

Company Information and Disclosure Statement
(September 30, 2012)

Section One: Issuers' Initial Disclosure Obligations

Instructions relating to the preparation of initial disclosure statements:

Issuers shall prepare a document that responds to each item and sub-item of the Guidelines with information current as of the issuer's most recent fiscal quarter or year end and shall include in its response to a particular item (i) whether a particular item is not applicable or unavailable and (ii) the reason it is not applicable or unavailable. The disclosure statement shall be provided in the format set forth below.

Issuers may incorporate by reference financial statements and other exhibits that are either posted elsewhere through the OTC Disclosure and News Service or on the SEC's EDGAR system, or are attached to the issuer's disclosure statement, as long as (i) the incorporated documents are current, (ii) the issuer clearly explains where the incorporated documents can be found, and (iii) the issuer provides a clear cross-reference to the specific location where the information requested by any particular item can be found in the incorporated documents. The initial disclosure statement shall be published through the OTC Disclosure and News Service under the report name of "*Initial Company Information and Disclosure Statement.*"

Part A General Company Information

Item 1 The exact name of the issuer and its predecessor (if any).

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

Rabatco, Inc.: 1977 to May 12, 2000
Mindfuleye, Inc.: May 12, 2000 – August 30, 2011
Medbox, Inc.: August 30, 2011 - Present

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

8439 W. Sunset Blvd. Suite 101
West Hollywood, CA 90069

Item 3 The jurisdiction(s) and date of the issuer's incorporation or organization.

Nevada, June 16, 1977

Part B Share Structure

Item 4 The exact title and class of securities outstanding.

Common Stock, \$.001 par value, 100,000,000 shares authorized, 13,383,256 shares issued and outstanding as of September 30, 2012.

Preferred Stock, \$.001 par value, 10,000,000 shares authorized, 10,000,000 shares designated as Series A Preferred, 6,000,000 shares issued and outstanding as of September 30, 2012.

CUSIP: 58405D 100

Symbol: MDBX

Item 5 Par or stated value and description of the security.

A. *Par or Stated Value.* Provide the par or stated value for each class of outstanding securities.

B. *Common or Preferred Stock.*

- 1. For common equity, describe any dividend, voting and preemption rights.**
- 2. For preferred stock, describe the dividend, voting, conversion and liquidation rights as well as redemption or sinking fund provisions.**
- 3. Describe any other material rights of common or preferred stockholders.**
- 4. Describe any provision in the issuer's charter or by-laws that would delay, defer or prevent a change in control of the issuer.**

Item 6 The number of shares or total amount of the securities outstanding for each class of securities authorized.

In answering this item, provide the information below for each class of securities authorized. Please provide this information (i) as of the end of the issuer's most recent fiscal quarter and (ii) as of the end of the issuer's last two fiscal years.

- (i) Period end date;**
- (ii) Number of shares authorized;**
- (iii) Number of shares outstanding;**
- (iv) Freely tradable shares (public float);**
- (v) Total number of beneficial shareholders; and**
- (vi) Total number of shareholders of record.**

As of September 30, 2012:

Common Stock, \$.001 par value, 100,000,000 shares authorized, 13,383,256 shares issued and outstanding. One vote per share. Approximately 70 shareholders of record as of September 30, 2012.

Preferred Stock, \$.001 par value, 10,000,000 shares authorized, 10,000,000 shares designated as Series A Preferred, 6,000,000 shares issued and outstanding. Two (2) shareholders of record as of September 30, 2012.

Item 7 The name and address of the transfer agent*.

In answering this item, please also provide the telephone number of the transfer agent, indicate whether or not the transfer agent is registered under the Exchange Act, and state the appropriate regulatory authority of the transfer agent.

***To be included in OTCQX or the Current Information OTC Market Tier, the issuer's transfer agent must be registered under the Exchange Act.**

Action Stock Transfer, Inc.
2469 E. Fort Union Blvd, Suite 214
Salt Lake City, UT 84121
Telephone: (801) 274-1088

Part C Business Information

Item 8 The nature of the issuer's business.

In describing the issuer's business, please provide the following information:

A. Business Development. Describe the development of the issuer and material events during the last three years so that a potential investor can clearly understand the history and development of the business. If the issuer has not been in business for three years, provide this information for any predecessor company. This business development description must also include:

- 1. the form of organization of the issuer (e.g., corporation, partnership, limited liability company, etc.);**
- 2. the year that the issuer (or any predecessor) was organized;**
- 3. the issuer's fiscal year end date;**
- 4. whether the issuer (or any predecessor) has been in bankruptcy, receivership or any similar proceeding;**

- 5. any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets;**
- 6. any default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments;**
- 7. any change of control;**
- 8. any increase of 10% or more of the same class of outstanding equity securities;**
- 9. any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization;**
- 10. any delisting of the issuer's securities by any securities exchange or deletion from the OTC Bulletin Board; and**
- 11. any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities**

The company was incorporated under the laws of the State of Nevada on June 16, 1977, under the name of Rabatco, Inc., with authorized capital of 100,000 shares of common stock with a par value of \$0.25 per share.

On May 12, 2000, we filed an amendment to our Articles of Incorporation to change our name from Rabatco, Inc. to "Mindfuleye, Inc." On May 26, 2000, our shareholders approved the amendment and restatement of our bylaws.

We acquired our business and technologies by acquiring all of the issued and outstanding shares of MindfulEye.com Systems Inc., our wholly-owned subsidiary. Pursuant to a share purchase agreement effective March 13, 2000, we issued 6,910,000 shares of our common stock in exchange for all of the issued and outstanding shares of MindfulEye.com Systems, Inc.

