



## PAUL COHEN'S *Marijuana Hub*



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### THE SEC, FINRA, FBI AND REGULATION OVERSIGHT OF THE MARIJUANA INDUSTRY

- ▶ I recently received a call from a reporter at a major U.S. newspaper. From time to time I get interviewed.
- ▶ His initial inquiry was about pump and dumps, illegal activities in the Marijuana stock market, and illegal or excesses in promotions.
- ▶ I told him that while the regulators are concerned with this industry, I felt that this oversight was a decided positive.
- ▶ He was surprised by my response.
- ▶ I explained to him that cannabis corporations and investors are highly concerned about regulation, more so than in most industry groups.
- ▶ I also told him that behind the scenes promotions by people selling stocks carried a huge risk for anyone playing a pump and dump game, or trying to make end runs around regulations.
- ▶ In my view, the regulatory oversight of this industry is healthy, discouraging manipulation of stocks.
- ▶ I do not know the statistics of other industry groups, but just because this industry is controversial, it does not mean that the bad guys will play bad games. To the contrary, it seems to me that there will be less, not more, regulatory violations in the industry.
- ▶ The SEC does a good job. It is not easy in a controversial environment.