

MCIG, INC.

FORM 10-Q (Quarterly Report)

Filed 12/22/14 for the Period Ending 10/31/14

Address	4720 SALISBURY ROAD, STE 100 JACKSONVILLE, FL, 32256
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Industry	Tobacco
Sector	Consumer Non-Cyclicals
Fiscal Year	04/30

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended October 31, 2014

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT

For the transition period from N/A to N/A

Commission File No. 333-175941

mCig Inc.

(Name of small business issuer as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or organization)

27-4439285
(IRS Employer Identification No.)

433 North Camden Drive, 6th Floor Beverly Hills, CA 90210
(Address of principal executive offices) (Zip Code)

310-402-6937
Registrant's telephone number, including area code

Indicate by check mark whether the Registrant (1) has filed all reports required by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days: Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. Yes No

Large accelerated filer Accelerated filer
Non-Accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

<u>Class</u>	<u>Outstanding at December 22, 2014</u>
Common stock, \$0.0001 par value	270,135,000

Transitional Small Business Disclosure Format Yes No

MCIG, INC.
INDEX TO FORM 10-Q FILING
FOR THE THREE AND SIX MONTHS ENDED OCTOBER 31, 2014 AND 2013

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32.2	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act.

PART I
FINANCIAL INFORMATION

Item 1. Financial Statements

The accompanying interim consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q. Therefore, they do not include all information and footnotes necessary for a complete presentation of financial position, results of operations, cash flows, and stockholders' equity in conformity with generally accepted accounting principles. Except as disclosed herein, there has been no material change in the information disclosed in the notes to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended April 30, 2014. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature. Operating results for the six months ended October 31, 2014 are not necessarily indicative of the results that can be expected for the year ending April 30, 2015.

mCIG, Inc.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	October 31, 2014	April 30, 2014
ASSETS		
CURRENT ASSETS:		
Cash	\$ 284,120	\$ 358,839
Accounts receivable	53,496	41,098
Inventory	155,366	138,657
Prepaid expenses	906,964	6,253
Total current assets	\$ 1,399,946	\$ 544,847
Intangible assets, net	12,396	11,848
Investment in Vapolution	625,000	625,000
TOTAL ASSETS	\$ 2,037,342	\$ 1,181,695
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 3,783	\$ 132,756
Deferred revenue	112,118	4,141
Due to related party (See Note 6)	3,032,307	3,000
Total current liabilities	\$ 3,148,208	\$ 139,897
TOTAL LIABILITIES	\$ 3,148,208	\$ 139,897
STOCKHOLDERS' (DEFICIT) EQUITY:		
Preferred stock, \$0.0001 par value, 23,000,000 shares authorized; 23,000,000 shares issued and outstanding	\$ 2,300	\$ 2,300
Common stock, \$0.0001 par value, 560,000,000 shares authorized; 270,135,000 issued and outstanding	27,014	27,014
Stock payable	159,934	-
Additional paid-in capital	917,264	1,394,137
Accumulated deficit	(2,217,378)	(381,653)
Total stockholders' (deficit) equity	\$ (1,110,866)	\$ 1,041,798
TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY	\$ 2,037,342	\$ 1,181,695

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

mCIG, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended		Six Months Ended	
	October 31,		October 31,	
	2014	2013	2014	2013
REVENUES	\$ 160,451	\$ 13,180	\$ 356,017	\$ 25,680
COST OF REVENUES	69,200	-	16,633	-
GROSS PROFIT	91,251	13,180	189,384	25,680
OPERATING EXPENSES:				
Selling, general and administrative	11,739	15,859	22,534	34,453
Consulting	750,767	15,900	1,795,723	15,900
Amortization	1,993	1,294	3,852	2,587
Total operating expenses	870,153	33,053	2,025,109	52,940
OPERATING LOSS	(778,902)	(19,873)	(1,835,725)	(27,260)
NET LOSS	\$ (778,902)	\$ (19,873)	\$ (1,835,725)	\$ (27,260)
NET LOSS PER COMMON SHARE:				
Basic	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)
WEIGHTED AVERAGE NUMBER COMMON SHARES OUTSTANDING				
Basic	270,135,000	270,000,000	270,135,000	270,000,000

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

mCIG, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	SIX MONTHS ENDED	
	October 31,	
	2014	2013
Net loss	\$ (1,835,725)	\$ (27,260)
Adjustments to reconcile net loss from continuing operations to net cash from operating activities:		
Depreciation and amortization	3,852	2,587
Share-based compensation	1,795,723	15,900
Changes in operating assets and liabilities:		
Accounts receivables	(12,398)	(1,311)
Prepaid expenses	5,934	-
Inventory	(16,709)	-
Accounts payable and accrued liabilities	(128,973)	-
Deferred revenue	107,977	(25,000)
Net cash used in operating activities	(80,319)	(35,084)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of intangible asset	(4,400)	(7,757)
Net cash used in investing activities	(4,400)	(7,757)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Advances from officer	10,000	53,050
Net cash provided by financing activities	10,000	53,050
INCREASE (DECREASE) IN CASH	(74,719)	10,209
CASH, BEGINNING OF PERIOD	358,839	3,600
CASH, END OF PERIOD	\$ 284,120	\$ 13,809
SUPPLEMENTAL DISCLOSURE		
Interest paid	\$ -	\$ -
Taxes paid	\$ -	\$ -
NONCASH OPERATING, INVESTING, AND FINANCING ACTIVITIES		
Write-off of related party debt to additional paid-in capital	\$ -	\$ 5,000
Debt forgiveness	\$ -	\$ 172,678
Reclass debt forgiven to note payable	\$ 3,157,346	\$ -
Prepaid stock based compensation	\$ 906,664	\$ -

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

MCIG, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED OCTOBER 31, 2014 AND 2013
(Unaudited)

NOTE 1- DESCRIPTION OF BUSINESS

mCig, Inc. (mCig) was incorporated in the State of Nevada on December 30, 2010 originally under the name Lifetech Industries, Inc. Effective August 2, 2013, the name was changed from "Lifetech Industries, Inc." to "mCig, Inc." reflecting the new business model. Since October 2013, mCig, Inc. has positioned itself as a technology company focused on two long-term secular trends: (1) the decriminalization and legalization of marijuana for medicinal or recreational purposes - legalizing medicinal and recreational marijuana usage is steadily on the rise not only domestically but also internationally. Marijuana has been decriminalized in over twenty countries, in over five continents. Twenty-three states and the District of Columbia currently have laws legalizing marijuana in some form <http://www.governing.com/gov-data/safety-justice/state-marijuana-laws-map-medical-recreational.html>). Management believes that by 2016 it is very likely that many more states, including Alaska, California, Arizona, Maine, and Oregon, will legalize the use and sale of recreational marijuana the way Washington and Colorado have. (2) The adoption of electronic vaporizing cigarettes (commonly known as "eCigs"), as smokers move away from traditional cigarettes onto e-cigarettes. Smoking tobacco causes numerous health problems, including disease and death. Smoking becomes very addictive quickly, and the most difficult part is cessation. The Company contends that E-cigarettes offer a safer and healthier alternative to traditional tobacco cigarettes. E-cigarettes operate by heating a mixture of liquid nicotine and flavoring, which is then inhaled and exhaled in the same manner as a cigarette. However, e-cigarettes do not contain any tobacco or other dangerous additives. Scientific research has shown that the leading cause of cancer in smokers comes from the carcinogens in tobacco. As the movement towards personal health grows, smokers are trying to quit their harmful habits. Management believes that E-cigarettes provide a safe transition from harmful traditional cigarettes.

All agreements related to the Lifetech business are terminated and closed as of April 30, 2014. It has no impact on the current and future operations because all of these agreements are related to the previous business directions of the Company.

We manufacture and retail the mCig – an affordable loose-leaf eCig . Designed in the USA – the mCig provides a smoking experience by heating plant material, waxes, and oils delivering, in the Company's opinion, a smoother inhalation experience. The Company also maintains an investment in Vapolution, Inc. which manufactures and retails home-use vaporizers such as the Vapolution 2.0. Through VitaCig, Inc., in which the Company is a controlling shareholder, the Company is engaged in the manufacturing and retailing of a nicotine-free eCig that delivers a water-vapor mixed with vitamins and natural flavors.

On January 23, 2014, the Company signed a Stock Purchase Agreement with Vapolution, Inc. which manufactures and retails home-use vaporizers. In accordance with this agreement mCig, Inc. acquired 100% of Vapolution, Inc.; as part of this transaction mCig, Inc. issued 5,000,000 shares to shareholders of Vapolution, Inc. The shareholders of Vapolution, Inc. retain the right to rescind the transaction, which expires on January 23, 2015.

On January 23, 2014, Paul Rosenberg, CEO of mCig, Inc. cancelled an equal amount (2,500,000 shares) of common shares owned by him resulting in a net non-dilutive transaction to existing mCig, Inc. shareholders. The remaining 2,500,000 of common shares owned by Paul Rosenberg will be cancelled on the one year anniversary of the agreement, specifically on January 23, 2015, to offset the 2,500,000 new shares issued from the treasury to complete the purchase of Vapolution, Inc.