On August 4, 2009, we designated 10,000,000 shares of our capital stock as Series A Preferred Stock.

In November, 2011, we changed the name of our company to Medbox, Inc. and changed our ticker symbol to MDBX. This was done in conjunction with the acquisition of Prescription Vending Machines, Inc. dba Medicine Dispensing Systems.

B. Business of Issuer. Describe the issuer's business so a potential investor can clearly understand it. To the extent material to an understanding of the issuer, please also include the following:

1. the issuer's primary and secondary SIC Codes;

5960: Retail - Nonstore Retailers

2. if the issuer has never conducted operations, is in the development stage, or is currently conducting operations;

We are currently conducting operations

3. whether the issuer is or has at any time been a "shell company";

For the purpose of this section a "shell company" means an issuer, other than a business combination related shell company, as defined by Securities Act Rule 405, or an asset-backed issuer, as defined by Item 1101(b) of Regulation AB, that has:

(1) No or nominal operations; and

(2) Either:

(A) No or nominal assets;

(B) Assets consisting solely of cash and cash equivalents; or

(C) Assets consisting of any amount of cash and cash equivalents and nominal other assets.

We have never been a shell company as such is defined by Securities Act Rule 405.

Instruction to paragraph B.3 of Item 8:

If the issuer discloses that it is or has at any time been a shell company, it must also include the following disclosure on the front page of its disclosure statement in boldface, 12 point type:

If the issuer is currently a shell company:

"We are 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."

If the issuer was formerly a shell company:

"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."

4. the names of any parent, subsidiary, or affiliate of the issuer, and its business purpose, its method of operation, its ownership, and whether it is included in the financial statements attached to this disclosure statement;

N/A

5. the effect of existing or probable governmental regulations on the business;

None Known

6. an estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities are borne directly by customers;

Unknown

7. costs and effects of compliance with environmental laws (federal, state and local); and

Unknown

8. the number of total employees and number of full-time employees.

We have no full time employees but hire several independent contractors to assist us in operating our business.

For issuers engaged in mining, oil and gas production and real estate activities, substantial additional disclosure of the issuer's business is required. Contact OTC Markets Group for more information.

Item 9. The nature of products or services offered.

In responding to this item, please describe the following so that a potential investor can clearly understand the products and services of the issuer:

A. principal products or services, and their markets;

B. distribution methods of the products or services;

C. status of any publicly announced new product or service;

D. competitive business conditions, the issuer's competitive position in the industry, and methods of competition;

E. sources and availability of raw materials and the names of principal suppliers;

F. dependence on one or a few major customers;

G. patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration; and

H. the need for any government approval of principal products or services and the status of any requested government approvals.

Medbox, Inc. operates through its Prescription Vending Machines, Inc. dba Medicine Dispensing Systems Subsidiary (“PVM”). PVM developed the MedBox™ patented biometric medicine dispensing machine designed to dispense medicine to authorized patients. The MedBox can stand independently or be interfaced with a counter-top patient verification point-of-sale system. The MedBox also has a companion option for dispensing refrigerated products.

Products

We developed and distribute a line of medicine dispensing systems. The initial system was designed to service the needs of the medical marijuana market. This is a controversial market and subject to extreme scrutiny. We soon realized our technology had far wider application in more conventional market segments. After conducting limited research we made minor modifications to our system to adapt it to these market verticals.

We generate revenue in the following manner:

1. Through the sale of equipment to commercial users such as pharmacies, assisted living facilities, urgent care centers, drug rehabilitation facilities, correctional (prison) systems, and alternative medicine dispensaries.
2. From monthly maintenance fees on our installed user base. Earlier fees were \$79 per machine per month through June 30, 2011 (on an installed user base through June 30, 2011). The company increased this fee to \$495 per month for machines placed in service on or after July 1, 2011. The company offers the first year free of maintenance dues to all its new clients.
3. By providing turn-key consulting services to the alternative medicine industry. When a state legalizes alternative medicines for medical purposes there develops an opportunity to provide seminars, education, information, and general consulting services to assist participants with the state application process. The permitting process is followed by building out of the facility which also involves outfitting the facility with the company’s proprietary technology.

Aside from automation, security, and data tracking, a MedBox can allow a pharmacy to increase volume capacity without increasing staff, all with enhanced levels of security and inventory control.

The MedBox is subject to Patent Number US 7,844,363 B1 from the United States Patent and Trademark Office. This patent is owned by PVM International, Inc. (PVMI), which has an exclusive licensing agreement with PVM, dated January 2010 for a term of 99 years.

Item 10 The nature and extent of the issuer's facilities.

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

We currently lease office and warehouse space at: 8439 West Sunset Blvd. Suite 101, West Hollywood, CA 90069.

Part D Management Structure and Financial Information

Item 11 The name of the chief executive officer, members of the board of directors, as well as control persons.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant shareholders.

A. Officers and Directors. In responding to this item, please provide the following information for each of the issuer's executive officers, directors, general partners and control persons, as of the date of this information statement:

- 1. Full name;**
- 2. Business address;**
- 3. Employment history (which must list all previous employers for the past 5 years, positions held, responsibilities and employment dates);**
- 4. Board memberships and other affiliations;**
- 5. Compensation by the issuer; and**
- 6. Number and class of the issuer's securities beneficially owned by each such person.**

Management

Name	Position	Compensation	Securities Owned
Dr. Bruce Bedrick 8439 W. Sunset Blvd, Suite 101 Hollywood, CA 90069	Director President	Deferred	0
Leila Guieb 8439 W. Sunset Blvd, Suite 101 Hollywood, CA 90069	Director Treasurer	Deferred	0

Our President / Director – Dr. Bruce Bedrick

Dr. Bruce Bedrick is a highly accomplished, versatile and respected Physician and business owner with over 15 years of diverse and innovative experience. As a dynamic leader, he consistently achieves outstanding results in challenging environments while building and maintaining strong, loyal relationships with both colleagues and community members. Dr. Bruce offers the unique combination of hands-on administration that maximizes organizational effectiveness, operations-oriented leadership that ensures efficiency and people oriented guidance that yields productivity.

