

Cohen Grassroots Research, Inc.

Excellence – Quality

www.cohengrassroots.com

Telephone: 415.454.6985

February 19, 2015



Symbol	PZOO
Exchange	OTC QB
Current Price	\$0.007
52 Week High/ Low	\$0.065/\$0.006
Average Volume (30 days)	2,563,710
Shares Outstanding (in mn)	219,731,242
Current Market Cap (in \$ mn)	\$1.37
Float (as a % of shares out.)	61.53%



Cohen Price Index Target

\$ 0.08

Please Read Disclaimer on Page 18

INVESTMENT THESIS

Pazoo, Inc. (**OTC QB: PZOO**) is a health and wellness company headquartered in Whippany, New Jersey. The Company has two primary business platforms: a health and wellness web portal, Pazoo.com and a marijuana testing lab located in the State of Nevada. The Company intends to open multiple testing labs in the United States. Both venues are high margin businesses.

The web portal Pazoo.com retails total health and wellness products. It also delivers content for holistic well-being of people and their pets in the form of media, blogs, videos and other vehicles. Pazoo.com has a competitive edge over other health and wellness portals as it is the only website with comprehensive health and wellness products and information for both people and pets. Pazoo, Inc. owns a 40% equity stake in MA & Associates, a marijuana lab testing facility in the State of Nevada. Pazoo also owns a 100% controlling interest in Harris Lee, LLC.; a company formed to set up testing labs throughout the USA and possibly Canada.

The e-commerce industry is poised to reach \$1.7 trillion globally in 2015 according eMarketer. The U.S. and Canada will contribute about one third of this demand. The Company's value is derived from strategic alliances with other companies to expand both the web portal and its marijuana testing business. Pazoo's business model can be scaled to take advantage of the growing global opportunity in the medical marijuana space.

Our conservative estimates forecast revenues to grow from \$0.10 million in FYE March 31, 2014 to approximately \$26.57 million by FYE 2021. Based on these projections and provided that the Company raises \$4.1 million in capital over the next 12 months, the Cohen Target Price is 1105.0% higher than the current price.



SALES AND MARGINS ANALYSIS

all figures in \$ million; unless otherwise mentioned	2013	2014 E	2015 F	2016 F	2017 F	2018 F	2019 F	2020 F
Revenues	0.05	0.10	4.92	10.32	15.49	20.13	24.16	26.57
% growth		82.5%	5000.0%	110.0%	50.0%	30.0%	20.0%	10.0%
EBITDA	(0.54)	(2.17)	1.01	4.50	7.87	10.78	13.39	14.78
EBIT Margin	-1014.2%	-2246.4%	20.5%	43.6%	50.8%	53.6%	55.4%	55.6%
Net Profit	(0.66)	(2.98)	0.08	3.30	3.85	5.43	6.82	7.48
Net Profit Margin	-1245.3%	-3096.3%	1.5%	32.0%	24.9%	27.0%	28.2%	28.1%
Earnings Per Share - Diluted	(0.01)	(0.02)	0.00	0.01	0.01	0.02	0.02	0.02
Free Cash Flow to Firm	(0.86)	(0.98)	(3.14)	1.14	1.22	4.25	5.91	7.21

THE COHEN PRICE TARGET™ SUMMARY

The Cohen Price Target is calculated by 25% equal weighting of four different valuation methodologies. We use an industry average PE, an industry average price/capital employed (P/CE), a Cohen Performance Index and the fundamentally driven Cohen DCF.

Price-to-Earnings (P/E)		in \$
EPS 2015-2016 Average Forecasts	0.01	
Expected P/E Ratio	24.50	
Discount Rate	0.72	
Price based on P/E Ratio		0.09
Price-to-Capital Employed (P/CE)		in \$
Capital Employed	0.02	
Long term P/CE Ratio	6.00	
Discount Rate	0.72	
Price based on P/CE Ratio		0.09
Cohen Discounted Cash Flow Model		in \$
Cohen DCF Value - Base Case		0.14
Cohen Performance Index		in \$
Cohen Price Performance Index Value	83.0%	
Current Stock Price	0.007	
Price based on Cohen Performance Index		0.01
Cohen Price Index Target		0.08
Current Price		0.007
Upside/ (Downside) Potential		1105.0%



EXECUTIVE SUMMARY

- Pazoo, Inc. (OTC QB: PZOO) is a health and wellness company that focuses on empowering people with tools to enrich their lives. It has two high margin business platforms: a.) Web portal www.pazoo.com and currently, b.) A marijuana testing lab in the State of Nevada.
- Pazoo.com, a health and wellness portal was created to become a social community to offer best-in-class products for people and pets. It also acts as an information resource for consumers and professionals about health and wellness.
- Pazoo has acquired a 40% equity stake in MA & Associates, a marijuana testing lab in the State of Nevada. Harris Lee, LLC is now a wholly-owned subsidiary which will enable the Company to expand its marijuana testing business in the U.S and possibly Canada.
- MA & Associates has acquired a 20-year license from Steep Hill Halent, a recognized industry leader, to utilize their technology for marijuana testing at their Las Vegas plant. Both Harris Lee and MA & Associates are connected to Steep Hill Halent and will enable Pazoo to capitalize on shared knowledge.
- Google analytics shows that viewers spend about 26 minutes on pazoo.com browsing through up-to-date information and shopping for health related products. With a team of health and wellness experts and other supportive professionals, Pazoo.com is committed to making an impact on its visitors' health and wellness while generating profits with revenue streams coming from a variety of business initiatives in the e-commerce sector.
- Twenty seven (27) states have already legalized the use of medical marijuana in some form. Pazoo, Inc. is not involved in the growing and supplying of marijuana. It is therefore, insulated from legal implications of doing business in the marijuana space.
- The Company intends to use social media such as Twitter and Facebook to connect with its target audience and continuously engage them. This marketing method should enable its users to link directly to the e-commerce gateway. Its association with MobileSeed LLC, a media company has resulted in increased referral traffic.
- Management understands the long-term benefit of building a strong brand. It has trademarks relating to the use of its brands, protecting the Company's value including merger or acquisition possibilities.
- The e-commerce industry is expected to hit the \$1.7 trillion mark globally in 2015. Pazoo.com is positioned to become a premier health and wellness web portal with its offering of products, services, and information. Within the next 5 years, the legal marijuana market is forecasted to generate \$11 billion annually with ancillary businesses primed to capitalize on the growth.
- **Key Risks:** Approval from Regulatory bodies, Substantial Capital Requirement, Security risk, and Competition.

