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

FORM 10-Q/A

Amendment No. 1

(Mark One)

☒ **QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **March 31, 2016**

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____________ to ____________

Commission file number 000-54258

TERRA TECH CORP.

(Exact name of registrant as specified in its charter)

NEVADA	**26-3062661**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

4700 Von Karman, Suite 110
Newport Beach, California 92660
(Address of principal executive offices)
(ZIP Code)

(855) 447-6967
(Registrant's telephone number, including area code)

N/A
(Former name, former address, and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and 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 website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (section 232.405 of this chapter) during the preceding 12 months (or 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. (Check one):

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 ☒

APPLICABLE ONLY TO CORPORATE ISSUERS:

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

As of May 9, 2016, there were 349,911,822 shares of common stock outstanding, 100 shares of Series A Preferred Stock, convertible at any time into 100 shares of common stock, 24,818,700 shares of Series B Preferred Stock, convertible into approximately 133,631,960 shares of common stock, 21,378 shares of Series Q Preferred Stock, convertible into approximately 106,890,000 shares of common stock, 8,166 shares of Series Z Preferred Stock, convertible into approximately 15,164,262 shares of Series B Preferred Stock, which are convertible into approximately 81,649,323 shares of common stock and 29,871,782 shares of common stock issuable upon the exercise of all of our outstanding warrants.

EXPLANATORY NOTE

The purpose of this Amendment No. 1 (the "Amendment") to the Quarterly Report on Form 10-Q of Terra Tech Corp. (the "Company") for the quarter ended March 31, 2016, filed with the Securities and Exchange Commission (the "SEC") on May 12, 2016 (the "Original Form 10-Q"), is solely to amend certain notes in "Item 1. Financial Statements" in connection with the comment letter received from the staff of the SEC on June 24, 2016.

No other changes have been made to the Original Form 10-Q. This Amendment speaks as of the original filing date of the Original Form 10-Q, does not reflect events that may have occurred after the original filing date, and does not modify or in any way update disclosures made in the Original Form 10-Q.

TERRA TECH CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS

		March 31, 2016		December 31, 2015
		Unaudited		
Assets				
Current Assets:				
Cash	$	1,131,000	$	418,082
Accounts receivable, net		803,916		741,844
Prepaid expenses		19,368		147,230

Inventory	1,319,061	949,448
Total Current Assets	3,273,345	2,256,604
Property, equipment and leasehold improvements, net	7,314,449	6,694,975
Intangible assets, net	1,474,690	118,932
Deposits	90,636	94,528
Total Assets	$ 12,153,120	$ 9,165,039
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable and accrued expenses	$ 1,394,387	$ 1,119,459
Derivative liability	1,334,000	743,400
Short-term debt	553,778	917,363
Total Current Liabilities	3,282,165	2,780,222
Long Term Liabilities		
Long-term debt	1,250,000	-
Deferred tax liability, net	44,000	44,000
Total Long Term Liabilities	1,294,000	44,000
Commitment and Contingencies		
Stockholders' Equity		
Preferred stock, Convertible Series A, Par value $0.001;authorized and issued 100 shares as of March 31, 2016and December 31, 2015, respectively	-	-
Preferred stock, Convertible Series B, Par value $0.001;authorized 24,968,000 shares as of March 31, 2016; authorized 24,999,900 shares as of December 31, 2015; issued and outstanding 16,150,000 and 16,300,000 as of March 31, 2016 and December 31, 2015, respectively	16,150	16,300
Preferred stock, Convertible Series Q, Par value $0.001;authorized 21,600 shares as of March 31, 2016;no shares outstanding as of March 31, 2016	-	-
Preferred stock, Convertible Series Z, Par value $0.001;authorized 8,300 shares as of March 31, 2016;no shares outstanding as of March 31, 2016	-	-
Common stock, Par value $0.001; authorized 350,000,000shares; issued 349,739,408 and 303,023,744 shares as of March 31, 2016 and December 31, 2015, respectively	349,740	303,024
Additional paid-in capital	57,176,915	51,843,071
Accumulated Deficit	(50,078,173)	(45,952,109)
Total Terra Tech Corp. stockholders' equity	7,464,632	6,210,286
Non-controlling interest	112,323	130,531
Total Stockholders' Equity	7,576,955	6,340,817
Total Liabilities and Stockholders' Equity	$ 12,153,120	$ 9,165,039

The accompanying notes are an integral part of the consolidated condensed financial statements.

TERRA TECH CORP.
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

	For the Three Months Ended March 31, 2016	For the Three Months Ended March 31, 2015
Total Revenues	$ 1,548,167	$ 763,353
Cost of Goods Sold	1,414,193	545,412
	133,974	217,941
Selling, general and administrative expenses	2,046,348	2,322,511
Loss from operations	(1,912,374)	(2,104,570)
Other Income (Expenses)		
Amortization of debt discount	(94,406)	(41,126)
Loss on extinguishment of debt	(920,797)	-
Loss from derivatives issued with debt greaterthan debt carrying value	-	(224,000)
Gain (Loss) on fair market valuation of derivatives	(1,160,700)	408,200
Interest Expense	(55,995)	(188,529)
Total Other Income (Expense)	(2,231,898)	(45,455)
Loss before Provision of Income Taxes	(4,144,272)	(2,150,025)
Provision for income taxes	-	-
Net Loss	(4,144,272)	(2,150,025)
Net Loss attributable to non-controlling interest	18,208	73,511
Net Loss attributable to Terra Tech Corp.	$ (4,126,064)	$ (2,076,514)
Net Loss per Common Share attributable to Terra Tech Corp. common stockholders - Basic and Diluted	$ (0.01)	$ (0.01)
Weighted Average Number of Common Shares Outstanding - Basic and Diluted	326,500,982	204,859,138

The accompanying notes are an integral part of the consolidated condensed financial statements.

TERRA TECH CORP.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

	For the Three Months Ended March 31, 2016	For the Three Months Ended March 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	$ (4,126,064)	$ (2,076,514)
Adjustments to reconcile net loss to net cash used in operating activities:		
(Gain) loss on fair market valuation of derivatives	1,160,700	(408,200)
Loss on extinguishment of debt	920,797	-
Amortization of debt discount	94,406	41,126
Depreciation and amortization	161,349	159,434
Stock issued for services	60,550	104,166
Stock option expense	47,589	-
Equity instruments issued with debt greater than debt carrying amount	-	224,000
Change in accounts receivable reserve	(6,659)	50,832
Changes in operating assets and liabilities:		
Accounts receivable	(55,413)	(326,793)
Prepaid expenses	127,862	34,234
Inventory	(310,991)	118,106
Deposits	3,892	(75,735)
Accounts payable	265,177	950,088
Net cash used in operations	(1,656,805)	(1,205,256)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(770,203)	(43,212)
Purchase of intangible assets - domain names	(50,000)	-
Net cash used in investing activities	(820,203)	(43,212)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of notes payable	-	750,000
Proceeds from issuance of common stock	3,208,134	-
Payments by subsidiaries for non-controlling interest	(18,208)	(73,511)
Net cash provided by financing activities	3,189,926	676,489
NET CHANGE IN CASH AND CASH EQUIVALENTS	712,918	(571,979)
CASH AND CASH EQUIVALENTS, beginning of period	418,082	846,650
CASH AND CASH EQUIVALENTS, end of period	$ 1,131,000	$ 274,671
SUPPLEMENTAL DISCLOSURE FOR OPERATING ACTIVITIES:		
Cash paid for interest	$ 9,000	$ -

The accompanying notes are an integral part of the consolidated condensed financial statements.

TERRA TECH CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

References in this document to the "Company," "Terra Tech," "we," "us," or "our" are intended to mean Terra Tech Corp., individually, or as the context requires, collectively with its subsidiaries on a consolidated basis.

The Company was incorporated in Nevada on July 22, 2008, under the name Private Secretary, Inc. The Company's original business was developing a software program that would allow for automatic call processing through voice-over-Internet protocol, or "VoIP", technology. The Company's operations were limited to capital formation, organization, and development of its business plan and target customer market. The Company generated no revenue. The Company changed its name to Terra Tech Corp. on January 27, 2012.

On February 9, 2012, the Company completed a reverse-triangular merger with GrowOp Technology Ltd., a Nevada corporation ("GrowOp Technology"), whereby it acquired all of the issued and outstanding shares of GrowOp Technology and in exchange the Company issued: (i) 33,998,520 shares of its common stock, (ii) 100 shares of Series A Preferred Stock, convertible into shares of common stock on a one-for-one basis, and (iii) 14,750,000 shares of Series B Preferred Stock, with each share convertible into 5.384325537 shares of common stock. As a result of the merger, GrowOp Technology became the Company's wholly-owned subsidiary. Following the merger, Terra Tech ceased its prior operations and is now solely a holding company. Through GrowOp Technology, the Company engages in the design, marketing, and sale of hydroponic equipment with proprietary technology to create sustainable solutions for the cultivation of indoor agriculture.

The Company is also a wholesale seller of locally grown hydroponic produce, herbs, and florals through its wholly-owned subsidiary, Edible Garden Corp., a Nevada corporation ("Edible Garden"). The Company acquired all of the issued and outstanding shares in Edible Garden pursuant to a Share Exchange Agreement, dated March 23, 2013 (the "Share Exchange Agreement"), entered into by and among the Company, Edible Garden,and the stockholders of Edible Garden. Pursuant to the Share Exchange Agreement, the Company offered and sold 1,250,000 shares of its common stock in consideration for all the issued and outstanding shares in Edible Garden. Separately, Amy Almsteier, one of the Company's stockholders and a director (and, at that time, an executive officer), offered and sold 7,650,000 shares of Series B Preferred Stock to Kenneth Vande Vrede, Michael Vande Vrede, Steven Vande Vrede, Daniel Vande Vrede, Beverly Willekes, and David Vande Vrede (collectively, the "Former EG Principal Stockholders").

On March 19, 2014, the Company formed MediFarm, LLC, a Nevada limited liability company ("MediFarm"), a subsidiary. On July 18, 2014, the Company formed MediFarm I, LLC, a Nevada limited liability company ("MediFarm I"), a subsidiary. On July 30, 2014, the Company formed MediFarm II, LLC, a Nevada limited liability company ("MediFarm II"), a subsidiary. Through MediFarm, MediFarm I, and MediFarm II, the Company is currently operating one medical marijuana dispensary facility in Nevada and plans to operate additional medical marijuana cultivation, production, and dispensary facilities in that state. In April 2016, MediFarm commenced operations at its dispensary in Las Vegas, Nevada under the "Blüm" brand.

TERRA TECH CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

On September 16, 2014, the Company formed IVXX, LLC, a Nevada limited liability company ("IVXX"), and a wholly-owned subsidiary, for the purpose of producing a line of cannabis flowers and cigarettes, as well as a complete line of cannabis pure concentrates including: oils, waxes, shatters, and clears. The Company began producing and selling IVXX's products during the first quarter of fiscal 2015. The Company currently offers these products to 200 select dispensaries in California. The Company uses its supercritical CO_2 extraction lab located in Oakland, California to manufacture these products. IVXX also sells clothing, apparel, and other various branded products.

On October 14, 2015, the Company formed MediFarm I Real Estate, LLC, a Nevada limited liability company ("MediFarm I RE"). MediFarm I RE is a real estate holding company that owns the real property and building at which a medical marijuana dispensary facility will be located. It is the Company's intention that MediFarm I will operate the medical marijuana dispensary. The Company owns 50% of the membership interests in MediFarm I RE. The remaining membership interests are owned by Forever Young Investments, LLC (50%), an otherwise unaffiliated entity.