Bruce joined PVM in the Fall of 2010 as the Company’s Chief Operating Officer. In this role Bruce is responsible for managing the day-to-day operations, as well as overseeing the marketing and sales divisions of the company. Bruce provides leadership at PVM in the planning and implementation of all new strategic initiatives. Bruce has over fifteen years in the healthcare field as a practitioner, consultant and executive. He has successfully developed and operated several healthcare practices during that time. A Philadelphia native, Bruce earned his undergraduate degree from Ithaca College and his Doctorate from Western States Chiropractic College.

His LinkedIn profile is <http://www.linkedin.com/pub/bruce-bedrick-dc/0/9a6/81a>

Treasurer / Secretary / Director – Leila Guieb

Leila Guieb joined PVM in November 2010 as the Company's Chief Financial Officer. In this role, Leila is responsible for all accounting functions including payroll, accounts payable, accounts receivables, and monitoring ongoing marketing expenses.

Leila began her career in 2001 at the Beverly Hills-based world headquarters of Hilton Hotels Corporation. Starting in the accounting department, she was quickly promoted to Treasury Analyst to perform daily cash functions for the company and its joint ventures. She supported the \$6 billion acquisition of Hilton International, Inc. by managing investment activities to optimize cash flow and investment earnings. She also processed \$1 billion rollover of existing debt, handling interest payments on debt and recording interest. Leila’s background in treasury provides excellent skills to handle banking relationships and manage company payments.

A Los Angeles native, Leila earned both a Bachelor of Science degree in Business Administration in 2001 and a Master of Business Administration degree in 2010 from the University of Southern California.

Her LinkedIn profile is <http://www.linkedin.com/pub/leila-guieb/25/5b0/5b9>.

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None known.

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None known.

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None known.

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

None known.

C. Disclosure of Family Relationships. Describe any family relationships among and between the issuer's directors, officers, persons nominated or chosen by the issuer to become directors or officers, or beneficial owners of more than five percent (5%) of the any class of the issuer's equity securities. The term "family relationship" means any relationship by blood, marriage or adoption, not more remote than first cousin.

Vincent Chase, Inc. holds 10,000,000 shares of the company's common stock and 6,000,000 shares of the Company's Series A Convertible Preferred Stock. Vincent Chase, Inc. is 100% owned by the Company's founder and Executive Officers of Medbox.

D. Disclosure of Related Party Transactions. Describe any transaction during the issuer's last two full fiscal years and the current fiscal year or any currently proposed transaction,

involving the issuer, in which (i) the amount involved exceeds the lesser of \$120,000 or one percent of the average of the issuer's total assets at year-end for its last three fiscal years and (ii) any related person had or will have a direct or indirect material interest. Disclose the following information regarding the transaction:

1. The name of the related person and the basis on which the person is related to the issuer;
2. The related person's interest in the transaction;
3. The approximate dollar value involved in the transaction (in the case of indebtedness, disclose the largest aggregate amount of principal outstanding during the time period for which disclosure is required, the amount thereof outstanding as of the latest practicable date, the amount of principal and interest paid during the time period for which disclosure is required, and the rate or amount of interest payable on the indebtedness);
4. The approximate dollar value of the related person's interest in the transaction; and
5. Any other information regarding the transaction or the related person in the context of the transaction that is material to investors in light of the circumstances of the particular transaction.

Instruction to paragraph D of Item 11:

1. For the purposes of paragraph D of this Item 11, the term "related person" means any director, executive officer, nominee for director, or beneficial owner of more than five percent (5%) of any class of the issuer's equity securities, immediate family members of any such person, and any person (other than a tenant or employee) sharing the household of any such person.

"Immediate family members" means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law.

2. For the purposes of paragraph D of this Item 11, a "transaction" includes, but is not limited to, any financial transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or any series of similar transactions, arrangements or relationships.

3. The "amount involved in the transaction" shall be computed by determining the dollar value of the amount involved in the transaction in question, which shall include:

a. In the case of any lease or other transaction providing for periodic payments or installments, the aggregate amount of all periodic payments or installments due on or after the beginning of the issuer's last fiscal year, including any required or optional payments due during or at the conclusion of the lease or other transaction providing for periodic payments or installments; and

b. In the case of indebtedness, the largest aggregate amount of all indebtedness outstanding at any time since the beginning of the issuer's last fiscal year and all amounts of interest payable on it during the last fiscal year.

4. In the case of a transaction involving indebtedness:

a. The following items of indebtedness may be excluded from the calculation of the amount of indebtedness and need not be disclosed: amounts due from the related person for purchases of goods and services subject to usual trade terms, for ordinary business travel and expense payments and for other transactions in the ordinary course of business; and

b. Disclosure need not be provided of any indebtedness transaction for beneficial owners of more than five percent (5%) of any class of the issuer's equity securities or such person's family members.

5. Disclosure of an employment relationship or transaction involving an executive officer and any related compensation solely resulting from that employment relationship or transaction need not be provided. Disclosure of compensation to a director also need not be provided.