Financial Forecasts and Valuation

- Based on our current forecasts, the Company will need to raise at least \$4.1 million in equity capital in the near to intermediate term. Provided the Company raises the required capital, we expect the Company's revenues from operations to increase from \$0.10 million in FYE-2014 to over \$26.57 million in FYE-2021.
- The Cohen Price Index Target is calculated using 2015 Price-to-Earnings ratio (P/E), Cohen Price-to-Capital Employed ratio (P/CE), Cohen Discounted Cash Flow (DCF) method and Cohen Price Performance Index. The P/E and P/CE are based on market multiples and representative of the broader industry in which the Company operates. The Cohen Price Performance Index is a representative of the post coverage performance of all stocks covered by us. The last component in calculating the Cohen Price Index Target is the value derived using the long-term Discounted Cash Flow (DCF) valuation methodology.
- Based on an average of these methods, Pazoo common stock is valued at \$0.08 per share, 1105.0% higher than the current stock price of \$0.007 per share.



SUMMARY OF RECENT EVENTS

Harris Lee, LLC becomes 100% wholly-owned subsidiary of Pazoo

On January 14th, 2015, Pazoo acquired the remaining 45% stake in Harris Lee, LLC in exchange for 450,000 of Pazoo's Series B Preferred Stock. Harris Lee, LLC became a wholly-owned subsidiary of Pazoo. The Company has retained the Harris Lee management team and has plans to add more personnel. The acquisition is a step in the right direction given the growing need for testing impurities and compounds in medical marijuana. The numerous inquiries to expand in Canada and other US States represent the latent demand for testing marijuana. The use of marijuana for medical purposes will require mandatory testing as is the case with current over-the-counter and prescription medicines.

MA & Associates on track to become the ideal testing lab in Nevada

MA & Associates has received a two-year contract for up to 875,000 square feet of grow. MA will be the exclusive testing lab for the proprietary marijuana cultivated in the next two years with testing expected on at least 50,000 square feet of grow by March 2015. The transaction will provide credence in the eyes of a number of growers in Nevada. The Company has also received a purchase order from one of the largest growers in Nevada to test grow. MA expects that 100,000 square feet of grow will translate to approximately \$1,000,000 of revenue per year.

The association with MA & Associates, LLC in Nevada and with Harris Lee, LLC outside Nevada has given the Company a strong platform to provide comprehensive testing facilities to dispensaries, growers and consumers in and outside of Nevada. Both MA & Associates and Harris Lee, LLC are associates of Steep Hill Halent – a global leader in the marijuana analysis space. The indirect association with Steep Hill Halent will enable Pazoo to grow in the fields of marijuana analytics, consulting in cannabis safety, regulation, testing methodology, packaging and labeling, processing, regulatory management and scientific development space and in product research and development. The association will aid the Company's aim to become a leading medical testing lab in the country

Pazoo experiences dramatic increase in internet traffic

Pazoo had engaged MobileSeed LLC as its media team in November. Within a short period of 6 weeks, the Company has seen an increase of approximately 27% in Facebook referral traffic and a 125% increase in organic traffic. Performance evaluations and improvements in the site performance have led to users being able to access content quickly and are enjoying a more user-friendly experience. The Company had started new initiatives such as a new sub-website and targeting articles. The creation of www.justjennarose.pazoo.com has resulted in over 12,000 visits over a period of 9 days in February. These sub-website visit numbers are higher than the total visits for the month of January on the same sub-website. Targeted articles for taking care of pets in extreme weather reached more than 40,000 people in a few days. The Company currently has shifted its focus to the marijuana testing labs business. However, the improving online traffic will enable the Company to generate substantial revenues as well as cross-sell its other products on its website.

Steady decline in the share price but volume traded continues to grow

Pazoo's stock price has declined from the high of \$0.063 in 2014. The sale of convertible notes in the months of July, August and October 2014 resulted in the falling of the Company's share price. The stock price is currently trading at \$0.0069. However, there is a clear divergence between the volume and the price in the recent months.

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Average volume traded in the last 30 days is approximately 4.5 million. 21.5 million shares were traded on February 5, 2015. While this indicates a bearish mood and investors moving out of the stock, we believe the initiatives taken by the Company are excellent. Once the sale of convertibles securities stops, we believe this can result in a steady increase in the Company's stock price. At a current low of \$ 0.0068, the Company provides significant upside potential with a limited downside risk.