On March 31, 2016, we acquired Black Oak Gallery, a California corporation ("Black Oak"), that operates a medical marijuana dispensary in Oakland, California under the name Blüm, pursuant to that certain Agreement and Plan of Merger, dated December 23, 2015 (the "Merger Agreement"), with Generic Merger Sub, Inc., a California corporation and our wholly-owned subsidiary (the "Merger Sub"), and Black Oak. The Merger Agreement was amended by a First Amendment to the Agreement and Plan of Merger, dated February 29, 2016. Pursuant to the Merger Agreement, the Merger Sub merged with and into Black Oak, with Black Oak as the surviving corporation, and became our wholly-owned subsidiary (the "Merger"). The Merger is intended to qualify for federal income tax purposes as a tax-free reorganization under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended.

Subject to the terms and conditions of the Merger Agreement, at the closing of the Merger, the outstanding shares of common stock of Black Oak held by (i) three of the current shareholders of Black Oak (the "Group A Shareholders") were converted into the right to receive approximately 8,166 shares of our Series Z Preferred Stock, of which approximately 1,175 shares of Series Z Preferred Stock were issued and paid at closing, and approximately 8,668,700 shares of our Series B Preferred Stock, of which approximately 1,248,300 shares of Series B Preferred Stock were issued and paid at closing and (ii) the remaining shareholders of Black Oak (the "Group B Shareholders") were converted into the right to receive approximately 21,378 shares of our Series Q Preferred Stock, of which approximately 3,695 shares of Series Q Preferred Stock were issued and paid at closing. The shares of Series Z Preferred Stock, Series B Preferred Stock, and Series Q Preferred Stock that were issued but not paid to the Black Oak shareholders at closing are subject to certain holdback and lock-up provisions, and held in an escrow account as security for the satisfaction of any post-closing adjustments or indemnification claims, as provided for in the Merger Agreement. Each share of Series Q Preferred Stock is to be converted into 5,000 shares of our common stock and each share of Series Z Preferred Stock is to be converted into 1,857 shares of our Series B Preferred Stock, in each case immediately upon our filing with the Secretary of State of the State of Nevada an Amendment to our Articles of Incorporation to increase our authorized capital for, among other reasons, satisfaction of the terms of this potential transaction. Accordingly, the approximately 21,378 shares of Series Q Preferred Stock to be issued to the Group B Shareholders is convertible into approximately 106,890,000 shares of common stock and the approximately 8,166 shares of Series Z Preferred Stock to be issued to the Group A Shareholders is convertible into approximately 15,164,262 shares of Series B Preferred Stock. The Series Z Preferred Stock is intended to mirror the rights of the holders of our Series B Preferred Stock. Each share of our Series B Preferred Stock remains convertible into 5.384325537 shares of our common stock. The aggregate fair market value of the securities issued in the Merger was approximately $22.9 million. The Group B Shareholders may also receive cash consideration equal to approximately $2.1 million.

The securities paid to the Group A Shareholders and the Group B Shareholders are subject to certain post-closing adjustments that are based on certain performance indicators as of the first anniversary of the closing date of the Merger. The first indicator is based on the performance of the volume-weighted average price of our common stock on the first anniversary of the closing date of the Merger compared to the price of our common stock on the date of the Merger Agreement. The second indicator is based on our revenues for the twelve-month period following the closing date of the Merger. A portion of the securities that the Group A Shareholders and the Group B Shareholders are entitled to receive at closing of the Merger will be held in an escrow until the first anniversary of the closing date of the Merger and the post-closing adjustments are complete.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Since the Merger was completed on March 31, 2016, Black Oak's financial results are not included in the Company's financial statements for the quarter ended March 31, 2016.

The accompanying unaudited consolidated financial statements include all of the accounts of Terra Tech. These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for financial information and with the instructions to Form 10-K and Regulation S-X. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation have been included.

Use of Estimates

The preparation of the financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and all highly liquid investments with a maturity of three months or less from the date of purchase, including money market mutual funds, short-term time deposits, and government agency and corporate obligations, are classified as cash and cash equivalents.

Accounts Receivable

The Company reviews all outstanding accounts receivable for collectability on a quarterly basis. An allowance for doubtful accounts is recorded for any amounts deemed uncollectable. The Company does not accrue interest receivable on past due accounts receivable. There was an allowance of $161,960 at March 31, 2016 and $184,642 at December 31, 2015.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets: 3-32 years for machinery and equipment, leasehold improvements, and buildings are amortized over the estimated useful life. Repairs and maintenance expenditures that do not extend the useful lives of related assets are expensed as incurred. The Company tests property and equipment for impairment annually for recoverability or whenever events or changes in circumstances indicate that the carry amount may not be recoverable. The Company has concluded for the years ended December 31, 2014, and 2015, and for the quarterly periods ended March 31, 2015, and 2016, that the sum of the undiscounted cash flows exceeds the carry amount of the assets.

Intangibles

Intangible assets with definite lives are amortized on a straight-line basis up to five years, but are tested for impairment quarterly and when an event occurs or circumstances change such that it is more likely than not that an impairment may exist. The Company tests intangibles for impairment by first comparing the carrying value of net assets to the fair value of the related operations. If the fair value is determined to be less than the carrying value, a second step is performed to compute the amount of the impairment. In this process, a fair value for intangibles is estimated, based in part on the fair value of the operations, and is compared to its carrying value. The shortfall of the fair value below the carrying value represents the amount of intangible impairment. The Company tests these intangibles for impairment by comparing their carrying value to current projections of discounted cash flows attributable to trademarks, patent, customer lists, and vendor numbers. Any excess carrying value over the amount of discounted cash flows represents the amount of the impairment. We do not amortize intangible assets with indefinite lives, but perform reviews of intangible assets with indefinite lives for impairment annually or more frequently if impairment indicators arise. Based on the test results, no impairment has occurred.

Deposits

Deposits are for contractors, stores, and land in California and Nevada.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Revenue Recognition

Revenue is recognized net of discounts, rebates, promotional adjustments, price adjustments, and estimated returns and upon transfer of title and risk to the customer, which occurs at shipping (F.O.B. terms). Upon shipment, the Company has no further performance obligations and collection is reasonably assured as the majority of sales are paid for prior to shipping. Edible Garden records the revenue for the products it grows in its own greenhouses, as well as negotiating and recording the full revenue for products sold from other growers into the retail chains. Edible Garden bears the credit risk for the amounts billed to the retailers.

Cost of Goods Sold

Cost of goods sold are for the plants grown and purchased and sold into the retail marketplace by Edible Garden. It also includes the cost incurred in producing the oils, waxes, shatters, and clears sold by IVXX.

Research and Development

Research and development costs are expensed as incurred.

Income Taxes

The Company provides for income taxes based on enacted tax law and statutory tax rates at which items of income and expenses are expected to be settled in our income tax return. Certain items of revenue and expense are reported for Federal income tax purposes in different periods than for financial reporting purposes, thereby resulting in deferred income taxes. Deferred taxes are also recognized for operating losses that are available to offset future taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. The Company has incurred net operating losses for financial-reporting and tax-reporting purposes. Accordingly, for Federal and state income tax purposes, the benefit for income taxes has been offset entirely by a valuation allowance against the related Federal and state deferred tax asset for the quarter ended March 31, 2016.

Loss Per Common Share

Net loss per share is computed in accordance with the provisions of ASC 260, "Earnings Per Share" by dividing net loss by the weighted average number of shares of common stock outstanding during the period. During a loss period, the effect of the potential exercise of stock options, warrants, convertible preferred stock, and convertible debt are not considered in the diluted income (loss) per share calculation since the effect would be anti-dilutive. The results of operations were a net loss for the quarter ended March 31, 2016; therefore, the basic and diluted weighted average shares of common stock outstanding were the same.

Fair Value of Financial Instruments

The Company applies fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, which are required to be recorded at fair value, the Company considers the principal or most advantageous market in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as risks inherent in valuation techniques, transfer restrictions and credit risk. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The Company's valuation techniques used to measure the fair value of money market funds and certain marketable equity securities were derived from quoted prices in active markets for identical assets or liabilities. The valuation techniques used to measure the fair value of all other financial instruments, all of which have counterparties with high credit ratings, were valued based on quoted market prices or model driven valuations using significant inputs derived from or corroborated by observable market data.

In accordance with the fair value accounting requirements, companies may choose to measure eligible financial instruments and certain other items at fair value. The Company has not elected the fair value option for any eligible financial instruments.

Recently Issued Accounting Standards

Leases – In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, Leases (Topic 842) ("ASU 2016-02"). ASU 2016-02 requires entities to recognize right-of-use assets and lease liabilities on the balance sheet for the rights and obligations created by all leases, including operating leases, with terms of more than 12 months. The new standard also requires additional disclosures on the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative information. The new standard will be effective for the Company on January 1, 2019. Early adoption is permitted. The Company is in the process of evaluating the impact the adoption of this standard will have on its consolidated financial statements and related disclosures.

Balance Sheet Classification of Deferred Taxes – In November 2015, the FASB issued ASU No. 2015-17, Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes ("ASU 2015-17"). ASU 2015-17 requires entities to present deferred tax assets and deferred tax liabilities as noncurrent in a classified balance sheet. The new standard is effective for public entities for annual periods beginning after December 15, 2016, with early adoption allowed on either a prospective or retrospective basis. The Company adopted ASU 2015-17, on a prospective basis, for its annual period ending December 31, 2015. Accordingly, the accompanying consolidated balance sheet at March 31, 2016 reflects the presentation of deferred tax assets and deferred tax liabilities in accordance with ASU 2015-17.

Inventory Measurement – In July 2015, the FASB issued ASU No. 2015-11, Inventory (Topic 330): Simplifying the Measurement of Inventory ("ASU 2015-11"), which requires entities to measure inventory at the lower of cost and net realizable value ("NRV"). A SU 2015-11 defines NRV as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The ASU will not apply to inventories that are measured by using either the last-in, first-out method or the retail inventory method. The guidance in ASU 2015-11 is effective prospectively for fiscal years beginning after December 15, 2016, and interim periods therein. Early adoption is permitted. Upon transition, entities must disclose the nature of and reason for the accounting change. The Company does not expect that the adoption of this standard will have a material effect on its consolidated financial statements.

Going Concern Disclosures – In August 2014, the FASB issued ASU No. 2014-15: Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern ("ASU 2014-15"). ASU 2014-15 requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date the financial statements are issued and provides guidance on determining when and how to disclose going concern uncertainties in the financial statements. Certain disclosures will be required if conditions give rise to substantial doubt about an entity's ability to continue as a going concern. ASU 2014-15 is effective for annual and interim reporting periods ending after December 15, 2016, with early adoption permitted. The Company does not expect that the adoption of this standard will have a material effect on its consolidated financial statements.

2. GOING CONCERN

The Company's future success is dependent upon its ability to achieve profitable operations and generate cash from operating activities, and upon additional financing. Management believes they can raise the appropriate funds needed to support their business plan and develop an operating company which is cash-flow positive.

However, the Company incurred net losses for the quarter ended March 31, 2016, and has an accumulated deficit of approximately $50.1 million at March 31, 2016. The Company has not been able to generate sufficient cash from operating activities to fund its ongoing operations. There is no guarantee that the Company will be able to generate enough revenue and/or raise capital to support its operations. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The condensed financial statements do not include any adjustments relating to the recoverability or classification of recorded assets and liabilities that might result should the Company be unable to continue as a going concern.

3. CONCENTRATIONS OF BUSINESS AND CREDIT RISK

The Company maintains cash balances in several financial institutions that are insured by the Federal Deposit Insurance Corporation up to certain federal limitations.