On February 24, 2014, the Company entered into a Contribution Agreement with VitaCig, Inc. In accordance with this agreement VitaCig, Inc. accepted the contribution by mCig, Inc. of specific assets consisting solely of pending trademarks for the term "VitaCig" filed with the USPTO and \$500 in cash as contribution in exchange for 500,135,000 shares of common capital stock representing 100% of the shares outstanding of VitaCig, Inc.

On November 28, 2014, mCig, Inc. completed the spin-off of VitaCig, Inc. (the "Spin-off"). Effective as of 11:59 p.m., New York City time, on November 28, 2014 (the "Distribution Date"), the Company distributed 270,135,000 shares of common stock of VitaCig, Inc., par value \$0.0001 per share ("VitaCig Common Stock"), to holders of mCig's stockholders of record as a pro rata dividend. The record date for the dividend was November 28, 2014. The Ex-Dividend Date was set for November 25, 2014. mCig stockholders received one share of VitaCig Common Stock for every one share of common stock, par value \$0.0001 per share, of mCig. The Spin-off was completed for the purpose of legally and structurally separating VitaCig, Inc. from mCig. MCig retain 230,000,000 shares of common stock and remains as a controlling shareholder. The shares of common stock to be received by mCig shareholders were registered on a Form S-1 filed by VitaCig and declared effective by the Securities and Exchange Commission on November 5, 2014.

NOTE 2 – BASIS OF PRESENTATION OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Company prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. The accompanying interim unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information in accordance with the instructions to Form 10-Q and Article 8 of Regulation S-X. In management's opinion, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included.

Operating results for the six months ended October 31, 2014 are not necessarily indicative of the results that may be expected for the year ending April 30, 2015. Notes to the unaudited interim consolidated financial statements that would substantially duplicate the disclosures contained in the audited consolidated financial statements for the year ended April 30, 2014 have been omitted; this report should be read in conjunction with the audited consolidated financial statements and the footnotes thereto for the fiscal year ended April 30, 2014 included within the Company's Form 10-K as filed with the Securities and Exchange Commission.

NOTE 3 - GOING CONCERN

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. However, the Company has recurring losses from operations and an accumulated deficit at October 31, 2014 of \$2,217,378 and needs additional cash to maintain its operations.

These factors raise doubt about the Company's ability to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. The Company's continued existence is dependent upon management's ability to develop profitable operations, continued contributions from the Company's executive officers to finance its operations and the ability to obtain additional funding sources to explore potential strategic relationships and to provide capital and other resources for the further development and marketing of the Company's products and business.

NOTE 4 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. Significant accounting policies are as follows:

Use of Estimates and Assumptions

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities, (ii) the disclosure of contingent assets and liabilities known to exist as of the date the consolidated financial statements are published, and (iii) the reported amount of net revenues and expenses recognized during the periods presented. Adjustments made with respect to the use of estimates often relate to improved information not previously available. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of consolidated financial statements; accordingly, actual results could differ from these estimates. The Company's most significant estimates relate to the valuation of its proprietary technology and its valuation of its common stock.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. At October 31, 2014, cash and cash equivalents include cash on hand and cash in the bank and the FDIC insures these deposits up to \$250,000.

Impairment of Long-Lived Assets

Long-lived assets are evaluated for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable or that the useful lives of these assets are no longer appropriate. Each impairment test is based on a comparison of the undiscounted future cash flows to the recorded value of the asset. If impairment is indicated, the asset is written down to its estimated fair value. The acquired software technologies are reviewed annually for impairment.

Fair Value of Financial Instruments

The Company's financial instruments consist primarily of cash, accounts payable and accrued expenses, and debt. The carrying amounts of such financial instruments approximate their respective estimated fair value due to the short-term maturities and approximate market interest rates of these instruments.

Fair value is focused on an exit price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Within the measurement of fair value, the use of market-based information is prioritized over entity specific information and a three-level hierarchy for fair value measurements is used based on the nature of inputs used in the valuation of an asset or liability as of the measurement date.

The three-level hierarchy for fair value measurements is defined as follows:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets; liabilities in active markets;

Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly, including in not considered to be active;

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following table summarizes fair value measurements by level at October 31, 2014 and April 30, 2014 for assets measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	
At October 31, 2014				
Investment and intangible	\$ -	\$ -	\$ 637,396	\$
Total Investment and intangible	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 637,396</u>	<u>\$</u>
At April 30, 2014				
Investment and intangible	\$ -	\$ -	\$ 636,848	\$
Total Investment and intangible	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 636,848</u>	<u>\$</u>

Accounts Receivable and Allowance for Uncollectible Accounts

Substantially all of the Company's accounts receivable balance is related to trade receivables. Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in its existing accounts receivable. The Company will maintain allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments for services. Accounts with known financial issues are first reviewed and specific estimates are recorded. The remaining accounts receivable balances are then grouped in categories by the number of days the balance is past due, and the estimated loss is calculated as a percentage of the total category based upon past history. Account balances are charged against the allowance when it is probable the receivable will not be recovered.

Income Taxes

The Company utilizes the asset and liability method in accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for operating loss and tax credit carry-forwards and for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets unless it is more likely than not that the value of such assets will be realized.

The Company uses the two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not, that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount, which is more than 50% likely of being realized upon ultimate settlement. The Company considers many factors when evaluating and estimating the Company's tax positions and tax benefits, which may require periodic adjustments. At October 31, 2014, the Company did not record any liabilities for uncertain tax positions.

Revenue Recognition

The Company's revenue recognition policy is in accordance with generally accepted accounting principles, which requires the recognition of sales when there is evidence of a sales agreement, the delivery of goods has occurred, the sales price is fixed or determinable and the collectability of revenue is reasonably assured.

Inventory

Inventory consists of finished product, mCig and VitaCig electronic vaporizing cigarettes valued at the lower of cost or market valuation under the first-in, first-out method of costing.

Warranties

Warranty reserves include management's best estimate of the projected costs to repair or to replace any items under warranty, based on actual warranty experience as it becomes available and other known factors that may impact the Company's evaluation of historical data. Management reviews mCig's reserves at least quarterly to ensure that its accruals are adequate in meeting expected future warranty obligations, and the Company will adjust its estimates as needed. Initial warranty data can be limited early in the launch of a product and accordingly, the adjustments that are recorded may be material. Because of the nature of its products, customers are made aware that as soon as a mCig is packed with marijuana, they automatically void their warranty, primarily because it is against federal laws to mail a product that has been in proximity of marijuana. As a result, the products that can be returned as a warranty replacement is extremely limited. For VitaCig, the warranty limitations are extremely limited, since as soon as a customer takes off the freshness seal of the product, the warranty is no longer applicable. As a result, due to the Company's warranty policy, the Company did not have any significant warranty expenses to report as of Quarter Ended October 31, 2014. Based on these actual expenses, the warranty reserve, as estimated by management as of Quarter Ended October 31, 2014 was at \$0. Any adjustments to warranty reserves are to be recorded in cost of sales.

It is likely that as we start selling higher priced products, that are not affected by federal shipping laws and/or are not single use items (such as eLiquid Juice Vaporizer), we will acquire additional information on the projected costs to service work under warranty and may need to make additional adjustments. Further, a small change in the Company's warranty estimates may result in a material charge to the Company's reported financial results.

Product exchanges and product returns

The total for product exchanges and product returns as of October 31, 2014 were minimal. As a result, all product exchanges and product returns were recorded as a reduction to revenues.

Deferred Revenue

Deferred revenue result from fees billed to customers for which revenue has not yet been recognized or for which the conditions of the arrangement have been modified. The Company recognizes revenue when earned and defers revenues that are unearned.

The Company has deferred revenue of \$112,118 as of October 31, 2014 and \$4,141 for April 30, 2014.

Share-Based Compensation

The Company measures the cost of services received in exchange for an award of an equity instrument based on the grant-date fair value of the award. Compensation cost is recognized over the vesting or requisite service period.

Basic and Diluted Net Income (Loss) per Common Share

Basic income (loss) per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of common shares outstanding during the reporting period. The weighted average number of shares is calculated by taking the number of shares outstanding and weighting them by the amount of time that they were outstanding. Diluted earnings per share reflects the potential dilution that could occur if stock options, warrants, and other commitments to issue common stock were exercised or equity awards vest resulting in the issuance of common stock that could share in the earnings of the Company.

The Company has 23,000,000 preferred shares that can be converted subject to the limitation of the Company's authorized shares at 1 preferred share for 10 common shares. The conversion can only take place with the approval of the Board of Directors after the expiration of the lock up agreement on April 30, 2015. The preferred shares are anti-dilutive due to the losses the Company has incurred for the periods ended October 31, 2014 and 2013.

Diluted loss per share is the same as basic loss per share during periods where net losses are incurred since the inclusion of the potential common stock equivalents would be anti-dilutive as a result of the net loss.

Concentration of Credit Risk

All of the Company's cash and cash equivalents are maintained in regional and national financial institutions. The Company has exposure to credit risk to the extent that its cash and cash equivalents exceed amounts covered by the U.S. federal deposit insurance; however, the Company has not experienced any losses in such accounts. In management's opinion, the capitalization and operating history of the financial institutions are such that the likelihood of material loss is remote. Presently the bank accounts held by Chase bank exceeds the \$250,000 FDIC insurance by \$34,120.