Potential Full Dilution of Preferred Shares, Warrants and Convertible Notes a concern

The Company's existing shareholders as of December 31, 2014 totaled 198.27 million which has increased to 219.73 million as January 31, 2015 (source: SEC Filings). In addition, 121.35 million shares are likely to be issued as future conversion of the Series A Preferred Stock previously issued. Also, there were 119.00 million preferred stock warrants outstanding, each exercisable for 1 common share at a weighted average exercise price of \$2.20 per share and 5.99 million common stock warrants outstanding, each exercisable for 1 common share at a weighted average exercise price of \$0.067. Accordingly, dilution will occur if the holder(s) of the Preferred Stock elect to convert their shares into common stock and/or exercises its Warrants. Further, the Company has issued multiple convertible notes to raise capital at various point of time. These notes are converted at a conversion price between \$0.006 to \$0.50. All these potential conversions are likely to increase the Fully Diluted Total shareholders to 766.65 million as shown in the table below. However, given that conversion prices at which these securities vary between \$0.006 to \$2.20, most of these securities will not be converted to common shares in the immediate term.

Figure 1: Fully Diluted Shareholding

	Total Number of Shares	% Shareholding
Existing Stockholders	219,731,242.00	28.7%
Fully Converted Series A Preferred Stock	121,352,600.00	15.8%
Warrants Fully Exercisable	124,996,429.00	16.3%
Future Committed Expert Issuances	2,580,000.00	0.3%
Future Committed Consultant Issuances	4,325,000.00	0.6%
Stock Issuable Upon Convertible Notes	293,578,847.00	38.3%
Fully Diluted Total	766,564,118.00	100.0%

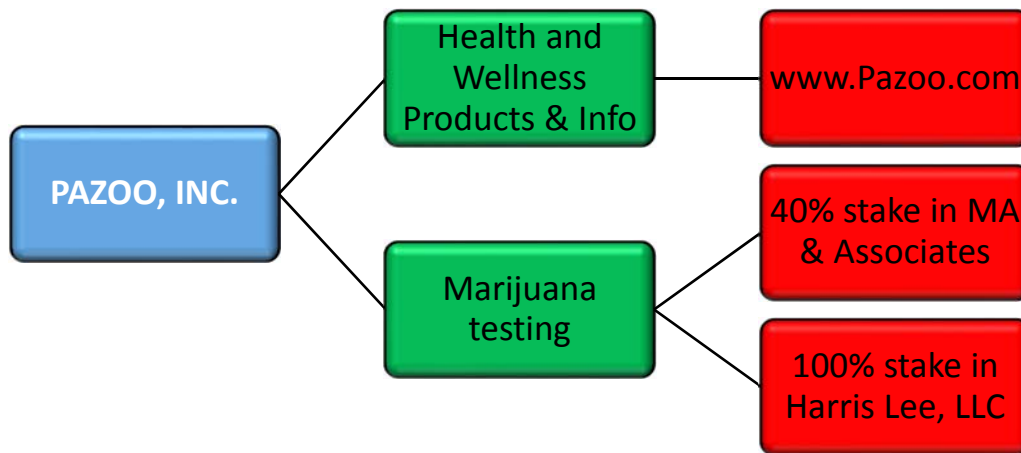
Source: Company Filings

ABOUT THE COMPANY

Pazoo, Inc. is a start-up health and wellness based company headquartered in Whippany, New Jersey. Pazoo (“Pazoo”) was incorporated in Nevada on November 16, 2010 under the name “IUCSS, Inc.” The Company changed its name from IUCSS, Inc. to Pazoo on May 9, 2011. The Company has a comprehensive plan to create a strong brand in the growing medical marijuana, industrial hemp, and alternative medicine markets. It has continuously pursued new acquisitions to gain a strong footing in these sectors.

It has two main business platforms.

Figure 2: Pazoo Corporate Structure



Source: Cohen Research

Marijuana Testing Laboratory

The Company’s second business model is its 40% shareholding in MA & Associates (MA), a state of the art testing medical marijuana testing facility in Nevada. This entry into the field of pharmaceutical testing of marijuana is a massive corporate home run. By acquiring its stake in MA & Associates, Pazoo has established a strong foothold in the field of marijuana testing. MA & Associates received its license on November 3, 2014 and was rated as the top testing lab applicant licensed by the state of Nevada. It is the only certified testing facility in Nevada. Stringent Nevada laws on marijuana decree strict testing for impurities and compounds found in marijuana. This means that all growers of industrial hemp and medical marijuana in the state of Nevada are potential customers of MA & Associates. Pazoo also has expansion plans for other states in the U.S. and Canada, both being countries with burgeoning medical markets.

MA & Associates was launched in September of 2013 to provide quality control services to the medical cannabis industry. Its key mission is to safeguard public health by delivering infrastructure and analytical services to legally authorized distributors and producers of cannabis and to regulators tracing their operations. Pazoo, Inc., in collaboration with MA & Associates, will cater to the medical cannabis industry by providing guidelines for regulation and inspection required by public health authorities for medical marijuana. The primary customer base will include all the licensed cannabis cultivators in the State of Nevada. These customers are required by law to



have their products tested before they can be supplied to the dispensaries. This is a win-win situation for Pazoo, Inc. The Company is now a conductor of mandated health and safety tests on which this expanding industry hinges.

MA does not grow or dispense marijuana. It is an independent third party testing medical marijuana facility testing for impurities and levels of various compounds found in marijuana. MA obtained a 20-year exclusive license from Steep Hill Halent, the recognized worldwide leader in marijuana testing and research, to use Steep Hill's technology for testing marijuana in the State of Nevada. The state of Nevada requires stringent testing for impurities as well as the numerous compounds found in marijuana. The license was received November 3, 2014. The property for the testing facility was purchased in June 2014 in Las Vegas and Reno. The construction of the testing facility at Las Vegas is ongoing with completion scheduled for April 2015. The testing facility is the first one in the state of Nevada. This first mover advantage has already translated into client orders.