6. A person who has a position or relationship with a firm, corporation, or other entity that engages in a transaction with the issuer shall not be deemed to have an indirect material interest for purposes of paragraph D of this Item 11 where:

a. The interest arises only:

i. From such person's position as a director of another corporation or organization that is a party to the transaction; or

ii. From the direct or indirect ownership by such person and all other related persons, in the aggregate, of less than a ten percent (10%) equity interest in another entity (other than a partnership) which is a party to the transaction; or

iii. From both such position and ownership; or

b. The interest arises only from such person's position as a limited partner in a partnership in which the person and all other related persons have an interest of less than ten percent (10%), and the person is not a general partner of and does not hold another position in the partnership.

7. Disclosure need not be provided pursuant to paragraph D of this Item 11 if:

a. The transaction is one where the rates or charges involved in the transaction are determined by competitive bids, or the transaction involves the rendering of services as a

common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority;

b. The transaction involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services; or

c. The interest of the related person arises solely from the ownership of a class of equity securities of the issuer and all holders of that class of equity securities of the issuer received the same benefit on a pro rata basis.

8. Include information for any material underwriting discounts and commissions upon the sale of securities by the issuer where any of the specified persons was or is to be a principal underwriter or is a controlling person or member of a firm that was or is to be a principal underwriter.

On December 16, 2010, S&I Innovations, Inc. was issued 1,000,000 shares of the Company's common stock in exchange for forgiveness of outstanding debt.

On December 16, 2010, Shannon W. Illingworth was issued 10,000,000 shares of our common stock as compensation for services rendered.

E. Disclosure of Conflicts of Interest. Describe any conflicts of interest. Describe the circumstances, parties involved and mitigating factors for any executive officer or director with competing professional or personal interests.

None known.

Item 12 Financial information for the issuer's most recent fiscal period.

Instruction to Item 12: The issuer shall post the financial statements required by this Item 12 through the OTC Disclosure and News Service under the appropriate report name for the applicable period end. (If the financial statements relate to a fiscal year end, publish it as an "Annual Report," or if the financial statements relate to a quarter end, publish it as a "Quarterly Report" or "Interim Report") The issuer must state in its disclosure statement that such financial statements are incorporated by reference. The issuer must also (i) provide a list in the disclosure statement describing the financial statements that are incorporated by reference, (ii) clearly explain where the incorporated documents can be found, and (iii) provide a clear cross-reference to the specific location where the information requested by this Item 12 can be found in the incorporated documents.

The issuer shall provide the following financial statements for the most recent fiscal period (whether fiscal quarter or fiscal year).

- 1) balance sheet;
- 2) statement of income;
- 3) statement of cash flows;

- 4) statement of changes in stockholders' equity;
- 5) financial notes; and
- 6) audit letter, if audited

The financial statements requested pursuant to this item shall be prepared in accordance with generally accepted accounting principles (GAAP)⁶ by persons with sufficient financial skills. Foreign private issuers that have furnished financial statements pursuant to Rule 12g3-2(b) under the Exchange Act can provide those same financial statements as an alternative to U.S. GAAP. For information regarding U.S. GAAP, see <http://cpaclass.com/gaap/gaap-us-01a.htm>. Information contained in annual financial statements will not be considered current more than 90 days after the end of the issuer's fiscal year immediately following the fiscal year for which such statement are provided, or with respect to quarterly financial statements, more than 45 days after the end of the quarter immediately following the quarter for which such statements are provided.

We have posted our financial statements for the years ended December 31, 2010 and 2011 and for the quarter ended September 30, 2012, on the OTC Disclosure and News Service. The financial statements are incorporated herein by reference.

Item 13 Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.

Please provide the financial statements described in Item 12 above for the issuer's two preceding fiscal years.

Instruction to Item 13: The issuer shall either (i) attach the financial statements required by this Item 13 to its initial disclosure statement or (ii) post such financial statements through the OTC Disclosure and News Service as a separate report under the name of "Annual Report" for the applicable fiscal year end. The issuer must state in its disclosure statement that such financial statements are incorporated by reference. The issuer must also (x) provide a list in the disclosure statement describing the financial statements that are incorporated by reference, (y) clearly explain where the incorporated documents can be found, and (z) provide a clear cross-reference to the specific location where the information requested by this Item 13 can be found in the incorporated documents.

We have provided the Company's financial statements for the Company two preceding fiscal years and for the quarter ended September 30, 2012.

Item 14 Beneficial Owners.

Provide a list of the name, address and shareholdings of all persons beneficially owning more than five percent (5%) of any class of the issuer's equity securities.

To the extent not otherwise disclosed, if any of the above shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

Below is a list of all persons beneficially owning more than five percent (5%) of any class of the Company equity securities as of September 30, 2012.

Name & Address	Position	Shares Owned	Percentage Owned
PVM International, Inc. 6700 Fallbrook Ave. Suite 289 West Hills, Ca 91307	None	2,000,000	15%
Vincent Chase, Inc. 6700 Fallbrook Ave. Suite 289 West Hills, Ca 91307	None	10,000,000	74%

Item 15 The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure:

1. Investment Banker

None

2. Promoters

None

3. Counsel

None

4. Accountant or Auditor - the information shall clearly (i) describe if an outside accountant provides audit or review services, (ii) state the work done by the outside accountant and (iii) describe the responsibilities of the accountant and the responsibilities of management (i.e. who audits, prepares or reviews the issuer's financial statements, etc.). The information shall include the accountant's phone number and email address and a description of the accountant's licensing and qualifications to perform such duties on behalf of the issuer.

None

5. Public Relations Consultant(s)

None

6. Investor Relations Consultant

None

7. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement - the information shall include the telephone number and email address of each advisor.

None

Item 16 Management's Discussion and Analysis or Plan of Operation.