The Company provides credit in the normal course of business to customers located throughout the U.S. The Company performs ongoing credit evaluations of its customers and maintains allowances for doubtful accounts based on factors surrounding the credit risk of specific customers, historical trends, and other information.

4. SHARE EXCHANGE

On March 23, 2013, the Company entered into the Share Exchange Agreement pursuant to which Edible Garden's stockholders exchanged common stock of Edible Garden for the Company's common stock. Pursuant to the Share Exchange Agreement, the Company offered and sold 1,250,000 shares of its common stock, valued at $212,500, in consideration for all the issued and outstanding shares in Edible Garden. The Company also acquired Edible Garden's customer list.

The transaction was accounted for as a business acquisition. In accordance with generally accepted accounting principles, intangible assets are recorded at fair value as of the date of the transaction. The Company preliminarily allocated the $212,500 consideration paid for the acquired assets as follows:

Cash	100
Intangible assets, customer list	212,400
Fair value acquired	$ 212,500

Intangible assets with estimated useful lives are amortized over a five-year period. Amortization expense was approximately $10,620 for the quarter ended March 31, 2016.

5. ACQUISITION

In March 2016, the Company acquired certain assets from Therapeutics Medical. The fair value of total consideration transferred in connect with the close was $1,250,000. Of the total purchase price, $58,622 was attributed to finished goods inventory, $191,378 was attributed to the existing brands and $1,000,000 was attributed to the trademarks, patent, customer list and vendor numbers. The Company has determined that the trademarks, patent, customer list and vendor numbers have a useful life of 5 years.

6. INVENTORY

Inventory consists of raw materials for Edible Garden's herb, produce, and floral product lines and IVXX's line of cannabis pure concentrates. Work-In-Progress consists of live plants grown for Edible Garden's herb, produce, and floral product lines along with IVXX's line of cannabis pure concentrates. Finished goods consists of IVXX's line of cannabis packaged to be sold into dispensaries. Cost of goods sold is calculated using the average costing method. The Company reviews its inventory periodically to determine net realizable value. The Company writes down inventory, if required, based on forecasted demand. These factors are impacted by market and economic conditions, new products introductions, and require estimates that may include uncertain elements. Inventory at March 31, 2016 and December 31, 2015 consisted of the following:

	March 31, 2016	December 31, 2015
Raw Materials	$ 615,010	$ 277,340
Work-In-Progress	257,946	542,530
Finished Goods	446,105	129,578
	$ 1,319,061	$ 949,448

7. PROPERTY, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS

Property, equipment, and leasehold improvements at cost, less accumulated depreciation, at March 31, 2016 and December 31, 2015 consisted of the following:

	March 31, 2016	December 31, 2015
Land	$ 1,454,124	$ 1,454,124
Furniture	131,547	70,786
Equipment	2,358,202	2,322,444
Leasehold improvements	4,567,014	3,893,330
Subtotal	8,510,887	7,740,684
Less accumulated depreciation	(1,196,438)	(1,045,709)
Total	$ 7,314,449	$ 6,694,975

Depreciation expense related to property and equipment for the quarter ended March 31, 2016 was $150,729 and for the year ended December 31, 2015 was $602,814.

8. ACCOUNTS PAYABLE AND ACCRUED EXPENSE

Accounts payable and accrued expenses consisted of the following:

	March 31, 2016	December 31, 2015
Accounts payable	$ 1,359,175	$ 1,105,994
Accrued interest	35,212	103,465
	$ 1,394,387	$ 1,119,459

9. NOTES PAYABLE

Notes payable are as follows:

	March 31, 2016	December 31, 2015
Promissory note dated July 25, 2014 issued to an accredited investor, which matured July 24, 2015 and bore interest at a rate of 12% per annum. The holder of the note extended the maturity to July 25, 2016. Principal and interest may be converted into common stock based on the average trading price of the ten days prior to maturity at the holder's option.	$ 150,000	$ 150,000
Unsecured promissory demand notes issued to an accredited investor, which bears interest at a rate of 4% per annum. Holder may elect to convert into common stock at $0.75 per share. In 2015, the investor exchanged the notes from other accredited investors.	114,306	114,306
5% Original issue discount senior secured convertible promissory note dated May 5, 2014 issued to accredited investors, which matured November 5, 2015, and bore interest at a rate of 12% per annum. The fixed conversion price in effect was set at 90% of the 20-day volume weighted average price ("VWAP") of our common stock on February 5, 2014, or $0.30753 per share. In 2015, the holder of the note converted some of the debt and accrued interest into common stock. The remaining balance of the note and accrued interest was converted into common stock in March 2016.	-	96,491
Convertible promissory note dated April 7, 2015 issued to accredited investors, which matures October 7, 2016 and bears interest at a rate of 12% per annum. The conversion price in effect is $0.1303, subject to adjustment. The remaining balance of the note and accrued interest was converted into common stock in January 2016.	-	170,856
Convertible promissory note dated May 13, 2015 issued to accredited investors, which matures November 13, 2016 and bears interest at a rate of 12% per annum. The conversion price in effect is $0.1211, subject to adjustment. The remaining balance of the note and accrued interest was converted into common stock in January 2016.	-	170,783
Convertible promissory note dated December 14, 2015, issued to accredited investors, which matures December 13, 2016 and bears interest at a rate of 12% per annum. The conversion price in effect is $0.1211, subject to adjustment.	289,472	214,927

9. NOTES PAYABLE, Continued

	March 31, 2016	December 31, 2015
Convertible promissory note dated March 10, 2016, issued to accredited investors, which matures September 10, 2017 and bears interest at a rate of 1% per annum. The conversion price in effect is 90% of the average of the lowest three (3) VWAPs for the five (5) consecutive trading days prior to the conversion date.	1,250,000	-
Total Debt	1,803,778	917,363
Less short-term portion	553,778	917,363
Long-term portion	$ 1,250,000	$ -

Total debt as of March 31, 2016 and December 31, 2015, was $1,803,778 and $917,363, respectively, which included unamortized debt discount of $210,529 and $693,435, respectively. The senior secured promissory notes are secured by shares of common stock. There was accrued interest of $35,212 as of March 31, 2016.

On February 27, 2015, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with certain purchasers (the "Purchasers") relating to the issuance and sale (the "Offering") of (i) 12% Convertible Promissory Notes (the "Notes") in the aggregate principal amount of Three Million Dollars ($3,000,000), that are convertible into shares (the "Conversion Shares") of the Company's common stock, par value $0.001 per share, and (ii) warrants (the "Warrants") to acquire shares (the "Warrant Shares") of the Company's common stock pursuant to the terms of the Purchase Agreement. The purchase of the Notes occurred in three (3) tranches (each, a "Tranche", and, collectively, the "Tranches"), with the first Tranche of $750,000 closing simultaneously with the execution of the Purchase Agreement. The second tranche of $450,000 closed on April 6, 2015. The third and final tranche of $450,000 closed on May 12, 2015. The Company did not close on the remaining three (3) tranches.

The Purchase Agreement contains customary representations, warranties, and covenants by, among, and for the benefit of the parties. The Purchasers were granted customary participation rights in future financings. The Purchase Agreement also limits the Company's ability to engage in subsequent equity sales for a certain period of time.

The proceeds from the Offering are intended to be used for general corporate proceeds and cannot be used: (i) for the satisfaction of any portion of the Company's debt (other than payment of trade payables in the ordinary course of the Company's business and prior practices), (ii) for the redemption of the Company's common stock or common stock equivalents, (iii) for the settlement of any outstanding litigation, or (iv) in violation of the Foreign Corrupt Practices Act or the Office of Foreign Assets Control.

The Offering is exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), pursuant to Section 4(a)(2) of the Securities Act (in that the Notes, the Conversion Shares, the Warrants, and the Warrant Shares were sold by us in a transaction not involving any public offering) and pursuant to Rule 506 of Regulation D promulgated thereunder. The Notes, the Conversion Shares, the Warrants, and the Warrant Shares are restricted securities that have not been registered under the Securities Act, and will not be registered under the Securities Act, and may not be offered or sold absent registration or applicable exemption from the registration requirements.

10. FAIR VALUE MEASUREMENTS

The following table represents the fair value hierarchy for those financial assets measured at fair value on a recurring basis:

	Fair Value at March 31, 2016	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Derivative liability - Conversion Feature	$ 1,334,000	-	-	$ 1,334,000
	$ 1,334,000	-	-	$ 1,334,000

	Fair Value at December 31, 2015	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Derivative liability - Conversion Feature	$ 743,400	-	-	$ 743,400
	$ 743,400	-	-	$ 743,400

Liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

Balance at December 31, 2015	$ 743,400
Change in fair market value of Conversion Feature	1,160,700
Issuance of equity instruments with debt greater than debt carrying amount	-
Derivative debt converted into equity	(570,100)
Issuance of equity instruments with derivatives	-
Balance at March 31, 2016	$ 1,334,000

11. TAX EXPENSE

The expense (benefit) for income taxes consists of the following:

	March 31, 2016	December 31, 2015
Current:		
Federal	$ -	$ -
State	-	-
	-	-
Deferred:		
Federal	-	44,000
State	-	-
Total	$ -	$ 44,000

The components of deferred tax assets and liabilities are as follows:

	March 31, 2016	December 31, 2015
Deferred income tax assets:		
Allowance for bad debt	$ 71,000	$ 74,000
Warrants expense	3,904,000	3,412,000
Derivatives expense	1,239,000	729,000
Net operating losses	7,736,000	7,029,000
	12,950,000	11,244,000
Deferred income tax liabilities:		
Depreciation	(44,000)	(44,000)
Total	12,906,000	11,200,000
Valuation allowance	(12,950,000)	(11,244,000)
Net deferred tax assets	$ (44,000)	$ (44,000)

Permanent differences include ordinary and necessary business expenses deemed by the Company as a non-allowable deduction under Internal Revenue Code Section 280E, and tax deductions related to equity compensation that are less than the compensation recognized for financial reporting.

As of March 31, 2016 and December 31, 2015, the Company had net operating loss carryforwards of approximately $18,000,000 and $18,000,000, respectively, which, if unused, will expire beginning in years 2034. These tax attributes are subject to an annual limitation from equity shifts, which constitute a change of ownership as defined under Internal Revenue Code Section 382, which will limit their utilization. The Company has yet to assess the effect of these limitations, but expects these losses to be substantially limited. Accordingly, the Company has placed a reserve against any assets associated with these losses.

11. TAX EXPENSE, Continued

Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. A significant piece of objective negative evidence evaluated was the cumulative losses incurred through the period ended March 31, 2016. Such objective evidence limits the ability to consider other subjective evidence, such as our projections for future growth. On the basis of this evaluation, as of March 31, 2016, a valuation allowance of has been recorded against all deferred tax assets as these assets are more likely than not to be unrealized. The amount of the deferred tax asset considered realizable, however, could be adjusted if estimates of future taxable income during the carryforward period are reduced or increased or if objective negative evidence in the form of cumulative losses is no longer present and additional weight may be given to subjective evidence such as our projections for growth.

For the quarter ended March 31, 2016, IVXX produced and sold cannabis pure concentrates, subjecting the Company to the limits of Internal Revenue Code Section 280E. Pursuant to IRC Section 280E, the Company is allowed only to deduct expenses directly related to sales of product. For the quarter ended March 31, 2016, these direct expenses exceeded gross sales subject to IRC Section 280E and accordingly the Company had no tax liability. The Company recorded a deferred tax liability related to the tax depreciation in excess of that reported for financial reporting purposes incurred in prior periods.