The state of Nevada has legalized the use of medical marijuana with a very strong emphasis on checking for impurities and other compounds found in marijuana. This mandates all marijuana growers to have their product tested. This makes MA & Associates with its established cutting edge technology the logical choice for the growers. MA & Associates has additional business interests with large marijuana growers in Nevada to generate additional sources of revenue.

The partnership with MA & Associates has strengthened the Pazoo business model. Other states are looking at Nevada to be the model for establishing testing labs. Pazoo management has been approached with proposals to set up and expand their medical testing laboratories in other states. These plans are being given consideration once the lab facility in Las Vegas, Nevada is operational. Pazoo has also acquired a 100% interest in Harris Lee, LLC, a medical marijuana testing laboratory for testing outside of Nevada.

The marijuana industry is still regulated by federal constraints because marijuana is a Scheduled I drug. While 27 states have legalized medical marijuana, there is a possibility that rescheduling will be addressed in the future. By entering the testing business, Pazoo management has made a conscious decision to abide by federal regulations and to not grow marijuana for their testing facility or be connected to any other marijuana product development.

www.PAZOO.com

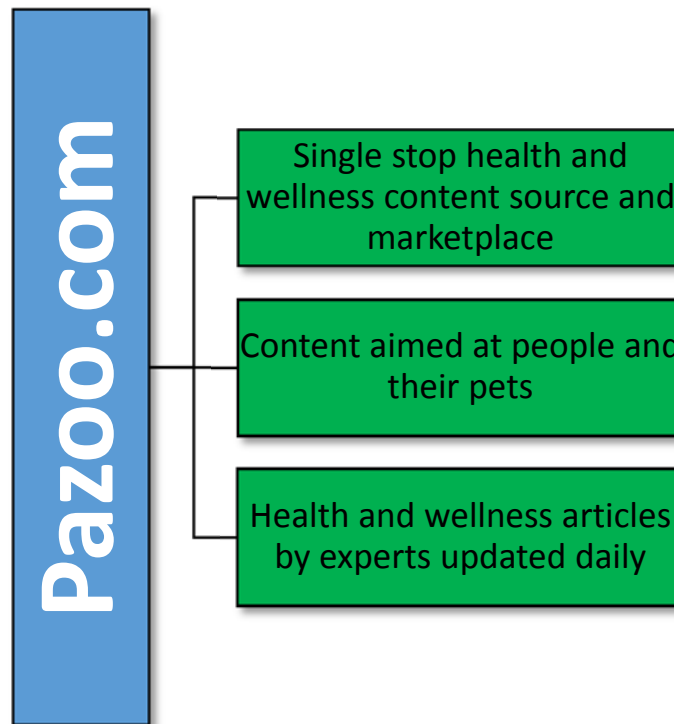
The Company's website, www.Pazoo.com, supplies products, services, and information, through direct response digital and TV, retail stores. The website is an ad-supported comprehensive health and wellness portal. The website is completely content-driven for total health and well-being of people and their pets. The Company believes that people and their pets contribute to each other's well-being and happiness. The ad-supported website includes articles, blogs, videos and other media to help people maximize their aim of living fit and healthy lives. The user-friendly portal targets adults 18+ years of age. It has an array of experts delivering essential information that helps improve and enhance the living a full and enriching life for people and pets. The website's motto is helping people "Find Their Power Within". Its content is designed to be inspirational and engaging. The Company also has a dedicated team of health and wellness experts on board to assist its customers.

The website www.pazoo.com, a one-of-a-kind, comprehensive health and wellness website for both people and their pets. Pazoo.com's competitive edge lies in its being the most comprehensive health and wellness website to which over twenty-five new articles are posted every day. This allows Pazoo to have a target audience of health conscious adults, mostly between ages 25-54. This target audience of pet owners will be attracted to the website's total content. Management believes that viewers who are pet owners will be predisposed to purchasing products

on pazoo.com for themselves and/or their pets because of one-stop shopping and the monetary value of vended products. Pazoo.com has also been successful in connecting with a wider audience through sub-websites that provide content on the pros and cons of medical marijuana. To maximize content absorption, Pazoo, Inc. has also launched Pazoo TV and Pazoo Radio with the motto: Healthy Living: Healthy Investing.

The path breaking web site not only targets people, but also their pets to provide for a holistic, well-rounded physical well-being. Pazoo.com achieves this by retailing health products and supplements for both people and their pets. The website's e-commerce side is given a strong endorsement by the onboard panel of wellness experts that help viewers and customers of the site with any advice and prescription for any health related problems. Management also plans to make additional investments to create online content for its health and wellness portal.

Figure 3: Pazoo.com pillars



Source: Cohen Research



VALUATION

THE COHEN PRICE TARGET™ - \$ 0.08

The Cohen Price Target™ is a dynamic and logical valuation approach that combines market-based approaches and intrinsic value methodologies. Capital raising and cash are the life blood of any micro-cap/small cap Company. Hence, the Cohen Price Target™ includes four components, 25% equal weighted that together reflect and are based on the Company's ability to raise capital for growth. The four components used in our price index are Price-to-Earnings ratio (P/E), Cohen Price-to-Capital Employed ratio (P/CE) (Both Market based valuation approaches), Cohen Discounted Cash Flow (DCF) method (Theoretically an Intrinsic Value based approach) and Cohen Price Performance Index.

Our formula for The Cohen Price Target™ is shown below.

