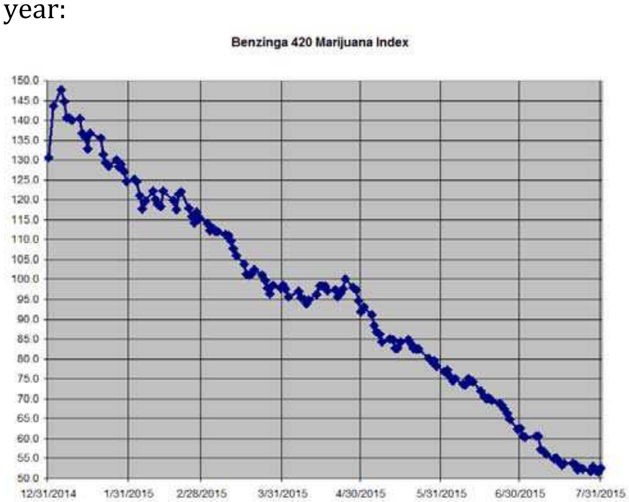
MONTH IN REVIEW & OUTLOOK

July saw continued erosion in the price of cannabis-related stocks, with the Benzinga 420 Marijuana Index declining to new lows for the year:



The index, which was rebalanced as part of the regular quarterly process at the end of June and now includes 33 companies, saw 5 double-digit percentage gainers and 21 double-digit percentage decliners during the month, including five that lost more than half their value. The index declined 16.1% to 52.5 during July and is down 59.9% in 2015.

The Minnesota MMJ program began, meeting an aggressive deadline, while Oregon went legal as planned, with recreational dispensaries expected to open later this year, earlier than previously suggested. Nevada continues to see delays in its MMJ program, but the first dispensary opened as the month ended. Hawaii will move forward with plans to implement a MMJ program that will now include dispensaries. New York announced the 5 winning applicants for its program that is set to open in January. The sector saw its first suspension in almost a year, with Smart Ventures, a company that appeared to be a fraud, suspended for two weeks by the SEC. The State of Washington found more than 10% of inspected dispensaries sold to undercover agents posing as minors. In a hugely disappointing decision, a panel in Colorado shot down an initiative, which had been expected to pass, to add PTSD to the qualifying medical conditions for a medical card. Also in Colorado, the Federal Reserve shot down the plans of Fourth Corner Credit Union to provide a banking solution in the state.

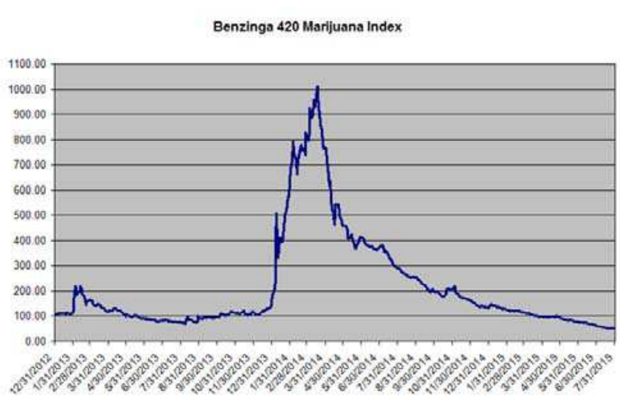
On the political front, the CARERS Act continues to pick up bipartisan support, with 16 backers now, including Chuck Schumer, the powerful NY Democrat who is a somewhat surprising addition given his prior views. The Senate Appropriations Committee approved a banking-related bill. The House, though, punted on a bill to expand cannabis research. Finally, President Obama made a huge move towards social justice, commuting 46 sentences for nonviolent drug offenses, including two cannabis convictions.

In Canada, Health Canada, which oversees the MMPR MMJ program, put into place new rules that open the market to extracts. It issued its first license to Peace Naturals. Additionally, several MMPR applicants reported communication with Health Canada in advance of a mid-July deadline for responding to them. Australia appears to be moving forward towards legalizing medical marijuana.