Instructions to Item 16

Issuers that have not had revenues from operations in each of the last two fiscal years, or the last fiscal year and any interim period in the current fiscal year for which financial statements are furnished in the disclosure statement, shall provide the information in paragraphs A and C of this item. All other issuers shall provide the information in paragraphs B and C of this item.

The discussion and analysis shall focus specifically on material events and uncertainties known to management that would cause reported financial information not to be necessarily indicative of future operating results or of future financial condition.

Issuers are not required to supply forward-looking information. This is distinguished from presently known data that will impact upon future operating results, such as known future increases in costs of labor or materials. This latter data may be required to be disclosed.

A. Plan of Operation.

1. Describe the issuer's plan of operation for the next twelve months. This description should include such matters as:

i. a discussion of how long the issuer can satisfy its cash requirements and whether it will have to raise additional funds in the next twelve months;

ii. a summary of any product research and development that the issuer will perform for the term of the plan;

**iii. any expected purchase or sale of plant and significant equipment; and
iv. any expected significant changes in the number of employees.**

B. Management's Discussion and Analysis of Financial Condition and Results of Operations.

1. *Full fiscal years.* Discuss the issuer's financial condition, changes in financial condition and results of operations for each of the last two fiscal years. This discussion should address the past and future financial condition and results of operation of the issuer, with particular emphasis on the prospects for the future. The discussion should also

address those key variable and other qualitative and quantitative factors that are necessary to an understanding and evaluation of the issuer. If material, the issuer should disclose the following:

i. Any known trends, events or uncertainties that have or are reasonably likely to have a material impact on the issuer's short-term or long-term liquidity;

ii. Internal and external sources of liquidity;

iii. Any material commitments for capital expenditures and the expected sources of funds for such expenditures;

iv. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations;

v. Any significant elements of income or loss that do not arise from the issuer's continuing operations;

vi. The causes for any material changes from period to period in one or more line items of the issuer's financial statements; and

vii. Any seasonal aspects that had a material effect on the financial condition or results of operation.

2. *Interim Periods.* Provide a comparable discussion that will enable the reader to assess material changes in financial condition and results of operations since the end of the last fiscal year and for the comparable interim period in the preceding year.

Business Overview

Medbox features patented systems that dispense medication to individuals based on biometric identification (fingerprint sample). These newly designed systems allow pharmacies, assisted living facilities, prisons, hospitals, doctors' offices, and alternative medicine clinics to help manage employee possession of sensitive drugs. In a retail environment typical in most alternative medicine clinics, the system also allows these clinics to document that the user is a registered patient and that the patient has a valid and unexpired authorization from a physician to possess and use the medicine dispensed. Each transaction is tracked internally for accounting and compliance purposes. Patient information is all kept securely onsite, is not online as the software is completely self-supportive and does not require an internet connection. In States with polished regulations for alternative medicines, these machines sit behind the counter and are at the control of the clinic employee as an inventory management and compliance tool.

Medbox, through its subsidiary (PVM), offers turn-key consulting services to the pharmaceutical industry. We also offer turnkey consulting services to individuals seeking to establish alternative medicine clinics. These services include site selection, permitting, design, full build-out, and

licensing. Medbox does not engage in the production, sale, or marketing of any products dispensed through our machines. The company provides systems and equipment to the final distribution point of consumer pharmaceuticals in addition to certain consulting services.

PVM provides consulting services primarily to individuals and groups seeking to establish new clinics often in jurisdictions that have then recently passed legislation concerning the availability of alternative medicines. In general, soon after legislation is introduced in a particular state the media provides extensive coverage, interest operators commence preliminary due diligence, consultants become familiar with the legislation and local (state) issues, and once the legislation is passed there is often a deluge of prospective clinic operators, consultants, and industry participants jockeying for position within the local market.

The public is often concerned about regulation and safety and the media normally focuses heavily on this issue. As the Medbox is currently the sole automated dispensing system for alternative medicines, PVM often garners substantial media attention. That attention helps PVM establish its local credibility and that credibility helps PVM's competitive position with respect to the lucrative consulting business. Consulting customers who establish clinics through PVM are contractually obligated to purchase a Medbox system, comprising of a medicine machine as well as a refrigerated machine, for their new clinic. Since introduction of the Medbox, PVM has consulted on over 70 startup clinics and of those clinics, all have acquired Medbox machines and/or POS systems.

Each Medbox customer pays PVM a \$79 per month maintenance fee. This fee has increased to \$495 per month for all Medbox systems installed on or after July 1, 2011. Furthermore, PVM now offers (credit card) merchant services through a third party. PVM believes the predominance of its consulting customers will use PVM's merchant services. PVM's sales and licensing agreement for the MDS provides that PVM will be provided favorable status for merchant services for all MDS originating transactions.

Generally, PVM has developed a strategy where each service is further leveraged by the sister services.

The Medicine Dispensing System: The Medbox

The MDS was conceived in 2007. The design was improved, in November 2007, a patent application was filed, and by March 2010 the current design was finalized.

The machines are manufactured according to PVM's patented design by a contract manufacturer. The agreement with that manufacturer prohibits the manufacturer from producing any machine competitive to the Medbox. PVM purchases machines in lots of 25 units shipping via an intermodal shipping container. The biometric and card reader are installed at the manufacturer's cost at a second, on-shore (domestic) supplier. MDS units cost PVM \$10,000. Half (\$5,000) is paid with the order and half is paid upon the machine being placed "in service." When PVM receives an order, it arranges to have a Medbox machine removed from inventory and sent to the local supplier for installation of the customer-security related electronics (biometric and card reader). The local supplier then ships the machine to the end-user. Installation is completed by

the local supplier. Upon installation of the machine at the end-user's site PVM pays the final \$5,000 due on the purchase price. The lead time for ordering machines is three weeks (order to arrival of the container). The lead time from sale of a machine to a customer until the machine is installed (installation of electronics, delivery to end-user, and set-up of machine) is six business days.