Subsequent Events

The Company has evaluated all transactions occurring between October 31, 2014 and the date of issuance of the consolidated financial statements for subsequent event disclosure consideration.

Recent Accounting Pronouncements

No accounting standards or interpretations issued recently are expected to have a material impact on the Company's financial position, operations or cash flows.

NOTE 5 – INTANGIBLE

The following is a detail of software at October 31, 2014 and April 30, 2014:

	October 31, 2014	April 30, 2014
Website	\$ 23,910	\$ 19,510
Vapolution	625,000	625,000
Total intangible assets	648,910	644,510
Accumulated amortization of intangible assets	(11,514)	(7,662)
Total intangible assets	\$ 637,396	\$ 636,848

Website development costs

Under the provisions of FASB-ASC Topic 350, the Company previously capitalized costs of design, configuration, coding, installation, and testing of the Company's website up to its initial implementation. Costs will be amortized to expense over an estimated useful life of three years using the straight-line method. Ongoing website post-implementation cost of operations, including training and application, are expensed as incurred. The Company evaluates the recoverability of website development costs in accordance with FASB-ASC Topic 350. As of October 31, 2014, management does not believe that there is a need for the impairment of costs incurred towards the development of its website.

Investment in Vapolution

The Company has determined the appropriate way to report its deposit in Vapolution using the cost method of accounting. Specifically, as reported Per ASC 325-20-25-1, the fair value of restricted stock is not readily determinable since the seller has the right to rescind the agreement effective through January 23, 2015. Therefore the Company has recorded this as a deposit on the cost method, mCig reported its deposit in Vapolution as of October 31, 2014 and April 30, 2014 in the amount of \$625,000. The Company issued the 2,500,000 in common stock as a deposit and the transaction with Vapolution will then be finally transacted on January 23, 2015 when the right to rescind the transaction has expired.

The Company has treated this transaction as a deposit since the payment of the 2,500,000 million shares is a pre-closing deposit. The Company will true up the remaining balance of the shares to be issued in January of 2015 after the right to rescind the transaction has expired as noted in the Amended Stock Purchase Agreement. The Company intends to revalue the transaction in January based up on the current performance of the operations. The Company does not presently have control of Vapolution and will not until the final closing of this transaction. At that time the Company will treat this acquisition in January of 2015 as a Business Combination with the appropriate disclosures.

NOTE 6 – RELATED PARTY TRANSACTIONS

As discussed below, the debt to related party represented the fair values of the shares (specifically \$3,019,307 and were recorded at the market price on the date of grant) provided by the Company's Chief Executive Officer's personal shares to pay consultants of the Company. In December 2014, the Company issued 9,011,229 shares of common stock to the Company's Chief Executive Officer as repayment of debt and the Company's Chief Executive Officer immediately cancelled those shares into treasury, resulting in the \$3,019,307 being reduced to \$0.00 in the Company's third quarter.

Stock Issued for Services

During the six months ended October 31, 2014, the Company issued 7,517,005 shares of common stock as compensation. The shares were transferred from the Company's Chief Executive Officer's personal shares as a loan to the Company. The shares were originally issued as additional paid in capital but management reviewed the accounting treatment and reclassified those shares as a loan to the Company's Chief Executive Officer's personal. The fair values of the shares were a total of \$3,019,307 and were recorded at the market price on the date of transfer. The issuances of stock were as follows:

Date	Number of Shares	Fair Value	Description of Services
August 29, 2014	324,009	\$ 94,465	Compensation to consultants
September 30, 2014	357,984	91,475	Compensation to consultants
October 31, 2014	1,022,353	152,893	Compensation to consultants
Reclass of stock issued in 1 st Quarter to note payable	5,812,659	2,680,474	Compensation to consultants
Total	7,517,005	\$ 3,019,307	

During the year ended April 30, 2014, the Company issued 1,491,224 shares of common stock as compensation and cash. The shares were issued from the Company's Chief Executive Officer's personal shares as a loan to the Company. The shares were originally issued as additional paid in capital but management reviewed the accounting treatment and reclassified those shares as a loan to the Company's Chief Executive Officer's personal. The fair values of the shares were a total of \$476,872 and were recorded at the market price on the date of grant. On April 14, 2014, the Company issued 750,000 shares of common stock at \$0.4 per share in accordance with a Security Purchase Agreement between mCig, Inc. and an institutional investor as part of the Company's deployment of a national market strategy dated as of April 14, 2014. Simultaneously, our CEO cancelled an equal amount of shares (750,000) owned by him, resulting in a net non-dilutive transaction to existing mCig, Inc. shareholders. These shares were valued at \$300,000 based on the price at \$0.4 per share. It was classified as a capital contribution. The Security Purchase Agreement is attached as Exhibit 10.21 in this report.

<u>Date</u>	<u>Number of Shares</u>	<u>Fair Value</u>	<u>Description of Services</u>
Reclass of stock issued in year ended April 30, 2014 to note payable	1,191,224	176,872	Compensation to consultants
Stock issued for cash	<u>750,000</u>	<u>300,000</u>	Stock issued for cash
Total	<u>1,494,224</u>	<u>\$ 476,872</u>	

The Company's Chief Operating Officer non-interest bearing advanced of \$10,000 to the Company which is due upon demand. The Company's Chief Executive Officer advanced \$3,000 to the Company which is due upon demand.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

On September 18, 2014, the Company entered into an exclusive sales agreement with Omni Can to become exclusive distributor for the Product in Korea. The Company agrees to manufacture product to meet Omni Cam purchase agreement including material, equipment and other supplies. The purchase price of the product is based on products being packaged in cCig design. The agreement is a 2 year agreement in which Omni Cam agreed to purchase from mCig 100% of requirements. The purchase price shall be \$3.00 per unit and cannot change without notice to Omni Cam in writing within 120 days. Omni Cam must purchase \$350,000 worth of products within 6 months. The initial order to execute this contact should be for \$100,000 worth of product.

NOTE 8 - EQUITY

As of October 31, 2014, the Company was authorized to issue 560,000,000 common shares and 23,000,000 preferred shares at a par value of \$0.0001.

The Company has prepaid common stock of \$906,964 that has been issued to consultants and employees from our CEO's common stock. The shares are earned in accordance with their agreements and are earned by the employees consultants in less than a year. These shares have been issued from our CEO's common stock and recorded as part of the related party note. (See Note 6)

Preferred Stock

The Company has authorized 50,000,000 shares of preferred stock, at \$0.0001 par value and 23,000,000 are issued and outstanding as of October 31, 2014. Each share of the Preferred Stock has 10 votes on all matters presented to be voted by the holders of the Company's common stock. All 23,000,000 shares of preferred stock were granted to the Company's Chief Executive Officer on September 23, 2013 which were valued at \$2,300, the price of the common stock of \$0.0001 exchanged in the transaction.

On September 23, 2013, the Company entered into a Share Cancellation / Exchange / Return to Treasury Agreement with Paul Rosenberg, the Chief Executive Officer of mCig, Inc., for the cancellation of 230,000,000 shares of its common stock held by Mr. Rosenberg in exchange for 23,000,000 shares of the Company's Series A Preferred Stock. Under the terms of the Agreement, the Preferred Shares only have voting rights and no right to convert to common stock in accordance with the Certificate of Certification filed with the State of Nevada on September 10, 2013. The Series A Preferred shares of mCig, Inc. carry ten (10) votes per each share of Preferred stock while mCig, Inc.'s common shares carry one (1) vote per each share outstanding.

On April 10, 2014, the Share Cancellation / Exchange / Return to Treasury Agreement was amended. Under terms of the amended agreement, all or any part of the Preferred Shares held by Shareholder can be converted at any time or from time to time, and can be exchanged for a stated number of the company's Common Stock Shares. The amendment was rejected by the State of Nevada as the conversion did not have a stated number of shares that converts and thus was invalid.

On July 16, 2014, the Board of Directors approved the conversion rate of ten for one (ten shares of common stock for each share of Series A Preferred Stock). In addition, the Board of Directors reduced the authorized number of shares of Series A Preferred Stock to the amount issued and outstanding (23,000,000) and executed a lock up agreement such that Mr. Rosenberg cannot convert the Series A Convertible Preferred Stock until after the year ended April 30, 2015. The Certificate of Designation was filed on July 17, 2014 with the State of Nevada.

NOTE 9 – SUBSEQUENT EVENTS

In December 2014, the Company issued 9,011,229 shares of common stock to the Company's Chief Executive Officer as repayment of debt and the Company's Chief Executive Officer immediately cancelled those shares into treasury. The entire debt owed to our Chief Executive Office is paid in full and there is no outstanding balance as of December 22, 2014.

