



PAUL COHEN'S *Marijuana Hub*

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THE GRASSROOTS MARIJUANA STOCK INDEX - DOWN 3.1% IN 2015

- ▶ The Cohen Grassroots Marijuana Stock Index continues its downward trend.
- ▶ During 2015, after a decent start, the market is now down 3.1% from the beginning of the year.
- ▶ The market is trading at its lowest level since the end of December 2013, beginning of January 2014.
- ▶ I have not this kind of roller coaster in many years on Wall Street. There is no gas behind the engine.
- ▶ The explosive and speculative bull market in 2014 has not only retraced itself, it has gotten worse.
- ▶ In early 2014, our firm initiated IR research coverage on Growlife, PHOT, at 4 cents. The stock rose to 80 cents, spurred on by announced acquisitions and industry hype.
- ▶ In April 2014 the SEC stepped in a stopped trading in PHOT shares. It gave no reason at the time.
- ▶ It seems to me that regulatory intervention collapsed the entire marijuana stock market. At the time, the SEC had noticed 10 companies including PHOT. Clearly the SEC gave the marijuana stock market the willies. These willies have remained.
- ▶ PHOT subsequently fell from 80 cents to a penny and a half. It now trades at slightly less than 3 cents. Interestingly enough, while the company is not out of the grey sheets, fundamentally it is in much better condition that it was during its hey day.
- ▶ The long and short of the analysis is that the SEC has a powerful influence on the entire marijuana stock market. There are other factors, not the least being very poor fundamental performance of the entire sector.