Longer-term fundamentals for the industry remain positive, as legal and medical cannabis continue to expand on a state-by-state basis and as the industry moves from the black-market. The early-in-the-year explosion in demand for the stocks in 2014 led to unsustainable valuations (and a lot more supply of stock, much of which was from companies that appear to lack substance). This year, investors are likely to focus on companies with more visible near-term revenue opportunities.

The big themes ahead are likely to be the potential for the DEA to reschedule cannabis and better clarity from the federal government for banks (both part of the proposed CARERS Act), resolution of the MMAR/MMPR lawsuit, potential inclusion of extracts and edibles in Health Canada's MMPR program and its continued growth in patient enrollment, potential legalization in Canada, progress in 2015 with respect to MMJ expansion and on 2016 ballot initiatives and legislative initiatives for legal cannabis (CA, NV and perhaps MA), the announcement of candidates for the Presidential election in 2016, rollouts in Oregon and Alaska, congressional handling of D.C.'s attempts to legalize, and implementations of several state MMJ programs, including Florida (CBD only), Hawaii, Illinois, Maryland, Minnesota, New York, Nevada, Massachusetts and Puerto Rico.

The slide, which marked its one-year anniversary in March, reversed out the entire gains from early 2014, with the market pulling back to late-2013 levels and now below the summer 2013 lows.
Despite the correction, most valuations remain high. Please remember that it remains the case that most of the penny stocks will not succeed. I expect that there will be just a few winners among the over 300 companies that are currently on our Broad List.



Watch this Dilution Signal

When it comes to penny stocks, one thing always seems to go up: The number of shares. The value of a company is based on the number of shares outstanding multiplied by the price of the stock, so the more shares that exist, the lower the price per share for a given valuation. The process of a shareholder's stake in a company being reduced by an increase in the number of shares is known as dilution. By watching the limit on the number of shares that can be issued by the company (the authorized share count), an investor will have a good sense of where the number of shares outstanding is likely headed.

The authorized shares are a fixed amount, but often it is a moving target. A good strategy for companies is to set the limit high enough so that it lasts for a while, as there is a cost to soliciting votes or informing shareholders as well as a hit to sentiment when the increase is announced. When a company is controlled by insiders, then shareholders have no say and must accept the decision. This is important to consider when a company has a complex capital structure, as the true number of potential shares often wildly exceeds the cap imposed by the authorized shares.

For example, **Hemp, Inc. (HEMP)** had an authorized share-count of 3 billion. On June 10th, it boosted it to 5.5 billion. As a company not filing with the SEC, it wasn't required to notify shareholders (and, not surprisingly, didn't). Since it is controlled, there was no vote by outside shareholders. The prior A/S was below the amount of shares outstanding (2.736 billion) and the converted number of shares to be issued against preferred stock (1.813 billion), a total of 4.5 billion shares. The boost means that CEO Bruce Perlowin can continue his scheme of lending the company money, taking back preferred stock at a ridiculously low valuation and then converting it to common stock and selling it over time. I first described this scam in 2013. Oddly (or perversely), the company also implemented a reverse split (1:10) on 7/31, failing to inform shareholders of the move or to offer any plausible explanation (suggesting afterwards that it would be easy to acquistions).

American Green (ERBB) announced in July that it has increased its authorized share-count to 7.5 billion, an increase of 67%. In my recent quarterly review of the company, I had noted that it was pressing up against the 4.5 billion cap and would likely need to boost it by September. ERBB isn't an SEC filer and didn't require shareholder approval. Since the end of 2013, the share-count has increased from 3.48 billion to 4.44 billion.

Medbox (MDBX) announced in an SEC filing that it will boost its authorized share-count by 300% to 400mm:

On June 30, 2015, the Board of Directors of Medbox, Inc. (the "Company") and the holders of a majority of the Company's voting securities approved by written consent an amendment to the Company's Articles of Incorporation to increase the authorized number of shares of the Company's common stock from 100,000,000 shares to 400,000,000 shares, par value of $0.001 per share. The Company's Board of Directors approved the increase of authorized capital so that it will have sufficient shares of common stock available for issuance upon the conversion or exercise of currently outstanding convertible debt securities and warrants and for future capital raises. Approval of the stockholders was obtained without a meeting in accordance with Section 78.320 of the Nevada Revised Statutes. The Company intends to file with the Securities and Exchange Commission a Schedule 14C Information Statement regarding the matter submitted to a vote of our security holders. The increase of authorized capital approved by the stockholders will not become effective until at least 20 days following the date on which a definitive Schedule 14C Information Statement is mailed to our stockholders of record as of July 22, 2015.