PVM is currently working on to further develop more advanced electronic features for its MedBox family of products (security, control, and tracking). Because PVM adds these features upon sale of a machine, an enhanced design can be seamlessly incorporated into the existing hardware inventory without disrupting inventory. PVM believes this approach provides it with a distinct competitive advantage in its ability to remain on the leading edge of technology. This approach further allows PVM to design technological improvements that can easily be retrofitted to existing installed machines.

A conventional refrigerated MDS machine retails for \$25,000. Sales terms with customers are a 50% deposit with order, and 50% upon delivery. Under the recently established lease financing plan, PVM will ship and install a system upon the leasing company's purchase order. PVM is paid by the leasing company within five days of installation and verification of acceptance by the end-user.

PVM offers a second MDS machine that holds less stock (35 different items and six units of inventory per item) is refrigerated and is used for refrigerated products. This system sells for a retail price of \$12,500 and has a cost of \$7,500. The 50 machine quantity per order can be a combination of both systems as PVM determines. Sales terms remain 50% up front and 50% upon installation. The additional refrigerated machine can only be used in conjunction with the "mother" Medbox machine and not separately.

The Point-of-Sale System

The point of sale (POS) system is sold as an addition to the Medbox and consists of a monitor, keyboard, cash drawer, credit card reader, and computer with interface. The POS acts like a conventional cash register system but connects to the Medbox and dispenses medicine. This eliminates handling of product and provides better inventory control and reduced product shrinkage.

These systems are manufactured according to PVM's patented design by the same off-shore contract manufacturer under the same terms and conditions. These systems are far smaller and are not purchased in container lots but instead, in lots of ten systems. The cost to PVM is \$1,000 per system. The retail price is \$2,500. Installation is performed by PVM.

Sales Channels

PVM advertises its products and services via internet advertising to entrepreneurs seeking to establish a clinic. PVM's MDS advertisements can be found at the web site www.medboxinc.com.

PVM also promotes its machines to existing clinic operators via direct mail and advertising (both print and online) in business to business media

Historic Sales Review

PVM has sold 140 MDS machines and/or POS Systems.

The Prescription Dispensing Market

Our secondary market is dispensing the most common prescription medications at doctor's offices and at off-hours at pharmacies. As an example, our machine would allow a CVS or Walgreen's customer to visit the store after hours and using a swipe card and pre-established verification, retrieve their medication from an MDS machine. A physician who prescribes a fair amount of a common group of medications could have an MDS on site to allow dispensing of the standard prescription. This would eliminate the need for a patient to visit a pharmacy for an initial prescription and provide greater convenience.

The Alternative Medicine Market

In addition to our technology, these clients are often very good prospects for our consulting services and our related ancillary services such as merchant services.

The development of the alternative medicine market is a function of state legislation. As a result, while markets may not be currently available (a disadvantage) we can easily monitor the progress of legislation and can know with certainty when new markets will be coming on line. This is an advantage in that it allows us to better target our limited sales and marketing resources. We believe this environment favors us for the following reason. If the whole country were an open market our limited resources would result in an inability to effectively cover all market territories. With limited markets open we can better cover those available territories and have the advantage that our MDS system is often featured in the media during the legislative process prior to the opening of a new market. That provides us with brand awareness and a higher credibility factor.

In a wide open market environment we would likely not benefit from the free media coverage. Furthermore, competitors with lesser recognized brands could beat us to an opportunity without a customer being aware we exist. Under existing conditions the slow roll-out of new states favors our position.

While the predominance of new clinics are established by new operators, PVM plans on marketing a suite of services to existing shops to assist those firms to add alternative medicines as a component to their existing businesses.

Competition – Dispensing Systems

We have competition in each product / service line and discuss each in turn. We start with our flagship product, the Medbox.

InstyMeds Corporation
Minneapolis, MN
<http://www.instymeds.com>

InstyMeds offers the InstyMeds Prescription Medication Dispenser (PMD) and InstyMeds Prescription Writer. The PMD is an automated, ATM-style, dispenser of acute prescription medications that dispenses directly to patients at the point-of-care. The system features a touch screen, convenient credit card swipe, and a 24/7 patient assistant phone. The firm's founder, Dr. Rosenblum, was sent out at 10:00 PM to have a prescription filled for their 5-year-old son who had been diagnosed with an ear infection. Dr. Rosenblum drove around but couldn't find a pharmacy open at that time of night. He spent the next five years developing and perfecting the PMD. As of December 2010, the InstyMeds dispenser is sold in 34 states and has safely dispensed over one million medications to patients. PVM is privately-held. They sell to conventional medical facilities and market their system as a way for patients to quickly receive their initial prescription of acute care medications. The Prescription Writer interfaces to the PMD. We view this system as competitive to the MDS in the physician's market. The system does not possess biometric verification or a patient database as is proprietary through PVM's patent.

MedBox, LLC
Manchester, MO
<http://medbox.com>

MedBox, LLC was founded in July 2006 but remains in prototype development stage. The firm's intended market is pharmacies, physicians, pharmaceutical manufacturers and health insurance companies. Similar to InstyMeds, MedBox LLC seeks to provide immediate dispensing of prescriptions at the health care provider's facility. The central video monitor allows the patient to connect to and communicate with the pharmacist. PVM has issued a cease and desist letter to MedBox, LLC, as to its usage of the term "MedBox" as Medbox is a registered trademark of PVM. The system does not possess biometric verification or a patient database as is proprietary through PVM's patent.