Figure 4 - The Cohen Price Target™ Formula

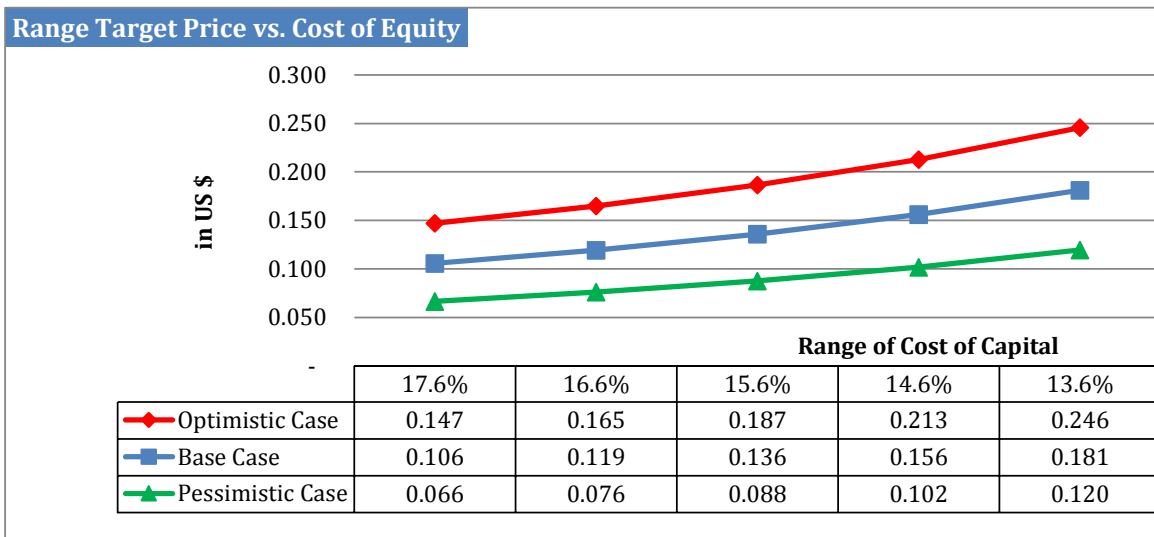
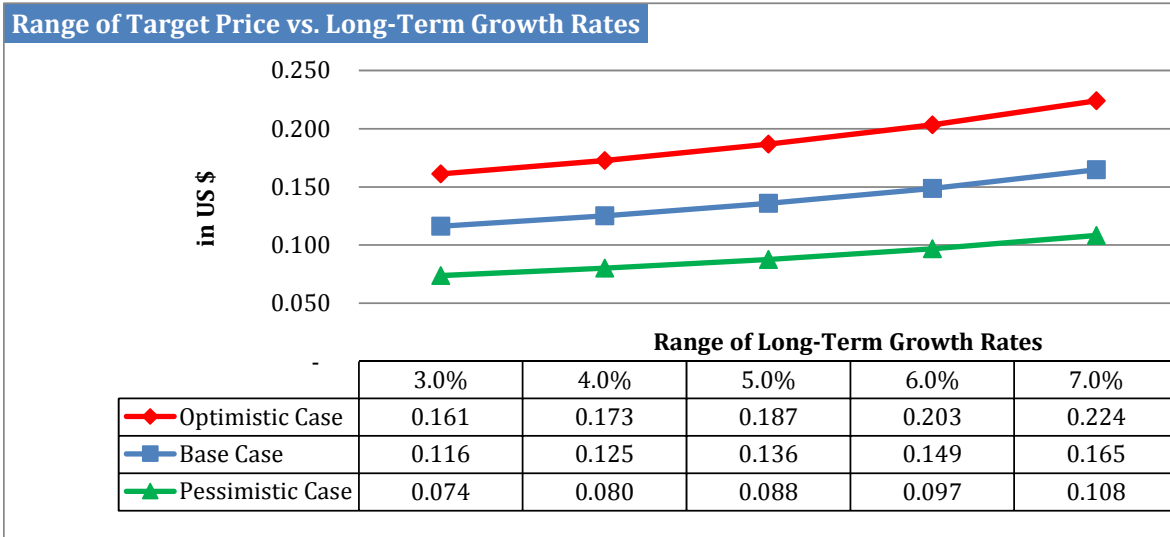
Price-to-Earnings (P/E)		in \$
EPS 2015-2016 Average Forecasts	0.01	
Expected P/E Ratio	24.50	
Discount Rate	0.72	
Price based on P/E Ratio		0.09
Price-to-Capital Employed (P/CE)		in \$
Capital Employed	0.02	
Long term P/CE Ratio	6.00	
Discount Rate	0.72	
Price based on P/CE Ratio		0.09
Cohen Discounted Cash Flow Model		in \$
Cohen DCF Value - Base Case		0.14
Cohen Performance Index		in \$
Cohen Price Performance Index Value	83.0%	
Current Stock Price	0.007	
Price based on Cohen Performance Index		0.01
Cohen Price Index Target		0.08
Current Price		0.007
Upside/ (Downside) Potential		1105.0%

Source: Cohen Research

Note: Price-to-Earnings, Price-to-Capital Employed and Cohen Discounted Cash Flow (DCF) Model. For the Price-to-Earnings method, we have used the average outstanding shares assumed in FYE 2015 and FYE 2016. The Price-to-Capital uses the outstanding share count as of December 31, 2014 and the Cohen DCF uses the simple average number of shares forecasted between FYE 2014 and FYE 2015.



Figure 5 - Cohen Discounted Cash Flow™



Source: Cohen Research



CONCLUSION

Pazoo, Inc. is a diversified company with two business platforms. Both its target industries are experiencing an exciting growth phase over the past three years. The Company has an information and an e-commerce portal – Pazoo.com that generates revenues through advertisement and trade on the website. The content of the website is directed towards people and pets and is targeted at users above the age of 18 years. The Company's second business platform is an investment in MA & Associates through which the Company will be operating a medical marijuana testing facility in Nevada. The facility will be operational in April 2015 and is positioned to benefit from stringent laws in Nevada requiring the medical testing of marijuana.

