co. Coinciding with that event, the issuer entered into triangular merger pursuant Colorado law, similar to what is prescribed by Section 251(g) of the Delaware General Corporation Law. Immediately prior thereto, also a subsequent event, the Company changed its name to its current name – PotNetwork Holding, Inc., having changed its name to SND Auto Group, Inc., on May 20, 2016. Prior thereto, effective July 24, 2015 the Company changed its name to PotNetwork Holdings Incorporated and new ticker symbol "POTN." PotNetwork Holding, Inc. fiscal year ends December 31. During the past three years the Company has not been in bankruptcy, receivership or involved in any similar proceeding. The Company was at least arguably in default on a convertible promissory note issued to Sign N Drive Auto Mall Inc. However, it has since retired that note in exchange for the promise of future issuances of 577,523,089 common stock. Otherwise, the Company is not in default in the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the Company to make payments. The Company has not been the subject of any delisting by a securities exchange or a deletion from the OTC Bulletin Board.

PotNetwork Holding, Inc has two wholly owned subsidiaries, First Capital Venture Co., the makers of Diamond CBD Oils and Sunrise Auto Mall Inc., a pre-owned auto dealership started in July 2014. PotNetwork Holding Inc. acquired First Capital Venture Co on January 31, 2017 therefore the financial statements will include the consolidation of First Capital Venture Co.'s Balance sheet, Statement of Income, and Stockholders Equity starting in the 1st quarter ending March 31, 2017.

There are no other current, pending or threatened legal proceedings or administrative actions against the Company nor has there been for the past four years.

#### **B. Business of issuer:**

PotNetwork Holding, Inc has two wholly owned subsidiaries, First Capital Venture Co. and Sunrise Auto Mall Inc. The Company has (5) full time employees and no part time employees.

**Item IX. The nature of products or services offered:**

PotNetwork Holding Inc. thru its subsidiary First Capital Venture Co – Diamond CBD Oils is a full service Wholesale and retail CBD Oil business branded makers of Diamond CBD Oils. Sunrise Auto Mall, Inc started in July 2014 is an auto dealership of pre owned vehicles.

**Item X.** The nature and extent of the issuer's facilities: The Company's principal corporate office is located at 3278 Wilshire Boulevard, Suite 603 Los Angeles, CA 90010.

The company's has current office is approximately 10,000 square feet. The Company believes that this space is adequate for its current operations and does not anticipate any expansion or leasehold improvements.

**PART D MANAGEMENT STRUCTURE AND FINANCIAL INFORMATION**

Item XI. The name of the Chief Executive Officer and members of the Board of Directors, as well as control persons:

**A. Officers and Directors**

Members of the Board serve until the next annual meeting of shareholders and until their successors are elected and qualified. Officers are appointed by and serve at the discretion of the Board.

**Gary L. Blum - Chairman of the Board, Sole Director, CEO, President**

**B. Legal/Disciplinary History**

1. During the past five (5) years neither of the Company's officers or directors has a conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding.
2. During the past five (5) years neither of the Company's officers or directors has the entry of an order, judgment, or decree by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such persons involvement in any type of business, securities, commodities, or banking activities.
3. During the past five (5) years neither of the Company's officers or directors has a finding or judgment by a court of competent jurisdiction (in a civil action), the SEC, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law.
4. During the past five (5) years neither of the Company's officers or directors has the entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

**C. Disclosure of Family Relationships.** None

**D. Disclosure of Related Party Transactions.** 3,000,000,000 common shares were canceled and retired as of March 19, 2014 by the Company's former CEO Charles Vaccaro.

**E. Disclosure of Conflicts of Interest. None**

**Item XII. Financial information for the issuer's most recent fiscal period:**

The unaudited financial statements of the issuer as of December 31, 2016 are hereby incorporated by reference and can be found on [www.otcmarkets.com](http://www.otcmarkets.com).

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

The financial information/statements for the issuer's two preceding fiscal years are hereby incorporated by reference and can be found on [www.otcmarkets.com](http://www.otcmarkets.com).

**Item XIV. Beneficial Owners.**

The following table outlines the ownership and management and anyone known to the issuer to own beneficially more than five (5%) of the outstanding shares as of the date hereof: Shareholder Position with Issuer.

**Amount of Beneficial Ownership:**

CEDE&CO (3) Depository Company 54,083,204 (3) 38.85%

H&B Family Trust (4) 49,673,890(4) 35.73% (as part of the March 3, 2017, following its acquisition of First Capital Venture Holdings Co., a material post year-end, subsequent event, these shares were conveyed to the new control persons, along with the newly created Class A Series of Preferred Stock which replaced all other series of preferred stock. The exchange gave the previous owners of First Capital Venture Holdings Co., 90% of the control vote of the Company.

**All Officers & Directors**

(1) As of December 31, 2016, we had 139,597,871 shares of our common stock issued and outstanding. As of March 10, 2017, we had 145,920,485 shares of our common stock issued and outstanding.