As of July 23, 2015, 57.13% of the voting securities of the Company entitled to vote (or 88,099,395 of the 154,209,508 possible votes) have voted to approve the increase in authorized capital of the Company. There were no abstentions or consents withheld.

The filing indicated that there were votes based upon 154mm shares, which implies that the outstanding shares have soared from 35.5mm in mid-May to 139mm (there are 3mm convertible preferred that provide 15mm additional votes). This is a stunningly quick escalation in the share-count given that there were only about $3mm convertible notes on the books at the end of March. It also appears that the company blew through the prior authorized share limit of 100mm without it being increased properly or in a timely manner.

Pazoo (PZOO) has been discussing an increase to its authorization for most of the year, and the boost should be effective soon, with the increase from 1 billion to 3 billion common shares and preferred shares (980mm to 2.95 billion common shares). Investors should pay close attention to the boosts to the preferred shares, since this is from where substantial dilution has emanated historically. Since the end of 2013, outstanding shares have increased from 101mm to 661mm.

Former **Tauriga (TAUG)** CEO Stella Sung mentioned a likely increase in April on a webcast and formally announced the boost from 1 billion to 2.5 billion in June when it filed a preliminary proxy (PRE 14A). This contributed to my decision to finally exit the position in the 420 Opportunity model portfolio. Her predecessor, Seth Shaw, was quick to follow through with the move just days after his appointment, discussing it in a press release and then filing the definitive proxy (DEF 14A). Shareholders will need to approve the increase that the company described as "necessary in order to create the legal authority for the Company to be able to issue sufficient additional shares in the future for equity investment, debt reduction, corporate acquisitions, employee retention incentives, and for other general corporate purposes." The need to increase it in short order is related to the convertible note issued in June. Since the end of 2013, shares have increased from about 400mm to about 930mm. Note that I have removed TAUG from the Focus List.

It is important to pay attention to the number of authorized shares, as it is clearly a precursor to where the shares outstanding are headed over time, especially if the company is known to use toxic financing (i.e. convertible notes with no floor on the conversion price). Not surprisingly, investors typically react negatively to the announcements of increases. If new shares are used for productive purposes, then the boost isn't necessarily a bad thing, but most of the time the shares aren't spent wisely. In looking at the Focus List, one name that stands out as likely to see an increase in the A/S in 2016 is **Terra Tech (TRTC)**, especially if it does an acquisition. The current expansion in the outstanding shares is due to the funding of the Nevada projects, ostensibly a good use of capital.

Cannabis Sector C-Suite Exodus

One recent trend that I have observed in the publicly-traded cannabis company space has been a steady stream of CEOs and other officers and directors jumping off of sinking ships. When leaders leap instead of leading, shareholders can suffer additional losses, as often the CEO represents the face of the company, the bulk of the management team, the visionary and perhaps even the largest shareholder. The exit instills not only a loss of confidence but also concerns that shares will be dumped onto the market. Also, as we have seen this year, golden parachutes can burden remaining shareholders with expensive exit packages.

Just on our Focus List, we have seen a significant number of departures among senior management, including Mike Withrow leaving Abattis Bioceuticals, Sean Campbell departing Blue Line Protection Group, Mark Mirken exiting CannLabs, his predecessor, Scott McPherson, leaving less than a month later, Steve Kubby resigning as Chairman of CannabisSativa (to lead a spin-off), Dorothy Bray leaving Cannabis Science, Cathryn Kennedy leaving GrowBlox as CFO after just a few months, Guy Marsala exiting Medbox (after less than a year as its CEO), Tom Bollich departing Surna and Stella Sung resigning from Tauriga (to go to the acquirer of its health and wellness products). This represents over 25% of the Focus List! With the overall market under pressure, it's difficult to gauge the impact the turnover has had on share price, but it's clear that shareholders in every single one of these companies have seen prices decline sharply. In many cases, the decline likely precipitated or at least played a significant role in the management change.