On November 28, 2014, mCig. completed the spin-off of VitaCig, Inc. (the "Spin-off"). Effective as of 11:59 p.m., New York City time, on November 28, 2014 (the "Distribution Date"), the Company distributed 270,135,000 shares of common stock of VitaCig, Inc., par value \$0.0001 per share ("VitaCig Common Stock"), to holders of mCig's stockholders of record as a pro rata dividend. The record date for the dividend was November 28, 2014. The Ex-Dividend Date was set for November 25, 2014. mCig stockholders received one share of VitaCig Common Stock for every one share of common stock, par value \$0.0001 per share, of mCig. The Spin-off was completed for the purpose of legally and structurally separating VitaCig, Inc. from mCig. MCig retain 230,000,000 shares of common stock and remains as a controlling shareholder. The shares of common stock to be received by mCig shareholders were registered on a Form S-1 filed by VitaCig and declared effective by the Securities and Exchange Commission on November 5, 2014.

In this Quarterly Report on Form 10-Q, "we," "our company," "us," and "our" refer to mCig, Inc. and its subsidiaries, unless the context requires otherwise.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

Management's Discussion and Analysis contains various "forward looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, regarding future events or the future financial performance of the Company that involve risks and uncertainties. Certain statements included in this Form 10-Q, including, without limitation, statements related to anticipated cash flow sources and uses, and words including but not limited to "anticipates," "believes," "plans," "expects," "future" and similar statements or expressions, identify forward looking statements. Any forward-looking statements herein are subject to certain risks and uncertainties in the Company's business, including but not limited to, reliance on key customers and competition in its markets, market demand, delayed payments of accounts receivables, technological developments, maintenance of relationships with key suppliers, changes to e-cigarette regulation or marijuana regulations, difficulties of hiring or retaining key personnel and any changes in current accounting rules, all of which may be beyond the control of the Company. Management will elect additional changes to revenue recognition to comply with the most conservative SEC recognition on a forward going accrual basis as the model is replicated with other similar markets (i.e. SBDC). The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth therein.

Forward-looking statements involve risks, uncertainties and other factors, which may cause our actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Factors and risks that could affect our results and achievements and cause them to materially differ from those contained in the forward-looking statements include those identified in the section titled "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended April 30, 2014, as well as other factors that we are currently unable to identify or quantify, but that may exist in the future.

In addition, the foregoing factors may affect generally our business, results of operations and financial position. Forward-looking statements speak only as of the date the statement was made. We do not undertake and specifically decline any obligation to update any forward-looking statements.

Our Business

We were incorporated as mCig, Inc. (mCig) in the State of Nevada on December 30, 2010 originally under the name Lifetech Industries, Inc. Effective August 2, 2013, our name was changed from "Lifetech Industries, Inc." to "mCig, Inc." reflecting our new business model. Since October 2013, we have positioned ourselves as a technology company focused on two long-term secular trends sweeping the globe: (1) The decriminalization and legalization of marijuana for medicinal or recreational purposes (2) The adoption of electronic vaporizing cigarettes (commonly known as "eCigs") by the world's smokers. The FDA has indicated that e-cigarettes and their potential risks have not been fully studied. Since e-cigarettes are new, their long-term effects are not well known, including the potential risks of e-cigarettes when used as intended and how many potentially harmful chemicals are being inhaled during use. However, even with the limited research that we have now, it is well known that e-cigarettes are still much safer and healthier than traditional cigarettes. The largest health benefit of e-cigarettes is when used as a smoking cessation tool. The leading cause of disease from smokers is caused by the tar found in cigarettes, which e-cigarettes do not have.

On January 23, 2014, through a Stock Purchase Agreement with Vapolution, Inc., we made a down payment towards the acquisition of Vapolution, Inc. Upon closing of this transaction on January 23, 2015 we can acquire all of Vapolution, Inc.'s issued and outstanding shares in exchange for an aggregate of 5,000,000 shares of our common stock at a market value of \$0.25 per share on the date of the closing of the acquisition. Upon closing the acquisition January 23, 2015, Vapolution will become a wholly owned subsidiary. The shareholders of Vapolution, Inc. retain the right to rescind the transaction on or before January 23, 2015.

On January 23, 2014, Paul Rosenberg, our Chief Executive Officer, cancelled an equal amount (2,500,000 shares) of common shares owned by him resulting in a net non-dilutive transaction to our existing shareholders. The remaining 2,500,000 of common shares owned by Paul Rosenberg will be cancelled on the one year anniversary of the agreement on January 23, 2015, to offset the 2,500,000 new shares to be issued from the treasury for the completion of the acquisition of Vapolution. Since only half of the agreed upon shares had been paid out by us to the previous owners of Vapolution, Inc. as on July 31, 2014 as part of the agreed upon purchase price, only half of the purchase price (\$625,000) was reported on our balance sheet as Investment in Vapolution, Inc. at the quarter end date. The remaining purchase price of 2,500,000 shares of our common stock will be recognized in the amount of \$625,000 on our balance sheet on the commencement date of January 23, 2015. At that time, we intend to satisfy all requirements necessary to consolidate Vapolution audited year-end results as part of our financials. On May 23, 2014, the parties to the agreement agreed to amend the original Stock Purchase Agreement. Per the amended Stock Purchase Agreement executed as of May 23, 2014, a clarification was made to the agreement that more appropriately expresses the spirit of the transaction as agreed upon by us and the previous owners of Vapolution, Inc.

VitaCig, Inc.

On November 28, 2014, we completed the spin-off of VitaCig, Inc. (the "Spin-off"). Effective as of 11:59 p.m., New York City time, on November 28, 2014 (the "Distribution Date"), we distributed 270,135,000 shares of common stock of VitaCig, Inc., par value \$0.0001 per share ("VitaCig Common Stock"), to holders of our stockholders of record as a pro rata dividend. The Record Date for the dividend was November 28, 2014. The Ex-Dividend Date was set for November 25, 2014. Our stockholders received one share of VitaCig Common Stock for every one share of common stock, par value \$0.0001 per share, of our company. The Spin-off was completed for the purpose of legally and structurally separating VitaCig, Inc. from mCig. We retained 230,000,000 shares of common stock and remain as a controlling shareholder. The shares of common stock to be received by our shareholders were registered on a Form S-1 filed by VitaCig and declared effective by the Securities and Exchange Commission on November 5, 2014.

Future Acquisitions

As part of its business plan, management is looking to acquire interests in all or part of related business entities, increase its employee and consultant base through engaging personnel knowledgeable in our field., release new products, filing patents, and establish retail outlets. At this time, any discussions are preliminary and there can be no assurances that any acquisitions will be finalized. For example, we have appointed Michael Snody to the position of Chief Research and Development Officer. Mr. Snody will run our company's new metalworks and hardware division and this will be the first division that concentrates on American-made products. On December 11, 2014, together with our 47% owned affiliate VitaCig, Inc., we launched a jointly operated retail outlet at the world renowned Dolby Theater (formerly known as the Kodak Theatre) located in the heart of Hollywood alongside the "Walk of Fame", at the Hollywood & Highland Mall.

SIGNIFICANT ACCOUNTING POLICIES

We prepare our consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. Significant accounting policies are as follows:

Use of Estimates and Assumptions

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities, (ii) the disclosure of contingent assets and liabilities known to exist as of the date the consolidated financial statements are published, and (iii) the reported amount of net revenues and expenses recognized during the periods presented. Adjustments made with respect to the use of estimates often relate to improved information not previously available. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of consolidated financial statements; accordingly, actual results could differ from these estimates. Our most significant estimates relate to the valuation of its proprietary technology and its valuation of its common stock.

Share-Based Compensation

We measure the cost of services received in exchange for an award of an equity instrument based on the grant-date fair value of the award. Compensation cost is recognized over the vesting or requisite service period.

Basic and Diluted Net Income (Loss) per Common Share

Basic income (loss) per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of our common shares outstanding during the reporting period. The weighted average number of shares is calculated by taking the number of shares outstanding and weighting them by the amount of time that they were outstanding. Diluted earnings per share reflects the potential dilution that could occur if stock options, warrants, and other commitments to issue common stock were exercised or equity awards vest resulting in the issuance of common stock that could share in the earnings of the Company. We have 23,000,000 preferred shares that can be converted subject to the limitation of our authorized shares at 1 preferred share for 10 common shares. The conversion can only take place after April 15, 2015.

Diluted loss per share is the same as basic loss per share during periods where net losses are incurred since the inclusion of the potential common stock equivalents would be anti-dilutive as a result of the net loss.

Revenue Recognition

Our revenue recognition policy is in accordance with generally accepted accounting principles, which requires the recognition of sales when there is evidence of a sales agreement, the delivery of goods has occurred, the sales price is fixed or determinable and the collectability of revenue is reasonably assured.

Financial results and trends

Results of Operations for the Three Months Ended October 31, 2014 and 2013

Revenue increased to \$160,451 from \$13,180 for the three months ended October 31, 2014 and 2013, respectively. Our revenues increased as a result of higher sales activity during the three months ended October 31, 2014 compared to the three months ended October 31, 2013.

Cost of revenue was \$69,200 and \$0.00 for the three months ended October 31, 2014 and 2013, respectively. Our cost of revenue was related to the cost of production.

Selling, general and administrative expenses increased to \$117,393 from \$15,859 for the three months ended October 31, 2014 and 2013, respectively. The increase in our selling, general and administrative expenses is related to the contract services, investor relations, legal and accounting in the three months ended October 31, 2014.

