MEDBOX, INC
BALANCE SHEET
As of December 31, 2012

ASSETS

CURRENT ASSETS				
Cash in Bank	$	1,026,901.58		
Accounts Receivable		2,397,000.00		
Subscriptions Receivable		153,250.00		
Inventory		377,900.00		
Total Current Assets			$	3,955,051.58
PROPERTY AND EQUIPMENT				
Machinery & Equipment		2,508.69		
Auto & Truck		92,000.00		
	$	94,508.69		
Less: Accumulated Depreciation		(43,490.69)		
Total Property and Equipment				51,018.00
OTHER ASSETS				
Deposits	$	4,850.00		
Intangible Asset - Patent		950,000.00		
Total Other Assets				954,850.00
			$	4,960,919.58

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MEDBOX, INC
BALANCE SHEET
As of December 31, 2012

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES				
Accounts Payable	$	288,881.09		
Accrued Expenses		9,315.00		
Current Portion L-T Debt		359,538.00		
Sales Tax Payable		15,000.00		
Income Taxes Payable		621,462.00		
Total Current Liabilities			$	1,294,196.09
LONG-TERM DEBT				
Loan Payable - PVM International, Inc.	$	775,037.74		
Loan Payable - Chase Auto Loan		40,007.72		
Loan Payable - Wozniak		82,000.00		
Loan Payable - Kerr		12,000.00		
Deferred Tax Liability		39,054.00		
	$	948,099.46		
Less Current Portion Above		(359,538.00)		
Total Long-Term Debt				588,561.46
STOCKHOLDERS' EQUITY				
Common Stock	$	14,078.00		
Add'l Paid In Capital		2,109,284.00		
Dividends Paid to Subsidiary Shareholders'		(49,965.37)		
Retained Earnings, 12/31/2012		1,004,728.40		
Total Stockholders' Equity				3,078,162.03
			$	4,960,919.58

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MEDBOX, INC
STATEMENT OF INCOME &
& RETAINED EARNINGS

	3 Months Ended December 31, 2012	%	12 Months Ended December 31, 2012	%
Income				
Sales	$ 965,500.00	21.25	$ 4,543,859.20	100.00
Interest Income	26.59	0.00	26.59	0.00
Total Income	$ 965,526.59	21.25	$ 4,543,885.79	100.00
Cost of Sales (Sch B-1)	93,310.37	9.66	896,017.15	19.72
Income Before Oprtng Expns	$ 872,216.22	19.20	$ 3,647,868.64	80.28
Operating Expenses (Sch B-2)	517,088.04	11.38	1,841,151.63	40.52
Income Before Other Expns	$ 355,128.18	7.82	$ 1,806,717.01	39.76
Other Expenses				
Amortization - Patent	$ 50,000.00	1.10	$ 50,000.00	1.10
Depreciation	26,247.00	0.58	29,922.00	0.66
Interest	1,718.93	0.04	4,974.61	0.11
Officer's Salary	45,000.00	0.99	180,000.00	3.96
	$ 122,965.93	2.71	$ 264,896.61	5.83
Net Income Bef Income Tax	$ 232,162.25	5.11	$ 1,541,820.40	33.93
Provision for Income Tax	(136,958.00)	(3.01)	(660,516.00)	(14.54)
Net Income	$ 95,204.25	2.10	$ 881,304.40	19.40
Retained Earnings, 1/1/12			123,424.00	
Retained Earnings, 12/31/12			$ 1,004,728.40	

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MEDBOX, INC
SCHEDULE OF COST OF SALES

SCHEDULE B-1

	3 Months Ended December 31, 2012	%	12 Months Ended December 31, 2012	%
Cost of Sales				
Purchases	17,093.80	1.77	370,541.28	8.15
Construction & Buildouts	76,216.57	7.89	185,356.87	4.08
Licenses & Permits	0.00	0.00	340,119.00	7.49
Total Cost of Sales	$ 93,310.37	9.66	$ 896,017.15	19.72

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MEDBOX, INC
SCHEDULE OF OPERATING EXPENSES

SCHEDULE B-2

	3 Months Ended December 31, 2012	%	12 Months Ended December 31, 2012	%
Operating Expenses				
Advertising	26,281.03	2.72	76,893.65	1.69
Answering Service	1,978.30	0.20	4,730.30	0.10
Automobile	3,164.35	0.33	4,801.85	0.11
Bad Debt Expense	0.00	0.00	418,095.00	9.20
Bank Charges	3,907.74	0.40	14,452.15	0.32
Bankcard Discounts	0.00	0.00	105.51	0.00
Computer Service & Supplies	219.87	0.02	2,674.67	0.06
Delivery	3,565.72	0.37	10,976.90	0.24
Dues & Subscriptions	400.00	0.04	2,102.00	0.05
Employee Benefits	618.00	0.06	4,266.00	0.09
Entertainment	1,408.83	0.15	7,322.25	0.16
Equipment Rental	0.00	0.00	3,060.00	0.07
Gifts	138.57	0.01	138.57	0.00
Legal & Accounting	48,463.50	5.02	154,011.77	3.39
Lease Fees	10,000.00	1.04	12,000.00	0.26
Licenses	0.00	0.00	938.00	0.02
Maintenance & Repairs	103.28	0.01	103.28	0.00
Marketing	17,541.00	1.82	62,516.92	1.38
Meetings & Conferences	0.00	0.00	4,256.37	0.09
Merchant Charges	0.00	0.00	124.85	0.00
Office Expense	2,070.56	0.21	5,005.75	0.11
Outside Services	38,980.00	4.04	113,969.12	2.51
Parking	104.25	0.01	320.28	0.01
Penalties	2,800.94	0.29	4,112.95	0.09
Postage	0.00	0.00	47.97	0.00
Printing	456.14	0.05	456.14	0.01
Professional Fees	246,936.37	25.58	573,265.14	12.62
Promotion	0.00	0.00	7,284.85	0.16
Rent	62,700.00	6.49	222,886.43	4.91
Research	799.90	0.08	10,916.71	0.24
Security	5,250.00	0.54	14,518.12	0.32
Supplies	3,105.97	0.32	5,390.84	0.12
Taxes & Licenses	2,144.95	0.22	6,424.93	0.14
Taxes - Franchise	11,974.06	1.24	14,775.00	0.33
Telephone	1,620.91	0.17	7,168.04	0.16
Travel	19,659.90	2.04	67,457.77	1.48
Transportation	343.93	0.04	1,009.77	0.02
Utilities	0.00	0.00	1,044.66	0.02
Web Site	349.97	0.04	1,527.12	0.03
Total Operating Expenses	$ 517,088.04	53.56	$ 1,841,151.63	40.52

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