12. CAPITAL STOCK

Preferred Stock

The Company authorized 25 million shares of preferred stock with $0.001 par value. The Company designated 100 shares of preferred stock as "Series A Preferred Stock," of which there were 100 shares of Series A Preferred Stock outstanding as of March 31, 2016. Series A Preferred Stock is convertible on a one-for-one basis into common stock and has all of the voting rights of the Company's common stock.

The Company designated 24,968,800 shares of preferred stock as "Series B Preferred Stock," of which there were 16,150,000 shares of Series B Preferred Stock outstanding as of March 31, 2016. Each share of Series B Preferred Stock: (i) has voting rights equal to 100 shares of common stock and (ii) is convertible, at the option of the holder, on a 1-for-5.384325537 basis, into shares of the Company's common stock.

The Company designated 21,600 shares of preferred stock as "Series Q Preferred Stock," of which there were no shares of Series Q Preferred Stock outstanding as of March 31, 2016. Each share of Series Q Preferred Stock is convertible into 5,000 shares of the Company's common stock and has all the voting rights of the Company's common stock.

The Company designated 8,300 shares of preferred stock as "Series Z Preferred Stock," of which there were no shares of Series Z Preferred Stock outstanding as of March 31, 2016. The Series Z Preferred Stock is intended to mirror the rights of the holders of the Series B Preferred Stock. Each share of Series Z Preferred Stock is convertible into 1,857 shares of Series B Preferred Stock.

Please refer to Note 17, *Subsequent Events*, to these Consolidated Financial Statements for additional disclosure regarding changes to the Company's capital stock subsequent to March 31, 2016.

Common Stock

The Company authorized 350 million shares of common stock, $0.001 par value per share. As of March 31, 2016, 349,739,408 shares of common stock were issued and outstanding.

13. WARRANTS

The Company has the following shares of common stock reserved for exercise of the warrants outstanding as of March 31, 2016:

	March 31, 2016	
	Shares	Weighted Average Exercise Price
Warrants outstanding – beginning of year	32,426,008	$ 0.18
Warrants exercised	(9,206,330)	0.13
Warrants granted	6,842,104	0.13
Warrants expired	(150,000)	(0.46)
Warrants outstanding – end of period	29,911,782	$ 0.15

The following table summarizes information about fixed-price warrants outstanding:

Range of Exercise Prices	Number Outstanding at March 31, 2016	Average Remaining Contractual Life	Weighted Average Exercise Price
$0.85	40,000	1 Months	$ 0.85
$0.40	333,333	5 Months	$ 0.40
$0.33	439,637	10 Months	$ 0.33
$0.16	750,000	12 Months	$ 0.16
$0.14	1,578,947	27 Months	$ 0.14
$0.21	14,946,119	27 Months	$ 0.21
$0.30	1,846,300	28 Months	$ 0.14
$0.06	7,067,002	31 Months	$ 0.06
$0.16	1,118,068	35 Months	$ 0.16
$0.13	863,392	37 Months	$ 0.13
$0.12	928,984	38 Months	$ 0.12
	29,911,782		

14. OPERATING LEASE COMMITMENTS

The Company leases certain business facilities under operating lease agreements that specify minimum rentals. Many of these have renewal provisions along with the option to acquire the property. The Company's net rent expense for the quarter ended March 31, 2016 and 2015 was $133,867 and $136,650, respectively. Future minimum lease payments under non-cancelable operating leases having an initial or remaining term of more than one year are as follows:

Year Ending December 31:	Scheduled Payments
2016	$ 541,656
2017	487,518
2018	478,587
2019	342,336
2020	256,173
2021 and thereafter	2,021,484
Total minimum rental payments	$ 4,127,754

15. LITIGATION AND CLAIMS

The Company is the subject of lawsuits and claims arising in the ordinary course of business from time to time. The Company reviews any such legal proceedings and claims on an ongoing basis and follow appropriate accounting guidance when making accrual and disclosure decisions. The Company establishes accruals for those contingencies where the incurrence of a loss is probable and can be reasonably estimated, and it discloses the amount accrued and the amount of a reasonably possible loss in excess of the amount accrued, if such disclosure is necessary for the Company's financial statements to not be misleading. To estimate whether a loss contingency should be accrued by a charge to income, the Company evaluates, among other factors, the degree of probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of the loss. The Company does not record liabilities when the likelihood that the liability has been incurred is probable, but the amount cannot be reasonably estimated. Based upon present information, the Company determined that there were no matters that required an accrual as of March 31, 2016, nor were there any asserted or unasserted claims for which material losses are reasonably possible.

16. SEGMENT INFORMATION

The Company's operating and reportable segments are currently organized around the following products that it offers as part of its core business strategy:

- Hydroponic Products
- Cannabis Products

These two reportable segments, which are described in greater detail below, had previously been reported on a combined basis as they had been operated and evaluated as one operating segment. The Company experienced significant growth over the last year in most of our product areas. As the Company has grown organically, and as the Company previously added to its capabilities through acquisitions, its products have increased in scale and become more strategically important and distinctly organized and managed under these two groupings. In addition, Derek Peterson, the Company's chief operating decision maker ("CODM") has begun reviewing results and managing and allocating resources between these two strategic business groupings, and has begun budgeting using these business segments. The Company's segment information for the quarter ended March 31, 2016 has been reclassified to conform to its current presentation.

16. SEGMENT INFORMATION, Continued

The Company's CODM reviews revenues including intersegment revenues, gross profit and operating income (loss) before income taxes when evaluating segment performance and allocating resources to each segment. Accordingly, intersegment revenue is included in the segment revenues presented in the tables below and is eliminated from revenues and cost of sales in the "Eliminations and Other" column. The "Eliminations and Other" column also includes various income and expense items that the Company does not allocate to its operating segments. These income and expense amounts include the results of the Company's hydroponic equipment, which are not material, interest income, interest expense, corporate overhead, and corporate-wide expense items such as legal and professional fees as well as expense items for which we have not identified a reasonable basis for allocation. The accounting policies of the reportable segments are the same as those described in Note 1 of the Notes to the Consolidated Financial Statements.

Hydroponic Products – The Company's locally grown hydroponic products, which include produce, herbs, and floral products, are started from seed and are grown in environmentally controlled greenhouses. When harvested, the products are sold through retailers targeted to customers seeking produce, herbs, or floral products locally grown using environmentally sustainable methods.

Cannabis Products – IVXX's cannabis products are currently produced in the Company's supercritical Co_2 lab in California and are sold in select dispensaries throughout California. The Company currently operates or plans to operate medical marijuana cultivation, production, and dispensary facilities in Nevada through its subsidiaries, MediFarm, MediFarm I, and MediFarm II. The Company was granted eight provisional permits in Nevada and have received approval from the local authorities with respect to all of the permits.

Summarized financial information concerning the Company's reportable segments is shown in the following tables. Total asset amounts at March 31, 2016 and 2015 exclude intercompany receivable balances eliminated in consolidation.

	3 Months Ended March 31, 2016			
	Hydroponic Produce	**Cannabis Products**	**Eliminations and Other**	**Total**
Total Revenues	$ 1,401,443	$ 130,203	$ 16,521	$ 1,548,167
Cost of Goods Sold	1,200,932	213,261	-	1,414,193
	200,511	(83,058)	16,521	133,974
Selling, general and administrative expenses	518,652	202,136	1,325,560	2,046,348
Loss from operations	(318,141)	(285,194)	(1,309,039)	(1,912,374)
Other Income (Expenses)				
Amortization of debt discount	-	-	(94,406)	(94,406)
Loss on extinguishment of debt	-	-	(920,797)	(920,797)
Gain (Loss) on fair market valuation of derivatives	-	-	(1,160,700)	(1,160,700)
Interest Income (Expense)	-	-	(55,995)	(55,995)
Total Other Income (Expense)	-	-	(2,231,898)	(2,231,898)
Loss before Provision of Income Taxes	$ (318,141)	$ (285,194)	$ (3,540,937)	$ (4,144,272)
Total assets at March 31, 2016	$ 6,667,866	$ 2,734,868	$ 2,750,386	$ 12,153,120

16. SEGMENT INFORMATION, Continued

	3 Months Ended March 31, 2015			
	Hydroponic Produce	Cannabis Products	Eliminations and Other	Total
Total Revenues	$ 458,773	$ 304,025	$ 555	$ 763,353
Cost of Goods Sold	288,093	257,319	-	545,412
	170,680	46,706	555	217,941
Selling, general and administrative expenses	472,065	215,515	1,634,931	2,322,511
Loss from operations	(301,385)	(168,809)	(1,634,376)	(2,104,570)
Other Income (Expenses)				
Amortization of debt discount	-	-	(41,126)	(41,126)
Loss from derivatives issued with debt greaterthan debt carrying value	-	-	(224,000)	(224,000)
Gain (Loss) on fair market valuation of derivatives	-	-	408,200	408,200
Interest Income (Expense)	-	-	(188,529)	(188,529)
Total Other Income (Expense)	-	-	(45,455)	(45,455)
Loss before Provision of Income Taxes	$ (301,385)	$ (168,809)	$ (1,679,831)	$ (2,150,025)
Total assets at March 31, 2015	$ 6,009,693	$ 794,180	$ 426,508	$ 7,230,381

17. RELATED PARTY TRANSACTIONS

During the quarter ended March 31, 2016, our subsidiary, IVXX, purchased raw materials totaling $16,076 from Black Oak, an entity in which the Company's Chief Executive Officer then-held an ownership interest. On March 31, 2016, we completed the Merger, whereby Merger Sub merged with and into Black Oak, with Black Oak as the surviving corporation, and becoming a wholly-owned subsidiary of the Company. The terms of the purchases of the raw materials were at arms-length. There was no accounts receivable balance from this entity as of March 31, 2016.

18. SUBSEQUENT EVENTS

Issuances of Debt:

On March 31, 2016, the Company issued a demand promissory note in favor of Dominion Capital LLC ("Dominion") in the amount of $750,000. The principal and interest under the demand note is due and payable on demand, but in no case later than June 30, 2016. Payment may be made in either cash or shares of the Company's common stock, at Dominion's option. Dominion may also, at its option, convert the demand note into a subsequent securities offering that is undertaken by the Company. Interest accrues at the simple rate of one percent (1%). The Company received the $750,000 on April 1, 2016.

18. SUBSEQUENT EVENTS, Continued

On April 29, 2016, the Company issued a demand promissory note in favor of Dominion in the amount of $500,000. The demand note matures on the earlier of July 31, 2016, or on demand. Payment may be made in either cash or shares of the Company's common stock, at Dominion's option. Dominion may also, at its option, convert the demand note into a subsequent securities offering that is undertaken by the Company. Interest accrues at the simple rate of one percent (1%). The Company received the $500,000 on May 3, 2016.

Issuances and Sales of Common Stock:

In the second quarter of 2016, the Company issued 172,414 shares of common stock for the net amount of $100,000 pursuant to an agreement for the sale and assignment of various trademarks. The $100,000 liability was recorded on the books as March 31, 2015.

Designation of New Series of Preferred Stock:

Effective May 3, 2016, the Company designated two additional series of preferred stock: (i) Series G Preferred Stock and (ii) Series N Preferred Stock, by filing Certificate of Designations with the Secretary of State of the State of Nevada. The Certificate of Designation of Series G Preferred Stock (the "Series G Certificate") designates one share as Series G Preferred Stock. Each share of Series G Preferred Stock is convertible into 14,545,355 shares of the Company's common stock immediately upon the Company filing with the Secretary of State of the State of Nevada an Amendment to its Articles of Incorporation to increase its authorized capital. The holder of the Series G Preferred Stock is entitled to a liquidation preference equal to $15,545.46 per share (subject to appropriate adjustment in the event of any stock dividend, forward stock split, or other similar recapitalization). Such liquidation preference is in preference (but equal to the holders of the Series Q Preferred Stock and the holder of the Series N Preferred Stock) to the holders of the Company's common stock, but subordinate in preference to any sum to which the holders of any shares of any other series of the Company's preferred stock are entitled.