Quig, Inc.
Blue Bell, PA
QuiqMeds.com

QuiqMedsTM is a seven year old firm (organized in late 2004) that offers a vending machine for prescription medications. The system can hold over 700 unit-of-use packages, prints labels and patient information documentation, uses a touch-screen device and operates on a closed, fully secure wireless network. The system is designed for use by physicians and office staff and is not presently designed for direct patient use. The QuiqMedsTM system has two components – a dispensing cabinet (shown) and a stand-alone touch screen where orders are entered. The firm's target market appears to be medical practices. QuiqMedsTM relies upon statistics that as many as 20% of prescriptions are never filled and 33% of refills never leave the pharmacy. In May 2011

the privately-held firm announced appointment of a new CEO. The system does not possess biometric verification or a patient database as is proprietary through PVM's patent.

Other Dispensing Systems

The two largest firms selling drug-dispensing packages to doctors are Allscripts (Chicago) and Purkinje (St. Louis). These systems are dispensing systems but are not on a vending machine based model.

Financial Plan

Revenue Model

Our revenue model consists of the following income streams:

1. Gross profit margins on equipment sales. We anticipate a gross profit margin of \$14,500 per MedBox machine sold. MDS machines retail for \$25,000, cost us \$10,000, and there is a one-time \$500 license fee payable to the patent holder for each machine. To date all sales have been system sales that include an edibles add-on. Edibles add-on machines retail for \$12,500, cost us \$7,500, and there is a one-time \$500 license fee payable to the patent holder for each machine. The addition of the point of sale product will increase that margin - \$2,500 retail and \$1,000 cost.
2. Continuing maintenance revenue of \$495 per month per installed machine. Services include consulting, marketing support, and equipment maintenance. PVM's out of pocket cost is \$50 per month per system.
3. Merchant processing fee revenue from the credit card sales of the clinic. While a minor component of our revenue model, once established this revenue stream should be long term and recurring with minimal effort on our part.
4. Consulting fee revenues from our consulting services. This revenue stream accounts for a significant portion of future revenues for PVM. In jurisdictions where there is intense competition for a limited number of licenses, we believe the Medbox model, with its incorporated security measures, promotes a distinct advantage in the application selection process in the states where an applicant is graded on the ability to demonstrate compliance.

C. Off-Balance Sheet Arrangements.

1. In a separately-captioned section, discuss the issuer's off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the issuer's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors. The disclosure shall include the items specified in paragraphs C(1)(i), (ii), (iii) and (iv) of this Item 16 to the extent necessary to an understanding of such arrangements and effect and shall also include such other information that the issuer believes is necessary for such an understanding.

i. The nature and business purpose to the issuer of such off-balance sheet arrangements;

ii. The importance to the issuer of such off-balance sheet arrangements in respect of its liquidity, capital resources, market risk support, credit risk support or other benefits;

iii. The amounts of revenues, expenses and cash flows of the issuer arising from such arrangements; the nature and amounts of any interests retained, securities issued and other indebtedness incurred by the issuer in connection with such arrangements; and the nature and amounts of any other obligations or liabilities (including contingent obligations or liabilities) of the issuer arising from such arrangements that are or are reasonably likely to become material and the triggering events or circumstances that could cause them to arise; and

iv. Any known event, demand, commitment, trend or uncertainty that will result in or is reasonably likely to result in the termination, or material reduction in availability to the issuer, of its off-balance sheet arrangements that provide material benefits to it, and the course of action that the issuer has taken or proposes to take in response to any such circumstances.

2. As used in paragraph C of this Item 16, the term off-balance sheet arrangement means any transaction, agreement or other contractual arrangement to which an entity unconsolidated with the issuer is a party, under which the issuer has:

i. Any obligation under a guarantee contract that has any of the characteristics identified in paragraph 3 of FASB Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others (November 2002) ("FIN 45"), as may be modified or supplemented, and that is not excluded from the initial recognition and measurement provisions of FIN 45 pursuant to paragraphs 6 or 7 of that Interpretation;

ii. A retained or contingent interest in assets transferred to an unconsolidated entity or similar arrangement that serves as credit, liquidity or market risk support to such entity for such assets;

iii. Any obligation, including a contingent obligation, under a contract that would be accounted for as a derivative instrument, except that it is both indexed to the issuer's own stock and classified in stockholders' equity in the issuer's statement of financial position, and therefore excluded from the scope of FASB Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities (June 1998), pursuant to paragraph 11(a) of that Statement, as may be modified or supplemented; or

iv. Any obligation, including a contingent obligation, arising out of a variable interest (as referenced in FASB Interpretation No. 46, Consolidation of Variable Interest Entities (January 2003), as may be modified or supplemented) in an unconsolidated entity

that is held by, and material to, the issuer, where such entity provides financing, liquidity, market risk or credit risk support to, or engages in leasing, hedging or research and development services with, the issuer.

Instructions to paragraph C of Item 16

i. No obligation to make disclosure under paragraph C of this Item 16 shall arise in respect of an off-balance sheet arrangement until a definitive agreement that is unconditionally binding or subject only to customary closing conditions exists or, if there is no such agreement, when settlement of the transaction occurs.

ii. Issuers should aggregate off-balance sheet arrangements in groups or categories that provide material information in an efficient and understandable manner and should avoid repetition and disclosure of immaterial information. Effects that are common or similar with respect to a number of off-balance sheet arrangements must be analyzed in the aggregate to the extent the aggregation increases understanding. Distinctions in arrangements and their effects must be discussed to the extent the information is material, but the discussion should avoid repetition and disclosure of immaterial information.

iii. For purposes of paragraph C of this Item 16 only, contingent liabilities arising out of litigation, arbitration or regulatory actions are not considered to be off-balance sheet arrangements.

iv. Generally, the disclosure required by paragraph C of this Item 16 shall cover the most recent fiscal year. However, the discussion should address changes from the previous year where such discussion is necessary to an understanding of the disclosure.