Change can be good, no doubt, but in many of these cases, there has been little to cheer. Take Surna, for instance. The company did a poor job of explaining why its highly visible leader was departing. To this day, it hasn't addressed what will become of his millions of shares. More importantly, there was no clear leadership transition, as the initial decision that its COO would become CEO was rescinded, with the company continuing to operate under the temporary leadership of its General Counsel. At Medbox, the ousted CEO, who saw the stock plunge under his tenure as the company restated revenue and failed to gain traction in its new business model, the transition, which involved naming the newly hired (and not-so-qualified) COO as his replacement, was sudden with no explanation about how things might change. Worse, Marsala will walk away with $500K cash severance and a bunch of options at brutally low prices relative to where the stock traded when he took the job on less than a year prior to his departure.

Looking beyond the focus list, Wild Bill rode off into the sunset at year-end with the entire board and management team, leaving FITX to a new care-taker to develop an energy drink and shareholders to buy into (another) pipe dream. A company that I highlighted as a likely scam, Earth Sciences Tech, had a CEO that was clearly in over his head. I learned in a conversation with him last year that he had never even met the people who hired him (seriously???). He apparently was just a puppet. He left earlier this year with no explanation whatsoever in the press release that detailed the management change. One of my favorite exits was at FutureWorld. COO Bill Short made a huge mistake, mentioning his background on an internet radio interview, revealing with a little investigation that he had been permanently booted from the securities industry by the SEC after his involvement in a Ponzi scheme. The company defended him initially, but fired him (and sued him) just a few days later. Who can forget about Luther Jeffries, formerly the CEO of ProTek (PRPM)/Sutimco (SUTI)? He suddenly departed his position after being arrested and charged with grand larceny stemming from an incident nine years earlier.

The list goes on and on, and we will likely continue to see more exits among the public companies as falling stock prices, failing business models and some of the institutional challenges of running a company on the OTC play a role. As an investor, it is important to dig into the background of the CEO and other key officers and directors to determine past track record in or outside of the industry. Many of these folks shouldn't be trusted to watch your car much less to run a public company. If the CEO is the main reason to like the company, then this is an added risk. Look for management teams that extend beyond the top person (and that have adequate access to capital).

The Intermediate Outlook for GW Pharmaceuticals

GW Pharmaceuticals is one of the most exciting names in the publicly-traded cannabis sector. Just the fact that its stock goes up sets it apart, but the story has many positive drivers. Before I address them, let's look at the chart, which is nothing but a success story:

This has been a very bullish chart, as the stock is up almost 1200% since the NASDAQ IPO in May of 2013. While the biotech sector has been hot, GWPH has outperformed popular biotech benchmarks since the debut:

Even looking at the action in 2015, GWPH's performance has dominated the sector return:

Why are investors so excited about GWPH? In a nutshell, Epidiolex. When I first looked into the company in 2013, the key driver was Sativex, the 1:1 CBD/THC spray already approved for MS Spasticity in several European markets at the time. GWPH was pursuing two sets of Phase 3 trials with the FDA, with the lead studies aimed to approve the drug for Advanced Cancer Pain. Two years later, it is unclear if the company will win approval, but, fortunately for shareholders, the story morphed into an epilepsy drug play.

Epidiolex aims to treat rare forms of childhood epilepsy, Dravet Syndrome and Lennox-Gastaut Syndrome. The product, based upon CBD extracted from live plant material, has shown early promise in the expanded access program (not a double-blinded, randomized clinical trial), and the company is in late-stage clinical trials currently. The expanded access program gives the company unique data and relationships with potential prescribers down the road if the drug is approved. The company is building a brand already! Note that the company has "orphan indication status" for Epidiolex, a designation that will afford them 7 years without any competition from a potential rival treatment.