The Certificate of Designation of Series N Preferred Stock (the "Series N Certificate") designates one share as Series N Preferred Stock. Each share of Series G Preferred Stock is convertible into 2,500,000 shares of the Company's common stock immediately upon the Company filing with the Secretary of State of the State of Nevada an Amendment to its Articles of Incorporation to increase its authorized capital. The holder of the Series N Preferred Stock are entitled to a liquidation preference equal to $2,500 per share (subject to appropriate adjustment in the event of any stock dividend, forward stock split, or other similar recapitalization). Such liquidation preference is in preference (but equal to the holder of the Series G Preferred Stock and the holders of the Series Q Preferred Stock) to the holders of the Company's common stock, but subordinate in preference to any sum to which the holders of any shares of any other series of the Company's preferred stock are entitled.

ITEM 6. EXHIBITS

(a)

31.1	Certification of Derek Peterson, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *
31.2	Certification of Michael C. James, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *
32.1	Certification of Derek Peterson, Chief Executive Officer, pursuant to Sections 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350. *
32.2	Certification of Michael C. James, Chief Financial Officer, pursuant to Sections 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350. *
101.INS	XBRL Instance Document *
101.SCH	XBRL Taxonomy Extension Schema Document *
101.CAL	XBRL Taxonomy Extension Calculations Linkbase Document *
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document *
101.LAB	XBRL Taxonomy Extension Label Linkbase Document *
101.PRE	XBRL Taxonomy Presentation Linkbase Document *

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* filed herewith

SIGNATURES

Pursuant to the requirements 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.

TERRA TECH CORP.

Date: July 1, 2016

By: */s/ Michael C. James*
Michael C. James
Chief Financial Officer
Chief Accounting Officer

EXHIBIT 31.1

Certifications pursuant to Securities and Exchange Act of 1934
Rule 13a-14 as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002

I, Derek Peterson, certify that:

1. I have reviewed this Amended Quarterly Report on Form 10-Q/A of the Terra Tech Corp. (the "Registrant");

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. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 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. 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.

Date: July 1, 2016

By: */s/ Derek Peterson*
Derek Peterson
President and Chief Executive Officer

EXHIBIT 31.2

Certifications pursuant to Securities and Exchange Act of 1934
Rule 13a-14 as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002

I, Michael C. James, certify that:

1. I have reviewed this Amended Quarterly Report on Form 10-Q/A of Terra Tech Corp. (the "Registrant");

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. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 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. 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.

Date: July 1, 2016

By: */s/ Michael C. James*
Michael C. James
Chief Financial Officer

EXHIBIT 32.1

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 Amended Quarterly Report of Terra Tech Corp. (the "Company") on Form 10-Q/A for the quarter ended March 31, 2016 (the "Form 10-Q/A"), I, Derek Peterson, Chief Executive Officer of the Company, certify, as of the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge, that the Company's Form 10-Q/A fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q/A, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: July 1, 2016

By: */s/ Derek Peterson*
Derek Peterson
President and Chief Executive Officer

EXHIBIT 32.2

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 Amended Quarterly Report of Terra Tech Corp. (the "Company") on Form 10-Q/A for the quarter ended March 31, 2016 (the "Form 10-Q/A"), I, Michael C. James, Chief Financial Officer of the Company, certify, as of the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge, that the Company's Form 10-Q/A fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q/A, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: July 1, 2016

By: */s/ Michael C. James*
Michael C. James
Chief Financial Officer

TERRA TECH CORP.
4700 Von Karman Ave., Suite 110
Newport Beach, California 92660
(855) 447-6967
www.terratechcorp.com

July 1, 2016

VIA EDGAR TRANSMISSION

Mr. Kevin J. Kuhar
Accounting Branch Chief
Office of Electronics and Machinery
United States Securities and Exchange Commission
Division of Corporate Finance – Mail Stop 3030
Washington, DC 20549

Re: **Terra Tech Corp.**
Form 10-K for the Fiscal Year Ended December 31, 2015
Filed March 29, 2016
Form 10-Q for the Quarterly Period Ended March 31, 2016
Filed May 12, 2016
Amendment No. 3 to Form 8-K
Filed June 7, 2016
File No. 000-54258

Dear Mr. Kuhar:

Terra Tech Corp., a Nevada corporation (the "Company," "we," "us," or "our"), is submitting this letter in response to the comment letter from the staff (the "Staff") of the Securities and Exchange Commission (the "Commission") dated June 24, 2016 (the "Comment Letter"), with respect to the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2015, filed with the Commission on March 29, 2016; the Company's Quarterly Report on Form 10-Q for its quarterly period ended March 31, 2016, filed with the Commission on May 12, 2016; and the Company's Amendment No. 3 to its Current Report Form 8-K filed with the Commission on June 7, 2016. Today, we are also filing an amendment to our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016, and a further amendment to our Current Report Form 8-K.

This letter sets forth the comments of the Staff in the Comment Letter and, following each comment, our response.

Form 10-K for the Fiscal Year Ended December 31, 2015

Note 1. Summary of Significant Accounting Policies

Property and Equipment, page F-11

1. We see that you did not disclose your impairment policy for your property, equipment and leasehold assets. Please confirm, if true, that your impairment policy for these assets complies with ASC 360-10-35-17 through 35-35 and revise future filings, including the requested amendment to your Form 10-Q, to disclose your impairment policy for your property, equipment and leasehold assets.

Response:

The Company's policy for the impairment of long-lived asset or group of assets complies with ASC 360-10-35-17 through 35-35. Each long-lived asset or group of assets is tested annually for recoverability or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company concluded for the years ended December 31, 2014, and 2015, and for the quarterly periods ended March 31, 2015, and 2016, that the sum of the undiscounted cash flows exceeds the carrying amount of the long-lived asset or group of assets.

The company will adjust the footnote to reads as follows:

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets: 3-32 years for machinery and equipment, leasehold improvements, and buildings are amortized over the estimated useful life. Repairs and maintenance expenditures that do not extend the useful lives of related assets are expensed as incurred. The Company tests property and equipment for impairment annually for recoverability or whenever events or changes in circumstances indicate that the carry amount may not be recoverable. The Company has concluded for the years ended December 31, 2014, and 2015, and for the quarterly periods ended March 31, 2015, and 2016, that the sum of the undiscounted cash flows exceeds the carry amount of the assets.

Intangibles, page F-11

2. We note the disclosure of your impairment policy for intangible assets with definite lives. Please tell us how your policy complies with the guidance in ASC 350-30-35-14 which requires intangible assets with definite lives be reviewed for impairment in accordance with ASC 360-10-35-17 through 35-35. Revise future filings, including the requested amendment to your Form 10-Q, to clearly indicate how you determine whether the carrying amount of an intangible asset with a definite live is recoverable.

Response:

The Company's policy for intangible assets complies with ASC 350-30-35-14 and ASC 360-10-35-17 through 35-35. The intangible assets with definite lives are tested for impairment quarterly and, when an event occurs or circumstances change, such intangible assets are tested for recoverability. The Company tests intangibles for impairment by first comparing the carrying value of net assets to the fair value of the related operations. If the fair value is determined to be less than the carrying value, a second step is performed to compute the amount of the impairment. In this process, a fair value for intangibles is estimated, based in part on the fair value of the operations, and is compared to the carrying value. The shortfall of the fair value below the carrying value represents the amount of intangible impairment. The Company has concluded for the years ended December 31, 2014, and 2015, and for the quarterly periods ended March 31, 2015, and 2016, that the sum of the undiscounted cash flows exceeds the carry amount of the long-lived asset or group of assets. The Company does not amortize intangible assets with indefinite lives, but performs reviews of intangible assets with indefinite lives for impairment annually or more frequently if impairment indicators arise. The Company has concluded in the past that no impairment has occurred.

The Company will adjust the footnote to reads as follows:

Intangibles

Intangible assets with definite lives are amortized on a straight-line basis up to five years, but are tested for impairment quarterly and when an event occurs or circumstances change such that it is more likely than not that an impairment may exist. The Company tests intangibles for impairment by first comparing the carrying value of net assets to the fair value of the related operations. If the fair value is determined to be less than the carrying value, a second step is performed to compute the amount of the impairment. In this process, a fair value for intangibles is estimated, based in part on the fair value of the operations, and is compared to its carrying value. The shortfall of the fair value below the carrying value represents the amount of intangible impairment. The Company tests these intangibles for impairment by comparing their carrying value to current projections of discounted cash flows attributable to trademarks, patent, customer lists, and vendor numbers. Any excess carrying value over the amount of discounted cash flows represents the amount of the impairment. We do not amortize intangible assets with indefinite lives, but perform reviews of intangible assets with indefinite lives for impairment annually or more frequently if impairment indicators arise. Based on the test results, no impairment has occurred.

Revenue Recognition, page F-11

3. We note the disclosures on page 8 of the filing that Edible Garden receives a sales commission of up to 10% for its sales of products from various suppliers. Please address the following:

- Describe to us the terms of your purchase agreements with suppliers where you receive sales commissions, including how you record revenues under such agreements.

- Tell us whether revenue recognized from these transactions is only for the commissions earned or whether you also record gross revenues for the fair value of the products sold.

- Provide us with your analysis of the guidance at ASC 605 or other authoritative U.S. GAAP you considered when determining how to account for and present the transactions in your financial statements.

- Revise future filings, including the requested amendment to your Form 10-Q, to disclose your accounting policy for Edible Garden sales transactions.

Response:

The Company complies with ASC 605. Below is a description of the transaction among the Company, the Grower, and the Retailer.

The "Grower" is responsible for the cultivation and packaging of the products according to the standards established by the Company and all applicable laws, rules, and regulations. The Company assists the Grower by disclosing trade and operational secrets, including but not limited to packaging, handling protocols, cultivation techniques, greenhouse technologies, and nutrients. The Company negotiates the sale of the products under the Company's brand to local grocery store chains and Big Box retailers, as well as to specialty retailers. All orders are processed by the Company, along with transportation and distribution of the products to retail stores. Upon receipt of proof of delivery, the Company then would invoice the retailer for the products. The Company is responsible for the collection of the receivable from the retail stores. The Company pays to the Grower the proceeds from the sales of the products, less the Company's commissions and other fees. Included in the Company's revenue is the gross revenue charged to the Retailer because the Company is at risk of collecting the accounts receivable for the products sold to the retailer.

The Company recognizes the gross revenue due to the guidance provided under ASC 605.

- The Company is the primary obligor in the transaction because it is the Company's brand that is sold into the Retail channel;
- The Company establishes the selling price and negotiates price with the Retailers as the vendor of record;
- The Company takes title to the product upon delivering the packaged product to the Retailers;
- The Company determines the process of the product specifications, cultivation, and packaging, while disclosing trade and operational secrets, greenhouse technologies, and nutrients to the Grower;
- The Company bears physical loss of inventory risk from the greenhouse until the product is accepted by the Retailer; and
- The Company bears credit risk for the amounts billed to the Retailer and, thus, must pay the Grower in the event the selling price is not collected

The Company will adjust the footnote to read as follows:

Revenue Recognition

Revenue is recognized net of discounts, rebates, promotional adjustments, price adjustments, and estimated returns and upon transfer of title and risk to the customer, which occurs at shipping (F.O.B. terms). Upon shipment, the Company has no further performance obligations and collection is reasonably assured as the majority of sales are paid for prior to shipping. Edible Garden records the revenue for the products it grows in its own greenhouses, as well as negotiating and recording the full revenue for products sold from other growers into the retail chains. Edible Garden bears the credit risk for the amounts billed to the retailers.