Consulting costs increased to \$750,767 from \$15,900 for the three months ended October 31, 2014 and 2013, respectively. Our consulting costs increase is related to increase in salaries and primarily from common stock issued for services from our Chief Executive Officer.

Results of Operations for the Six Months Ended October 31, 2014 and 2013

Revenue increased to \$356,017 from \$25,680 for the six months ended October 31, 2014 and 2013, respectively. Our revenues increased as a result of higher sales activity during the six months ended October 31, 2014 compared to the six months ended October 31, 2013.

Cost of revenue increased to \$166,633 from \$0.00 for the six months ended October 31, 2014 and 2013, respectively. Our cost of revenue was related to the cost of production.

Selling, general and administrative expenses increased to \$225,534 from \$34,453 for the six months ended October 31, 2014 and 2013, respectively. The increase in our selling, general and administrative expenses are related to the salaries and bonuses of management, contract services, accounting fees, investor relations, and legal costs for the six months ended October 31, 2014 compared to the six months ended October 31, 2013.

Consulting costs increased to \$1,795,723 from \$15,900 for the six months ended October 31, 2014 and 2013, respectively. Our consulting costs increase is related to increase in salaries and primarily from common stock issued for services from our Chief Executive Officer.

Liquidity and Capital Resources

We expect to incur substantial expenses and generate significant operating losses as we continue to grow our operations, as well as incur expenses related to operating as a public company and compliance with regulatory requirements. At October 31, 2014, we had cash of \$284,120.

We have an accumulated deficit at October 31, 2014 of \$2,217,378 and need additional cash flows to maintain our operations. We depend on the continued contributions of our executive officers to finance our operations and need to obtain additional funding sources to explore potential strategic relationships and to provide capital and other resources for the further development and marketing of our products and business. We expect our cash needs for the next 12 months to be \$250,000 to fund our operations. Our ability of to continue its operations is dependent on the successful execution of management's plans, which include expectations of raising debt or equity based capital until such time that funds from operations are sufficient to fund working capital requirements. We may need to incur additional liabilities with related parties to sustain our company's existence. There is no assurance that such funding, if required will be available to us or, if available, will be available upon terms favorable to us.

Sources of Cash

The Company has advances from our Chief Executive Officer and Chief Operating Officer of an aggregate of \$13,000.

We believe that our existing cash and investment balances, our ability to issue new debt instruments, and cash generated from operations will be sufficient to meet our working capital and capital expenditure requirements. Our strategy emphasizes organic growth through internal innovation and will be complemented by acquisitions that fit strategically and meet specific internal profitability hurdles.

Cash Flow

The following table summarizes, for the periods indicated, selected items in our Condensed Consolidated Statements of Cash Flows:

	Six Months Ended	
	October 31, 2014	October 31, 2013
Net cash provided by (used in):		
Operating activities	\$ (80,319)	\$ (35,084)
Investing activities	\$ (4,400)	\$ (7,757)
Financing activities	\$ 10,000	\$ 53,050

Operating Activities

Cash flows from operating activities. Our cash (used in) operating activities were \$(80,319) and \$ (35,084) for the six months ended October 31, 2014 and 2013, respectively. The increase in cash provided by operations was primarily attributable to the increase of revenue.

Investing Activities

Cash flows from investing activities. Our cash used in investing activities were \$4,400 and \$7,757 for the six months ended October 31, 2014 and 2013, respectively. The decrease in cash used in investing activities was primarily attributable to the purchase of intangible assets.

Financing Activities

Cash flows from financing activities. Cash provided by financing activities was \$10,000 and \$53,050 for the six months ended October 31, 2014 and 2013, respectively. We received cash from the advance from our Chief Operating Officer for the six months ended October 31, 2014 and 2013, respectively. During the six months ended October 31, 2013, we received \$53,050 as advances from our Chief Executive Officer.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements including arrangements that would affect the liquidity, capital resources, market risk support and credit risk support or other benefits.

WHERE YOU CAN FIND MORE INFORMATION

You are advised to read this Quarterly Report on Form 10-Q in conjunction with other reports and documents that we file from time to time with the SEC. In particular, please read our Quarterly Reports on Form 10-Q, Annual Report on Form 10-K, and Current Reports on Form 8-K that we file from time to time. You may obtain copies of these reports directly from us or from the SEC at the SEC's Public Reference Room at 100 F. Street, N.E. Washington, D.C. 20549, and you may obtain information about obtaining access to the Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains information for electronic filers at its website <http://www.sec.gov>.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We do not hold any derivative instruments and do not engage in any hedging activities.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our Chief Executive Officer and Principal Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our disclosure controls and procedures were designed to provide reasonable assurance that the controls and procedures would meet their objectives. As required by SEC Rule 13a-15(b), our Chief Executive Officer and Principal Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, our Chief Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were not effective.

Our Chief Executive Officer and Principal Financial Officer are responsible for establishing and maintaining adequate internal control over our financial reporting. In order to evaluate the effectiveness of internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act, management has conducted an assessment, including testing, using the criteria in Internal Control — Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Our system of internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Management has used the framework set forth in the report entitled Internal Control-Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission, known as COSO, to evaluate the effectiveness of our internal control over financial reporting. Based on this assessment, our Chief Executive Officer and Principal Financial Officer have concluded that our internal control over financial reporting were not effective as of October 31, 2014. There has been no change in our internal controls over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

The Company's material weaknesses in financial reporting were:

- a. There is no segregation of duties as our CEO is also our CFO.

b. It should be noted that any system of controls, however well designed and operated, can provide only reasonable and not absolute assurance that the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of certain events. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

(b) Changes In Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the six months ended October 31, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are currently not involved in any litigation that we believe could have a material adverse effect on our financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our company or any of our subsidiaries, threatened against or affecting our company, our common stock, any of our subsidiaries or of our company's or our company's subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

ITEM 1A - RISK FACTORS

Not required under Regulation S-K for "smaller reporting companies."

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS SECURITIES

There were no changes in securities and small business issuer purchase of equity securities during the quarter ended October 31, 2014.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

There were no defaults upon senior securities during the six months ended October 31, 2014.

ITEM 4. MINING SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

There is no information with respect to which information is not otherwise called for by this form.

ITEM 6. EXHIBITS

Exhibits

3.1	Articles of Incorporation ⁽¹⁾
3.2	Amendment to the Articles of incorporation (2)
3.3	Amendment to the Articles of incorporation (3)
3.4	Certificate of Correction (8)
3.5	Certificate of Designation (12)
3.6	Bylaws ⁽¹⁾
3.3	Certificate of Designation filed with the Secretary of State July 23, 2014
10.2	Joint Venture Agreement with Leadwill Corporation (1)
10.3	Exclusive International Distributorship Agreement with Leadwill Corporation (1)
10.4	Exclusive Technology License Agreement (1)
10.5	Exclusive Distributorship Agreement with Epik Investments Limited (1)
10.6	Joint Venture Agreement with LifeTech Japan Corporation (1)
10.7	Exclusive Technology License Agreement with LifeTech Japan Corporation (1)
10.8	Distributorship Partnership Agreement with SunPlex Limited (1)
10.9	Debt Assignment, Consent and Release Agreement (1)
10.10	Exclusive International Distributorship Agreement (1)
10.11	<u>Share Cancellation/Exchange/Return To Treasury Agreement(3)</u>
10.12	Employment Agreement with Mark James Linkhorst (5)
10.13	Stock Purchase Agreement with the shareholders of Vapolution, Inc.(6)
10.14	Section 351 Contribution Agreement With Vitacig, Inc.(4)
10.15	Consulting Agreements (7)
10.16	<u>Share Cancellation/Exchange/Return To Treasury Agreement(8)</u>
10.17	Amendment to Stock Purchase Agreement with Vapolution shareholders (9)
10.18	Employment Agreement with Patrick J. Lucey (10)
10.19	Lock Up Agreement with Paul Rosenberg (11)
10.20	Amendment to Stock Purchase Agreement with Vapolution shareholders (12)
10.21	Securities Purchase Agreement*
14	Code of Ethics (12)
31	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act*
32	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act*
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Calculation Linkbase Document
101.LAB	XBRL Taxonomy Labels Linkbase Document
101.PRE	XBRL Taxonomy Presentation Linkbase Document
101.DEF	XBRL Definition Linkbase Document

- (1) Incorporated by references to our Amended Annual Report on Form 10-K/A, filed on April 14, 2014.
(2) Incorporated by reference to our Current Report on Form 8-K, filed on August 6, 2013.
(3) Incorporated by references to our Quarterly Report on Form 10-Q, filed on September 23, 2013.
(4) Incorporated by reference to our Current Report on Form 8-K, filed on March 21, 2014.
(5) Incorporated by reference to our Current Report on Form 8-K, filed on March 21, 2014.
(6) Incorporated by reference to our Current Report on Form 8-K/A, filed on April 23, 2014.
(7) Incorporated by reference to our Quarterly Report on Form 10-Q/A, filed on May 29, 2014
(8) Incorporated by reference to our Current Report on Form 8-K/A, filed on May 29, 2014.
(9) Incorporated by reference to our Current Report on Form 8-K/A, filed on May 30, 2014.
(10) Incorporated by reference to our Current Report on Form 8-K, filed on July 10, 2014.
(11) Incorporated by reference to our Current Report on Form 8-K, filed on July 18, 2014
(12) Incorporated by references to our Annual Report on Form 10-K, filed on August 13, 2014.
***Filed herein**

<u>Exhibit No.</u>	<u>Exhibit Description</u>
10.11	Amendment to Stock Purchase Agreement
31.1*	Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Calculation Linkbase Document
101.LAB	XBRL Taxonomy Labels Linkbase Document
101.PRE	XBRL Taxonomy Presentation Linkbase Document
101.DEF	XBRL Definition Linkbase Document

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: December 22, 2014

MCIG, Inc.