If approved, Epidiolex would likely become a blockbuster drug (peak annual sales in excess of $1 billion). GWPH has retained full worldwide rights, and it is already building a U.S. sales team that is being led by former Allergan executive Julian Gangolli, so it will own the entire drug, a big positive as usually biotech drugs are partnered with other companies. The current epilepsy market can be characterized as lacking in innovation and dominated by a handful of players selling drugs that aren't effective and that have severe adverse side effects. An industry report from Decision Resources from late 2012 (before Epidiolex came into the public domain) describes the market facing a lack of innovation:

"After a five-year surge in launches of new AEDs, the late-stage epilepsy drug development pipeline is dwindling," said Decision Resources Analyst Nadja Rozovsky, Ph.D. "We currently forecast the launch of only one new molecular entity, UCB's brivaracetam, over the next decade."

The greatest unmet need in epilepsy remains the inadequate control of seizures that occurs in 20 to 30 percent of drug-treated epilepsy patients, translating into a significant market opportunity. However, only advances in basic and translational research, some of which will likely be achieved during the forecast period, will eventually lead to the development of therapies that would have a significant impact on reducing the size of the treatment-refractory patient population.

To be clear, GWPH is not a one-trick pony. The company's late-stage product awaiting potential approval in the U.S., Sativex, generated sales of about $3mm in other markets during the first half of the year (note that total sales for the company, which includes R&D, were approximately $21mm). It is the only partnered drug, with GWPH controlling its other compounds. Epidiolex has other potential applications beyond epilepsy, including the announced "tuberous sclerosis" as well as potentially autism, and the company has several other compounds in the pipeline:

Source: Company

Beyond Epidiolex, the company has a Phase 2 trial of its CBDV compound (GWP42006) for Epilepsy. It has a compound, GWP42003, targeting an area that has received "orphan drug designation", Neonatal Hypoxic-ischemic Encephalopathy. This same compound and GWP42002, are aimed at glioma, and GWP42003 targets Schizophrenia. The company continues to list GWP420004, targeting Type 2 Diabetes, but it no longer mentions its focus on ulcerative colitis, where its candidate (GWP42003) ran into issues with side effects, a setback reported in October.

Sativex has not met expected timelines, as the company reported weak clinical results in one of its three trials for Advanced Cancer Pain in January. The results in the U.S. were strong in terms of efficacy, but the data from outside the U.S. proved to be not statistically significant (hard to differ from placebo). The company was expected to report a second arm in Q2 (it hasn't yet done so) and the third before the end of the-year:

A second Phase 3 pivotal trial, identical to the first, is expected to report top line results in the second quarter of 2015. GW and Otsuka are also in the process of conducting a third Phase 3 trial, which is expected to enroll approximately 540 patients and designed to provide additional information on the effects of Sativex in treating opioid-resistant cancer pain. The third Phase 3 trial differs in design from the first two trials, employing a two‐part "enriched trial design" akin to that which was successfully employed in the Sativex MS spasticity trials program in Europe. The results of this third trial are expected towards the end of 2015.

The Phase 3 trials began over three years ago. Sativex has been approved in over two dozen markets for MS Spasticity, and the company could ultimately pursue that indication in the U.S too.

As we head into the Q3 report on 8/6, I believe that there is good reason to expect a moderate pullback in the stock, especially if the 2nd arm of the Sativex trials disappoints. In 2014, GWPH endured two corrections of almost 50%.

The stock more than doubled off of the lows from last October. From a technical perspective, there have been several gaps left behind (from 85 to 100). The recent action looks like a topping formation and suggests a test of the 150 day moving average, which is near 100.

The company sold 1.84mm shares at $112 in May (including the exercise of the underwriter's option), raising a net of almost $200mm. This left the fully diluted share-count (expressed in ADS shares but incorporating both the UK and the U.S. ADS shares) at just over 22mm shares. The company offering pushed the war chest to almost $400mm, and it expects to spend $112mm in

FY15, split between operating expenses (70%) and capital expenses (30%).

So, where could GWPH go? The direction of the stock will most closely track the success or failure of Epidiolex, which should see clinical data on both trials released before year-end. The American Epilepsy Society annual meeting in early December will likely include some of this information. The company could receive approval in late 2016 or early 2017 based on filing the NDA with the FDA in 2016. Given the reported safety data from the expanded access program, Epidiolex appears to be superior to existing treatments, so the future is dependent upon proving its efficacy.

