



PAUL COHEN'S MARIJUANA HUB

1. Second Newsletter : 04-JULY-2014

Washington Goes Recreational!!

- It is expected that the State of Washington will allow for the opening of 8 retail stores on July 8, 2014. Total statewide stores are targeted at 334.
- Revenues in 2014 are estimated at \$250 - \$300 million. I would be surprised if they hit these estimates.
- I do not look for another Colorado home run repeat. However, this second recreational market is now a reality. It is huge news and should move industry stock prices upwards.
- I would be surprised to see the same kind of media coverage we saw in Colorado. There will be good coverage.
- State tax generation is 25% across the board: cultivator to processors, sales tax on retailers to customers: sales tax transactions.
- 2017 revenues are estimated at \$1.8 billion to \$2.0 billion. I'll believe that when I see it.
- Nearby states including Oregon will send in thousands of would-be users. Washington's market can grow upwards of 325% - 350% year over year, 2013 – 2014. Oregon will vote in November.
- The state's medical use laws are not as strong as its recreational laws.
- The Black Market is powerful. Only about 20% of Medical use patients are accessing cannabis via dispensaries out of an an estimated 125,000 patient market. Dispensaries will be the immediate beneficiaries.