(2) As of December 31, 2016, we had only .46 shares Preferred Stock D outstanding and no other preferred shares outstanding. As of March 10, 2017, we had 50,000.46 shares Class A Preferred Stock outstanding and no other classes of preferred stock issued, outstanding or designated.

(3) Cede & Company operates as a depository company and holds the shares as nominee on behalf of brokerage firms, mutual funds, and other active traders. The company is located at 55 Water Street, New York, New York.

(4) As of December 31, 2016, H&B Family Trust held 49,673,890(4) 35.73% of the outstanding shares of common stock.

**Item XV. The name address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to the operations, business development and disclosure: NONE**

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

**Results of Operations**

During the year ended December 31, 2016 the Company had \$1,029,450 revenues compared to \$5,504,040 for the year ended December 31, 2015.

During the year ended December 31, 2016, net operating profits (losses) after taxes totaled

\$(520,022) compared to net operating profits (losses) after taxes for the year ended December 31, 2015 of \$738,424. The Company's revenues were derived from the Company's Auto Sales in 2016 and 2015. For the year ended December 31, 2016 general and administrative expenses totaled \$10,011 compared to the year ended December 31, 2015 which such expenses totaled \$168,206. For the year ended December 31, 2016 salaries and benefits totaled \$40,138 compared to \$622,707 for the year ended December 31, 2015.

### **Liquidity and Capital Resources**

As of December 31, 2016 the Company had current assets of \$810 and total assets of \$89,637. At December 31, 2016, the Company had total liabilities of \$2,323,651. The Company had negative working capital at December 31, 2016 of \$23,940. **Because of the negative working capital, the Company's ability to continue to operate and its future remain in question as a going concern unless additional capital is contributed or until such time as it generates revenues and become cash flow positive.**

Since inception, the Company has financed its activities solely from the private sales of its securities and the incurrence of debt. The Company plans to finance internal growth through traditional bank financing sources as well as additional potential debt and equity private placements. There can be no assurance that financing sufficient to enable us to expand and grow our business will be available to us in the future. The failure to obtain future financing or to produce levels of revenue to meet our financial needs could result in our inability to operate, grow and expand our business.

### **PART E. ISSUANCE HISTORY**

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

On February 11, 2015 the Company issued 1,241,847 Preferred E shares to Steven Buckner and 4,967,389 Preferred E shares to H & B Family Trust in conjunction with the Acquisition of Sunrise Auto Mall Inc. and the consolidation of approximately \$ 2 million in assets and \$6 million in revenues. These class E preferred shares were issued with restricted legend. On November 14, 2016, the shares issued of 1,241,847 Preferred E shares to Steven Buckner were surrendered to the Company and retired.

On February 11, 2015, the Company issued 300,000,000 common shares to an investor, in exchange for 300 "Class D Preferred Shares" converted. The certificates evidencing the above mentioned common shares were issued without legend as permitted by SEC Rule 144, permitting the holders to tack back to the date of the debt was originally issued and paid for, more than one year prior to issuance, thereby qualifying it for share issuance without restrictive legend.

On September 8, 2015 the Company issued 150,000,000 common shares to Micro Cap Equity Group upon the conversion of indebtedness owed. The certificates evidencing the above mentioned common shares were issued without legend in that Rule 144 permits the lenders to tack back to the date of the debt which was more than one year prior to issuance, thereby qualifying it for share issuance without restrictive legend as permitted by SEC Rule 144, permitting the holders to tack back to the date of the debt was originally issued and paid for, more than one year prior to issuance, thereby qualifying it for share issuance without restrictive legend.

On March 30, 2016 the Company issued 1,000,000 common shares to Micro Cap Equity Group upon the conversion of indebtedness owed to "Sign" The certificates evidencing the above mentioned common shares were issued without legend as permitted by SEC Rule 144, permitting the holders to

tack back to the date of the debt was originally issued and paid for, more than one year prior to issuance, thereby qualifying it for share issuance without restrictive legend.

On April11, 2016, the Company issued 300,000 common shares to Ardsley Ventures, in exchange for 30,000 "Class E Preferred Shares" converted, thereby qualifying it for share issuance without restrictive legend. The certificates evidencing the above mentioned common shares were issued without legend as permitted by SEC Rule 144, permitting the holders to tack back to the date of the debt was originally issued and paid for, more than one year prior to issuance, thereby qualifying it for share issuance without restrictive legend.

On May10, 2016, the Company issued 1,555,555 common shares upon the conversion of indebtedness. The certificates evidencing the above mentioned common shares were issued without legend in that Rule 144 permits the lenders to tack back to the date of the debt which was more than one year prior to issuance, thereby qualifying it for share issuance as permitted by SEC Rule 144, permitting the holders to tack back to the date of the debt was originally issued and paid for, more than one year prior to issuance, thereby qualifying it for share issuance without restrictive legend.