We have seen substantial consolidation in the biotech industry this year, as companies with unique products addressing unmet needs are snatched up by revenue-hungry acquirers. In July, Celegene announced a pending acquisition of Receptos for almost $8 billion. In June, Allergan announced the purchase of Kythera for over $2 billion. In May, Alexion announced the buy of Synageva for over $8 billion. Earlier this year, Shire bought NPS Pharma for $5.2 billion. While each of these transactions involves companies with their own unique pipelines, the underlying theme is that the companies had late-stage products near approval and aimed at rare diseases. GWPH is unlikely to see a U.S. bidder (given federal illegality of cannabis), but it would be appealing to several suitor from Europe and Asia, including possibly its commercial partners to date (Otsuka, Bayer, Novartis). GlaxoSmithKline, which markets Lamictal, could be interested as well. Japanese pharmaceutical company Eisai has struggled with its Fycompa and could be an interested party as well.

An industry analysis from 2014 points to the anti-epilepsy drug market losing patent protection, a condition that could set off significant interest from industry players in GWPH if Epidiolex is approved:

GBI Research attributes the anticipated market expansion to new Anti-Epileptic Drugs (AEDs) that have been approved during the last five years. However, further growth will be limited by the recent patent expiration of key AEDs, such as Keppra (levetiracetam) and Lamictal (lamotrigine).

The report suggests that the opportunity for a new compound is significant:

*With most of the molecules being approved in the last few years, the current epilepsy **pipeline is very weak**. Phase III trials account for 18% of the overall pipeline, but the majority of these late-stage molecules are reformulations or line extensions of existing drugs.*

I continue to expect that just Epidiolex alone could drive a valuation in excess of $4 billion, which amounts to about $180 per share. It is quite possible that this is a very conservative estimate, especially as I look at the Receptos transaction, which suggests a valuation that could be more than double my minimum forecast. The expected dilution over the next two years to develop Epidiolex is limited following the recent capital raise, though the company could raise additional capital for other projects. Should Epidiolex fail (remember, getting a drug through the FDA approval process is a very risky endeavor), then GWPH valuation would be dramatically lower than today's price in my view, though difficult to assess. I would expect the stock to hold a minimum of $500mm market cap if Epidiolex were to be totally removed from the pipeline, which equates to about $22 per share. GWPH may look like a safe bet based on the price action, but biotech stocks are inherently risky. Investors can limit their risk by controlling position size as well as hedging with options.

CANNABIS INDUSTRY CALENDAR

- 8/6 - GWPH reports Q3 results
- 8/7 - Cannabis Entrepreneurship Design Talks in San Diego
- 8/8 - Florida CBD license awards due
- 8/12 - Salveo Capital Conference (for accredited investors) in Chicago
- 8/14-8/16 - Hempfest in Seattle
- 8/22-24 - Hempcon in San Francisco
- 8/24 - Bedrocan Cannabis shareholder vote
- 8/28-8/30 - Cannatopia Conference in NYC
- 8/28-8/29 - CannaGrow Expo in Portland, OR

OTC Disclosure , SEC and Canadian Reporting Deadlines*

- Fiscal Year ending in May: Annual report due on or before 08/31
- Fiscal Year ending September, December or March: Quarterly report due on or before 08/14
- Canadian (Venture) Fiscal Year ending in April: Annual due 08/28
- Canadian (Venture) Fiscal Year ending in September, December or March: Quarterly due 08/31

*Note that many U.S. companies take advantage of automatic extensions

SPOTLIGHT ON THE FOCUS LIST

420 Investor maintains a "Broad List" that includes over 300 companies that purport to be in the cannabis sector. At the same time, it monitors a narrower group of 26 companies, the "Focus List", which consists of what we consider the most important companies among the publicly-traded stocks, including the most actively traded as well as several that are under-the-radar but that appear worthy of consideration. We provide numerical ratings to VIP subscribers on three different measures for each member of the Focus List, including relative valuation, technicals and relative quality. During July, we removed four names, including Abattis Bioceuticals (ATTBF), Blue Line Protection Group (BLPG), CannabisSative (CBDS) and Tauriga Sciences (TAUG).