By: /s/ Paul Rosenberg
Paul Rosenberg
Chief Executive Officer (Principal Executive Officer)

Date: December 22, 2014

MCIG, Inc.

By: /s/ Paul Rosenberg
Paul Rosenberg
Chief Financial Officer (Principal Accounting Officer)

Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and pursuant to Rule 13a-14(a) and Rule 15d-14 under the Securities Exchange Act of 1934

I, Paul Rosenberg, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of mCig, Inc. ;
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluations; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Registrant

MCIG, Inc.

Date: December 22, 2014

By: /s/ Paul Rosenberg
Paul Rosenberg
Chief Executive Officer (Principal Executive Officer.)

Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and pursuant to Rule 13a-14(a) and Rule 15d-14 under the Securities Exchange Act of 1934

I, Paul Rosenberg, certify that:

1 I have reviewed this Quarterly Report on Form 10-Q of mCig, Inc. ;

2Based on my knowledge, this report 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 report;

3.Based on my knowledge, the consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a.Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b.Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles;

c.Evaluated the effectiveness of the registrant's disclosure and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluations; and

d.Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a.All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Registrant

MCIG, Inc.

By: /s/ Paul Rosenberg

Paul Rosenberg

Chief Financial Officer (Principal Financial Officer)

Date: December 22, 2014

**CERTIFICATIONS PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of mCig, Inc. (the "Company") on Form 10-Q for the period ending October 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul Rosenberg, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Â§ 1350, as adopted pursuant to Â§ 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Registrant

MCIG, Inc.

Date: December 22, 2014

By: /s/ Paul Rosenberg
Paul Rosenberg
Chief Executive Officer (Principal Executive Officer)

**CERTIFICATIONS PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of mCig, Inc. (the "Company") on Form 10-Q for the period ending October 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul Rosenberg, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Registrant

MCIG, Inc.

Date: December 22, 2014

*By: /s/ Paul Rosenberg
Paul Rosenberg
Chief Financial Officer (Principal Financial Officer)*

MCIG Inc.

Securities Purchase Agreement

This Securities Purchase Agreement (this "Agreement") is dated as of April 14, 2014, between MCIG Inc., a Nevada Corporation (the "Company"), and Delaney Equity Group, LLC, a Florida Corporation (the "Purchaser").

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506 promulgated thereunder, the Company desires to issue and sell to the Purchaser, and the Purchaser desires to purchase from the Company, securities of the Company as more fully described in this Agreement (the "Offering").

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and the Purchaser agree as follows:

**ARTICLE I.
DEFINITIONS**

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, for all purposes of this Agreement, the following terms have the meanings set forth in this Section 1.1:

"Accredited Investor" shall have the meaning ascribed to it in Section 3.2 (c). "Action" shall have the meaning ascribed to such term in Section 3.10). "Additional Shares" shall have the meaning ascribed to such term in Section 4-4.

"Affiliate" means any person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Board of Directors" means the Board of Directors of the Company.

"Closing" means the Initial Closing of the purchase and sale of the Securities.

"Closing Date" means the date on which all of the Transactional Documents have been executed and delivered by the applicable parties thereto, and all conditions precedent to (i) the Purchasers' obligation to pay the Subscription Agreement Amount at such Closing, and (ii) the Company's obligations to deliver the Securities to be issued and sold at such Closing, in each case, have been satisfied or waived, but in no event later than the Third Day following the date all conditional precedent has been satisfied.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the common stock of the Company.

"Disclosure Schedules" shall have the meaning ascribed to such term in Section 3.1.

"Exchange Act" means the Securities and Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Legend Removal Date" shall have the meaning ascribed to such term in Section 4.1 (c). "Material Adverse Effect" shall have the meaning assigned to such term in Section 3.1(b). "Money Laundering Laws" shall have the meaning ascribed to such term in Section 3.1(g). "OFAC" shall have the meaning ascribed to such term in Section 3.1 (q).

"Per Share Purchase Price" equals \$0040 per share.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability Corporation, joint stock Company, or other entity of any other kind.

"Protection Period" shall have the meaning ascribed to such term in Section 404.

"Public Information Failure Payments" shall have the meaning ascribed to such term in Section 4.2(b).

"Removal Date" means the date that all of the issued Shares have been sold pursuant to Rule 144 or any other permissible exemption or may be sold pursuant to Rule 144 or any other permissible exemption without the requirement for the Company to be in compliance with the current public information requirements under Rule 144 and without volume or manner-of-sale restrictions.

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time.

"SEC Reports" shall mean all reports, schedules, forms, statements and other documents filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof, including the exhibits thereto and documents incorporated by reference therein.

"Securities" means the Shares of the Common Stock of the Company.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Securities Laws" means the securities laws of the United States or any state thereof.

"Share Dilution Adjustment" shall have the meaning ascribed to such term in Section 404.

"Share Dilutive Issuance" shall have the meaning ascribed to such term in Section 404.

"Shares" means the shares of the Common Stock issued or issuable to the Purchaser pursuant to this Agreement, provided that any such share of Common Stock shall not constitute a Share after such share has been irrevocably sold pursuant to an effective registration statement under the Securities Act or pursuant to Rule 144 without further restriction or conditions to transfer pursuant to Rule 144, and provided further that Additional Shares shall constitute Shares only as provided in Section

404.

"Shell Company" shall have the meaning ascribed to in accordance with Rule 144.

"Short Sales" means all short sales as defined in Rule 200 of Regulation SHO under the Exchange Act.

"Subscription Amount" means, as to the Purchaser, the aggregate amount to be paid for Shares purchased hereunder at such Closing as specified below such Purchaser's name on the signature page of this Agreement.

"Subsequent Financing" shall have the meaning ascribed to such term in Section 4-4.

"Subsequent Financing Notice" shall have the meaning ascribed to such term in Section

4-4.

"Subsidiary" means any subsidiary of the Company as set forth on Schedule 3.1(a) and shall, where applicable and with regard to future events, also include any direct or indirect subsidiary of the Company formed or acquired after the date hereof.

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading: the NYSE, the Nasdaq Exchange, the OTC Bulletin Board, the OTC QB, or the OTC QX (or any successors to any of the foregoing).

"Transaction Documents" means this Agreement, all exhibits and schedules thereto and hereto and any other documents or agreements executed in connection with the transactions contemplated hereunder.

"Transfer Agent" means Island Stock Transfer, the current transfer agent of the Company and any successor transfer agent of the Company registered with the Securities and Exchange Commission.

ARTICLE II. Purchase and Sale

2.1 Closing. On the Closing Date, upon the terms and subject to the conditions set forth herein, substantially concurrent with the execution and delivery of this Agreement by the parties hereto, the Company agrees to sell and the Purchasers agree to purchase 750,000 Shares of the Common Stock for an aggregate purchase price of \$300,000.00.

2.2 Deliveries.

- (a) On or prior to, but no later than three days following the closing date, the Company shall deliver or cause to deliver to the Purchaser the following:
 - (i) An executed copy of this Agreement, and
 - (ii) A certificate evidencing the number of Shares of Common Stock equal to such Purchaser's Subscription Amount divided by the Per Share Purchase Price, registered in the name of the Purchaser, and
- (b) On or prior to, but no later than three days following the closing date, the Purchaser shall deliver or cause to deliver to the Company the following:
 - (i) An executed copy of this Agreement, and
 - (ii) Such Purchaser's Subscription Amount by wire transfer to the account of the Company

Closing Conditions.

- (a) The obligations of the Company hereunder in connection with the Closing are subject to the following conditions being met:
- (i) The accuracy in all material respects on the Closing Date of the representations and warranties of the Purchasers contained herein
 - (ii) All obligations, covenants and agreements of the Purchaser under this Agreement required to be performed at or prior to, but no later than three days after the Closing Date shall have been performed in all material respects;
 - (iii) The delivery by the Purchaser of the items set forth in Section 2.2(b) of this Agreement;
 - (iv) The Company shall have received this executed Agreement showing an agreement to purchase Shares hereunder with an aggregate purchase price of \$300,000.00.
- (b) The respective obligations of the Purchaser hereunder in connection with the Closing are subject to the following conditions being met:
- (i) The accuracy in all material respects when made and on the Closing Date of the representations and warranties of the Company contained herein;
 - (ii) All obligations, covenants and agreements of the Company under this Agreement required to be performed at or prior to, but no later than three days after the Closing shall have been performed;
 - (iii) The delivery by the Company of the items set forth in Section 2.2(a) of this Agreement;
 - (iv) There shall have been no Material Adverse Effect with respect to the Company since the date hereof;
 - (v) From the date hereof to the Closing Date, trading in the Common Stock shall not have been suspended by the Commission or the Company's principal trading market.
 - (vi) From the date hereof to the Closing Date, the Company shall remain current with its SEC Reports.
 - (vii) From the date hereof to the Closing Date, the Company shall not become a Shell Corporation.