The Company intends to generate traffic for its website to not only inform people, but also to drive users towards its e-commerce platforms. The Company has employed MobileSeed LLC to increase internet traffic and is already seeing an increase on social media platforms such as Facebook and Twitter. Experienced marketing professionals are customizing the website to ensure maximum hits and sales. Negotiating with new partners to build a strong network of goods and shipping companies has resulted in higher profit margins for the Company.

Pazoo is a new entrant in the growing marijuana testing market. Its entry into the Nevada marijuana market is timed perfectly. The support for legalization of marijuana is growing. Patients and doctors are looking at medical marijuana as an alternative source of medicine. Through its collaborations with MA & Associates and Harris Lee, LLC, the Company is building a strong footprint in the currently fragmented but highly profitable testing business, ancillary to growing and supplying marijuana. The association with Steep Hill Halent, a world leader in marijuana testing, will enable the Company to build a strong brand with growers, consumers and dispensaries.

With the growing support for legalization of medical marijuana in the United States, PZOO can become the go – to the company for the testing of marijuana related products. Canada has implemented MMPR that has made licensing compulsory for producers and consumers. Also, the level of testing for potency and toxicity has become stringent. The market has become highly fragmented in the medical marijuana space as well as the online sales market with very low barriers to entry. As the industry continues to grow at an explosive pace, we expect consolidation to occur in the both the markets at some point in the future with well-financed companies looking to acquire small companies and generating excellent valuations. Until such consolidation occurs, these companies can continue to exploit the large target market and generate consistent revenues.

The stock price of the Company has been a fall but the Company's additions to the management, robust projected revenue streams and growth potential of the medical marijuana market and the E-commerce market, providing they raise the necessary capital, could make the stock a valuable investment proposition. Especially at such low prices, Pazoo, Inc. may provide a potential short term and long term investment opportunity for risk-averse investors.

RS/Grass Roots Distribution Research



LATEST PRESS RELEASE

Pazoo.com Experiences Dramatic Traffic Increases on New Website Initiatives

WHIPPANY, N.J., Feb. 11, 2015 (GLOBE NEWSWIRE) -- Pazoo, Inc. (OTCQB:PZOO) (German WKN#:A1J3DK) is pleased to report that www.pazoo.com is experiencing an explosive growth rate of organic traffic to an array of new social media website initiatives including a new sub-website and targeting articles.

One such initiative was the creation of <http://justjennarose.pazoo.com/>. Pazoo created this website in December 2014 and began putting forth social media initiatives in January as a beta test to see if these new creative and innovative techniques would boost traffic. These new initiatives not only boosted traffic, but has seen an explosion of sorts over the past few weeks. In just the first 9 days of February, this new sub-website has had more than 12,000 visits – more than the whole month of January.

Pazoo also published a pet article specific to the extreme weather many are experiencing in the Midwest and Northeast regions of the U.S. just last week – <http://pazoo.com/pets/february-please-bring-dogs> - and in just a few days it reached more than 40,000 people. These new initiatives are now a proven way to expand traffic. These new techniques and efforts will now be expanded to other parts of the Pazoo website.

Pazoo CEO David Cunic stated, "I have stepped into a more prominent role with the website now that we have expanded our board of directors and management team. I have been working much closer with our outsourced social media team and we are in the process of bringing in several new social media individuals to our in house team. I am very excited about the impact this will have to our ever expanding website."



KEY HISTORICAL DEVELOPMENTS

Pazoo Adds to Management Team and Expands Board of Directors From 3 to 5 Members

WHIPPANY, N.J., Feb. 3, 2015 (GLOBE NEWSWIRE)

Pazoo, Inc. (OTCQB:PZOO) (German WKN#: A1J3DK) is pleased to announce Antonio Del Hierro and David Lieberthal, Esq. have been nominated to its Board of Directors. With the recent expansion into the marijuana testing business through MA & Associates, LLC, in Nevada and with the planned expansion into states beyond Nevada underway, the senior management of Pazoo felt an addition of key executives to its board would be beneficial.

Marijuana Testing Lab Company Harris Lee, LLC Becomes 100% Wholly Owned Subsidiary of Pazoo

Pazoo's Nevada Marijuana Testing Lab Partner, MA & Associates, Begins Final Phase of Lab Build-Out

WHIPPANY, N.J., Jan. 14, 2015 (GLOBE NEWSWIRE)

Pazoo, Inc. ([OTCQB:PZOO](#)) (German WKN#: A1J3DK) is pleased to report that marijuana testing lab Harris Lee, LLC, is now a 100% wholly owned subsidiary of Pazoo. Pazoo acquired the remaining 45% of Harris Lee in exchange for 450,000 of Pazoo's Series B Preferred Stock.

The current management of Harris Lee will be retained along with an addition of personnel to be implemented over the next few months. Pazoo recently deposited \$200,000 into Pazoo's attorney escrow account in preparation of Harris Lee's entry into new territories.

Pazoo.com Inspiration Expert Jenna Lowthert to be Interviewed on Newsmax TV, Former NFL Player Rod Trafford and Four More Experts Join Pazoo

WHIPPANY, N.J., Jan. 12, 2015 (GLOBE NEWSWIRE)

Pazoo, Inc. ([OTCQB:PZOO](#)) (German WKN#: A1J3DK) is pleased to announce that Pazoo's Inspiration Expert Jenna Lowthert will be interviewed on Newsmax TV later this week. Further, Pazoo is excited to announce that former NFL player Rod Trafford has joined the impressive array of Health and Wellness Experts on Pazoo.com along with four additional specialized Experts. These new Health and Wellness Experts expect to have an immediate impact on the visitors to www.pazoo.com through the unique content they provide on a weekly basis.