Our relative quality rankings, which range from 1 (best) to 5 (worst) are a subjective assessment of each company relative to the entire Focus List and are based on management capability, corporate governance and transparency, execution and capital structure. The companies that we currently rank below average (4 or 5) include alphabetically by ticker: CannLabs (CANL), Cannabis Sciences (CBIS), Endexx (EDXC), American Green (ERBB), GrowBLOX (GBLX), Hemp, Inc. (HEMP), Medbox (MDBX), Medical Marijuana, Inc. (MJNA), PharmaCyte Biotech (PMCB), and Pazoo (PZOO).

Here were some of the key news items for Focus List companies in July:

- American Cannabis Company (AMMJ) announced an alliance with Dixie Brands and Heliospectra AB. The company also announced a third order for "The Satchel". The company's consulting client in NY fell short of the top 5 slots that were awarded licenses but fared reasonably well at 11 out of 43
- Bedrocan Cannabis (BNRDF) received approval to sell its Canadian-produced cannabis
- CannLabs (CANL) filed its delinquent 10-Q for Q1 and also announced the departure of its CFO/CEO
- CannaVest (CANV) filed its S-1 related to a recent financing (and amended it), settled litigation favorably with Medical Marijuana, Inc. and reported progress in penetrating natural products stores
- Cannabis Science (CBIS) added scientific advisors and announced product availability in California. The company finally filed its 10-Q for Q1 ending 3/31, over two months past the deadline
- DigiPath (DIGP) partnered with Romer Labs and True North Laboratory to develop specific cannabis tests to be trialed in Michigan
- Endexx (EDXC) announced that it will be launching CBD-infused K-Cups for coffee, apple cider and hot chocolate
- American Green (ERBB) announced a Colorado subsidiary to help grow and extract CBD (and sell branded concentrates) and also boosted its authorized shares by 3 billion to 7.5 billion
- GrowBLOX (GBLX) announced progress in Nevada and replaced its recently hired CFO
- GW Pharma (GWPH) added new President Julian Gangolli to its Board of Directors
- Hemp, Inc. (HEMP) updated its construction progress in North Carolina and also established a distribution agreement for its hemp-based products in that state. The company also did a reverse-split.
- Indoor Harvest (INQD) expects to finalize its Pasadena project by the end of August
- mCig (MCIG) named a new CEO for VitaCig, announced a financing program for the industry and was late to file its 10-K

- Medbox (MDBX) moved to quadruple its authorized shares to 400mm as the fully diluted share-count blew through the prior 100mm mark on convertible debt conversions. The company replaced its CEO with it recently hired COO on an interim basis and also announced a land acquisition in Colorado
- Medical Marijuana, Inc. (MJNA) settled litigation with CannaVest, with a third-party (presumably Michael Llamas) paying the $750K
- MassRoots (MSRT) reported continued strong registered user growth and held a conference call detailing its advertising initiatives following the release of its 10-Q. The company raised over $1mm at $0.75. It expects to begin generating revenue from advertising in August
- Nemus Bioscience (NMUS) raised an additional $450K through private placement and announced a new research initiative with the University of Mississippi to develop proprietary CBD molecules
- Organigram (OGRMF) continued to unveil new strains and also announced litigation brought against it by Marijuana for Trauma, Inc. It reported its Q3 ending May 31, with strong revenue and projections that Q4 could hit $500K and reached 1000 registered patients
- PharmaCyte Biotech (PMCB) reported that its partner, the University of Northern Colorado, received a Schedule 1 License. It's 10-K indicated that it is still on track to begin clinical trials this year.
- Pazoo (PZOO) engaged in heavy promotion in front of a trebling of its authorized shares. The company still has not finalized its Colorado lab transaction or leased a location in Oregon, while the Nevada lab has been delayed due to delays in the MMJ program
- Supreme Pharma (SPRWF) appears to be getting closer to inspection and successfully raised over $600K in equity capital (with warrants) with reasonable pricing
- Surna (SRNA) announced an expansion of its facilities in Boulder
- Terra Tech (TRTC) announced a $300K grant (related to Edible Garden, which was also reported to be cash flow positive - does this include the grant???), expanded its IVXX distribution in California and revealed stock grants to executives and directors
- Tweed (TWMJF) provided an update on its extraction efforts
- Vape Holdings (VAPE) acquired BetterChem and announced a small capital raise