ARTICLE III

Representations and Warranties

3.1 Representations and Warranties of the Company. Except set forth in the Disclosure Schedules, which shall be deemed a part hereof and shall qualify any representation or warranty made herein only to the extent of the disclosure contained in the corresponding section of the Disclosure Schedules, the Company hereby makes the following representations and warranties to the Purchaser as of the Closing Date:

- (a) Subsidiaries. All of the direct and indirect subsidiaries of the Company are set forth on Schedule 3.1(a). The Company owns, directly or indirectly, a majority of the capital stock or other equity interests of each Subsidiary.
- (b) Organization and Qualification. The Company and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation or default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents. Each of the Company and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of its business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in (1) a material adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition of the Company and the Subsidiaries, or (iii) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document (any of (i), (ii), or (iii), a Material Adverse Effect) and no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.
- (c) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transaction contemplated by this Agreement and each of the other Transaction Documents and other wise to carry out its obligations hereunder and thereunder. The execution and delivery of each of this Agreement and the other Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors or the Company's stockholders in connection herewith or therewith other than in connection with the Required Approvals. This Agreement and each other Transaction Document to which it is a party has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute a valid and binding obligations on the Company enforceable against the Company in accordance with its terms.
- (d) No Conflicts. Except as set forth on Schedule 3.1(d), the execution, delivery and performance by the Company of this Agreement and the other Transaction Documents to which it is a party, the issuance and sale of the Securities and the consummation by it of the transactions contemplated hereby do not and will not: (i) conflict with or violate any provision of the Company's or any Subsidiary's certificate of incorporation, by laws, or other organizational or charter documents, (ii)

conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) by the Company, any Subsidiary or, to the Company's knowledge, any third party under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, credit facility, debt or other instrument or other understanding to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected, (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject, or by which any property or asset of the Company or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

- (e) Filings, Consents and Approvals. Except as set forth in Schedule 3.I(e), the Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other provincial or foreign or domestic federal, state, or local or other governmental authority or other Person in connection with the execution, delivery, and performance by the Company of the Transaction Documents, other than: (1) the filing of a Form D with the Commission and such filings as are required to be made under applicable Securities Laws.
- (f) Issuance of Securities. The Securities are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid, free and clear of all Liens other than restrictions on transfer provided for in the Transaction Documents. The Company has reserved from its duly authorized capital stock the number of shares of Common Stock issuable pursuant to this Agreement.
- (g) Money Laundering. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder, and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any Subsidiary with respect to the Money Laundering Laws is pending, or, to the knowledge of the Company or any Subsidiary.
- (h) Fees. No brokerage, finders fee's, commissions or due diligence fees are or will be payable by the Company or any Subsidiary to any broker, financial advisor, or consultant, finder, placement agent, banker or other person with respect to the transaction contemplated by the Transaction Documents.
- (i) Private Placement. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2, no registration under the Securities Act is required for the offer and sale of the Securities by the Company to the Purchaser as contemplated hereby.
- (j) Investment Company. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2 and assuming the Purchasers are not Affiliates of the Company, the Company is not, and is not an Affiliate of, and will not be an

- Affiliate of, an "investment company" within the meaning of the Investment Act of 1940, as amended. The Company shall conduct its business in a manner so that it will not become an "investment company" subject to registration under the Investment Company Act of 1940, as amended.
- (k) Disclosure. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, the Company confirms that neither it nor any other Person acting on its behalf has provided the Purchaser or their agents or counsel with any information that it believes constitutes or might constitute material, non-public information. The Company understands and confirms that the Purchaser will rely on the foregoing representation in effecting transactions in securities of the Company. All of the disclosure furnished by or on behalf of the Company to the Purchaser regarding the Company and its Subsidiaries, their respective businesses and the transactions contemplated hereby, including the Disclosure Schedules to this Agreement, taken as a whole is true and correct and does not contain any untrue statements of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.
- (l) Litigation. There is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company, any Subsidiary before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local, or foreign) (collectively, an "Action") that would, if there were an unfavorable decision, have or reasonably expect to have a Material Adverse Effect. Neither the Company, nor any Subsidiary, nor, to the Company's knowledge, any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under Securities Laws. There has not been, there is not pending or contemplated, any investigation by the Commission involving the Company, to the knowledge of the Company. The Commission has not issued any stop order or other order suspending the trading of the Company's shares.
- (m) No General Solicitation. Neither the Company nor, to the knowledge of the Company, any person acting on behalf of the Company has offered or sold any of the Securities by any form of general solicitation or general advertising. The Company has offered the Securities for sale only to the Purchaser and certain other "accredited investors" within the meaning of Rule 501 under the Securities Act.
- (n) Foreign Corrupt Practices. Neither the Company nor any Subsidiary, nor to the knowledge of the Company or any Subsidiary, any agent or other person acting on behalf of the Company or any Subsidiary, has: (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expense related to foreign or domestic political activity, (ii) made any unlawful payment to or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company and its Subsidiary which is in violation of law or (iv) violated any material respect any provision of the FCPA.
- (o) Accountants. The Company's account firm is set forth on Schedule 3.1 of the Disclosure Schedules. To the knowledge and belief of the Company, such accounting firm is registered with the Public Company Accounting Oversight Board, and shall express its opinion with respect to the financial statements to be included in the Company's Annual Report.

(p) No Disagreements with Accountants or Lawyers. The Company acknowledges and agrees that the Purchaser is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated thereby. The Company further acknowledges that the Purchaser is not acting as a financial advisor or fiduciary of the Company with respect to the Transaction Documents and the transaction contemplated thereby and any advice given by the Purchaser or any of its respective agents in connection with the Transaction Documents and the transaction contemplated thereby is merely incidental to the Purchaser's purchase of the Securities. The Company further represents to the Purchaser that the Company's decision to enter into this Agreement has been based solely on the independent evaluation of the transactions contemplated hereby by the Company.

(q) Acknowledgement Regarding the Purchaser's Trading Activity. Anything in this Agreement or elsewhere herein to the contrary notwithstanding (except for Section 4.21 hereof), it is understood and acknowledged by the Company that: (i) the Purchaser has not been asked by the Company to agree, nor has the Purchaser agreed to desist from purchasing or selling, long and/or short, securities of the Company, or "derivative" securities based on securities issued by the Company or to hold the Securities for any specified term, (ii) past or future open market or other transactions by the Purchaser, including without limitation, Short Sales, before or after the closing of this transaction, which may negatively impact the market price of the Company's publically-traded securities, (iii) the Purchaser may have a "Short" position in the Company's stock, and (iv) the Purchaser shall not be deemed to have any affiliation with or control over any arms-length counter party in any derivative transaction. The Company acknowledges that any such hedging activities do not constitute a breach of any of the Transaction Documents.

(r) Office of Foreign Asset Control. Neither the Company nor any Subsidiary, nor to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company or any Subsidiary is currently subject to US sanctions administered by the Office of Foreign Assets Control of the US Treasury Department ("OFAC").

(s) Reporting Company/Shell Company. The Company is a publically-held company subject to the reporting requirements pursuant to Sections 12(g) and 13 of the Exchange Act. The Company has timely filed all reports and other materials required to be filed the Company with the SEC during the previous twelve months. As of the Closing Date, the Company is not a "shell company" but may be a "former shell company" as those terms are employed by Rule 144 under the Securities Act.

3.2 Representations and Warranties of the Purchaser. The Purchaser, for itself and no other Person, hereby represents and warrants as of the date hereof and as of the Closing Date to the Company as follows:

(a) Organization: Authority. The principal offices of the Purchaser is set forth on the signature page hereto executed by such Purchaser. Such Purchaser is an entity duly incorporated or formed, validly existing and in good standing under the laws and jurisdiction of the State of Florida with full right, corporate, partnership, Limited Liability Company or similar power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise carry out its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by such Purchaser of the transactions

contemplated by the Transaction Documents have been duly authorized by all necessary corporate, partnership, Limited Liability Company or similar action, as applicable, on the part of such Purchaser. Each Transaction Document to which it is a party has been duly executed by such Purchaser, and when delivered by such Purchaser is accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except: (1) as limited by general equitable principals and applicable bankruptcy, insolvency, reorganization, and other laws of general application affecting enforcement of creditor's rights and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

- (b) Own Account. Purchaser understands that the Securities are "restricted securities" in the United States and have not been registered under the Securities Act and is acquiring the Securities as principal for its own account and not with a view to or for distributing or reselling such Securities in violation of the Securities Act or any other applicable Securities Law, has no present intention of distributing any such Securities and has no direct or indirect arrangement or understanding with any other person to distribute or regarding the distribution of such Securities (this representation and warranty not limiting such Purchaser's right to sell the Securities pursuant to a registration statement or exemption from registration otherwise in compliance with applicable Securities Laws.) Such Purchaser is acquiring the Securities hereunder in the ordinary course of its business.
- (c) Purchaser Status. At the time such Purchaser was offered the Securities, it was, and as of the date hereof it is, and on the Closing Date, it will be either: (i) an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act ("Accredited Investor") or (ii) a "qualified institutional buyer" as defined in Rule 144A(a) under the Securities Act. Such Purchaser is not required to be registered as a broker-dealer under Section 15 of the Exchange Act.
- (d) Experience of Such Purchaser. Purchaser, either alone or together with its representatives, financial prospective such in investment. has such knowledge, sophistication and experience in business and matters so as to be capable of evaluating the merits and risks of the investment in the Securities, and has so evaluated the merits and risks of investment. Such Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.
- (e) General Solicitation. Purchaser is not purchasing the Securities as a result of any advertisement, published television general advertisement, in any newspaper, magazine or other similar medial or broadcast over or radio or presented at any seminar or any other general solicitation or advertisement.
- (f) Disclosure of Information. Purchaser has had the opportunity to receive all additional of, and copies information related to the Company requested by it and to ask questions and receive answers from, the Company regarding the Company and the terms conditions of this offering of the Securities. Purchaser has also had access to of the SEC Reports.