Pazoo.com Inspiration Expert Jenna Lowthert Launches New Blog, Book, and Radio Interview

WHIPPANY, N.J., Jan. 7, 2015 (GLOBE NEWSWIRE)

Pazoo, Inc. (OTCQB Symbol:PZOO) (German WKN#: A1J3DK) is pleased to announce that Pazoo's Inspiration Expert Jenna Lowthert has launched a new blog at <http://justjennarose.pazoo.com>. Jenna also has a new book (Life Goes On) and will be interviewed on the radio program called Issues Today, hosted by Bob Gourley, syndicated on 183 stations throughout the USA. To listen live go to www.issuesodayradio.com. Jenna will be interviewed on January 14, 2015.



Pazoo Medical Marijuana Partner, MA & Associates, LLC, Receives a Two Year Exclusive Contract From One Grower for Up to 875,000 Square Feet of Grow

WHIPPANY, N.J., Dec. 18, 2014 (GLOBE NEWSWIRE)

Pazoo, Inc. ([OTCQB:PZOO](#)) (German WKN#: A1J3DK) is pleased to announce that MA & Associates, LLC (MA) has signed an agreement with a local marijuana grower making MA the exclusive testing lab for all proprietary marijuana grown for the next two years. MA's customer will initially have approximately 100,000 square feet of grow with the intention of expanding its operation to 875,000 square feet of grow within the next two years.

Pazoo, Inc. Commissions Cohen Grassroots Research, Inc. to Issue Research Report on Company

WHIPPANY, N.J., Dec. 17, 2014 (GLOBE NEWSWIRE) -- Pazoo, Inc. ([OTCQB:PZOO](#)) (German WKN#: A1J3DK) is pleased to announce that it has commissioned Cohen Grassroots Research, Inc. (CGR), Wall Street's leading independent micro-cap research firm, to initiate coverage of Pazoo, Inc. CGR provides an in-depth analysis, including 5-year financial and valuation projections on Pazoo's business and its significant growth drivers. A copy of the report is available for download at www.cohengrassroots.com.

MA & Associates, LLC, Pazoo's Nevada Medical Marijuana Laboratory Testing Partner, Receives Purchase Order From One of the Largest Growers in Nevada

WHIPPANY, N.J., Dec. 11, 2014 (GLOBE NEWSWIRE) -- Pazoo, Inc. ([OTCQB:PZOO](#)) (German WKN#: A1J3DK) is pleased to announce that its medical marijuana testing laboratory partner MA & Associates, LLC (MA) has received its first purchase order to test product from one of the largest growers in the State of Nevada. The first marijuana product to be tested is expected to be begin on or about the end of February 2015.



FINANCIAL EXHIBITS

Income Statement – Base Case

all figures in \$ million	2013	2014 E	2015 F	2016 F	2017 F	2018 F	2019 F	2020 F
Revenues	0.05	0.10	4.92	10.32	15.49	20.13	24.16	26.57
Total Cost of Goods Sold	0.01	0.02	1.33	2.79	4.18	5.44	6.52	7.17
Gross Profit	0.04	0.08	3.59	7.54	11.30	14.70	17.63	19.40
Expenses								
Selling, General and Admin Expenses	0.58	2.25	3.03	3.64	4.18	4.81	5.29	5.82
Total Expenses	0.58	2.25	3.03	3.64	4.18	4.81	5.29	5.82
Operating Profit/ EBITDA	(0.54)	(2.17)	0.56	3.90	7.12	9.88	12.34	13.58
Depreciation and Amortization	-	-	0.45	0.60	0.75	0.90	1.05	1.20
Earnings Before Interest and Tax	(0.54)	(2.17)	0.11	3.30	6.37	8.98	11.29	12.38
Interest Expense, Net	0.00	0.02	0.03	-	-	-	-	-
Other Income (Expenses), Net	(0.12)	(0.80)	-	-	-	-	-	-
Profit Before Tax	(0.66)	(2.98)	0.08	3.30	6.37	8.98	11.29	12.38
Taxation Expenses (Recovery)	-	-	-	-	2.52	3.56	4.47	4.90
Net Profit/Loss for the period	(0.66)	(2.98)	0.08	3.30	3.85	5.43	6.82	7.48
Preferred Stock Dividend	0.07	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Net Profit/Loss for Common Stock	(0.72)	(3.00)	0.06	3.28	3.83	5.41	6.81	7.46
Shares Outstanding - Basic	85.7	198.3	315.4	315.4	315.4	315.4	315.4	315.4
Shares Outstanding - Diluted	85.7	198.3	315.4	315.4	315.4	315.4	315.4	315.4
EPS - Basic	(0.0077)	(0.0151)	0.0002	0.0105	0.0122	0.0172	0.0216	0.0237
EPS - Diluted	(0.0077)	(0.0151)	0.0002	0.0105	0.0122	0.0172	0.0216	0.0237

