



PAUL COHEN'S

Marijuana Hub

A Division of Cohen Grassroots Research, Inc. www.cohengrassroots.com



Newsletter: February 15, 2015, Issue #96 -- www.cohenresearch.com

Cohen Grassroots Research, Inc. is the Nation's Number #1 Micro Cap and Cannabis Research Firm
IR Research Reports (1,000+) - Distribution to 100s of thousands of investors

HOW TO MAKE MONEY IN THE MARIJUANA STOCK MARKET

ISSUE #1: MANAGEMENT

- ▶With the Cohen Grassroots Marijuana Index down 10% in 2015, it is clear that this sector of the marijuana stock market is dead. There is no wind behind the sails in this market and I don't see any hurricanes in the near future.
- ▶The question is, "how can an investor make money in a penny stock market that has no juice; no momentum?"
- ▶Gone are the days of PHOT, Growlife going from 3 cents to 80 cents. It does not mean that PHOT will not be successful in the future. It does mean that 80 cents is a long way off.
- ▶Does this mean that we cannot make money in this market? The answer is no. If we are smart, we can make money.
- ▶The first thing to look at any company is management, its Board of Directors and its Scientific Advisory Board. Read company material carefully, SEC filings and know the background of key people. It is easy public information to find.
- ▶Next, see who in management is selling shares of the company's stock. What is management turnover? What are the politics of management teams? You will be surprised how easy it is to put 2 and 2 together.
- ▶Look for experience and success records in other industries. Look for educational background and the number of years of the total management team. How many years has each key person had in senior operational positions?
- ▶There are opportunities to read, listen and see interviews especially on the internet. Try to get a feel for key people in an organization. See what they say and whether their representations have been fulfilled.
- ▶The internet is an amazing tool to calibrate, research and judge management's capabilities. Don't be afraid to call management. You will be surprised how many times they will answer personally. Make sure your questions are pointed to important company issues.
- ▶Make a 1 to 10 ranking of management and keep track in your notes. 10 is highest. Your list of stocks should begin with the 10s.