On May11, 2016, the Company issued 3,000,000 common shares to Rockwell upon the conversion of indebtedness. The certificates evidencing the above mentioned common shares were issued without legend as permitted by SEC Rule 144, permitting the holders to tack back to the date of the debt was originally issued and paid for, more than one year prior to issuance, thereby qualifying it for share issuance without restrictive legend.

On May16, 2016, the Company issued 7,500,000 common shares to Rockwell upon the conversion of indebtedness owed to "Sign" The certificates evidencing the above mentioned common shares were issued without legend as permitted by SEC Rule 144, permitting the holders to tack back to the date of the debt was originally issued and paid for, more than one year prior to issuance, thereby qualifying it for share issuance without restrictive legend.

On May23, 2016, the Company issued 7,500,000 common shares to Rockwell upon the conversion of indebtedness owed to "Sign" The certificates evidencing the above mentioned common shares were issued without legend as permitted by SEC Rule 144, permitting the holders to tack back to the date of the debt was originally issued and paid for, more than one year prior to issuance, thereby qualifying it for share issuance without restrictive legend.

On August02, 2016, the Company issued 4,500,000 common shares upon the conversion of indebtedness owed to an investor. The certificates evidencing the above mentioned common shares were issued without legend as permitted by SEC Rule 144, permitting the holders to tack back to the date of the debt was originally issued and paid for, more than one year prior to issuance, thereby qualifying it for share issuance without restrictive legend.

On August3, 2016, the Company issued 3,882,353 common shares to SouthRidge Partners upon the conversion of indebtedness. The certificates evidencing the above mentioned common shares were issued without legend as permitted by SEC Rule 144, permitting the holders to tack back to the date of the debt was originally issued and paid for, more than one year prior to issuance, thereby qualifying it for share issuance without restrictive legend.

On September27, 2016, the Company issued 6,250,000 common shares to Microcap Equity upon the

conversion of indebtedness. The certificates evidencing the above mentioned common shares were issued without legend as permitted by SEC Rule 144, permitting the holders to tack back to the date of the debt was originally issued and paid for, more than one year prior to issuance, thereby qualifying it for share issuance without restrictive legend.

On October 10, 2016, the Company issued 2,875,000 common shares to G.T. upon the conversion of indebtedness. The certificates evidencing the above mentioned common shares were issued without legend as permitted by SEC Rule 144, permitting the holders to tack back to the date of the debt was originally issued and paid for, more than one year prior to issuance, thereby qualifying it for share issuance without restrictive legend.

On November 08, 2016, the Company issued 3,500,000 common shares to G.T. upon the conversion of indebtedness. The certificates evidencing the above mentioned common shares were issued without legend as permitted by SEC Rule 144, permitting the holders to tack back to the date of the debt was originally issued and paid for, more than one year prior to issuance, thereby qualifying it for share issuance without restrictive legend.

On November 08, 2016, the Company issued 2,500,000 common shares upon the conversion of indebtedness. The certificates evidencing the above mentioned common shares were issued without legend as permitted by SEC Rule 144, permitting the holders to tack back to the date of the debt was originally issued and paid for, more than one year prior to issuance, thereby qualifying it for share issuance without restrictive legend.

On November 11, 2016, the Company issued 3,333,333 common shares upon the conversion of indebtedness. The certificates evidencing the above mentioned common shares were issued without legend as permitted by SEC Rule 144, permitting the holders to tack back to the date of the debt was originally issued and paid for, more than one year prior to issuance, thereby qualifying it for share issuance without restrictive legend.

On November 14, 2016, the 1,241,847 Preferred E shares held by Steven Buckner were surrendered to the Company and retired.

On December 22, 2016, the Company issued 10,000,000 common shares upon the conversion of indebtedness. The certificates evidencing the above mentioned common shares were issued without legend as permitted by SEC Rule 144, permitting the holders to tack back to the date of the debt was originally issued and paid for, more than one year prior to issuance, thereby qualifying it for share issuance without restrictive legend.

## **PART F. EXHIBITS**

### **Item XVIII. Material Contracts:**

None

### **Item XIX. Articles of Incorporation**

The following described documents were filed on March 13, 2009 with the Company's Initial Disclosure

Statement and made a part hereof as Composite Schedule XIX.

1. Articles of Merger dated November 15, 2004
2. Articles of Incorporation dated December 26, 2004 (Wyoming)

3. Statement of Merger dated December 7, 2004
4. Articles of Amendment dated June3, 2008 (Name change)

**Item XX. Purchases of equity securities by the issuer and affiliated purchasers: None.**

**Item XXI. Issuer's Certification:**

I, Gary L. Blum, Chief Executive Officer of the issuer, certifies that:

- a. I have reviewed the Annual Report including financial statements for the year ended December 31, 2016 of PotNetwork Holding, Inc.
- b. Based on my knowledge, the Annual Statement of PotNetwork Holding, Inc. 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
- c. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

March 24, 2017

/s/ Gary L. Blum