FOCUS LIST - RETURNS FROM JULY:

Ticker	Price	1-month Return
AMMJ	0.1801	-44.6%
BNRDF	0.6155	-5.3%
CANL	0.9400	1.6%
CANV	1.1100	-9.0%
CBIS	0.0170	-17.1%
DIGP	0.2700	-8.5%
EDXC	0.0270	-9.7%
ERBB	0.0030	-26.8%
GBLX	0.3350	-4.3%
GWPH	114.5100	-6.8%
HEMP	0.1400	26.1%
INQD	0.4600	-13.2%
MCIG	0.0400	-32.7%
MDBX	0.0850	-33.6%
MJNA	0.0498	-28.9%
MSRT	1.1500	-12.9%
NMUS	1.1000	-42.1%
OGRMF	0.2849	-6.0%
PMCB	0.1158	-5.8%
PZOO	0.0060	-25.0%
SPRWF	0.1250	-6.8%
SRNA	0.0900	80.0%
TRTC	0.1680	29.2%
TURV	0.9000	-1.1%
TWMJF	1.5100	-3.0%
VAPE	0.2910	11.9%

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For those of you looking to access the in-depth research in Arcview Market Research's "The State of Legal Marijuana Markets 3rd Edition," I was able to negotiate a 20% discount for 420 Investor subscribers ($395 instead of $495). Use the code "**420INVESTOR**" to take advantage of this offer. To learn more about the report, you can download the executive summary.

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If you are likely to make some expensive decisions about your involvement in this industry in the next year, then you deserve the best data and analysis available.

ARCVIEW MARKET RESEARCH

ABOUT THE 420 INVESTOR – ALAN BROCHSTEIN, CFA:

I have spent decades inside the investment industry. Prior to earning my CFA charter in 1997, I worked in NYC for Kidder, Peabody, & Co. in bonds from 1986 to 1992. In 1992, I joined First Boston's investment management subsidiary before becoming a portfolio manager with Criterion Investment Management in 1994 —co-managing $10 billion in fixed-income investments. In 2000, I made the move to stocks, joining a small firm in Houston as an analyst and portfolio manager. I remained at the firm, which grew to $550mm in assets under management, until 2006, when I left to form my own business, AB Analytical Services—working as a research consultant for several investment advisors.

In 2008, I began offering Invest By Model, a model portfolio service, to individual investors. I met Marketfy in 2013 and created The Analytical Trader, a service focused on providing swing-trading ideas. Both of these services delivered strong performance. I also became a leading contributor to Seeking Alpha.

After seeing a strong need for more investor transparency among cannabis companies in early 2013, I launched 420 Investor— a service committed to providing real-time, objective information about the top marijuana companies in the market. 420 Investor has evolved into a collaborative due diligence platform, and I am proud to lead our efforts. I also am responsible for 420 Funders, which is focused on connecting private companies or public companies issuing private securities with accredited investors.

In the process of launching the 420 Investor, I became a much-needed ally to marijuana investors, being hailed as a leading authority in the industry as I developed a network of investors and industry professionals. In early 2014, I exited all of my other business in order to focus exclusively on the cannabis sector. I have supported marijuana legalization since 1980, when I became active in the Libertarian Party. I currently sponsor Americans for Safe Access, the Drug Policy Alliance, the Marijuana Policy Project , the National Cannabis Industry Association, NORML, Students for Sensible Drug Policy, and Women Grow.

Follow Alan on Twitter: http://www.twitter.com/Invest420
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The 420 Investor Newsletter is available via annual subscription ($99/yr) and is included as part of the monthly ($42/mo) or the annual ($420/yr) 420 Investor VIP subscription.

This edition of the 420 Investor Newsletter is dedicated to the memory of Mike "MJMoneyMan" Ginocchi, who passed away in July. Mike, one of the early members of our community, was a passionate advocate for legalized cannabis. I was fortunate to have met Mike in person last year in Denver. We will miss him!