Form 10-Q for the Quarterly Period ended March 31, 2016

Note 1. Summary of Significant Accounting Policies

Organization, page 6

4. In connection with your acquisition of Black Oak Gallery, or Black Oak, please address the following:

- Provide us with your analysis of how you determined whether Terra Tech or Black Oak was the accounting acquirer. Refer to ASC 805-10-55-10 through 55-15.
- Tell us how the aggregate fair market value of $22.9 million for the securities issued was determined. Refer to ASC 805-30-50-1(b)(4).
- Tell us the conditions under which the Group B Shareholders could receive cash consideration of $2.1 million. Explain to us how you determined the acquisition date fair value of this contingent consideration liability as well as any contingent consideration liability for preferred shares held in escrow. Refer to ASC 805-30-50-1(b)(3) and ASC 805-30-50-1(c).

Response:

In respect of the Staff's first bullet:

In connection with the Merger and in exchange for all of Black Oak's issued and outstanding shares of common stock, we (i) issued a maximum, aggregate value of approximately $22.9 million of our capital stock and (ii) may also tender cash consideration equal to approximately $2,088,000, for a total maximum value of $25,000,000. Notwithstanding the Merger, the composition of our Board of Directors and our executive management did not change. Additionally, control of the Company, measured either by equity ownership or by voting interest, did not change. Although the revenues of Black Oak exceeded those of the Company, the Company's assets exceeded those of Black Oak. The sum of the above brief analysis supports the determination that the Company is the accounting acquirer. Further, our more detailed analysis of the factors set forth under ASC 805-10-55-11 through 55-15 also led us to the same conclusion: the Company is the acquirer for accounting purposes; thus, ASC 805-40 related to reverse mergers did not apply. The Company's analysis is as follows.

Regarding ASC 805-10-55-11, the following is our consideration of this guidance:

In a business combination effected primarily by transferring cash or other assets or by incurring liabilities, the acquirer usually is the entity that transfers the cash or other assets or incurs the liabilities.

- The Company issued 8,166 shares of its Series Z Preferred Stock, 8,668,700 of its Series B Preferred Stock, and 21,378 shares of its Series Q Preferred Stock, with, as noted above, a maximum, aggregate value of approximately $22.9 million and a performance-based cash payment of $2,088,000, all in exchange for all of the issued and outstanding shares of Black Oak common stock. Those issuances support the determination that the Company is the accounting acquirer.

Regarding ASC 805-10-55-12(a) through 55-12(e), the following is our consideration of this guidance:

a. *The relative voting rights in the combined entity after the business combination.* The acquirer usually is the entity whose owners, as a group, retain or receive the largest portion of the voting rights in the combined entity. In determining which group of owners retains or receives the largest portion of the voting rights, an entity shall consider the existence of any unusual or special voting arrangements and options, warrants, or convertible securities.

Relative Voting Rights		
Terra Tech Stockholders (1) (2) (3)	3,608,214,502	80.6%
Black Oak Shareholders	869,532,500	19.4%
Total Voting Rights	4,477,747,002	

(1) Includes 7,067,002 warrants priced at $0.06 that were in the money.

(2) Derek Peterson received shares of the Company's common stock pursuant to the Merger, which shares are included as part of the Company's relative voting rights, as, prior and subsequent to the Merger, he serves as the Company's CEO, President, and Chairman of the Board. Mr. Peterson is also a co-founder of Black Oak and owned 12% of the outstanding Black Oak shares immediately prior to the Merger.

(3) Salwa Ibrahim received shares of the Company's common stock pursuant to the Merger, which shares are included as part of the Company's relative voting rights, as, for the two years prior and subsequent to the Merger, she serves as the CEO of IVXX, a wholly-owned subsidiary of the Company and as an employee of the Company. Ms. Ibrahim, along with Derek Peterson, is a co-founder of Black Oak and owned 22% of the outstanding Black Oak shares immediately prior to the Merger.

Following the closing of the Merger, the relative voting rights of the Company were split approximately 80/20 in favor of our legacy stockholders compared to Black Oak's legacy shareholders. That on-going majority voting position supports the determination that the Company is the accounting acquirer. This analysis of relative voting rights includes all equity of the Company on a fully-converted basis, including its Series B Preferred Stock, Series Q Preferred Stock, and Series Z Preferred Stock, convertible debt, and vested in-the-money warrants at the closing of the Merger.

b. *The existence of a large minority voting interest in the combined entity if no other owner or organized group of owners has a significant voting interest.* The acquirer usually is the entity whose single owner or organized group of owners holds the largest minority voting interest in the combined entity.

Eight of the nine issuees (excluding Mr. Peterson and Ms. Ibrahim for the reasons set forth above) of our common stock in the Merger (all eight of whom were otherwise unaffiliated with us and none of whom is a member of a group (as that term is defined in the Securities Exchange Act of 1934, as amended)), received between 0.6% and 2.5% of our common stock (on a fully converted, fully earned-out basis). On that same basis, only one of the nine issuees received 5.9% of our common stock (on a fully converted, fully earned-out basis) in the Merger. Subsequent to the Merger, our legacy stockholders continued to own the majority of the outstanding shares of the combined entity and no minority voting interests were created as a result of the Merger. These facts support the determination that the Company is the accounting acquirer.

c. *The composition of the governing body of the combined entity.* The acquirer usually is the combining entity whose owners have the ability to elect or appoint or to remove a majority of the members of the governing body of the combined entity.

There was no change in the composition of our Board of Directors pursuant to the Merger. The members of our Board of Directors both prior and subsequent to the closing of the Merger were:

- Derek Peterson, who has served as our Chairman of the Board, since 2012 and will continue to do so after the Merger.
- Amy Almsteier, who has served as one of our Directors since 2012 and will continue to do so after the Merger.
- Kenneth P. Krueger, who has served as one of our Directors since 2015 and will continue to do so after the Merger.
- Michael Nahass, who has served as one of our Directors since 2012 and will continue to do so after the Merger.
- Steven J. Ross, who has served as one of our Directors since 2012 and will continue to do so after the Merger.
- Kenneth Vande Vrede, who has served as one of our Directors since 2013 and will continue to do so after the Merger.
- Steven Vande Vrede, who has served as one of our Directors since 2013 and will continue to do so after the Merger.
- Michael Vande Vrede, who has served as one of our Directors since 2013 and will continue to do so after the Merger.

Following the closing of the Merger, the composition of our Board of Directors was unchanged. Further, neither the Merger documentation nor any other binding agreements in respect of the Merger had any provisions that any number of seats on the Company's Board of Directors be reserved for or allocated to the legacy Black Oak directors, any legacy Black Oak shareholders, or any other person. The Company's directors are either elected by a vote of the Company's stockholders or by appointment by our incumbent directors. The Company's directors serve until their successors are elected and qualified, or until their resignation, death, or removal from the Board. At the time of the Merger and as of the date of this letter, none of our directors had evidenced any plan to resign. Following the closing of the Merger, the Company filed its preliminary Proxy Statement, in which the slate of nominees consisted solely of the incumbent directors. These facts support the determination that the Company is the accounting acquirer.

d. *The composition of the senior management of the combined entity.* The acquirer usually is the combining entity whose former management dominates the management of the combined entity.

There was no change in the composition of our executive management pursuant to the Merger. The members of our executive management both prior and subsequent to the closing of the Merger were:

- Derek Peterson, who has served as our President and Chief Executive Officer since 2012 and will continue to do so after the Merger.
- Michael James, who has served as our Chief Financial Officer since 2012 and will continue to do so after the Merger.
- Kenneth Vande Vrede, who has served as Chief Operating Officer since 2013 and will continue to do so after the Merger.
- Michael Nahass, who has served as our Chief Administrative Officer, Secretary, and Treasurer since 2015 and will continue to do so after the Merger.

Following the closing of the Merger, the composition of our executive management was unchanged. Further, neither the Merger documentation nor any other binding agreements in respect of the Merger had any provisions that any executive (or non-executive) management position or title be reserved for or allocated to the legacy Black Oak directors, any legacy Black Oak shareholders, or any other person. These facts support the determination that the

Company is the accounting acquirer.

e. *The terms of the exchange of equity interests*. The acquirer usually is the combining entity that pays a premium over the pre-combination fair value of the equity interests of the other combining entity or entities.

The Company paid a premium over the pre-combination estimated fair value of the equity interests of Black Oak. The payment of such a premium supports the determination that the Company is the accounting acquirer.

Regarding ASC 805-10-55-13 through 55-15, the following is our consideration of this guidance:

55-13 - *The acquirer is the combining entity whose relative size (measured in, for example assets, revenues or earnings) is significantly larger than that of the other combining entity or entities.*

The following table summarizes the relative sizes of the Company and Black Oak as of December 31, 2015. We used financial information as of December 31, 2015, because this is last audited period for both of us and, therefore, presents the most reliable numbers. There were no significant changes in the financial position of either of us between from January 1, 2016, through March 31, 2016 (the closing date).

	Terra Tech	**Black Oak**
Assets	$ 9,165,039	$ 1,134,003
YTD Revenues	$ 9,975,346	$ 12,983,824
YTD Operating Income (Loss)	$ (8,816,775)	$ 60,506
YTD Net Loss	$ (9,406,875)	$ (574,886)

Judgment is required when comparing the combining entities based on their relative size. We have evaluated the entities based on the criteria above, and determined that, at the time of the Merger, the Company was larger in size.

55-14 - *In a business combination involving two or more entities, determining the acquirer shall include a consideration of, among other things, which of the combining entities initiated the combination, as well as the relative size of the combining entities, as discussed in the preceding paragraph.*

In connection with the Merger, we formed a new, wholly-owned transitory merger subsidiary, Generic Merger Sub, Inc. (the "Merger Sub"), to effectuate the Merger. At the closing, Black Oak merged with and into the Merger Sub, and Black Oak survived the Merger as our wholly-owned subsidiary. Thus, the business combination effectively involved only two entities, the Company and Black Oak.

We and our Board of Directors initiated the Merger with Black Oak, although, thereafter, our CEO recused himself as he was on "both sides" of the Merger and a Special Committee formed by the Board of Directors and chaired by one of our Independent Directors, who also oversaw and managed the Merger. We also conducted a process to evaluate our strategic alternatives, including the then-possibility of effectuating the Merger, as well as the possibility of other strategic mergers or acquisitions or no possible strategic transactions. The initiation of the Merger process and the process itself support the determination that the Company is the accounting acquirer.

55-15 - *A new entity formed to effect a business combination is not necessarily the acquirer. If a new entity is formed to issue equity interests to effect a business combination, one of the combining entities that existed before the business combination shall be identified as the acquirer by applying the guidance in paragraphs 805-10-55-10 through 14. In contrast, a new entity that transfers cash or other assets or incurs liabilities as consideration may be the acquirer.*

This factor was determined to be not applicable. See comment above regarding 55-14.