The Company acknowledges and agrees that the representations contained in Section 3.2 shall not modify, amend or affect such Purchaser's right to rely on the Company's representations and warranties contained in this Agreement or any representations and warranties contained in any other Transaction

Document or any other document executed and/or delivered in connection with this Agreement or the consummation of the transaction contemplated hereby.

ARTICLE IV.

Other Agreements of the Parties

4.1 Transfer Restrictions.

(a) Legend. Purchaser agree to the imprinting, so long as it is required by this Section 4.1, of a legend on any of the Securities in the following form:

(NEITHER) THIS SECURITY (NOR THE SECURITIES (FOR) WHICH THIS SECURITY IS EXERCISABLE) HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("THE SECURITIES ACT") AND APPLICABLE STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE

TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL

BE REASONABLY ACCEPTABLE TO THE COMPANY. TO THE EXTENT

PERMITTED BY APPLICABLE SECURITIES LAWS, THIS SECURITY (AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY) MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

The Company acknowledges and agrees that, to the extent permitted under applicable Securities Laws, the Purchaser may from time to time pledge pursuant to a bona fide margin agreement with a registered broker-dealer. Such pledge would not be subject to approval of the Company and no legal opinion of counsel of the pledgee, shall be required in connection therewith. Further, no notice shall be required of such pledge.

(b) Removal of Legend. Certificates evidencing the Shares shall not contain any legend (including the legend set forth in Section 4.1(b) hereof), (i) following any sale of such Shares pursuant to Rule 144, or (ii) if such Shares are eligible for sale under Rule 144, without the requirement of the Company to be in compliance with the current public information required under Rule 144 as to such Shares and without volume or manner-of-sale restrictions, or (iii) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the Commission), or (iv) any other exemption from registration. The Company shall cause its counsel to issue a legal opinion, at its own expense, to its Transfer Agent promptly for any Security after the Removal Date if required by the Transfer Agent to effect the removal of the legend hereunder. If all or any portion of the Shares are included in, at a time when there is, an effective registration statement to cover the resale of such Shares may be sold under Rule 144

without the requirement for the Company to be in compliance with the current public information and any other limitations or requirements set forth in Rule 144, or if a legend is not otherwise required under applicable requirements of the Securities Act then such Shares will be reissued, without the legend and

- (c) The Company agrees that it will instruct its Transfer Agent to issue such certificate or cause the newly issued shares to be electronically transferred, if applicable, to the instructions of the Purchaser or his agents, within three business days of the Transfer Agent receiving previous legended certificate ("Legend Removal Date"), subject to Purchaser satisfying any documents required by the Transfer Agent which are in the possession of the Purchaser. If the Company causes a delay in the removal of the legend for causes within its control, it may be subject to liquidating damages as stated below in Section 4.1 (d).
- (d) Delayed Legend Removal. In addition to the Purchaser's other available remedies, the Company shall pay to Purchaser, in cash, as partial liquidated damages, for each Share, \$0.05 per share per 5 trading day period occurring after the Legend Removal Date listed in Section 4.1 (c). Purchaser shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performances and/or injunctive relief.
- (e) Injunction. In the event the Purchaser shall request delivery of un-legended shares as described in this Section 4.1 and the Company is required to deliver such un-legended shares, the Company may not refuse to deliver such shares based on any claim that such Purchaser has not complied with Purchaser's obligations, or for any other reason, unless an injunction or temporary restraining order from a court, on notice, restraining and or enjoining delivery of such un-legended shares shall have been sought and obtained by the Company and the Company furnishes the Purchaser with such order.

4.2

Furnishing of Information: Public Information.

- (a) Until the earliest of the time that the Purchaser does not own any outstanding Shares, the Company timely file all reports required to be filed by the Company pursuant to the Exchange Act even if the Company is not then subject to the reporting requirements of the Exchange Act.
- (b) At any time during the period commencing from the 6 month anniversary of the date hereof and ending on the later of 24 months after Closing Date, if the Company shall fail for any reason to satisfy the current public information requirement under Rule 144(c) (a "Public Information Failure") then, in addition to Purchaser's other available remedies, the Company shall pay to the Purchaser, in cash, as partial liquidating damages and not as penalty, by reason of any such delay in or reduction of its ability to sell the Securities, an amount of cash equal to 2% of the aggregate Subscription Amount of such Purchaser's Securities on the day of the Public Information Failure for each 30 day period the Company fails to satisfy the current public information requirement. The payments to which a Purchaser shall be entitled pursuant to this Section 4.2(b) are referred to herein as "Public Information Failure Payments". These Public Information Failure Payments are due on within 3 business days of each 30 day failure period.

4.3

Reservation of Common Stock. As of the date hereof, the Company shall resen'e and the

Company shall continue to resen'e and keep available at all times, a sufficient number of shares of

Common Stock for the purpose of enabling the Company to issue Shares pursuant to this Agreement.

4-4 Purchase Price Reset. From the date of this Agreement until the later of 12 months after the Initial Closing Date (the "Protection Period"), in the event that the Company issues or sells any shares of Common Stock or any Common Stock Equivalent pursuant to which shares of Common Stock may be acquired at a price less than the Per Share Purchase Price (a "Share Dilutive Issuance"), then the Company shall promptly issue additional shares of Common Stock to the Purchaser who held outstanding Shares on the date of the Share Dilutive Issuance, for no additional consideration, in an amount sufficient that will equal the price per share of Common Stock in such Share Dilutive Issuance. The formula for calculating the number of shares to be issued in the event of a Share Dilutive Issuance is as follows:

Share Dilution Adjustment:

{Aggregate Subscription Price Paid by Purchaser for outstanding Shares held by Purchaser on the date of the Share Dilutive Issuance} {Divided by the Share Dilutive Price} minus the number of Shares owned by the Purchaser prior to the Share Dilutive Issuance

Example:

" Purchaser owns 100,000 shares with a cost basis of \$50,000

" Company issues Stock at \$0.10 triggering a Share Dilutive Event

" Company issues Purchaser 400,000 additional shares

$(50,000/0.10) = 500,000$ shares

$500,000 - 100,000 = 400,000$ newly issued shares

The additional shares to be issued in the Share Dilution Adjustment shall be issued by the Company to the Purchaser for those outstanding shares held on the date of the applicable Share Dilutive Issuance. Such Share Dilution Adjustment shall be made successfully whenever such an issuance is made, until the Protection Period expires. The shares issued in this Adjustment must be delivered to the Purchaser not later than the date the Share Dilutive Issuance occurs.

4.5 Form D; Blue Sky Filings. The Company agrees to timely file a Form D with respect to the sale of the Securities by the Company under this Agreement as required under Regulation D.

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

The COMPANY:

MCI, Inc.

Address for Notice:

800 Bellevue Way NE, Suite 400
Bellevue, WA 98004

Name: Title: Paul Rosenberg President

The PURCHASER:

DELANEY EQUITY GROUP, LLC

Address for Notice:

By:  **2401 PGA Blvd, Suite 110
Palm Beach Gardens, FL 33410**

Name: Keith Feldman

Title: President

Subscription Amount:	\$	300,000.00 US
Closing Shares:		750,000
EINNumber:		20-4462600

**CERTIFICATION PURSUANT TO
RULE 13A-14(a) OR 15D-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 200**

I, Paul Rosenberg, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of mCig Inc.;
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: December 22, 2014

/s/ Paul Rosenberg

Paul Rosenberg
President, Chief Executive Officer, Chief
Financial Officer, Treasurer and Director
(Principal Executive Officer, Principal
Financial Officer and Principal Accounting
Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Report of mCig, Inc. (the "Company") on Form 10-Q for the period ended October 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul Rosenberg, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: December 22, 2014

/s/ Paul Rosenberg
Paul Rosenberg
President, Chief Executive Officer, Chief
Financial Officer, Treasurer and Director
(Principal Executive Officer, Principal
Financial Officer and Principal Accounting
Officer)