In satisfying the requirements of paragraph C of this Item 16, the discussion of off-balance sheet arrangements need not repeat information provided in the footnotes to the financial statements, provided that such discussion clearly cross-references to specific information in the relevant footnotes and integrates the substance of the footnotes into such discussion in a manner designed to inform readers of the significance of the information that is not included within the body of such discussion.

None

Part E Issuance History

Item 17 List of securities offerings and shares issued for services in the past two years.

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer (1) within the two-year period ending on the last day of the issuer's most recent fiscal year and (2) since the last day of the issuer's most recent fiscal year.

The list shall include all offerings of securities, whether private or public, and shall indicate:

- (i) The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);**
- (ii) Any jurisdictions where the offering was registered or qualified;**
- (iii) The number of shares offered;**
- (iv) The number of shares sold;**
- (v) The price at which the shares were offered, and the amount actually paid to the issuer;**
- (vi) The trading status of the shares; and**
- (vii) Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.**

The list shall also include all shares or any other securities or options to acquire such securities issued for services in the past two fiscal years and any interim periods, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities.

With respect to private offerings of securities, the list shall also indicate the identity of the persons who purchased securities in such private offering; *provided, however*, that in the event that any such person is an entity, the list shall also indicate (a) the identity of each natural person beneficially owning, directly or indirectly, more than five percent (5%) of any class of equity securities of such entity and (b) to the extent not otherwise disclosed, the identity of each natural person who controlled or directed, directly or indirectly, the purchase of such securities for such entity.

On December 16, 2010, S&I Innovations, Inc. was issued 1,000,000 share of PVM's common stock in exchange for forgiveness of outstanding debt. S & I Innovations is 100% owned by Shannon Illingworth's father Jon Illingworth.

On December 16, 2010, Shannon W. Illingworth was issued 10,000,000 shares of our common stock as compensation for services rendered.

On or about September, 2010, we completed a 1,500 for one (1) reverse split of our common stock pursuant to which our 25,110,946 issued and outstanding shares of our common stock were consolidated into 16,741 issued and outstanding shares of our common stock.

Part F Exhibits

The following exhibits must be either described in or attached to the disclosure statement:

Item 18 Material Contracts.

A. Every material contract, not made in the ordinary course of business, that will be performed after the disclosure statement is posted through the OTC Disclosure and News

Service or was entered into not more than two years before such posting. Also include the following contracts:

- 1) Any contract to which directors, officers, promoters, voting trustees, security holders named in the disclosure statement, or the Designated Advisor for Disclosure are parties other than contracts involving only the purchase or sale of current assets having a determinable market price, at such market price;
- 2) Any contract upon which the issuer's business is substantially dependent, including but not limited to contracts with principal customers, principal suppliers, and franchise agreements;
- 3) Any contract for the purchase or sale of any property, plant or equipment for consideration exceeding 15 percent of such assets of the issuer; or
- 4) Any material lease under which a part of the property described in the disclosure statement is held by the issuer.

B. Any management contract or any compensatory plan, contract or arrangement, including but not limited to plans relating to options, warrants or rights, pension, retirement or deferred compensation or bonus, incentive or profit sharing (or if not set forth in any formal document, a written description thereof) in which any director or any executive officer of the issuer participates shall be deemed material and shall be included; and any other management contract or any other compensatory plan, contract, or arrangement in which any other executive officer of the issuer participates shall be filed unless immaterial in amount or significance.

C. The following management contracts or compensatory plans need not be included:

- 1) Ordinary purchase and sales agency agreements;
- 2) Agreements with managers of stores in a chain organization or similar organization;
- 3) Contracts providing for labor or salesmen's bonuses or payments to a class of security holders, as such; and
- 4) Any compensatory plan that is available to employees, officers or directors generally and provides for the same method of allocation of benefits between management and non-management participants

None

Item 19 Articles of Incorporation and Bylaws.

A. A complete copy of the issuer's articles of incorporation or in the event that the issuer is not a corporation, the issuer's certificate of organization. Whenever amendments to the articles of incorporation or certificate of organization are filed, a complete copy of the

articles of incorporation or certificate of organization as amended shall be filed.

Our Articles of Incorporation and amendments thereto have been posted on the OTC Disclosure and News Service and incorporated herein by reference.

B. A complete copy of the issuer's bylaws. Whenever amendments to the bylaws are filed, a complete copy of the bylaws as amended shall be filed.

Our Bylaws have been posted on the OTC Disclosure and News Service and incorporated herein by reference.

Item 20 Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

A. In the following tabular format, provide the information specified in paragraph (B) of this Item 20 with respect to any purchase made by or on behalf of the issuer or any "Affiliated Purchaser" (as defined in paragraph (C) of this Item 20) of shares or other units of any class of the issuer's equity securities.

None

CERTIFICATION

I, **Dr. Bruce Bedrick**, certify that:

1. I have reviewed this annual disclosure statement of Medbox, 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;
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.

/s/ Dr. Bruce Bedrick

By: Dr. Bruce Bedrick
Its: Chief Executive Officer

CERTIFICATION

I, **Leila Guieb**, certify that:

1. I have reviewed this annual disclosure statement of Medbox, 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;
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.

/s/ Leila Guieb

By: Leila Guieb
Its: Chief Financial Officer