In conclusion, the following table summarizes the discussion above:

	Terra Tech	Black Oak
Relative voting rights in combined entity	80.6%	19.4%
Large minority voting interest	N/A	N/A
Number of directors	9	-
Executive management	4	-
Terms of equity exchange	N/A	N/A
Size of the company	Larger	Smaller

As a result of the foregoing analyses, based on our consideration of the issuance of our equity securities to effectuate the Merger and the relatively higher percentage voting interest held by the our legacy stockholders compared to Black Oak's legacy shareholders, the premium paid by us, the continued involvement, ownership and influence of our officers and directors, and the inability of Black Oak's legacy directors and shareholders to make combined entity decisions without the support of our directors, we concluded that we were the acquirer for accounting purposes under ASC 805.
In respect of the Staff's second bullet:

Pursuant to the Merger Agreement, the Company issued 8,166 shares of its Series Z Preferred Stock, 8,668,700 of its Series B Preferred Stock, and 21,378 shares of its Series Q Preferred Stock, which shares of Series Z Preferred Stock, Series B Preferred Stock, and Series Q Preferred Stock that were issued, and a portion of which were not paid to the Black Oak shareholders at closing and are subject to certain holdback and lock-up provisions and held in an escrow account as security for the satisfaction of any post-closing adjustments or indemnification claims as provided for in the Merger Agreement, and which total aggregate shares if fully converted into shares of the Company's common stock convert into 235,214,424 shares of the Company's common stock.

The price of each share of the Company's common stock was $0.0974, which price was determined using the daily volume-weighted average price (the "VWAP") of the Terra Tech Common Stock for the 30 days preceding December 23, 2015 (the "Signing Date"), which VWAP is determined as (a) if the Terra Tech Common Stock is then listed on a national securities exchange on which the Terra Tech Common Stock is listed as reported by Bloomberg L.P. (based on a trading day from 9:30 a.m. (New York City time) to 4:00 p.m. (New York City time), (b) if the Terra Tech Common Stock is not then listed on a national securities exchange, and if prices for the Terra Tech Common Stock are then reported in any quotation tier published by OTC Markets Group Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the daily volume-weighted average closing bid price of the Terra Tech Common Stock for the 30 days preceding the Signing Date, or (c) in all other cases, the fair market value of a share of Terra Tech Common Stock as determined by an independent appraiser selected in good faith by Terra Tech.

The aggregate fair market value of $22.9 million for the securities issued was determined by taking the product of the fully converted shares of Series Z Preferred Stock, Series B Preferred Stock, and Series Q Preferred Stock that were issued pursuant to the Merger Agreement, 235,214,424 shares of the Company's common stock, by $0.0974 which was the VWAP on the Signing Date as referenced above.

In respect of the Staff's third bullet:

The Group B Shareholders could receive cash consideration (the "Performance-based Cash Payment") up to approximately $2.1 million under the following conditions:

(a) zero dollars if Year 1 Revenue is below or equal to $12,000,000; and

(b) the product obtained by multiplying 0.447 times Year 1 Revenue if Year 1 Revenue is greater than $12,000,000, provided that in no event the Performance-based Cash Payment amount exceed $2,088,000.

Pursuant to the above formula, if the Revenue in Year 1 equals $16,666,666, then the Performance-based Cash Payment will be $2,088,000 calculated as follows:

Year 1 Rev	$ 16,666,666
Less:	$ 12,000,000
	$ 4,666,666
	0.44742864
Performance-based Cash Payment	$ 2,088,000

The acquisition date fair value of the preferred shares that were issued in connection with the Merger Agreement, both those held in escrow and part of the contingent consideration liability, as well as those that were issued and paid at closing was determined as follows:

Total potential consideration for the Merger was determined by multiplying Black Oak's Year 1 forecasted revenue by 1.5 ($16,666,666 x 1.5), which equals approximately $25,000,000, payable as follows: shares of our capital stock (approximately $22,912,000) and Performance-based Cash Payment ($2,088,000).

As noted above, pursuant to the Merger Agreement, the Company issued 8,166 shares of its Series Z Preferred Stock, 8,668,700 of its Series B Preferred Stock, and 21,378 shares of its Series Q Preferred Stock. All of such Preferred Stock, if converted into shares of our common stock, would result in 235,214,424 shares of common stock. That number of shares, when multiplied by $0.0974 (the VWAP on the Signing Date) equals $22.9 million or the total potential consideration to be paid in shares of our capital stock.

The table below summarizes the total potential consideration to be paid in shares of the Company's Preferred Stock.

	Value
Closing Consideration	$ 3,598,415
Lockup Consideration	$ 10,799,844
Holdback Consideration	$ 8,511,625
	$ 22,909,885

Pursuant to the Merger Agreement, the consideration to be paid in shares of the Company's Preferred Stock at closing (the "Closing Consideration"), was issued and paid on April 1, 2016.

The consideration to be paid in shares of the Company's Preferred Stock on approximately the one-year anniversary date of the Merger (the "Lockup Consideration") was issued on the Closing Date but are unpaid and are held in escrow.

The consideration to be paid in shares of the Company's Preferred Stock on approximately the one-year anniversary date of the Merger and that are subject to certain holdback and lock-up provisions (the "Holdback Consideration") was issued on the Closing Date but are unpaid and held in escrow as security for the satisfaction of any post-closing adjustments or indemnification claims as provided for in the Merger Agreement.

5. We note your disclosure that your acquisition of Black Oak was completed on March 31, 2016, but your balance sheet at March 31, 2016 does not appear to reflect the identifiable assets acquired, the liabilities assumed, or any goodwill resulting from the transaction. Explain to us how your accounting for the transaction complies with ASC 805-20-25-1 and ASC 805-30-30-1 and amend this filing to correctly account for the acquisition and to provide all required disclosure.

Response:

The documents for the Black Oak Merger were signed and dated as of March 31, 2016; however, the acquisition date for accounting purposes was on April 1, 2016. In accordance with 805-10-25-6, "[*t*]*he acquirer shall identify the acquisition date, which is the date on which it obtains control of the acquiree*." The acquisition date was April 1, 2016, because (i) it was the date on which we obtained control of Black Oak, *i.e*., the date on which we received the "keys to the building" and (ii) March 31, 2016, was a California state holiday and the office of the Secretary of State of California was not open for business. Thus, the Articles of Merger could not be filed with the State of California and the consideration for the Merger could not be transferred. The Black Oak Merger will be reflected in our Quarterly Report on Form 10-Q for the period ended June 30, 2016.

Note 8. Notes Payable, page 13

6. In connection with your Asset Purchase Agreement with Therapeutics Medical, LLC, please address the following:

- Tell us how you accounted for the March 10, 2016 purchase of Therapeutics Medical, including how your March 31, 2016 financial statements reflect the identifiable assets acquired, the liabilities assumed, and any resulting goodwill.
- Explain to us how your accounting for the transaction complies with ASC 805-20-25-1 and ASC 805-30-30-1 and amend this filing to comply with the accounting and disclosure requirements of ASC 805.
- Explain to us how you determined the acquisition date fair value of any contingent consideration liability that would result from the possible issuance of additional convertible promissory notes to the seller based on future revenue amounts generated by the acquired assets. Refer to ASC 805-30-50-1(b)(3) and 50-1(c).
- Tell us how you considered the requirements of Rule 8-04 and Rule 8-05 of Regulation S-X as it relates to this transaction.

Response:

We accounted for the Therapeutics Medical transaction as an asset purchase. The acquired assets were selected from a group of assets held for sale by Therapeutics Medical. We selected only the assets we wanted to acquire and left the other assets with Therapeutics Medical. There were no audited financial statements on the assets acquired and management deemed that the acquisition was not material to our overall operations.

The financial statements filed for the period ended March 31, 2016, reflect the assets acquired from Therapeutics Medical, which were paid for with a convertible note. The Company acquired the finished goods inventory valued at cost of $58,622, the existing brands were valued at $191,378, and the trademarks, patent, customer list, and vendor numbers were valued at $1,000,000. The Company complied with ASC 350. The Company determined that the brands had a useful life that should be considered indefinite and would be tested for impairment annually or whenever events or changes in circumstances indicate that its carry amount may not be recoverable. The Company determined that the trademarks, patent, customer list, and vendor numbers had an expected use for the asset, expected useful life and legal, regulatory, or contractual provisions that would limit the useful life of the assets; therefore, the assets would be amortized over the estimated useful life. The Company estimated the level of future expenditures required to obtain the expected future cash flows from the assets. The intangible assets with definite lives are tested for impairment quarterly and, when an event occurs or circumstances change, such are tested annually for recoverability or whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The Company tests intangibles for impairment by first comparing the carrying value of net assets to the fair value of the related operations. If the fair value is determined to be less than the carrying value, a second step is performed to compute the amount of the impairment. In this process, a fair value for intangibles is estimated, based in part on the fair value of the operations, and is compared to its carrying value. The shortfall of the fair value below the carrying value represents the amount of intangible impairment.

Because the Therapeutics Medical transaction was structured as an asset purchase, ASC 805 does not apply.

The Company will add the following footnote to the amended Form 10-Q filed for the March 31, 2016, period:

> Acquisition
>
> In March 2016, the Company acquired certain assets from Therapeutics Medical. The fair value of total consideration transferred in connect with the close was $1,250,000. Of the total purchase price, $58,622 was attributed to finished goods inventory, $191,378 was attributed to the existing brands and $1,000,000 was attributed to the trademarks, patent, customer list and vendor numbers. The Company has determined that the trademarks, patent, customer list and vendor numbers have a useful life of 5 years.

Amendment No. 3 to Form 8-K filed June 7, 2016

Exhibit 99.1

Note 2. Summary of Significant Accounting Policies

Revenue Recognition, page 9

7. We note that you recognize revenue related to the sale of consignment inventory when the product is pulled from inventory and sold directly to end-customers at the retail dispensary. We also note that notwithstanding the fact that you do not have title to the consigned inventory prior to its sale, you believe that you are the primary obligor to the customer and record revenues from such sales on a gross basis. Please address the following:

   - Tell us the specific terms of the sales agreements with the suppliers that hold consigned inventory and describe how such terms support your assertion that you are the primary obligor to the customer in light of the fact that you do not have title to the consigned inventory prior to its sale.
   - Provide us with a complete analysis of each of the indicators of gross revenue reporting and each of the indicators of net revenue reporting in these arrangements, found in ASC 605-45-45, and an explanation of management's consideration of them when formulating its revenue recognition policy.
   - Tell us if the terms of these sales agreements changed after the merger with Terra Tech Corp. and if so, describe how any changes impacted the accounting and disclosure requirements for the consignment revenue transactions.

Response:

In respect of the Staff's first bullet:

We have a lack of formality with our suppliers and have verbal sales agreements with the suppliers that hold consigned inventory. In general, the terms of the sales are Net-30. We have variability of payments to suppliers. We do not have any consigned inventory retail pricing agreements with our suppliers nor are such agreements required by our verbal agreements with suppliers. We have the right to return consigned inventory to our suppliers if we are unsatisfied with the consigned inventory for any reason, *e.g*., the consigned inventory does not pass testing or inspection.

We are the primary obligor to our customers because all of our flower is packaged with our branded packaging that displays the Blüm brand name and has no reference to the respective supplier or vendor. If a customer is unsatisfied with the purchase, that customer has no recourse to the supplier, only to us. While we have the right to return consigned inventory to the supplier, historically, we have not done so. As a matter of business practice, we do not return goods to our suppliers due to customer returns. If there were a loss of consigned inventory due to fire, shrinkage, theft, or some act of God, even though our verbal agreements with our suppliers do not require us to pay the suppliers for the lost product, as a matter of good business practice and in order to maintain our relationship with our suppliers, we would pay the suppliers for the product. As a result of the foregoing, we believe that we are the primary obligor to the customer.
In respect of the Staff's second bullet:

The following table outlines the eight indicators of gross revenue reporting and three indicators of net revenue reporting that are specified in ASC 605-45-45 and our conclusion with regard to each of the eleven indicators as applied to our sales of consigned inventory. Following the table is a brief overview of the relevant facts and circumstances that support the conclusion for each indicator, with reference to each indicator by number according to the numbering used in the table below.