**Balance Sheet - Base Case**

all figures in \$ million	2013	2014 E	2015 F	2016 F	2017 F	2018 F	2019 F	2020 F
ASSETS								
Cash and Cash Equivalents	0.04	0.14	1.06	2.21	3.43	7.68	13.60	20.80
Accounts Receivable	0.03	0.08	1.23	2.58	3.87	5.03	6.04	6.64
Prepays and Other Current Assets	0.00	0.01	0.01	0.01	0.01	0.02	0.02	0.02
Inventory	0.00	0.01	0.61	1.28	1.92	2.50	3.00	3.30
Total Current Assets	0.08	0.23	2.91	6.08	9.24	15.23	22.65	30.77
Property, Plant and Equipment, Gross	-	-	3.00	4.00	5.00	6.00	7.00	8.00
Accumulated Depreciation	-	-	0.45	1.05	1.80	2.70	3.75	4.95
Property, Plant and Equipment, Net	-	-	2.55	2.95	3.20	3.30	3.25	3.05
Investments	-	0.31	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-
Total Assets	0.08	0.54	5.46	9.03	12.44	18.53	25.90	33.82
LIABILITIES								
Accounts Payable & Liabilities	0.06	0.69	1.34	1.97	1.28	1.67	2.00	2.20
Other Short term Liabilities	0.17	1.16	1.36	1.64	1.88	2.16	2.38	2.62
Current Portion of Debt Instruments	0.00	0.74	0.64	-	-	-	-	-
Total Current Liabilities	0.24	2.59	3.34	3.61	3.17	3.83	4.38	4.82
Debt Instruments	-	-	-	-	-	-	-	-
Total Liabilities	0.24	2.59	3.34	3.61	3.17	3.83	4.38	4.82
Preferred Stock	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Common Stock	0.10	0.20	0.32	0.32	0.32	0.32	0.32	0.32
Additional Capital	2.24	3.25	7.23	7.23	7.23	7.23	7.23	7.23
Retained Earnings	(2.52)	(5.50)	(5.43)	(2.13)	1.72	7.14	13.97	21.44
Total Shareholders Equity	(0.17)	(2.06)	2.12	5.42	9.26	14.69	21.51	28.99
Total Liabilities, Shareholders Equity	0.08	0.53	5.45	9.02	12.43	18.52	25.89	33.81

**Cash Flow Statement – Base Case**

all figures in \$ million	2013	2014 E	2015 F	2016 F	2017 F	2018 F	2019 F	2020 F
Operating Activity								
Net Income		(2.98)	0.08	3.30	3.85	5.43	6.82	7.48
Adjustments to Reconcile Cash Flows								
Depreciation and Amortization		-	0.45	0.60	0.75	0.90	1.05	1.20
Other Adjustments		-	-	-	-	-	-	-
Changes in operating assets and liabilities:								
Accounts receivable		(0.05)	(1.15)	(1.35)	(1.29)	(1.16)	(1.01)	(0.60)
Deposits		(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Other assets		(0.00)	(0.60)	(0.67)	(0.64)	(0.58)	(0.50)	(0.30)
Accounts payable		0.62	0.65	0.63	(0.69)	0.39	0.33	0.20
Accrued liabilities		0.99	0.20	0.27	0.25	0.28	0.22	0.24
Other liabilities		0.74	(0.11)	(0.64)	-	-	-	-
Change in Working Capital		2.29	(1.01)	(1.75)	(2.38)	(1.07)	(0.96)	(0.47)
Cash Flow from Operating Activities		(0.69)	(0.48)	2.14	2.22	5.25	6.91	8.21
Investing Activity								
Expenditures for property, plant and equipment		-	(3.00)	(1.00)	(1.00)	(1.00)	(1.00)	(1.00)
Other Long-term assets		(0.31)	0.31	-	-	-	-	-
Cash Flow from Investing Activities		(0.31)	(2.69)	(1.00)	(1.00)	(1.00)	(1.00)	(1.00)
Financing Activity								
Proceeds from or repayment of debt		-	-	-	-	-	-	-
Proceeds from issuance of common stock		1.10	4.10	-	-	-	-	-
Cash Flow from Financing Activities		1.10	4.10	-	-	-	-	-
Effect of Foreign Exchange								
		-	-	-	-	-	-	-
Net Change in Cash		0.10	0.93	1.14	1.22	4.25	5.91	7.21
Opening Cash Balance		0.04	0.14	1.06	2.21	3.43	7.68	13.60
Ending Cash Balance	0.04	0.14	1.06	2.21	3.43	7.68	13.60	20.80



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The Penny Stock Market is a highly risky market targeted at short term traders.

Stock prices can be heavily influenced by investor awareness campaigns. In general, we observe the more money spent on such campaigns, the greater the possibility for short term price increases post our initiate coverage documents. We also observe that our target prices may not be met unless client companies have enough cash or are able to raise capital to meet our forecasts.

The Cohen Price Target includes four components. Most reports assume capital will be raised for the majority of our client companies. Most micro-cap/small cap companies need capital to reach our theoretical 5 year projections. The academic world justifies an analyst's decision to forecast the three statements (Income Statement, Balance Sheet and Cash Flow Statements) for 5 years. We normally do so in three cases: Optimistic Case, Base Case and Pessimistic Case. However, in the practical/real world, buying a micro-cap or small cap stock based on 5 year forecasting is highly risky. If smaller companies are able to raise capital, our theoretical price targets in a perfect world might be justified, providing the Company executes on its business model.

At times our price targets may be significantly higher than the current price of a stock. This can happen in theory only if the company's assets, with assumed capital raised, could theoretically create large sales and cash flow volumes over time, especially if the industry is a high growth industry. In the practical world, these price targets may appear to be unrealistic. However, we believe the academics of securities analysis of our calculations support the theory of these assumed price targets.

While we do not give investment advice, the investor should consider the possibilities of a given company being able to raise capital to execute its business model over 5 years. Few micro/small cap companies are able to raise enough capital and execute their master budget over an extended period of time. Our price targets are academic theory only and should not be relied upon. Investors should do their own research and consult with their financial consultants.