



PAUL COHEN'S

Marijuana Hub

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HOW TO MAKE MONEY IN THE MARIJUANA STOCK MARKET

STRUCTURAL REASONS FOR THE MARKET CRASH

SEC and FINRA. Regulatory rules have squeezed corporations and investors, and disallowed for normal operations of a public company. If the word marijuana or cannabis is identified for a public company, these stocks have a 'Bulls Eye' marked on their backs. They are by no means the favorites of the SEC and FINRA. It is unfortunate, because the vast majority of these public cannabis companies follow the rules, have good business models and do not deserve this kind of regulatory scrutinizing bias. FINRA has dragged out investigations of certain public companies to well over the year. Their call for materials could have been shortened to a few months.

Trading Volume. Volume, and to a lesser extent, stable prices of a given stock are keys for financing a cash strapped penny stock public company. Pershing, one of the nation's largest clearing firms stopped clearing cannabis stocks. TD Ameritrade, a wire house, has all but disallowed any cannabis 144 stock to be deposited and cleared for trading. Other brokerage firms will not trade sub penny cannabis stocks. It is very difficult to find a firm that will facilitate a non-trading piece of paper. FINRA's rules have squashed many of the promotional and investment awareness markets. IR and investment awareness are musts to create volume in a stock. Without volume, attracting investment into a penny stock disallows the lender or investor to get out; that is sell his shares to recoup his investment.

Industry Problems. There are clearly other important industry problems as there are in any industry. They do, however, overlay stock market performance. Some issues include Banking and Taxes, Federally illegal laws and State regulations, national polls, questions regarding THC and Recreational, political self-interests, justification for Medical marijuana, legalization, and other issues. There is also solid growth and progress in the industry as a whole. I will continue to analyze important causes for this market crash.