	Indicator	**Presence/Absence of Indicator**
Gross Revenue Reporting		
(1)	The Entity Is the Primary Obligor in the Arrangement	Present
(2)	The Entity Has General Inventory Risk	Absent
(3)	The Entity Has Latitude in Establishing Price	Present
(4)	The Entity Changes the Product or Performs Part of the Service	Present
(5)	The Entity Has Discretion in Supplier Selection	Present
(6)	The Entity Is Involved in the Determination of Product Specifications	N/A
(7)	The Entity Has Physical Loss Inventory Risk	Present
(8)	The Entity Has Credit Risk	Present
Net Revenue Reporting		
(9)	The Entity's Supplier Is the Primary Obligor in the Arrangement	Absent
(10)	The Amount the Entity Earns is Fixed	Absent
(11)	The Supplier Has Credit Risk	Present

Indicator (1): Black Oak Is The Primary Obligor — We are responsible for providing the product to the customer, we are responsible for ensuring the testing of and inspections of the products and thus the acceptability of the products purchased by our customers, and all of our flower is packaged with the Company's branded packaging which displays the Blüm brand name and has no reference to the respective supplier or vendor. Furthermore, we do not have a formal customer return policy and, as a general business practice, we do not return products back to the supplier due to customer returns. This indicator strongly supports gross revenue reporting.

Indicator (2): Black Oak Does Not Have General Inventory Risk — Our verbal agreements with our suppliers give us the right to return consigned inventory if we are unsatisfied with it. In certain circumstances, and as an example, we have in the past returned consigned inventory to suppliers or renegotiated pricing with suppliers when such consigned inventory does not sell or is not selling in the expected time frame; however, this is not a frequent occurrence. Consequently, we do not have general inventory risk. However, while we have the right to return consigned inventory to the supplier, we do not return goods to our suppliers due to customer returns. Furthermore, as referenced above, if there were a loss of consigned inventory due to fire, shrinkage, theft or some act of God, even though our verbal agreements with our suppliers do not require us to pay the suppliers for the lost product, as a matter of good business practice and in order to maintain our relationship with our suppliers, we would pay the suppliers if such events occurred. As such, while this indicator supports net revenue reporting, it is not a strong indicator for net revenue reporting.

Indicator (3): Black Oak Has Latitude In Establishing Price — Black Oak has complete latitude to establish selling prices for the consigned inventory. The pricing terms agreed upon between Black Oak and our suppliers in our verbal agreements do not give the suppliers any ability to prescribe or influence the pricing arrangements with our customers. Black Oak has the full latitude to establish the selling price. The prices at which Black Oak accepts and pays for consigned product from its suppliers are based on then-current market prices in the Northern California region. This indicator strongly supports gross revenue reporting.

Indicator (4): Black Oak Changes the Product And Performs a Service — With respect to our consigned inventory, we clean, trim, test, inspect, and package product for selling to our customers, we grade and rate the raw products, and, thus, we essentially change the product as provided to us. Furthermore, because of the high compliance factor associated with the products we sell, as part of the goods and services we offer, we validate the customer, as an example, by ensuring that the customers have a doctor recommendation, etc. This indicator supports gross revenue reporting.

Indicator (5): Black Oak Has Discretion in Supplier Selection — The consigned inventory that we sell can be sourced from multiple suppliers as they are essentially commodities for which there are multiple sources of supply. Black Oak has total discretion in supplier selection. This factor supports gross revenue reporting.

Indicator (6): Black Oak's Involvement in the Determination of Product Specifications — Since the products we sell (prior to our processing them) are delivered to us as commodity products, there is generally no difference in the product provided to us by any of the various potential suppliers. Further, we do not have any custom consigned inventory created for us. This indicator is not applicable to the determination of the appropriateness of gross revenue reporting by Black Oak in this case.

Indicator (7): Black Oak Has Physical Loss Inventory Risk — We are responsible for payment to our suppliers if unsold products are unavailable to be returned to the supplier. More importantly, one of our long-standing business practices that is part of our business relationship with our suppliers, which is critical to maintaining our business relationships with vendors and growers. This factor supports gross revenue reporting.

Indicator (8): Black Oak Has Credit Risk — Black Oak has risk of loss from credit risk in the event that our customers receive product from us and, for various reasons, including fraud, do not fulfill their payment obligation to us. As an example, if a customer pays for product using counterfeit funds, we would still be responsible for paying our supplier. This factor supports gross revenue reporting.

The next three indicators, as outlined in ASC 605-45-45, are indicators of net revenue reporting.

Indicator (9): Black Oak's Suppliers Are Not The Primary Obligor — Our suppliers are not responsible for providing products or services desired by our customers nor are they responsible for fulfillment of any kind to our customers. This indicator does not support net revenue reporting.

Indicator (10): The Amount the Entity Earns is Fixed — The amount that Black Oak earns from the sale of product is the difference between the price at which Black Oak sells the product to our customers and the costs incurred in purchasing the product and selling it to our customers. Both the selling price for product sales to our customers and the purchase price for product purchases from our suppliers are determined based on general market prices in the Northern California area and, accordingly, these selling and purchase prices, and the difference between them, fluctuate based on supply and demand. Our selling prices for product vary due to market conditions and our costs to purchase that product and to sell it to customers also vary due to market conditions. Our gross margin from the sale of product is not fixed. This indicator does not support net revenue reporting.

Indicator (11): The Supplier Has Credit Risk — Our suppliers have credit risk for the product that Black Oak ultimately sells to our customers as the transaction is on a consignment basis. This indicator supports net revenue reporting.

Based on the preponderance of the indicators noted above, gross revenue reporting has been applied to the sale of consigned inventory.

In respect of the Staff's third bullet:

The terms of the verbal sales agreements with the suppliers did not change after the merger.

Exhibit 99.3

8. Please revise the exhibit to include an introductory paragraph that discloses what the pro forma information is showing, a brief description of the transaction, the significant terms of the merger, how you are accounting for the merger and the periods covered by any pro forma income statements included.

Response:

Revised Exhibit 99.3(a) [to be filed with Amendment No. 4 to our Current Report on Form 8-K] includes the Pro Forma Balance Sheets as of December 31, 2015, and the Pro Forma Statement of Operations for the Year Ended December 31, 2015. Revised Exhibit 99.3(b) [to be filed with Amendment No. 4 to our Current Report on Form 8-K] includes Pro Forma Balance Sheet as of March 31, 2016, and Pro Forma Statement of Operation for the Quarter Ended March 31, 2016. The Pro Forma financial statements represent our acquisition of all of the capital stock of Black Oak, which was accounted for as a purchase. Thus, we are applying the acquisition method of accounting. The results presented may not be indicative of what the actual results may end up being.

The summary of the transaction previously filed on our Current Reports on Form 8-K, as amended, details our Merger with Black Oak. Pursuant to the Merger Agreement, the outstanding shares of common stock of Black Oak held by (i) three of the then-current shareholders of Black Oak (the "Group A Shareholders") were converted into the right to receive approximately (X) 8,166 shares of our Series Z Preferred Stock, of which approximately 1,175 shares thereof were issued and paid at closing, and (Y) 8,668,700 shares of our Series B Preferred Stock, of which approximately 1,248,300 shares thereof were issued and paid at closing and (ii) the remaining then-current shareholders of Black Oak (the "Group B Shareholders") were converted into the right to receive approximately 21,378 shares of our Series Q Preferred Stock, of which approximately 3,695 shares thereof were issued and paid at closing. The shares of Series Z Preferred Stock, Series B Preferred Stock, and Series Q Preferred Stock that were issued but not paid to the Black Oak shareholders at closing are subject to certain holdback and lock-up provisions, and held in an escrow account as security for the satisfaction of any post-closing adjustments or indemnification claims, as provided in the Merger Agreement. Each share of our Series Q Preferred Stock is to be converted into 5,000 shares of our common stock and each share of our Series Z Preferred Stock is to be converted into 1,857 shares of our Series B Preferred Stock. Accordingly, the approximately 21,378 shares of Series Q Preferred Stock issued to the Group B Shareholders are convertible into approximately 106,890,000 shares of our common stock and the approximately 8,166 shares of our Series Z Preferred Stock issued to the Group A Shareholders are convertible into approximately 15,164,262 shares of our Series B Preferred Stock. The Series Z Preferred Stock is intended to mirror the rights of the holders of our Series B Preferred Stock. Each share of our Series B Preferred Stock remains convertible into 5.384325537 shares of our common stock. The aggregate fair market value of the securities issued in the Merger was approximately $22.9 million. The Group B Shareholders may also receive cash consideration equal to approximately $2,088,000.

Total potential, maximum consideration for the Merger was determined by multiplying Black Oak's Year 1 forecasted revenue by 1.5 ($16,666,666 x 1.5), which equals approximately $25,000,000, payable as follows: shares of our capital stock (approximately $22,912,000) and Performance-based Cash Payment ($2,088,000).

In connection with the Merger, we also entered into an Operations and Asset Management Agreement dated, March 31, 2016, by and among Platinum Standard, LLC (the "Operator"), Black Oak, and us (the "OMA"), whereby the Operator has agreed to operate and maintain the Black Oak dispensary and provide certain asset management services related to the Blüm brand, real estate matters, and industry developments as to products and best practices related to all aspects of the dispensary. The Operator is comprised of those individuals who operated the dispensary immediately prior to the closing of the Merger. Pursuant to the terms of the OMA, we agreed to pay the Operator an annual fee of $500,000, subject to the terms and conditions of the Merger Agreement.

9. We note you included pro forma balance sheets as of December 31, 2015 and March 31, 2016 in this exhibit. In light of the disclosures that the merger with Black Oak closed on March 31, 2016, that transaction should already be reflected in Terra Tech's balance sheet at that date. Revise this exhibit to delete these balance sheets as they are not required by Rule 8-05(b) of Regulation S-X and may be confusing to investors.

Response:

The acquisition date for accounting was April 1, 2016, because it was the date that we obtained control of Black Oak, the date that we received the "keys to the building". March 31, 2016, was a governmental holiday in the State of California and the office of the Secretary of State for the State of California was closed. Accordingly, although the Merger documents were signed and dated as of March 31, 2016, the Articles of Merger could not be filed with the State of California and, therefore, the Merger consideration could not be transferred. We included pro forma balance sheets for the periods ended December 31, 2015, and March 31, 2016. We also included Statement of Operations for the year ended December 31, 2015, and for the three months ended March 31, 2016. The Black Oak Merger will be reflected in our Quarterly Report on Form 10-Q for the period ended June 30, 2016.

10. Revise to present all pro forma adjustments on a gross basis and clearly referenced to notes that explain the assumptions involved.

Response:

We have revised our pro forma financial statements to more clearly reference the explanatory notes and to present on a gross basis.

We acknowledge that:

- the company is responsible for the adequacy and accuracy of the disclosure in the filing;
- staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filing; and
- the company may not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

Should there be any questions that might be facilitated by contemporaneous dialogue, please feel free to call our counsel, Randy Katz of Baker & Hostetler LLP at (714) 966-8807, or me at (855) 447-6967.

Thank you for your ongoing courtesy in this matter.

Sincerely,

/s/ Derek Peterson
Derek Peterson
Chief Executive Officer