



PAUL COHEN'S *Marijuana Hub*

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HOW TO MAKE MONEY IN THE MARIJUANA STOCK MARKET

ISSUE #4: SUB SECTORS: MORE ON PAZOO DILUTION

►The following schedule shows Pazoo's entire potential dilution. Much of this dilution will not occur at today's prices of \$0.0052. While it looks like 766.564 million shares will become issued, as a practical matter, PZOO common would have to go up slightly less than 10 times for the first Series A Preferred Stock of 121.3 million to be converted at \$0.04 cents. Warrants Fully Exercisable are also a long way off at 7 cents and \$2.20.

►Clearly the fewer shares outstanding and fully diluted are the best for any company. However, if we compare PZOO with stocks in the 275 Cohen Grassroots Marijuana Index, the average shares outstanding are more than 1.6 billion in the 155 companies in Pazoo's category. This figure, while distorted by a few bloated capital structures, points to the fact that at 219 million shares outstanding, that number is well below the average in a bloated industry, as is potentially 766 million fully diluted.

►On a comparative basis PZOO common stock is grossly undervalued at today's current prices.

	Total Number of Shares	Conversion Price	% Shareholding
Existing Stockholders	219,731,242.00		28.7%
Fully Converted Series A Preferred Stock	121,352,600.00	\$0.04 - \$0.50	15.8%
Warrants Fully Exercisable	119,000,000.00	\$2.20	15.5%
Warrants Fully Exercisable	5,996,429.00	\$0.07	0.8%
Future Committed Expert Issuances	2,580,000.00	NA	0.3%
Future Committed Consultant Issuances	4,325,000.00	NA	0.6%
Stock Issuable Upon Convertible Notes	293,578,847.00	Multiple Price Range	38.3%
Fully Diluted Total	766,564,118.00		100.0%